

PUBLIC NOTICE

DEVELOPMENT CORPORATION OF ABILENE, INC.

A regular meeting of the Development Corporation of Abilene, Inc. will be held on Tuesday, October 30, 2012, in the Abilene Life Sciences Accelerator, 1325 Pine St., Abilene, Texas, commencing at 1:30 p.m. to consider the following agenda:

SIGNED:



Richard Burdine, Asst. City Manager for Economic Development

AGENDA

October 30, 2012
1:30 p.m.

Abilene Life Sciences Accelerator
1325 Pine St.

1. Call the meeting to order.
2. Approval of minutes from the October 9, 2012, board meeting.
3. Sales tax report for October 2012.
4. Executive Session: Pursuant to Tex. Gov't Code Sec. 551.087, an executive session may be held (1) to discuss or deliberate regarding commercial or financial information that the governmental body has received from a business prospect that the governmental body seeks to have locate, stay, or expand in or near the territory of the governmental body and with which the governmental body is conducting economic development negotiations; or (2) to deliberate the offer of a financial or other incentive to a business prospect described by Subdivision (1). After discussion in executive session, any action or vote will be taken in public.

Pursuant to Tex. Gov't Code Sec. 551.072, an executive session may be held to discuss the possible exchange, lease, or value of real property associated with a project to be funded by the DCOA since deliberation in open session would have a detrimental effect on the DCOA's negotiations with a third party. After discussion in executive session, any action or vote will be taken in public.

Pursuant to Tex. Gov't Code Sec. 551.071, an executive session may be held to consult with the DCOA attorney regarding pending or contemplated litigation or a settlement offer regarding DCOA funded projects or on a matter in which the duty of the attorney to the governmental body under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with Chapter 551 of the Government Code. After discussion of the contemplated legal matters in executive session, any action or vote will be taken in public.

5. Discussion and possible approval of a resolution authorizing FY13 funding for the Texas Manufacturing Assistance Center (TMAC).
6. Discussion and possible approval of a resolution authorizing contracts and funding for renovation of the vacant offices and warehouse space at 4109 Vine, plus a contract and funding

for repairs to the facility at 4125 Vine occupied by Ryder Trucks.

7. Adjournment.

CERTIFICATE

I hereby certify that the above notice of meeting was posted on the bulletin board at the City Hall of Abilene, Texas, on the _____ day of _____, 2012, at _____.

City Secretary

NOTICE

Persons with disabilities who would like special assistance or need special accommodations to participate in this meeting should contact Department of Economic Development, (325) 676-6390, at least forty-eight (48) hours in advance of this meeting. Telecommunication device for the deaf is (325) 676-6360.

**DEVELOPMENT CORPORATION OF ABILENE, INC.
BOARD MEETING MINUTES
OCTOBER 9, 2012**

MEMBERS PRESENT: Paul Cannon Mike Schweikhard
Scott Senter Marelyn Shedd
Dani Ramsay

STAFF PRESENT: Richard Burdine Kim Tarrant
Dan Santee Mike Rains

GUESTS PRESENT: John Mangavonzo, Abilene Reporter-News

1. **CALL TO ORDER.** President Paul Cannon called the meeting to order at 1:30 p.m. in the conference room of the Abilene Life Sciences Accelerator, 1325 Pine Street, Abilene, Texas.
2. **APPROVAL OF MINUTES FROM THE AUGUST 28, 2012, BOARD MEETING.** Scott Senter moved to approve the minutes from the August 28, 2012 board meeting. Mike Schweikhard seconded and the motion carried.
3. **SALES TAX REPORT FOR SEPTEMBER 2012 AND STATUS OF FUNDS REPORT FOR AUGUST 2012.** Mike Rains reported the sales tax rebate for September for economic development was \$800,200 which represents July sales. This is 0.13% above last year and 12.10% higher than last year for the period of October through September. Total assets were \$66.2 million with \$39.5 million of that in fixed assets. Funds reserved for external contractual obligations totaled \$14.1 million. There was \$373,526 reserved for internal obligated programs, and the undesignated fund balance totaled \$18 million. Revenues for August totaled nearly \$1 million. Major expenditures in August include \$297,600 for the TTU HSC Research project; \$53,298 for the Vine St. Warehouse fire safety improvements project, and \$32,610 for the Vine St. construction project, with monthly revenues totaling \$585,883.
4. **EXECUTIVE SESSION 1.** I hereby announce we are going into Executive Session pursuant to Texas Government Code Sections 551.071, .072, and .087 to consult with our legal counsel, discuss real property transactions, and discuss economic development negotiations involving a business prospect, as set forth on the agenda. Any vote or action will be taken in open session.

