

**PUBLIC NOTICE**

DEVELOPMENT CORPORATION OF ABILENE, INC.

A regular meeting of the Development Corporation of Abilene, Inc. will be held on Tuesday, April 30, 2013, in the Abilene Laboratories, 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**

April 30, 2013  
1:30 p.m.

Abilene Laboratories  
1325 Pine St.

1. Call the meeting to order.
2. Approval of minutes from the April 2, 2013, board meeting.
3. April 2013 Sales Tax report and March 2013 Status of Funds report.
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 assistance for Project RN.
6. Discussion and possible approval of a resolution authorizing funding to finish-out space in Warehouse C at 4109 Vine St. for Fehr Foods.

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 \_\_\_\_\_, 2013, 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**  
**APRIL 2, 2013**

**MEMBERS PRESENT:** Paul Cannon Scott Senter  
Dani Ramsay Marelyn Shedd  
Dave Copeland

**STAFF PRESENT:** Richard Burdine Kim Tarrant  
Mindy Patterson

**GUESTS PRESENT:** Bill Ehrie, Abilene Industrial Foundation  
John Mangalonzo, Abilene Reporter-News  
Mike Schweikhard, Atmos Energy  
Lee Ann Woods, Consultant

1. **CALL THE MEETING TO ORDER.** President Paul Cannon called the meeting to order at 1:39 p.m. in the conference room of the Abilene Laboratories, 1325 Pine Street, Abilene, Texas.
2. **APPROVAL OF MINUTES FROM THE FEBRUARY 26, 2013, BOARD MEETING.** Dave Copeland moved to approve the minutes from the February 26, 2013 board meeting. Dani Ramsay seconded and the motion carried.
3. **MARCH 2013 SALES TAX REPORT AND PRELIMINARY STATUS OF FUNDS REPORT FOR FEBRUARY 2013.** Mindy Patterson, Director of Finance reviewed the reports. The total City sales tax rebate for March is \$3,286,116, which represents January sales. This amount is 12.20% above last year and 16.71% above the projected FY13 budget amount. The breakdown is \$2,464,587 to the General Fund and \$821,529 for economic development. For the period October 2012 through March 2013, sales tax revenue is 6.37% below last year and 4.02% above the projected FY 13 budget amount. Ms. Patterson went on to point out that Abilene's increase in sales tax revenue is consistent with the state's increase of 11.5% and with other Texas cities (Amarillo, Midland, Lubbock, and Plano) for this time of year.

In addition to sales tax, another major source of revenue in February was a reimbursement of the HUD EDI grant in the amount of \$264,308 for equipment at the Life Sciences Accelerator. Aside from routine monthly expenses, several major expenses in February include the following: \$90,550 in job creation incentives to Teleperformance for the TXU contract; \$15,000 to West Texas Innovation Network in support of fiscal years 2011 through 2013; \$108,575 for Vine Street demolition and construction; and \$107,946 for Pactiv's compressor relocation construction project.

4. **PRESENTATION OF CERTIFICATE OF APPRECIATION TO FORMER DCOA BOARD MEMBER MIKE SCHWEIKHARD.** President Paul Cannon presented a Certificate of Appreciation to former DCOA Board member, Mike Schweikhard on behalf

of the DCOA and the City of Abilene, signed by Mayor Norm Archibald. Mr. Schweikhard faithfully served the DCOA and the City of Abilene for 6 years (two full terms) and served as Vice President of the DCOA for most of that time. Mr. Cannon then expressed his own appreciation to Mr. Schweikhard for his service on the DCOA Board. Mr. Schweikhard thanked the Board for the Certificate of Appreciation and stated that it had been a great opportunity to learn and a fun experience.

5. **EXECUTIVE SESSION.** 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 April 2, 2013, and the time is 1:50 p.m. Later, President Paul Cannon announced the date is still April 2, 2013, and the time is 3:28 p.m. No vote or action was taken in Executive Session.

6. **ADJOURNMENT.** The next DCOA Board meeting will be April 9, 2013.

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Paul Cannon, President

**MEMORANDUM**

April 10, 2013

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

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The sales tax rebate for April is \$3,203,852.75 which represents February sales. This is 4.15% above last year and 9.68% above the projected FY 13 budget amount. The breakdown of the April rebate is \$2,402,889.56 to the General Fund and \$800,963.19 for economic development. Of this rebate, \$251,068 is from prior periods, audit payments, future payments, and unidentified payments. For the period of October through April, sales tax is 5.06% below last year and 4.76% above the projected FY 13 budget amount. 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
November	2,894,423.44	964,807.81	3,859,231.25	2,675,867.12	891,955.71	3,567,822.83
December	2,175,827.99	725,276.00	2,901,103.99	2,319,312.29	773,104.09	3,092,416.38
January	2,823,199.08	941,066.36	3,764,265.44	2,186,131.29	728,710.43	2,914,841.72
February	3,527,637.94	1,175,879.31	4,703,517.25	3,038,055.04	1,012,685.01	4,050,740.05
March	2,196,565.64	732,188.54	2,928,754.18	2,464,587.05	821,529.01	3,286,116.06
April	2,307,190.75	769,063.58	3,076,254.33	2,402,889.56	800,963.19	3,203,852.75
<b>YTD</b>	<b>\$18,596,002.68</b>	<b>\$6,198,667.54</b>	<b>\$24,794,670.22</b>	<b>\$17,654,446.65</b>	<b>\$5,884,815.54</b>	<b>\$23,539,262.19</b>
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			
<b>FY TOTAL</b>	<b>\$31,260,768.01</b>	<b>\$10,420,255.99</b>	<b>\$41,681,024.00</b>			

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%
November	964,808	891,956	-7.55%
December	725,276	773,104	6.59%
January	941,066	728,710	-22.57%
February	1,175,879	1,012,685	-13.88%
March	732,189	821,529	12.20%
April	769,064	800,963	4.15%
YTD	\$6,198,668	\$5,884,816	-5.06%
May	977,461		
June	766,944		
July	756,886		
August	920,096		
September	800,200		
FY TOTAL	\$10,420,256		

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 April '13 represents February '13 sales. Approximately \$62,767 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	891,956
December	707,339	602,230	647,119	725,276	773,104
January	660,623	594,761	693,114	941,066	728,710
February	955,889	898,241	978,890	1,175,879	1,012,685
March	602,464	618,659	646,308	732,189	821,529
April	616,560	601,410	641,310	769,064	800,963
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	
<b>FY TOTAL</b>	<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>\$5,884,816</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.



