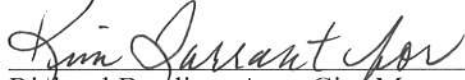


## PUBLIC NOTICE

### DEVELOPMENT CORPORATION OF ABILENE, INC.

A regular meeting of the Development Corporation of Abilene, Inc. will be held on Tuesday, September 24, 2013, at 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

September 24, 2013  
1:30 p.m.

Abilene Laboratories  
1325 Pine St.

1. Call the meeting to order.
2. Approval of minutes from the August 27, 2013, board meeting.
3. Sales tax report for September 2013 and Status of Funds report for August 2013.
4. Status briefing by Dr. Jon Weidanz on the Texas Tech University Health Sciences Center ("TTUHSC") Center for Immunotherapeutics Research and Product Development ("The Center") at Abilene Laboratories.
5. 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.

6. Discussion and possible approval of a resolution authorizing tenant improvements at 4109 Vine St. for Slide Fire Solutions.
7. Discussion and possible approval of a resolution authorizing a contract with Central State Resources, LLC for design services for a proposed railroad layout in Five Points Business Park.
8. 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**  
**August 27, 2013**

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

**MEMBER ABSENT:** Dani Ramsay

**STAFF PRESENT:** Richard Burdine                      Kim Tarrant  
Dan Santee

**GUESTS PRESENT:** Bill Ehrie, Abilene Industrial Foundation  
Don Green, Director of Aviation  
Dr. Cynthia Raehl, Texas Tech Health Science Center SOP  
Jason Smith, President Abilene Chamber of Commerce  
John Mangalonzo, Abilene Reporter-News  
Judy Wilhelm, Small Business Development Center  
Kate Alvarez, Airport Business Manager  
Marc Gustafson, KTAB/KRBC  
Mike Schweikhard, Atmos Energy  
Mike Rains, City of Abilene  
Philip Wicker, Texas Tech Health Science Center

1. **CALL THE MEETING TO ORDER.** President Paul Cannon called the meeting to order at 1:36 p.m. at the Abilene Laboratories, 1325 Pine St., Abilene Texas.
2. **APPROVAL OF MINUTES FROM THE JULY 9, 2013 AND JULY 30, 2013 BOARD MEETING.** Scott Senter moved to approve the minutes from the July 9, 2013 and July 30, 2013 board meetings. Marelyn Shedd seconded and the motion carried.
3. **SALES TAX FOR AUGUST 2013 AND STATUS OF FUNDS FOR JULY 2013.** Mike Rains, Assistant Director of Finance for the City of Abilene, reviewed the sales tax reports for August 2013 and status of funds for 2013. Sales tax collections for August 2013 were \$7,000 more than the same month in 2012, which equates to .78% increase. Collections are 1.68% below budget for the month of August; however they are .9% above the budget amount for the entire fiscal year. Total fund balance as of July 31, 2013 is \$73,201,280, and of that, \$36.6 million is available for programs. The largest revenue items include sales tax revenue of \$822,000 and building space rent of \$109,000 with total revenue of \$948,000 for the month. Project expenses for the month of July include: Vine Street Construction at \$102,000, Pepsi Beverage at \$70,000 and Abilene Industrial Foundation at \$51,000. Total obligated external programs is \$11,334,472, which leaves an undesignated fund balance of \$24,030,822.
4. **PRESENTATION AND POSSIBLE APPROVAL OF A COMBINED REPORT FROM THE PROJECT EVALUATION COMMITTEE ON FY 2013 CONTRACT PERFORMANCE AND FROM THE BUDGET & FINANCE COMMITTEE**

2.1

**CONCERNING FUNDING PROPOSALS FOR FY 2014 FOR:** Mike Schweikhard was appointed chairman of both the Project Evaluation and Budget & Finance Committees and presented reports from both. He recommends that all of the agencies be funded again next year because they are all in compliance with their current contracts. Mr. Schweikhard briefly discussed items in the reports regarding performance during FY13 by the Abilene Industrial Foundation, the Chamber Military Affairs Committee, the TTU Small Business Development Center, City of Abilene Airport Business Development Management program, and City of Abilene Business Services division

Dave Copeland moved to accept the recommendations of the committee as presented. Scott Senter seconded and the motion carried.