President Paul Cannon announced the date is October 9, 2012, and the time is 1:41 p.m. President Paul Cannon later announced the date is still October 9, 2012, and the time is 1:51 p.m. No vote or action was taken in Executive Session 1.

5. **DISCUSSION AND POSSIBLE APPROVAL OF A RESOLUTION AUTHORIZING AN AGREEMENT FOR PROFESSIONAL SERVICES INCLUDING A REGIONAL BIOTECH ASSET INVENTORY, A COMPETITIVE ANALYSIS AND SURVEY OF BIOTECH SERVICE PROVIDERS, AND A MARKETING AND PUBLIC RELATIONS PLAN OUTLINE.** The DCOA is pursuing opportunities to work more closely with the Texas Tech University Health Sciences Center School of Pharmacy (TTUHSC SOP) and its Center of Excellence for Immunotherapeutic Research and Product Development to provide biotechnology services to private companies. A critical element of the strategic planning is a thorough understanding of the competitive environment in which these services would be offered.

Staff solicited and received a proposal from Lee Ann Woods entitled *Initiative: Life Sciences Industry Asset Inventory, Competitive Analysis & Outline Plan*. Ms. Woods is a respected professional who has performed this kind of work and has extensive contacts in competing cities and state government. The objective is to complete the work outlined in her proposal by the end of 2012.

Mr. Burdine briefly reviewed the scope of Ms. Woods' proposal which requires funding of \$10,000 plus \$4,000 for expenses. Some discussion followed.

Scott Senter moved to approve Resolution No. DCOA-2013.01 as presented. Dani Ramsay seconded and the motion carried.

EXECUTIVE SESSION 2. I hereby announce we are going into Executive Session pursuant to Texas Government Code Sections 551.071, .072, and .087 to consult with our legal counsel, discuss real property transactions, and discuss economic development negotiations involving a business prospect, as set forth on the agenda. Any vote or action will be taken in open session.

President Paul Cannon announced the date is October 9, 2012, and the time is 2:01 p.m. President Paul Cannon later announced the date is still October 9, 2012, and the time is 3:23 p.m. No vote or action was taken in Executive Session 2.

6. **ADJOURNMENT.**

Paul Cannon, President

MEMORANDUM

October 10, 2012

TO: Larry D. Gilley, City Manager
FROM: Mindy Patterson, Director of Finance
SUBJECT: October Sales Tax

The sales tax rebate for October is \$3,423,472.40 which represents August sales. This is 3.88% below last year; however it is 5.06% above the projected FY 13 budget amount. The breakdown of the October rebate is \$2,567,604.30 to the General Fund and \$855,868.10 for economic development. Of this rebate, \$120,717 is from prior periods, audit payments, future payments, and unidentified payments. This is the first rebate for our 2012-13 fiscal year. I have requested the detail from the state.

Should you have any questions, please contact me.