CITY OF ABILENE, TEXAS

DEVELOPMENT CORPORATION OF ABILENE, INC.

Balance Sheet

March 31, 2013

**ASSETS:**

Cash and Investments	\$16,800,507
Notes receivable	17,105,458
Accounts receivable	35,293
Due from other governments	1,738,931
Prepaid Expense	130
Total Current Assets	<u>\$35,680,319</u>

**OTHER ASSETS:**

Fixed assets	
Land	\$1,529,724
Construction in Progress	\$2,610,279
Buildings & Improvements	\$27,479,023
Improvements other than Buildings	\$9,965,830
Leasehold improvements	\$1,366,201
Machinery & Equipment	\$310,099
Vehicles	\$18,011
Accumulated depreciation	<u>(6,814,309)</u>
Total Other Assets	<u>36,464,858</u>
TOTAL ASSETS	<u><u>\$72,145,177</u></u>

**LIABILITIES:**

Accounts payable	<u>\$49,802</u>
Total Liabilities	<u>\$49,802</u>

**FUND BALANCES:**

Investment in general fixed assets	\$36,464,858
Reserved for contractual obligations(external)	11,272,546
Reserved for obligated programs(internal)	1,106,404
Undesignated Balance	<u>23,251,567</u>
Total Fund Balance	<u>\$72,095,375</u>
TOTAL LIABILITIES AND FUND BALANCES	<u><u>\$72,145,177</u></u>

**DEVELOPMENT CORPORATION OF ABILENE  
STATUS OF FUNDS @ MARCH 31, 2013**

<b>REVENUE-TO-DATE</b>	<b>Object</b>	<b>Beginning I-T-D Revenues</b>	<b>Current Month Revenues</b>	<b>Current FY Revenues</b>	<b>(MARCH, 1990) Ending I-T-D Revenues</b>
City Sales Tax	40201	\$ 147,668,569.04	\$ 816,569.50	\$ 5,056,905.12	\$ 152,725,474.16
Sales Tax Retained	40202	506,821.56	4,959.51	26,947.23	533,768.79
Princ. - Loans & Assess	40902	3,268,528.27	-	-	3,268,528.27
Int. - Loans & Assess	46003	2,314,633.98	-	15.65	2,314,649.63
Interest on Investments	46004	7,020,340.95	2,524.95	19,402.32	7,039,743.27
Land Lease	47201	17,296.11	1,227.69	2,352.69	19,648.80
Building/Space Rent	47203	7,347,601.67	146,115.36	519,097.26	7,866,698.93
Miscellaneous Federal Grant	41490	1,322,526.00	-	264,308.47	1,586,834.47
Miscellaneous State Grants	41690	26,500.00	-	-	26,500.00
Other Contributions	47105	140,712.60	-	-	140,712.60
Interfund Recovery	47217	1,534,976.08	-	-	1,534,976.08
Miscellaneous Recovery	47219	2,186,438.50	-	-	2,186,438.50
Miscellaneous Prior Year	47241	61,292.02	-	-	61,292.02
Miscellaneous Revenue	47244	1,019,770.10	7,956.70	25,620.76	1,045,390.86
Sale of Land	48201	475,593.50	-	-	475,593.50
Sale of Buildings & Equipment	48203	3,976,326.19	-	-	3,976,326.19
Gain (loss) Sale of Asset	48204	600,000.00	-	-	600,000.00
GASB 22 Restatement		355,634.89	-	-	355,634.89
GASB 34 Adjustment		2,403,949.11	-	-	2,403,949.11
		<b>\$ 182,247,510.57</b>	<b>\$ 979,353.71</b>	<b>\$ 5,914,649.50</b>	<b>\$ 188,162,160.07</b>