5. **PUBLIC HEARING: FUNDING PROPOSALS AND PROPOSED BUDGET FOR FY 14.** President Paul Cannon announced the opening of a Public Hearing at 1:50 pm and closed the Public Hearing at 1:51 pm. There were no speakers that came forward.
6. **DISCUSSION AND POSSIBLE APPROVAL OF FUNDING REQUESTS AND PROPOSED BUDGET FOR FY 2014.** Marelyn moved to approve funding requests and a proposed budget for FY 2014 for the DCOA as presented. Dave Copeland seconded and the motion carried.
7. **EXECUTIVE SESSION – 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 August 27, 2013, and the time is 1:55 p.m. Later, President Cannon announced the date is still August 27, 2013, and the time is 2:27 p.m. No vote or action was taken in Executive Session.

8. **DISCUSSION AND POSSIBLE APPROVAL OF A RESOLUTION AUTHORIZING ASSISTANCE FOR PROJECT RZ.** Richard Burdine discussed Project RZ and he proposed use of the Spec 3 building in the Five Points Business Park for the project. Preliminary estimates for finish-out are somewhere between \$4-\$5 million and will need to be expended by the DCOA to prepare the Spec 3 building for Project RZ. The project has massive power requirements for the company's estimated \$35 million investment in capital equipment. The cost to finish-out the facility is not included in the incentive package for Project RZ because the DCOA will retain those improvements, which will be transferrable to future tenants. The facility is to be leased for 10 years and payments will be calculated at 5.25% of the cost to finish out the building plus the cost of original shell construction. Payments will begin eleven months from when we turn the finished building over to the company. The lease will include two contingent outs for the

company; 1) having their main customer sign a deal, and 2) a firm commitment from their bank.

The proposed incentives package of \$6,196,000 includes; 1) Capital Investment funding at 15% up to \$5,250,000, advanced under a promissory note secured by a letter of credit, 2) Job Training grant of \$50,000, and 3) Job Creation funding up to \$896,000 paid over 5 years .

Marelyn Shedd moved to approve resolution DCOA-2013.24 as presented, authorizing assistance for Project RZ. Scott Senter seconded and the motion carried.

9. **DISCUSSION AND POSSIBLE APPROVAL OF A RESOLUTION AUTHORIZING FY14 FUNDING FOR TEXAS TECH UNIVERSITY HEALTH SCIENCES CENTER SCHOOL OF PHARMACY CENTER FOR IMMUNOTHERAPEUTICS AND PRODUCT DEVELOPMENT (“THE CENTER”) AT ABILENE LABORATORIES.** Richard Burdine discussed “The Center” which occupies 3100 sq. ft. in the Abilene Laboratories building at 1325 Pine St. The board authorized \$450,330 in December 2012 for FY13 operations but only advanced \$208,620. Of the amount advanced, there is a carryover of \$168,411 for use in FY14. Delays in contract negotiations delayed hiring for The Center. Hiring is now on track and should be completed soon. The current request for FY14 in the amount of \$427,109 nets out the carryover from the budget amount of \$595,520.

Dave Copeland moved to approve resolution DCOA-2013.25 authorizing FY14 funding of \$427,109 for TTUHSC SOP The Center at AbLabs. Marelyn Shedd seconded and the motion carried.