MP:ls

cc: Richard Burdine, Assistant City Manager
David Vela, Deputy City Manager

**CITY OF ABILENE
SALES TAX COMPARISON**

Accounting Period Month	GENERAL FUND	ECONOMIC DEVELOPMENT	TOTAL	GENERAL FUND	ECONOMIC DEVELOPMENT	TOTAL
	Actual 2011-12	Actual 2011-12		Actual 2012-13	Actual 2012-13	
October	\$2,671,157.84	\$890,385.94	\$3,561,543.78	\$2,567,604.30	\$855,868.10	\$3,423,472.40
YTD	\$2,671,157.84	\$890,385.94	\$3,561,543.78	\$2,567,604.30	\$855,868.10	\$3,423,472.40
November	2,894,423.44	964,807.81	3,859,231.25			
December	2,175,827.99	725,276.00	2,901,103.99			
January	2,823,199.08	941,066.36	3,764,265.44			
February	3,527,637.94	1,175,879.31	4,703,517.25			
March	2,196,565.64	732,188.54	2,928,754.18			
April	2,307,190.75	769,063.58	3,076,254.33			
May	2,932,384.19	977,461.40	3,909,845.59			
June	2,300,833.44	766,944.48	3,067,777.92			
July	2,270,657.66	756,885.89	3,027,543.55			
August	2,760,289.25	920,096.42	3,680,385.67			
September	2,400,600.79	800,200.26	3,200,801.05			
FY TOTAL	<u>\$31,260,768.01</u>	<u>\$10,420,255.99</u>	<u>\$41,681,024.00</u>			

NOTE: Report reflects the month sales tax is received from Austin. Revenue is recorded on this basis for budgetary purposed.

The Comprehensive Annual Financial Report (CAFR) will reflect revenue based upon the month the sales tax is paid by the vendor in accordance with GASB 33 requirements.

DEVELOPMENT CORPORATION OF ABILENE, INC.
1/2 CENT SALES TAX REVENUE
Monthly and Year-to-Year Comparisons

Accounting Period Month	Actual 2011-12	Actual 2012-13	% Change
October	\$890,386	\$855,868	-3.88%
YTD	\$890,386	\$855,868	-3.88%
November	964,808		
December	725,276		
January	941,066		
February	1,175,879		
March	732,189		
April	769,064		
May	977,461		
June	766,944		
July	756,886		
August	920,096		
September	800,200		
FY TOTAL	<u><u>\$10,420,256</u></u>		

Note: Report reflects the month sales tax is received from Austin.
Revenue is recorded on this basis for budgetary purposes.

The Comprehensive Annual Financial Report (CAFR) will reflect revenue based upon the month the sales tax is paid by the vendor in accordance with GASB 33 requirements.

Revenue for October '12 represents August '12 sales. Approximately \$30,179 of the rebate is from prior periods, audit, and future payments.

Audit Payments: Larger businesses submit sales tax collections to the State Comptroller every month and smaller ones either quarterly or annually. The Comptroller audits the books of these businesses on a four year cycle to determine if sales tax was collected on all taxable sales. Audit collections represent the sales tax revenue from prior sales and submitted or refunded subsequent to the audit.

DEVELOPMENT CORPORATION OF ABILENE, INC.
1/2 CENT SALES TAX REVENUE
Five Year Comparison

Accounting Period Month	Actual 2008-09	Actual 2009-10	Actual 2010-11	Actual 2011-12	Actual 2012-13
October	\$703,442	\$671,904	\$661,859	\$890,386	\$855,868
November	893,442	758,231	774,838	964,808	
December	707,339	602,230	647,119	725,276	
January	660,623	594,761	693,114	941,066	
February	955,889	898,241	978,890	1,175,879	
March	602,464	618,659	646,308	732,189	
April	616,560	601,410	641,310	769,064	
May	793,424	814,964	948,413	977,461	
June	653,711	612,963	741,634	766,944	
July	598,036	660,806	749,767	756,886	
August	799,090	829,188	1,013,393	920,096	
September	653,828	649,391	799,173	800,200	
FY TOTAL	<u><u>\$8,637,848</u></u>	<u><u>\$8,312,748</u></u>	<u><u>\$9,295,819</u></u>	<u><u>\$10,420,256</u></u>	<u><u>\$855,868</u></u>

Note: Report reflects the month sales tax is received from Austin.
Revenue is recorded on this basis for budgetary purposes.