**DEVELOPMENT CORPORATION OF ABILENE  
STATUS OF FUNDS @ MARCH 31, 2013**

<b>CONTRACTS ENCUMBERED/ EXPENDITURES-TO-DATE</b>	<b>Project</b>	<b>Beginning I-T-D Expenditures</b>	<b>Current Month Expenditures</b>	<b>Current FY Expenditures</b>	<b>Ending I-T-D Expenditures</b>	<b>Outstanding Contracts</b>
Prior Years Programs		\$ 90,691,899.08	\$ -	\$ -	\$ 90,691,899.08	
Business Services Division	Div 2760	9,067,992.94	63,151.26	338,886.18	9,406,879.12	15,000.00
Life Sciences Property - Pine	Div 2765	1,867,386.28	36,101.21	303,270.18	2,170,656.46	433.00
DCOA Annual Contracts	Div 2775	2,823,494.98	7,435.57	165,031.41	2,988,526.39	-
Abilene Industrial Foundation	2775-62571	13,888,018.57	46,036.29	256,387.65	14,144,406.22	438,967.46
TTU Small Business Dev Cntr	2775-62572	3,055,608.55	15,018.75	69,900.00	3,125,508.55	180,100.00
Chamber Military Affairs	2775-62573	1,326,511.16	-	-	1,326,511.16	100,000.00
Airport Business Dev Mgr	2775-62574	897,833.70	10,228.87	46,939.79	944,773.49	-
Murf Systems	4998	199,665.00	-	-	199,665.00	-
EASI 04	5213	2,131,546.52	-	-	2,131,546.52	345,391.14
Fehr Food	5220	3,712,530.00	-	-	3,712,530.00	-
CBER Website	5240	7,067.07	-	-	7,067.07	1,249.93
TTU Pharmacy School	5242	658,436.00	-	265,823.00	924,259.00	-
Pactiv (formerly PWP)	5251	2,507,898.97	-	-	2,507,898.97	426,000.00
SBIR/STTR	5263	86,200.16	-	-	86,200.16	184,991.87
TTU HSC Research	5273	2,187,988.66	-	133,000.00	2,320,988.66	679,011.34
Energy Maintenance Serv (Broadwind Serv)	5282	248,270.07	-	-	248,270.07	621,623.53
Genesis Network Phase II	5284	22,924.00	-	-	22,924.00	1,269,000.00
Tower Tech (Broadwind Towers)	5285	3,596,278.51	176,434.41	297,634.41	3,893,912.92	1,408,802.68
Coca Cola Abilene	5296	-	-	-	-	2,020,000.00
ETI Contract	5304	1,236,265.25	-	(3,504.48)	1,232,760.77	-
TTU 842 Pine	5308	233,155.10	-	22,000.00	255,155.10	-
AIC Eq Lease	5312	164,128.01	-	-	164,128.01	-
Nation Wide Prod	5313	62,366.67	-	42,416.67	104,783.34	-
Enavail, LLC	5316	379,990.57	-	-	379,990.57	31,765.15
Texas Metals '10	5317	14,683.33	-	14,683.33	29,366.66	-
Cisco College Biotech Training	5318	45,701.55	-	18,884.00	64,585.55	3,064.45
Energy Maintenance Serv-Gearbox	5319	289,660.00	-	-	289,660.00	192,840.00
EASI Hangar 4 Design	5320.1	339,901.07	-	-	339,901.07	-
EASI Hangar 4 Construction	5320.2	4,473,442.44	-	-	4,473,442.44	-
EASI Hangar Fire Safety	5320.3	1,712,275.34	-	114,579.22	1,826,854.56	-
Pepsi Beverage Co.	T5321	70,000.00	-	-	70,000.00	280,000.00
Cooperative Response Center	5324	71,748.18	62,844.42	62,844.42	134,592.60	161,907.40
Land 922 N 13th Street	5325	35,735.00	-	12,250.00	47,985.00	500.00
Teleperformance USA	5326	92,550.00	-	90,550.00	183,100.00	191,900.00
Docket Navigator	5327	-	-	-	-	159,000.00
West Texas Innovation Network	5328	-	-	15,000.00	15,000.00	-
Smith Pipe Ph 1, 2, 3 & 4	5330	75,500.00	-	-	75,500.00	344,389.50
TTUHSC School of Nursing	5331	-	-	-	-	7,315.00
TMAC FY12	5333	33,000.00	-	-	33,000.00	-
Vine St. Lighting Upgrades	5335.1	55,457.00	-	-	55,457.00	-
Vine St. Fire Safety	5335.2	228,367.17	12,195.07	54,714.43	283,081.60	3,583.87
Vine St. Parking Lot	5335.3	158,850.00	-	-	158,850.00	-
Vine St. Construction	5335.4	32,610.00	49,851.38	162,923.51	195,533.51	283,154.80
Vine St. Interior Demo	5335.5	121,698.03	-	1,332.94	123,030.97	3,547.06
Vine St. Other Impr	5335.6	-	-	12,772.00	12,772.00	-
Vine Street Gotta Go Trailways	5335.7	-	15,500.00	15,500.00	15,500.00	4,000.00
Welder Training	5339	146,766.19	-	42,632.09	189,398.28	228,039.72
Fehr Foods '12	5340	-	170,000.00	170,000.00	170,000.00	340,000.00
Prospect Development	5341	1,216.00	-	-	1,216.00	-
Pactiv Compressor A/E	5344.1	10,500.00	3,340.70	17,636.39	28,136.39	2,560.03
Pactiv Compressor Construction	5344.2	-	43,320.00	151,266.60	151,266.60	168,079.40
Owens Machine & Tool	5345	-	-	-	-	351,000.00
Biotech Marketing and PR Plan	5346	-	25,087.97	47,655.22	47,655.22	36,098.70
TMAC FY13	5347	-	-	11,000.00	11,000.00	99,000.00
Hangar Doghouses	5348.1	-	87,514.00	97,967.50	97,967.50	321,760.00
Devron Water Line Extension	5349	-	-	41,560.00	41,560.00	-
2013 Springboard Sponsorship	5350	-	-	5,000.00	5,000.00	-
Ads 4 Next Youth Program Sponsor	5351	-	-	2,500.00	2,500.00	-
Enterprise Dr. Extension A/E	5352	-	-	-	-	30,800.00
BCBS Bldg Cooling Tower Demo	5353	-	-	11,550.00	11,550.00	-
EASI De-Fuel Truck	5354	-	1,750.00	1,750.00	1,750.00	62,510.00
Five Point Land Clearing	5355	-	-	-	-	35,160.00
Fehr Foods '13	5356	-	-	-	-	240,000.00
Miscellaneous Activities	2785	354,189.86	-	-	354,189.86	-
<b>TOTAL ENCUMB. / EXPENDITURES</b>		<b>\$ 149,417,306.98</b>	<b>\$ 825,809.90</b>	<b>\$ 3,114,336.46</b>	<b>\$ 152,531,643.44</b>	<b>\$ 11,272,546.03</b>
<b>TOTAL FUND BALANCE</b>					<b>\$ 35,630,516.63</b>	
<b>UNENCUMBERED FUND BALANCE</b>						<b>\$ 24,357,970.60</b>