10. **DISCUSSION AND POSSIBLE APPROVAL OF A RESOLUTION AUTHORIZING A LEASE WITH TEXAS TECH UNIVERISTY HEALTH SCIENCES CENTER FOR SPACE AT ABILENE LABORATORIES TO CREATE A STATE OF THE ART INTERPROFESSIONAL STERILE PRODUCTS AND BIOTECHNOLOGY TEACHING LABORATORY.** Richard Burdine discussed Texas Tech University Health Sciences Center’s proposal to lease space in Abilene Laboratories for its Sterile Products and Biotechnology Teaching Laboratory. He recommends that the space be leased to TTUHSC for a rate of \$17.00/square foot/year including all utilities for 3 years with an option to renew. The sink will have to be changed out to accommodate a teaching environment. TTUHSC SOP-Abilene Dean Dr. Cynthia Raehl explained how a nationwide problem exists with specialty compounding laboratories and testing centers whereby contaminants are making their way to consumers in various products, which have caused deaths. Their approach is to train students and practitioners to perform these tasks correctly. This teaching lab will also enable them to possibly bring practitioners into the city for a hands-on course on how to do things correctly. The Texas State Board of Pharmacy is looking for a place to train their inspectors, which is another potential use for the teaching lab.

Scott Senter moved to approve resolution DCOA-2013.26 as presented authorizing a lease with TTUHSC for space at Abilene Laboratories. Marelyn Shedd seconded and the motion carried.

**EXECUTIVE SESSION 2** After a short break, President Paul Cannon announced the date is still August 27, 2013, and the time is 2:59 p.m. as the board went into another Executive Session. Later, President Cannon announced the date is still August 27, 2013, and the time is 3:45 p.m. No vote or action was taken in Executive Session

11. **ADJOURNMENT.** The next regularly scheduled meetings are September 10, 2013 and September 24, 2013. There being no further business the meeting was adjourned.

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Paul Cannon, President

**MEMORANDUM**

September 11, 2013

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

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The sales tax rebate for September is \$3,191,450 which represents July sales. This is 0.29% below last year and 6.86% above the revised FY 13 budget amount. The breakdown of the September rebate is \$2,393,588 to the General Fund and \$797,862 for economic development. Of this rebate, \$96,861 is from prior periods, audit payments, future payments, and unidentified payments. For the period of October through September, sales tax is 1.83% below last year and 1.34% above the revised FY 13 budget amount. This rebate concludes 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
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
May	2,932,384.19	977,461.40	3,909,845.59	2,895,168.95	965,056.32	3,860,225.27
June	2,300,833.44	766,944.48	3,067,777.92	2,482,246.02	827,415.34	3,309,661.36
July	2,270,657.66	756,885.89	3,027,543.55	2,480,852.18	826,950.72	3,307,802.90
August	2,760,289.25	920,096.42	3,680,385.67	2,781,814.76	927,271.58	3,709,086.34
September	2,400,600.79	800,200.26	3,200,801.05	2,393,587.58	797,862.52	3,191,450.10
<b>FY TOTAL</b>	<u>\$31,260,768.01</u>	<u>\$10,420,255.99</u>	<u>\$41,681,024.00</u>	<u>\$30,688,116.14</u>	<u>\$10,229,372.02</u>	<u>\$40,917,488.16</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%
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%
May	977,461	965,056	-1.27%
June	766,944	827,415	7.88%
July	756,886	826,951	9.26%
August	920,096	927,272	0.78%
September	800,200	797,862	-0.29%
<b>FY TOTAL</b>	<u><u>\$10,420,256</u></u>	<b>\$10,229,372</b>	<b>-1.83%</b>

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 September '13 represents July '13 sales. Approximately \$24,215.20 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.

3.3

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

<b>Accounting Period Month</b>	<b>Actual 2008-09</b>	<b>Actual 2009-10</b>	<b>Actual 2010-11</b>	<b>Actual 2011-12</b>	<b>Actual 2012-13</b>
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	965,056
June	653,711	612,963	741,634	766,944	827,415
July	598,036	660,806	749,767	756,886	826,951
August	799,090	829,188	1,013,393	920,096	927,272
September	653,828	649,391	799,173	800,200	797,862
<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>\$10,229,372</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.