The Comprehensive Annual Financial Report (CAFR) will reflect
revenue based upon the month the sales tax is paid by the vendor
in accordance with GASB 33 requirements.

DEVELOPMENT CORPORATION OF ABILENE, INC.

BOARD AGENDA

MEETING DATE: October 30, 2012

PROJECT: Texas Manufacturing Assistance Center Request for FY13 Funding

STAFF: Richard Burdine, CEO

GENERAL INFORMATION:

The Texas Manufacturing Assistance Center (TMAC) exists to increase the global competitiveness of the Texas economy by working with the extended manufacturing enterprise. TMAC delivers training and hands-on technical assistance to a wide range of businesses, including manufacturing, government, and health care. They have a wide array of services that improve efficiency, quality, and productivity. Focus areas include Lean Enterprise, technology solutions, strategic management, quality systems, environment and safety.

Particular emphasis is placed on the needs of small to mid-sized manufacturers. Focus areas include lean manufacturing and lean office principles, strategic management, quality systems, environmental and safety.

TMAC is an affiliate of the Manufacturing Extension Partnership (MEP) program of National Institute of Standards and Technology (NIST). The program is hosted by seven partner institutions: Texas Engineering Extension Service (TEEX), University of Texas at Arlington, University of Texas at El Paso, University of Houston, Southwest Research Institute, Texas Tech University, and University of Texas-Pan American. The TMAC West Texas is located in Lubbock and is affiliated with Texas Tech University. TMAC West Texas reports to the V.P. of Research and Graduate Services and is associated with the Small Business Development Center (SBDC) system.

In June 2004, the board approved total funding of \$60,000 to cost-share for TMAC services with local manufacturers. The funding was to extend through FY06, and was limited to \$7,500 per manufacturer per year. A total of \$40,925 was funded and the remainder was unencumbered. In September 2006, another \$60,000 was approved for FY07 through FY09, but the funding ran out by the end of 2008. In October 2008, the board approved another \$60,000 through FY11 at the same \$7,500/company/year rate.

TMAC's typical program included 2 days of training. They concluded in 2010 that about half of the companies served had difficulty initiating the agreed upon changes to operating procedures within that time, so they have added a 3rd "jump start" day to help companies begin transformation immediately. It also gives the companies the much-needed initiation phase so they can sustain improvement. They have tested the "jump start" approach and determined that it substantially improves implementation, quality and speed. In July of 2011, TMAC requested the DCOA amend the agreement with \$34,000 remaining to allow assistance for 3 companies through September 2011 at the increased rate of \$11,000/company for the new 3-day program. TMAC also requested the board approve renewing its commitment at the new rate of up to \$11,000/company/year. The board approved resolution DCOA-2011.20 authorizing a one year

contract through September 2012 and funding of \$88,000 paid at \$11,000/manufacture. Three manufacturers were assisted in FY12 leaving an unfunded balance of \$55,000, which has been released from encumbrance.

THE REQUEST:

Issues faced during FY12 include a staff retirement and a staff resignation, the Midland/Odessa area companies required long-term engagements, and the Dept. of Commerce/NIST required Innovation Engineering training of all personnel. Therefore, TMAC contracted during FY12 to assist only 3 companies (Tige Boats, Robinson Fans, and Coca Cola Enterprises), spending \$33,000 of the available \$88,000.

Innovation Engineering will help companies develop new products faster and cheaper, sift through internal product ideas more efficiently, and speed technology transfer through the National Innovation Marketplace System (NIMS). Another new initiative is the Family Business Advisor Program, which will help family-owned and operated businesses transition successfully from one generation to the next. This program will use a team of local professionals such as estate planners, tax accountants and attorneys and could result in an engagement period of 1 to 5+ years.