3.7

**DEVELOPMENT CORPORATION OF ABILENE  
STATUS OF FUNDS @ MARCH 31, 2013**

Project	Amount Obligated	Prior Years Disbursed	Current Month Disbursed	Current Year Disbursed	Amount Encumbered	Balance Reserved for Obligated Programs	
<b>BALANCE OF OBLIGATED PROGRAMS</b>							
Business Services Division	Div 2760	\$ 641,360.00	\$ -	\$ 63,151.26	\$ 338,886.18	15,000.00 \$ 287,473.82	
Life Sciences Property -Pine	Div 2765	635,963.85	-	36,101.21	303,270.18	433.00 332,260.67	
DCOA Annual Contracts	Div 2775	308,810.00	-	7,435.57	165,031.41	- 143,778.59	
Abilene Industrial Foundation	2775-4950	746,850.00	-	46,036.29	256,387.65	438,967.46 51,494.89	
TTU Small Business Dev Cntr	2775-4951	250,000.00	-	15,018.75	69,900.00	180,100.00 -	
Chamber Military Affairs	2775-4952	100,000.00	-	-	-	100,000.00 -	
Airport Business Dev Mgr	2775-4953	181,630.00	-	10,228.87	46,939.79	- 134,690.21	
Murf Systems	4998	199,665.00	199,665.00	-	-	- -	
EASI 04	5213	2,476,938.00	2,131,546.52	-	-	345,391.14 0.34	
Fehr Food	5220	3,712,530.00	3,712,530.00	-	-	- -	
CBER Website	5240	8,317.00	7,067.07	-	-	1,249.93 -	
TTU Pharmacy School	5242	924,259.00	658,436.00	-	265,823.00	- -	
Pactiv (formerly PWP)	5251	2,933,899.00	2,507,898.97	-	-	426,000.00 0.03	
SBIR/STTR	5263	271,400.00	86,200.16	-	-	184,991.87 207.97	
TTU HSC Research	5273	3,000,000.00	2,187,988.66	-	133,000.00	679,011.34 -	
Energy Maintenance Serv (Broadwind Serv)	5282	869,894.00	248,270.07	-	-	621,623.53 0.40	
Genesis Network Phase II	5284	1,291,924.00	22,924.00	-	-	1,269,000.00 -	
Tower Tech (Broadwind Towers)	5285	5,302,716.00	3,596,278.51	176,434.41	297,634.41	1,408,802.68 0.40	
Coca Cola Abilene	5296	2,020,000.00	-	-	-	2,020,000.00 -	
ETI Contract	5304	1,232,761.00	1,236,265.25	-	(3,504.48)	- 0.23	
TTU 842 Pine	5308	255,156.00	233,155.10	-	22,000.00	- 0.90	
AIC Equipment Lease/Purchase	5312	164,128.00	164,128.01	-	-	- (0.01)	
Nation Wide Products	5313	105,250.00	62,366.67	-	42,416.67	- 466.66	
Enavail, LLC	5316	411,756.00	379,990.57	-	-	31,765.15 0.28	
Texas Metals '10	5317	29,368.00	14,683.33	-	14,683.33	- 1.34	
Cisco College Biotech Training	5318	67,650.00	45,701.55	-	18,884.00	3,064.45 (0.00)	
Energy Maintenance Serv-Gearbox	5319	482,500.00	289,660.00	-	-	192,840.00 -	
EASI Hangar 4 Design	5320.1	339,902.00	339,901.07	-	-	- 0.93	
EASI Hangar 4 Construction	5320.2	4,473,443.00	4,473,442.44	-	-	- 0.56	
EASI Hangar Fire Safety	5320.3	1,826,855.00	1,712,275.34	-	114,579.22	- 0.44	
Pepsi Beverage Co.	5321	350,000.00	70,000.00	-	-	280,000.00 -	
Cooperative Response Center	5324	296,500.00	71,748.18	62,844.42	62,844.42	161,907.40 -	
Land 922 N 13th Street	5325	50,000.00	35,735.00	-	12,250.00	500.00 1,515.00	
Teleperformance USA	5326	375,000.00	92,550.00	-	90,550.00	191,900.00 -	
Docket Navigator	5327	159,000.00	-	-	-	159,000.00 -	
West Texas Innovation Network	5328	15,000.00	-	-	15,000.00	- -	
Smith Pipe Ph 1, 2, 3 & 4	5330	419,890.00	75,500.00	-	-	344,389.50 0.50	
TTUHSC School of Nursing	5331	7,315.00	-	-	-	7,315.00 -	
TMAC FY12	5333	33,000.00	33,000.00	-	-	- -	
Vine St. Warehouse	5335.1	55,457.00	55,457.00	-	-	- -	
Vine St. Fire Safety	5335.2	291,216.00	228,367.17	12,195.07	54,714.43	3,583.87 4,550.53	
Vine St. Parking Lot	5335.3	158,850.00	158,850.00	-	-	- -	
Vine St. Construction	5335.4	569,064.00	32,610.00	49,851.38	162,923.51	283,154.80 90,375.69	
Vine St. Interior Demo	5335.5	130,489.00	121,698.03	-	1,332.94	3,547.06 3,910.97	
Vine St. Other Impr	5335.6	12,772.00	-	-	12,772.00	- -	
Vine Street Gotta Go Trailways	5335.7	19,500.00	-	15,500.00	15,500.00	4,000.00 -	
Welder Training	5339	417,438.00	146,766.19	-	42,632.09	228,039.72 -	
Fehr Foods '12	5340	510,000.00	-	170,000.00	170,000.00	340,000.00 -	
Prospect Development	5341	1,216.00	1,216.00	-	-	- -	
Pactiv Compressor A/E	5344.1	32,296.00	10,500.00	3,340.70	17,636.39	2,560.03 1,599.58	
Pactiv Compressor Construction	5344.2	335,500.00	-	43,320.00	151,266.60	168,079.40 16,154.00	
Owens Machine & Tool	5345	351,000.00	-	-	-	351,000.00 -	
Biotech Marketing and PR Plan	5346	116,400.00	-	25,087.97	47,655.22	36,098.70 32,646.08	
TMAC FY13	5347	110,000.00	-	-	11,000.00	99,000.00 -	
Hangar Doghouses	5348.1	423,000.00	-	87,514.00	97,967.50	321,760.00 3,272.50	
Devron Water Line Extension	5349	41,560.00	-	-	41,560.00	- -	
2013 Springboard Sponsorship	5350	5,000.00	-	-	5,000.00	- -	
Ads 4 Next Youth Program Sponsor	5351	2,500.00	-	-	2,500.00	- -	
Enterprise Dr. Extension A/E	5352	30,800.00	-	-	-	30,800.00 -	
BCBS Bldg Cooling Tower Demo	5353	11,550.00	-	-	11,550.00	- -	
EASI De-Fuel Truck	5354	64,260.00	-	1,750.00	1,750.00	62,510.00 -	
Five Point Land Clearing	5355	37,160.00	-	-	-	35,160.00 2,000.00	
Fehr Foods '13	5356	240,000.00	-	-	-	240,000.00 -	
Miscellaneous Activities	2785	354,189.86	354,189.86	-	-	- -	
<b>BALANCE OF OBLIGATED PROGRAMS</b>		<b>\$ 41,291,847.71</b>	<b>\$ 25,798,561.72</b>	<b>\$ 825,809.90</b>	<b>\$ 3,114,336.46</b>	<b>\$ 11,272,546.03</b>	<b>\$ 1,106,403.50</b>

**UNDESIGNATED FUND BALANCE**

(unencumbered balance less obligated programs and contingent liabilities)

**\$ 23,251,567.10**

DCOA Board approved projects waiting for signed contracts

Expiration Date

Marketing for 2nd Airline 5334

200,000

3/31/2013

TTUHSU SOP for ALSA Services

450,330

6/11/2013

650,330

3.8

# **DEVELOPMENT CORPORATION OF ABILENE, INC.**

AGENDA ITEM

BOARD MEETING: April 30, 2013

**PROJECT: Project RN**

**STAFF: Richard Burdine, CEO**

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## **THE COMPANY**

Project RN is a multinational oil and gas services corporation formed over 70 years ago that competes directly with Schlumberger and Halliburton. The company offers wireline, cementing, perforating, coiled tubing, and logging services and recently moved into hydraulic fracturing services. The company's headquarters are in Houston with facilities in Denton, TX, and McAlester, OK. The Oklahoma facility is a superbase with over \$95MM in assets and all the services consolidated at one site, which the company claims is the wave of the future and that larger companies will also move toward this type model.