3.4

CITY OF ABILENE, TEXAS

DEVELOPMENT CORPORATION OF ABILENE, INC.

Balance Sheet

August 31, 2013

**CURRENT ASSETS:**

Cash and Investments	\$18,139,468
Accounts receivable	35,293
Due from other governments	1,738,931
Prepaid Expense	130
Total Current Assets	<u>\$19,913,822</u>

**NONCURRENT ASSETS:**

Notes receivable	16,552,488
Capital 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>
Capital assets, net of accumulated depreciation	<u>36,464,858</u>
Total Noncurrent Assets	<u>53,017,346</u>
TOTAL ASSETS	<u><u>\$72,931,168</u></u>

**LIABILITIES:**

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

**FUND BALANCES:**

Invested in capital assets	\$36,464,858
Reserved for contractual obligations (external)	10,789,636
Reserved for obligated programs (internal)	1,660,724
Undesignated Balance	<u>23,966,148</u>
Total Fund Balance	<u>\$72,881,366</u>
TOTAL LIABILITIES AND FUND BALANCES	<u><u>\$72,931,168</u></u>

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

	Object	Beginning I-T-D Revenues	Current Month Revenues	Current FY Revenues	(MARCH, 1990) Ending I-T-D Revenues
<b>REVENUE-TO-DATE</b>					
City Sales Tax	40201	\$ 147,668,569.04	\$ 923,138.00	\$ 9,381,833.44	\$ 157,050,402.48
Sales Tax Retained	40202	506,821.56	4,133.58	49,676.06	556,497.62
Princ. - Loans & Assess	40902	3,268,528.27	-	-	3,268,528.27
Int. - Loans & Assess	46003	2,314,633.98	-	71,581.83	2,386,215.81
Interest on Investments	46004	7,020,340.95	3,240.39	34,595.43	7,054,936.38
Land Lease	47201	17,296.11	1,125.00	4,251.38	21,547.49
Building/Space Rent	47203	7,347,601.67	92,134.45	886,375.36	8,233,977.03
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	12,487.18	55,932.29	1,075,702.39
Sale of Land	48201	475,593.50	-	81,770.29	557,363.79
Sale of Buildings & Equipment	48203	3,976,326.19	-	4,000.00	3,980,326.19
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>\$ 1,036,258.60</b>	<b>\$ 10,834,324.55</b>	<b>\$ 193,081,835.12</b>