TMAC is requesting the DCOA consider funding for FY13 in the amount of \$110,000 payable at up to \$11,000/company for the 3-day “jump start” program. TMAC also requests the option to return to the DCOA for additional funding on a case-by-case basis for companies that qualify for the new Innovation Engineering and/or Family Business Advisor Programs. These programs will require a longer engagement period, but could result in significant improvements in productivity and profitability.

FUNDING/FISCAL IMPACT:

\$110,000 through 9-30-13 limited to \$11,000/company/year.

STAFF RECOMMENDATION:

Staff recommends approval of Resolution DCOA-2013.02 authorizing a renewal contract and funding in the amount of \$110,000 to continue supporting TMAC in assisting Abilene manufacturers through FY13.

ATTACHMENT:

Resolution DCOA-2013.02

Below is a summary of all the companies assisted with DCOA funding:

Company	Amt. of Assistance	TMAC assistance provided
Red’s Satellite Service (assisted in ’05 & ’07)	\$14,975	’05-Safety training for OSHA compliance, development of safety manual and procedures; ’07-Drug testing, pulmonary function testing of sandblasters, safety training for OSHA compliance, updating Employee Manual for OSHA compliance
Ab-Tex Beverage (assisted in ’05 & ’07)	\$14,950	’05-Safety training; ’07-DOT training, safety training for OSHA compliance, updating Employee Manual for OSHA compliance
Mrs. Baird’s Bread (assisted in ’06 & ’07)	\$14,500	’06-Safety training, forklift operator certification, scissor lift operator, and fall protection.

'09)		'09-Principals of Lean Manufacturing and Value Stream Mapping training.
Hartmann's, Inc.	\$4,000	'06-Enhanced order tracking software and SIO 9000 systems
Union Drilling	\$7,500	'06-Safety training (i.e. fire protection, fall protection, lifting techniques, good housekeeping bloodborne pathogens, forklift operating)
Ringo Drilling	\$7,500	'06-Safety training (i.e. fire protection, fall protection, lifting techniques, good housekeeping bloodborne pathogens, forklift operating)
E. C. Tool	\$7,500	'07-Safety training for OSHA compliance
Fehr Foods	\$7,500	'07-Safety training
Coca Cola Enterprises	\$18,500	'08-Development of purchasing management software '12-Operations and Energy user Evaluation of Abilene plant
Bandag (assisted in '08 & twice in '09)	\$22,500	'08-Introduction to Process Auditing Approach for 8 attendees. '09-Lean & Six Sigma Fundamentals training, and Lean Manufacturing and Value Stream Mapping training.
Tige Boats (assisted in '08 & '12)	\$18,500	'08-Safety and Haz-Mat training, '12-Principles of Lean Enterprise and Value Stream Mapping
Zoltek	\$7,500	'09-Lean Manufacturing training
Clear Fork, Inc.	\$3,500	'10-Petroleum Education Council basic orientation training.
Broadwind Towers	\$11,000	'11-Principles of Lean Enterprise and Value Stream Mapping
Robinson Fans	\$22,000	'11-Lean Production Systems '12-Principles of Lean Enterprise and Value Stream Mapping
Texas Aerospace	\$11,000	'11-Lean production Systems
TOTAL	\$192,925	

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RESOLUTION NO. DCOA-2013.02

A RESOLUTION OF THE DEVELOPMENT CORPORATION OF ABILENE, INC. (DCOA), ABILENE, TEXAS AUTHORIZING NEW FUNDING FOR THE TEXAS MANUFACTURING ASSISTANCE CENTER (TMAC) TO PROVIDE TRAINING FOR ABILENE MANUFACTURERS THROUGH FISCAL YEAR 2013.