Project RN first contacted the Abilene Industrial Foundation in September 2011, looking to move an open hole logging company to town; however, the timing was premature. The company reengaged in February of this year and is ready to expand immediately into Abilene. They want to purchase an appropriate piece of land that is away from residential areas, has excellent rail and highway access and is large enough to allow for significant expansion in the next few years.

Phase 1 of the company's expansion to Abilene will include establishment of an open hole (wireline) shop and office in a 6,000 sq ft building. Eleven new jobs will be created with all earning over \$60k/year, and capital investment in construction, trucks and associated wireline equipment, lab equipment, and support vehicles will total about \$2.82MM. A District manager will be relocated to Abilene. Project RN will provide benefits and there is opportunity for employees to earn sizeable bonuses. They have enough business in the area to justify this operation without consideration for the Cline Shale formation activity.

If Cline Shale development takes off, the Company will quickly move into Phase 2. This expansion will establish the site as a "superbase" and will include separate facilities for cased hole operations, coil tubing operations, stimulation (hydro-fracturing) offices, a sand/chemical warehouse and acid dock & gel tank storage, outdoor explosive magazine and hydro-fracturing gun loading facilities, fueling station, guard shack and parking for vehicles and equipment. A rail spur will be needed to accommodate 6-8 rail cars of sand being shipped in for use in hydro-fracturing. Phase 2 job creation could reach 132 more jobs with most earning over \$50k/year. Capital investment in construction, equipment, cranes, light duty trucks, etc. could total \$51.6MM.

## **THE REQUEST**

Project RN is interested in owning a portion of a lot in Five Points Business Park located south of Five Points Parkway. The site has rail access and is ready for development. A preliminary site plan from the company indicates approximate locations for all facilities anticipated in Phases 1 & 2. We are in the process of evaluating the proposed layout with a Union Pacific Railroad-designated consultant to determine if the acreage they need for both phases can be reduced while also providing necessary rail access. Unused acreage would be re-platted to serve other rail-dependent projects.

**Phase 1** - Staff recommends the DCOA Board give favorable consideration to providing direct assistance in the total amount of \$585,000, as follows:

- 1) **Land** totaling 3-5 acres in Five Point Business Park valued at \$15,000/acre, or \$45,000 to \$75,000, sold to Company and financed under an earnable note at 0% interest. The balance will be earned down over 3 years. The company would be given an exclusive 3-year option to the balance of land needed for Phase 2, up to 25 more acres. The DCOA will retain a right of first refusal to repurchase any excess land the company may decide to offer for sale in the future at the original sales price of \$15,000/acre; and,
- 2) **Job creation incentive payment** of \$303,000 for 11 new jobs according the chart below, paid over 3 years:

### Job Creation Incentives - Project RN - Phase 1

Annual Salary Level*	Number of Jobs	Incentives per Job	Incentives Total
\$30 to \$40,000	0	\$ 10,000	\$ -
\$40 to \$50,000	0	\$ 12,000	\$ -
\$50 to \$60,000	0	\$ 15,000	\$ -
Over \$60,000 (below)	11	35%	\$ 303,000
<b>Total:</b>	<b>11</b>		<b>\$ 303,000</b>

Management Positions	Annual Salary Level*
Over \$60,000	
1 Manager @ \$126.5k/year	\$126,500
2 Supervisors @ \$92.4k/year	\$184,800
6 Operators @ \$160.25k/year	\$361,500
1 Technician @ \$68.9k/year	\$68,900
1 Sales Manager @ \$122k/year	\$122,000
<b>Total Salaries:</b>	<b>\$863,700</b>

\* Calculations based on salaries provided without non-mandatory benefits.

- 3) **Capital investment incentive payment** of \$282,000 for construction of the initial 6,000 sq ft structure, purchase of office and lab equipment, and purchase of specialized equipment and support vehicles paid over 3 years at 10% of Project RN's proposed investment of \$2,820,000.

**All earned Job Creation and Capital Investment Incentives will be applied first toward the outstanding balance due under the note for purchase of the land. If after 3 years, Project RN does not move into Phase 2 expansion, the remainder will be paid in cash.**

**Phase 2** - Staff recommends the DCOA Board give favorable consideration to providing assistance as the Company expands in Phase 2 as follows:

- 1) **Land** up to 25 acres more needed in addition to the Phase 1 land to expand into Phase 2, subject to Project RN providing acceptable documentation that initial Phase 2 construction with a minimum investment of \$1.5 MM and creation of a minimum of 15 new jobs in excess of the 11 jobs to be created in Phase 1 is imminent. The land is valued at \$15,000/acre, or up to \$375,000, will be financed at 0% interest with the DCOA retaining a first lien, and the balance earned down. The DCOA will also

retain a right of first refusal to repurchase any excess land the company may decide to offer for sale in the future at the original sales price of \$15,000/acre.

**Any Job Creation and Capital Investment Incentives earned in Phase 1 and not applied to the outstanding balance of the Phase 1 land purchase note shall instead be applied to the Phase 2 land purchase note. Any remainder will then be paid in cash.**

2) **Job creation incentive payment** – Company could be eligible for up to \$3,973,986 for 132 more jobs according the chart below:

**Job Creation Incentives - Project RN - Phase 2**

Annual Salary Level*	Number of Jobs	Incentives per Job	Incentives Total
\$30 to \$40,000	7	\$ 10,000	\$ 70,000
\$40 to \$50,000	9	\$ 12,000	\$ 108,000
\$50 to \$60,000	7	\$ 15,000	\$ 105,000
Over \$60,000 (below)	109	35%	\$ 3,690,986
<b>Total:</b>	<b>132</b>		<b>\$ 3,973,986</b>

Management Positions	Annual Salary Level*
Over \$60,000	
Cased Hole - 17 positions	\$1,518,200
Coil Tubing - 18 positions	\$1,955,075
Stimulation - 71 positions	\$7,003,400
Support - 1 position	\$69,000
<b>Total Salaries:</b>	<b>\$10,545,675</b>

\* Calculations based on salaries provided without non-mandatory benefits.