WHEREAS, the purpose of the DCOA is to expand employment opportunities for the citizens of Abilene; and,

WHEREAS, TMAC has provided services designed to enhance the competitive position of the state's manufacturing sector since 1995 and exists to increase the global competitiveness of the Texas economy by working with the extended manufacturing enterprise; and,

WHEREAS, TMAC delivers training and hands-on technical assistance to a wide range of businesses, including manufacturing, government, and health care and has a wide array of services that improve efficiency, quality, and productivity; and,

WHEREAS, in June 2004, the DCOA approved resolution DCOA-2004.24 which authorized \$60,000 through FY06 funded at \$7,500/company/fiscal year for a 2-day training program; and,

WHEREAS, in September 2006, the DCOA approved resolution DCOA-2006.21 authorizing an additional \$60,000 through FY09 funded at \$7,500/company/fiscal year for a 2-day training program; and,

WHEREAS, in October 2008, the DCOA approved resolution DCOA-2009.02 which authorized an additional \$60,000 through FY11 funded at \$7,500/company/fiscal year for a 2-day training program; and

WHEREAS, in July 2011, the DCOA approved resolution DCOA-2011.20 authorizing a contract for FY12 and \$88,000 paid at up to \$11,000/company for a newly extended 3-day program;

WHEREAS, TMAC requests funding for FY13 of \$110,000 payable at up to \$11,000/company.

NOW THEREFORE, BE IT RESOLVED BY THE DEVELOPMENT CORPORATION OF ABILENE, INC., ABILENE, TEXAS, THAT:

PART 1. DCOA authorizes a new FY13 agreement with TMAC for services to local manufacturers in the amount of One Hundred Ten Thousand and No/100's Dollars (\$110,000) through September 30, 2013. Funding will continue to be limited to \$11,000/manufacturer/year.

DCOA also grants TMAC the option to return to the board for additional funding on a case-by-case basis for companies that qualify for the new Innovation Engineering and/or Family Business Advisor Programs, which

typically require a longer engagement period. There is no guarantee the DCOA will provide funding for those programs when and if TMAC presents a request.

PART 2. Funding under this resolution is contingent upon execution of all necessary agreements. The funding commitment authorized under this resolution shall expire without notice 180 days from the date of adoption of same unless all required documents and agreements are executed prior to that expiration date or the commitment herein is extended in writing by the DCOA.

PART 3. The Chief Executive Officer of the Development Corporation of Abilene, Inc. is hereby authorized to negotiate, enter into and execute any contract and all other related documents on behalf of the DCOA.

ADOPTED this the 30th day of October, 2012.

ATTEST:

Marelyn Shedd
Secretary/Treasurer

Paul Cannon
President

APPROVED:

T. Daniel Santee, City Attorney

DEVELOPMENT CORPORATION OF ABILENE, INC.

BOARD AGENDA

MEETING DATE: October 30, 2012

PROJECT: Vine St. Offices and Warehouse Renovations and Repairs to Ryder Trucks Building

STAFF: Richard Burdine, CEO

BACKGROUND

The DCOA-owned building at 4109 Vine consists of 3 large connecting warehouses and adjoining offices. Staff has worked to clean up the property and make it ready to lease again, including removal of two underground fuel storage tanks. Ryder Trucks currently leases the separate structure at 4125 Pine. Fehr Foods is leasing Warehouse A (70,000 sq ft) at 4009 Vine, and the adjoining Warehouse B (42,362 sq ft), paying monthly rent of \$1.67/sq ft/year. The remainder of the space (offices and Warehouses C and D) remains vacant.

On December 16, 2011, DCOA approved resolution DCOA-2012.05 authorizing a contract with Hendrix Electric and funding of \$52,677 to upgrade the lighting in Warehouses B, C, D and the Ryder building. In exchange, the DCOA received an incentive payment of \$8,844 from AEP via its Commercial Solutions Program to improve energy efficiency of business facilities. The project is complete and the lighting in the warehouses is dramatically improved.

On January 31, 2012, the DCOA approved resolution DCOA-2012.10 authorizing a contract with J.H. Strain & Sons and funding of \$160,580 to rebuild the parking lot at 4109 Vine St. The project is complete.

On February 27, 2012, the DCOA approved by oral resolution a contract with Coker Engineering to design a new dry pipe system for Warehouses C & D and the offices and funding of \$6,400 plus a contract with Jacob & Martin and funding of \$25,300 to prepare construction documents showing alterations required to satisfy TAS (Texas Accessibility Standards) for building access and restrooms and compliance with building codes.

On March 13, 2012, DCOA approved resolution DCOA-2012.15 authorizing \$100,489 plus contracts for: 1) lighting demo and reinstall-\$20,777, 2) fire sprinkler piping demo in Warehouse D-\$1,462, 3) demo of temporary structures in both warehouses-\$7,500, 4) fire riser room asbestos abatement and demo-\$2,150, 5) abatement consulting for the riser room demo-\$1,150, 6) removal and disposal of ceiling panels in Warehouse D-\$59,950, and 7) contingency for unknowns-\$7,500. All of the above listed work was completed.

On May 22, 2012, DCOA approved resolution DCOA-2012.20 authorizing a contract and funding of \$256,775 plus contingency of \$12,840 for the fire suppression rebuild in Warehouses C & D and the upper office area. Also approved was an additional \$30,000 for more interior demo work required to prepare for renovation. All of the work was completed.

Below is a summary of the funding approved and spent thus far:

Description	Amt Approved	Amt Spent	Difference	Reason for Overage
Warehouse lighting upgrades	\$52,677	\$55,457	(\$2,780)	21 light fixtures had to be raised
Parking lot rebuild	\$160,580	\$160,580	\$0	
Design services-fire suppression and renovation	\$31,700	\$40,990	(\$9,290)	Addn'l services required for changes to original design scope
Demo and asbestos abatement	\$130,489	\$121,699	\$8,790	
Fire suppression rebuild	\$269,615	\$277,075	(\$7,460)	Replacement of fire line from street to bldg
TOTAL	\$645,061	\$655,801	(\$10,740)	

The fire line running from Vine St. to the riser room of the building was tested and would not hold pressure. We discovered several leaks in the line and had to replace the entire length of pipe. The leaks were also causing problems with the new asphalt installed in the parking lot.

Several businesses have expressed an interest in renting office space in the building. A lease for the approximately 1 acre triangular piece of land at the southern tip of this property was recently executed with Gotta Go Trailways to park and store their six touring motor coaches. Gotta Go Trailways pays \$100/month and will also lease two offices in the main building when renovations are complete. The only access to the lease area is through the parking area for the lease with Ryder Trucks; therefore a driveway from Vine St. to the lease area is most suitable for both tenants.

THE REQUEST

Staff received written bids for renovation work required to bring the building up to code on October 17, 2012, including plumbing, electrical, mechanical, flooring, general trade work, some demolition, concrete, and wall covering and paint. Bids did not include roof repairs or millwork. Bids for the various components of the project were solicited separately with the intention that our two Construction Project and Property Managers would act as the general contractor to save money on the overall project. Staff is reviewing the bids and I will present those along with a recommendation during the board meeting.

The lease agreement with Ryder Trucks requires repairs to the roof, replacement of broken skylights, repairs to the truck wash bay overhead door and replacement of corroded metal on exterior walls of the wash bay. Bids were solicited for the repairs and Thomas Hicks Construction is the only responsible bidder at a total cost of \$9,030.

Other costs unknown to us at this time include:

1. Design work and construction of a driveway from Vine St. to the leased lot for Gotta Go Trailways – estimates are being gathered.
2. Roof repairs and installation of a roof access device in Warehouses C & D – estimates are being gathered.
3. Millwork for the office area, including cabinets for the break room.
4. Separation of the telecommunications demarcation points for 4125 Vine (Ryder Trucks building) and 4009 Vine (Fehr Foods warehouses) from the master demarcation point for

4109 Vine. The demarcation point, or demarc, is the point at which the telephone company's wiring ends and the customer's wiring begins.