**All earned Job Creation Incentives will be applied toward the outstanding balance due under the note for purchase of the Phase 2 land with the remainder applied to the Infrastructure Reserve Fund, as described below. No cash will be disbursed.**

2) **Infrastructure Reserve Fund** – Project RN estimates a capital investment of over \$51.6MM, which would result in a Capital Investment Incentive of at least \$5.16MM according to the DCOA’s current Guidelines for New Businesses, paid at 10%. In lieu of job creation and capital investment incentives of over \$9.1 million (less the Phase 2 land value), DCOA would establish an Infrastructure Reserve Fund. Project RN management has expressed the opinion that direct application of DCOA’s incentive guidelines to their industry sector is unfair and an undue burden on the City.

As an alternative approach to accommodate the Company’s potential growth in Five Points Business Park, staff recommends establishing an “Infrastructure Reserve Fund” for installation of railroad spur tracks, a portion of which will be for Company’s exclusive use, extend utilities to the property line as needed, make storm water drainage improvements as needed, install additional drive approaches to the Facility from Five Points Parkway and Fulwiler Road, repair or replace the roadway surface on Five Points Parkway and all or a portion of Fulwiler Road, which runs adjacent to Five Points Business Park on its west side.

The amount of the Infrastructure Reserve Fund will be determined by the DCOA with assistance from the City Engineer. A preliminary estimate of potential funding needs is \$5 MM. Expenditures from the Infrastructure Reserve Fund may be staff initiated or upon advice of the Company but final decision authority will rest with the DCOA Board.

**FISCAL IMPACT**

*Phase 1:*

Job Creation Incentive for 11 jobs	\$303,000
Capital Investment Incentive	<u>\$282,000</u>
Total	\$585,000

LESS Land earned in lieu of cash payments	<u>(\$45,000 to \$75,000)</u>
TOTAL cash incentives Phase 1	\$540,000 to \$510,000

*Phase 2:*

Infrastructure Reserve Fund	\$5,000,000 (estimated amount)
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**STAFF RECOMMENDATION**

Staff recommends approval of resolution DCOA-2013.19 authorizing an incentive package of \$585,000 for Phase 1. For Phase 2, staff recommends land valued up to \$375,000 for up to 25 acres more plus the establishment of an Infrastructure Reserve Fund of approximately \$5MM in support of the Company's growth in Phase 2, including construction and/or reconstruction of Five Points Business Park infrastructure necessary to support the Company's growth and to serve the needs of the business park as a whole.

**ATTACHMENTS**

Resolution DCOA-2013.19

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**RESOLUTION NO. DCOA-2013.19**

A RESOLUTION OF THE DEVELOPMENT CORPORATION OF ABILENE, INC. (DCOA), ABILENE, TEXAS AUTHORIZING ASSISTANCE FOR PROJECT RN.

WHEREAS, Project RN is a multinational oil and gas services corporation formed over 70 years ago offering wireline, cementing, perforating, coiled tubing, and logging services and recently moved into hydraulic fracturing services; and,

WHEREAS, Project RN first contacted the Abilene Industrial Foundation in September 2011, looking to move an open hole logging company to town; however, the timing was premature. The company reengaged in February of this year and is ready to expand immediately into Abilene; and,

WHEREAS, the company wants to purchase an appropriate piece of land that is away from residential areas, has excellent rail and highway access and is large enough to allow for significant expansion in the next few years; and,

WHEREAS, Phase 1 of the company's expansion to Abilene will include establishment of an open hole (wireline) shop and office in a 6,000 sq ft building, 11 new jobs all earning over \$60k/year, and capital investment in construction, trucks and associated wireline equipment, lab equipment, and support vehicles will total about \$2.82MM; and,

WHEREAS, if Cline Shale development takes off, Project RN will quickly move into Phase 2 expansion, which will establish the site as a "superbase" and will include separate facilities for cased hole operations, coil tubing operations, stimulation (hydro-fracturing) offices, a sand/chemical warehouse and acid dock & gel tank storage, outdoor explosive magazine and hydro-fracturing gun loading facilities, fueling station, guard shack and parking for vehicles and equipment; and,

WHEREAS, a rail spur will be needed to accommodate 6-8 rail cars of sand being shipped in for use in hydro-fracturing, and job creation could reach 129 more with most earning over \$50k/year. Capital investment in construction, equipment, cranes, light duty trucks, etc. could total \$51.6MM; and,

WHEREAS, Project RN is interested in owning a portion of a lot in Five Points Business Park located south of Five Points Parkway, which has rail access and is ready for development; and,

WHEREAS, staff requests the DCOA approve assistance for Project RN as described below.

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

**PART 1.** DCOA hereby authorizes funding of Five Hundred Eighty-Five Thousand and no/100's Dollars (\$585,000.00) for Project RN's Phase 1 expansion into Abilene as follows:

1) Land totaling 3-5 acres in Five Point Business Park valued at \$15,000/acre, or \$45,000 to \$75,000, sold to Company and financed under an earnable note at 0% interest. The balance will be earned down over 3 years. The company would be given an exclusive 3-year option to the balance of land needed for Phase 2, up to 25 more acres. The DCOA will retain a

right of first refusal to repurchase any excess land the company may decide to offer for sale in the future at the original sales price of \$15,000/acre; and,  
2) Job creation incentive payment of \$303,000 for 11 new jobs according the chart below, paid over 3 years:

### Job Creation Incentives - Project RN - Phase 1

Annual Salary Level*	Number of Jobs	Incentives per Job	Incentives Total
\$30 to \$40,000	0	\$ 10,000	\$ -
\$40 to \$50,000	0	\$ 12,000	\$ -
\$50 to \$60,000	0	\$ 15,000	\$ -
Over \$60,000 (below)	11	35%	\$ 303,000
<b>Total:</b>	<b>11</b>		<b>\$ 303,000</b>

Management Positions	Annual Salary Level*
Over \$60,000	
1 Manager @ \$126.5k/year	\$126,500
2 Supervisors @ \$92.4k/year	\$184,800
6 Operators @ \$160.25k/year	\$361,500
1 Technician @ \$68.9k/year	\$68,900
1 Sales Manager @ \$122k/year	\$122,000
<b>Total Salaries:</b>	<b>\$863,700</b>

\* Calculations based on salaries provided without non-mandatory benefits.