Staff requests the DCOA approve contracts and funding as follows:

1. \$10,740 for expense overages as described above for work done in preparation for renovations.
2. \$9,030 plus \$1,000 contingency (total of \$10,030) for a contract with Thomas Hicks Construction for repairs to the Ryder Trucks building.

A recommendation and possible request for additional funding and contracts for renovation work will be presented to the board during the meeting.

FISCAL IMPACT

Expense overage for work performed in preparation for renovations	\$10,740
Contract for repairs to Ryder Trucks building	<u>\$10,030</u>
TOTAL	\$20,770

STAFF RECOMMENDATION

Staff recommends the DCOA approve resolution DCOA-2013.03 authorizing \$10,740 for expense overages for work done in preparation for renovations to the Vine St. warehouses and offices, plus \$10,030 for a contract for repairs to the Ryder Trucks building at 4125 Vine St.

ATTACHMENTS

Resolution DCOA-2013.03

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RESOLUTION NO. DCOA-2013.03

A RESOLUTION OF THE DEVELOPMENT CORPORATION OF ABILENE, INC. (DCOA), ABILENE, TEXAS AUTHORIZING FUNDS FOR EXPENSE OVERAGES ASSOCIATED WITH WORK DONE INPREPARATION FOR RENOVATIONS AT 4109 VINE ST., AND FUNDING AND CONTRACT FOR REPAIRS TO THE RYDER TRUCKS BUILDING AT 4125 VINE ST.

WHEREAS, the DCOA-owned building at 4109 Vine consists of 3 large connecting warehouses and adjoining offices; and,

WHEREAS, the DCOA approved in various resolutions during 2011 and 2012 contracts and funds to perform lighting upgrades, parking lot rebuild, limited interior demolition work, asbestos abatement, and installation of a new dry-pipe fire suppression system in Warehouses C and D and the office area, all in preparation for renovations to bring the structures up to code and ready for occupancy; and,

WHEREAS, unexpected expenses during the process of preparing the property for renovations resulted in unanticipated expenses of \$10,740; and,

WHEREAS, the building currently leased by Ryder Trucks at 4125 Vine St. requires roof repairs, new skylights and sheet metal repairs at a total cost of \$9,030; and,

WHEREAS, staff requests the DCOA approve additional funding of \$10,740 for unanticipated expenses associated with preparing the property for renovations, and a contract with Thomas Hicks Construction and funding of \$9,030 plus \$1,000 for contingency to make the needed repairs to the Ryder Trucks building.

NOW THEREFORE, BE IT RESOLVED BY THE DEVELOPMENT CORPORATION OF ABILENE, INC., ABILENE, TEXAS, THAT:

PART 1. DCOA hereby authorizes funding of Ten Thousand Seven Hundred Forty and no/100's Dollars (\$10,740.00) for unanticipated expenses associated with work done in preparation for renovations to the offices and Warehouses C and D at 4109 Vine St.

Also approved is a contract with Thomas Hicks Construction for repairs to the Ryder Trucks building at 4125 Vine St. and funding of Nine Thousand Thirty and no/100's Dollars (\$9,030.00) plus a contingency of One Thousand and no/100's Dollars (\$1,000) for total funding of \$10,030.

PART 2. Funding under this resolution is contingent upon execution of all necessary agreements. The funding commitment authorized under this resolution shall expire without notice 180 days from the date of adoption of same unless all required documents and agreements are executed prior to that expiration date or the commitment herein is extended in writing by the DCOA.

PART 3. The Chief Executive Officer of the Development Corporation of Abilene, Inc. is hereby authorized to negotiate, enter into and execute a final contract and all other related documents on behalf of the DCOA.

ADOPTED this the 30th day of October, 2012.

ATTEST:

Marelyn Shedd
Secretary/Treasurer

Paul Cannon
President

APPROVED:

T. Daniel Santee, City Attorney

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