3) **Capital investment incentive payment** of \$282,000 for construction of the initial 6,000 sq ft structure, purchase of office and lab equipment, and purchase of specialized equipment and support vehicles paid over 3 years at 10% of Project RN's proposed investment of \$2,820,000.

**All earned Job Creation and Capital Investment Incentives will be applied first toward the outstanding balance due under the note for purchase of the land. If after 3 years, Project RN does not move into Phase 2 expansion, the remainder will be paid in cash.**

For Project RN's expansion into Phase 2, the DCOA authorizes another Five Million and no/100's Dollars (\$5,000,000) as follows:

1) **Land** up to 25 acres more needed in addition to the Phase 1 land to expand into Phase 2, subject to Project RN providing acceptable documentation that initial Phase 2 construction with a minimum investment of \$1.5 MM and creation of a minimum of 15 new jobs in excess of the 11 jobs to be created in Phase 1 is imminent. The land is valued at \$15,000/acre, or up to \$375,000, will be financed at 0% interest with the DCOA retaining a first lien, and the balance earned down. The DCOA will also retain a right of first refusal to repurchase any excess land the company may decide to offer for sale in the future at the original sales price of \$15,000/acre.

**Any Job Creation and Capital Investment Incentives earned in Phase 1 and not applied to the outstanding balance of the Phase 1 land purchase note shall instead be applied to the Phase 2 land purchase note. Any remainder will then be paid in cash.**

2) **Job creation incentive payment** – Company could be eligible for up to \$3,973,986 for 132 more jobs according the chart below:

**Job Creation Incentives - Project RN - Phase 2**

Annual Salary Level*	Number of Jobs	Incentives per Job	Incentives Total
\$30 to \$40,000	7	\$ 10,000	\$ 70,000
\$40 to \$50,000	9	\$ 12,000	\$ 108,000
\$50 to \$60,000	7	\$ 15,000	\$ 105,000
Over \$60,000 (below)	109	35%	\$ 3,690,986
<b>Total:</b>	<b>132</b>		<b>\$ 3,973,986</b>

Management Positions	Annual Salary Level*
Over \$60,000	
Cased Hole - 17 positions	\$1,518,200
Coil Tubing - 18 positions	\$1,955,075
Stimulation - 71 positions	\$7,003,400
Support - 1 position	\$69,000
<b>Total Salaries:</b>	<b>\$10,545,675</b>

\* Calculations based on salaries provided without non-mandatory benefits.

**All earned Job Creation Incentives will be applied toward the outstanding balance due under the note for purchase of the Phase 2 land with the remainder applied to the Infrastructure Reserve Fund, as described below. No cash will be disbursed.**

2) **Infrastructure Reserve Fund** – Project RN estimates a capital investment of over \$51.6MM, which would result in a Capital Investment Incentive of at least \$5.16MM according to the DCOA’s current Guidelines for New Businesses, paid at 10%. In lieu of job creation and capital investment incentives of over \$9.1 million (less the Phase 2 land value), DCOA would establish an Infrastructure Reserve Fund.

As an alternative approach to accommodate the Project RN’s potential growth in Five Points Business Park, the DCOA will establish an “Infrastructure Reserve Fund” for installation of railroad spur tracks, a portion of which will be for Company’s exclusive use, extension of utilities to the property line as needed, storm water drainage improvements as needed, installation of additional drive approaches to the Facility from Five Points Parkway and Fulwiler Road, repair or replacement of the roadway surface on Five Points Parkway and all or a portion of Fulwiler Road, which runs adjacent to Five Points Business Park on its west side.

The amount of the Infrastructure Reserve Fund will be determined by the DCOA with assistance from the City Engineer. A preliminary estimate of potential funding needs is \$5 MM. Expenditures from the Infrastructure Reserve Fund may be staff initiated or upon advice of the Company but final decision authority will rest with the DCOA Board.

**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 30<sup>th</sup> day of April, 2013.

ATTEST:

\_\_\_\_\_  
Marelyn Shedd  
Secretary/Treasurer

\_\_\_\_\_  
Paul Cannon  
President

APPROVED:

\_\_\_\_\_  
T. Daniel Santee, City Attorney

# DEVELOPMENT CORPORATION OF ABILENE, INC.

## BOARD AGENDA

MEETING DATE: April 30, 2013

**PROJECT:** Vine St. Finish-Out for Fehr Foods – Warehouse C

**STAFF:** Richard Burdine, CEO

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### BACKGROUND

The DCOA-owned building at 4109 Vine consists of 3 large connecting warehouses B, C and D and adjoining offices with 101,862 total square feet. Fehr Foods is leasing Warehouse A (70,000 sq ft) at 4009 Vine, and the adjoining Warehouse B at 4109 Vine (42,362 sq ft), paying monthly rent calculated at \$1.67/sq ft/year. The remaining 64,000 square feet (offices and Warehouses C and D) are under renovation and expected to be finished in the next few weeks.

Gotta Go Trailways executed a 3-year lease (with a 2-year option to extend) effective November 1, 2012, for the approximately 1 acre piece of land at the southern tip of this property (4141 Vine) to park and store up to 10 touring motor coaches. The lease also includes two offices in the main building that can be occupied when renovations are complete.

### THE REQUEST

Fehr Foods approached us with an immediate need for more warehouse space and dock doors. The company recently executed an addendum to the existing Lease Agreement No. FEHR11 to add 21,915 sq ft of warehouse space (a portion of Warehouse C) and 1,356 sq ft of dock space, including two dock doors. The rental rate for the additional space is the same as the rate currently paid for Warehouses A and B, \$1.67/sf/year, which increases their monthly rent from \$15,637 to \$18,875.60. The lease will expire on 9-30-16 with an option to extend for another 5 years.

In order to accommodate the company's space needs, Warehouse C with a total of 29,296 sq ft will be subdivided. Jacob & Martin, Ltd. developed plans to construct a wall in Warehouse C and another on the dock. The remainder of Warehouse C will become Warehouse E and will contain 7,381 sq ft that can be leased to a small manufacturer or similar user, and it will have direct access to offices. Six more dock doors will still be available to lease along with Warehouse D, which contains 29,261 sq ft. The new walls being installed for Fehr Foods will make Warehouse D inaccessible, so a new door and ramp will be installed at the south end of the dock area, which will also make the space ADA compliant. In 2011 when Warehouse B was leased to Fehr Foods, the two doors separating it from Warehouse C were blocked-off with fire rated materials. Those doors will be opened back up and two fire-rated rolling doors installed to comply with Fire code.

Three bids for all of the following work items were obtained and low bids are summarized as follows:

	Description	Contractor	Cost	Comments
1	Walls – construction	Harris Acoustics	\$21,078.00	Includes new wall in dock area and guard rails to protect walls

				from forklifts.
2	Electrical work	Wyatt Electrical Service	\$8,070.00	Will give Fehr control of lights from Warehouse B.
3	Rolling fire doors x 2	Veterans Door	\$8,258.25	To comply with Fire Code
4	ADA ramp – on dock area	Mackie's Construction	\$9,000.00	To comply with ADA Code. Only 2 bids were received with an \$8,060 difference in cost.
	<b>TOTAL</b>		<b>\$46,406.25</b>	

Because of the short fuse on this project, staff has contracted with the low bidders for the amounts listed above. The project should be completed and ready for Fehr to move in by May 31st. Coordination by the Construction Project and Property Managers (Pancho Perez and Eddie Richards) has been fundamental in getting this project off the ground. The space must be cleaned appropriately to allow Fehr Foods to comply with FDA food storage regulations, and those funds were approved previously. A need to modify the fire suppression system may also arise.

Staff requests the DCOA ratify the contracts listed and approve funding of \$46,406.25 to prepare the space for occupancy by Fehr Foods. Also requested is \$6,200 payable to Jacob & Martin, Ltd for design services and a contingency of \$10,000 to address any unknowns.

**FISCAL IMPACT**

Renovation work for Fehr Foods	\$46,406.25
Design Fee-Jacob & Martin, Ltd.	\$ 6,200.00
Contingency	<u>\$10,000.00</u>
<b>TOTAL</b>	<b>\$62,606.25</b>

**STAFF RECOMMENDATION**

Staff recommends the DCOA approve resolution DCOA-2013.18 authorizing funds of \$62,606.25 to renovate space in Warehouse C and the dock area at 4109 Vine to accommodate Fehr Foods additional space needs.

**ATTACHMENTS**

Resolution DCOA-2013.18

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**RESOLUTION NO. DCOA-2013.18**

A RESOLUTION OF THE DEVELOPMENT CORPORATION OF ABILENE, INC. (DCOA), ABILENE, TEXAS AUTHORIZING FUNDS FOR RENOVATIONS TO WAREHOUSE C AT THE DCOA-OWNED PROPERTY LOCATED AT 4109 VINE ST. TO PREPARE THE SPACE FOR OCCUPANCY BY FEHR FOODS.

WHEREAS, the DCOA-owned building at 4109 Vine consists of 3 large connecting warehouses B, C and D and adjoining offices with 115,015 total square feet; and,

WHEREAS, Fehr Foods is leasing Warehouse A (70,000 sq ft) at 4009 Vine, and the adjoining Warehouse B at 4109 Vine (42,362 sq ft), paying monthly rent calculated at \$1.67/sq ft/year. The remainder (offices and Warehouses C and D) are under renovation now; and,

WHEREAS, Gotta Go Trailways executed a 3-year lease (with a 2-year option to extend) effective November 1, 2012, for the approximately 1 acre piece of land at the southern tip of this property (4141 Vine) to park and store up to 10 touring motor coaches. The lease also includes two offices in the main building that can be occupied when renovations are complete; and,

WHEREAS, Fehr Foods recently executed an addendum to the existing Lease Agreement No. FEHR11 to add 21,915 sq ft of warehouse space (a portion of Warehouse C) and 1,356 sq ft of dock space, including two dock doors to address their immediate need for more space; and,

WHEREAS, the rental rate for the additional space is the same as the rate currently paid for Warehouses A and B, \$1.67/sf/year, which increases their monthly rent from \$15,637 to \$18,875.60, and the lease will expire on 9-30-16 with an option to extend for another 5 years; and,

WHEREAS, in order to accommodate the company's space needs, Warehouse C with a total of 29,296 sq ft will be subdivided using plans developed by Jacob & Martin, Ltd., which will result in a new Warehouse E with 7,381 sq ft; and,

WHEREAS, because of the short fuse on this project, staff has contracted with the low bidders for the work needed to complete the renovations; and,

WHEREAS, staff requests the DCOA ratify the contracts and approve funding of \$62,606.25 to prepare the space for occupancy by Fehr Foods.

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

**PART 1.** DCOA hereby authorizes funding of Sixty-Two Thousand Six Hundred Six and 25/100's Dollars (\$62,606.25) to renovate space in Warehouse C and the dock area at 4109 Vine to accommodate Fehr Foods additional space needs. The funds will be used to construct a wall in Warehouse C and another on the dock giving Fehr Foods two dock doors. The remainder of Warehouse C will become Warehouse E and will contain 7,381 sq ft that can be leased to a small manufacturer or similar user, and it will have direct access to offices. The new walls will make Warehouse D inaccessible, so a new door and ramp will be installed at the south end of the dock area, which will also make the space ADA compliant.

6.3

DCOA also ratifies contracts totaling \$46,406.25, which were previously executed for the following work items to expedite the project:

	Description	Contractor	Cost	Comments
1	Walls – construction	Harris Acoustics	\$21,078.00	Includes new wall in dock area and guard rails to protect walls from forklifts.
2	Electrical work	Wyatt Electrical Service	\$8,070.00	Will give Fehr Foods control of lights from Warehouse B.
3	Rolling fire doors x 2	Veterans Door	\$8,258.25	To comply with Fire Code
4	ADA ramp – on dock area	Mackie’s Construction	\$9,000.00	To comply with ADA Code. Only 2 bids were received with an \$8,060 difference in cost.
	<b>TOTAL</b>		<b>\$46,406.25</b>	

Also approved is \$6,200 payable to Jacob & Martin, Ltd for design services and a contingency of \$10,000 to address any unknowns.

**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 30<sup>th</sup> day of April, 2013.

ATTEST:

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Marelyn Shedd  
Secretary/Treasurer

\_\_\_\_\_  
Paul Cannon  
President

APPROVED:

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T. Daniel Santee, City Attorney