3.60

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

Project	Beginning I-T-D Expenditures	Current Month Expenditures	Current FY Expenditures	Ending I-T-D Expenditures	Outstanding Contracts
<b>CONTRACTS ENCUMBERED/ EXPENDITURES-TO-DATE</b>					
Prior Years Programs	\$ 90,452,723.94	\$ -	\$ -	\$ 90,452,723.94	
Business Services Division	Div 2760 9,067,992.94	41,343.12	595,995.42	9,663,988.36	5,000.00
Life Sciences Property - Pine	Div 2765 1,867,386.28	47,030.12	572,711.73	2,440,098.01	16,593.00
DCOA Annual Contracts	Div 2775 2,823,494.98	13,914.55	226,923.22	3,050,418.20	-
Abilene Industrial Foundation	2775-62571 13,888,018.57	46,444.54	523,064.67	14,411,083.24	223,785.33
TTU Small Business Dev Cntr	2775-62572 3,055,608.55	17,493.75	144,168.75	3,199,777.30	105,831.25
Chamber Military Affairs	2775-62573 1,326,511.16	26,137.50	41,276.98	1,367,788.14	58,723.02
Airport Business Dev Mgr	2775-62574 897,833.70	4,754.78	101,877.85	999,711.55	-
Murf Systems	4998 199,665.00	-	-	199,665.00	-
EASI 04	5213 2,131,546.52	233,418.86	233,418.86	2,364,965.38	-
Fehr Food	5220 3,712,530.00	-	-	3,712,530.00	-
CBER Website	5240 7,067.07	-	-	7,067.07	-
TTU Pharmacy School	5242 658,436.00	242,544.00	508,367.00	1,166,803.00	-
Pactiv (formerly PWP)	5251 2,507,898.97	-	-	2,507,898.97	426,000.00
SBIR/STTR	5263 86,200.16	-	-	86,200.16	-
EASI 7th Doc	5265 239,175.14	-	24,999.00	264,174.14	-
TTU HSC Research	5273 2,187,988.66	116,667.00	249,667.00	2,437,655.66	562,344.34
Energy Maintenance Serv (Broadwind Serv)	5282 248,270.07	-	20,328.00	268,598.07	601,295.53
Genesis Network Phase II	5284 22,924.00	-	0.18	22,924.18	1,269,000.00
Tower Tech (Broadwind Towers)	5285 3,596,278.51	-	837,610.41	4,433,888.92	868,826.68
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	106,279.00	128,279.00	361,434.10	-
AIC Eq Lease	5312 164,128.01	-	360.83	164,488.84	-
Nation Wide Prod	5313 62,366.67	-	42,416.67	104,783.34	-
Enavail, LLC	5316 379,990.57	-	10,416.71	390,407.28	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	-	313,270.89	602,930.89	19,569.11
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	140,000.00	210,000.00
Cooperative Response Center	5324 71,748.18	-	62,844.42	134,592.60	161,907.40
Land 922 N 13th Street	5325 35,735.00	-	12,750.00	48,485.00	-
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	151,000.00	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	1,283.88	56,598.31	284,965.48	-
Vine St. Parking Lot	5335.3 158,850.00	-	-	158,850.00	-
Vine St. Construction	5335.4 32,610.00	14,961.23	482,428.13	515,038.13	42,235.47
Vine St. Interior Demo	5335.5 121,698.03	-	1,332.94	123,030.97	3,547.06
Vine St. Other Impr	5335.6 -	-	14,617.28	14,617.28	-
Vine Street Gotta Go Trailways	5335.7 -	-	15,500.00	15,500.00	4,000.00
Vine Street Fehr Foods	5335.8 -	8,258.25	45,690.25	45,690.25	6,348.00
Slide Fire Improvements	5335.9 -	80,907.89	80,907.89	80,907.89	234,100.00
Welder Training	5339 146,766.19	-	140,278.26	287,044.45	-
Fehr Foods '12	5340 -	-	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	248.82	23,170.85	33,670.85	-
Pactiv Compressor Construction	5344.2 -	16,390.30	327,806.00	327,806.00	-
Owens Machine & Tool	5345 -	-	-	-	351,000.00
Biotech Marketing and PR Plan	5346 -	5,881.16	80,608.13	80,608.13	17,766.90
TMAC FY13	5347 -	-	22,000.00	22,000.00	88,000.00
Hangar Doghouses	5348.1 -	-	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 -	-	10,200.00	10,200.00	30,800.00
BCBS Bldg Cooling Tower Demo	5353 -	-	11,550.00	11,550.00	-
EASI De-Fuel Truck	5354 -	1,750.00	10,500.00	10,500.00	53,760.00
Five Point Land Clearing	5355 -	-	35,160.00	35,160.00	-
Fehr Foods '13	5356 -	-	-	-	240,000.00
TTUHSC Center FY13 Operating	5357 -	-	208,620.00	208,620.00	-
Purchase 834 Pine	5358 -	1,061.00	37,984.66	37,984.66	2,500.00
Tucker Energy Service	5359 -	-	-	-	1,585,000.00
Five Points Survey	5360 -	5,200.00	5,200.00	5,200.00	29,800.00
TTUHSC Center FY14 Operating	5361 -	274,400.00	274,400.00	274,400.00	152,709.00
Miscellaneous Activities	2785 354,189.86	-	-	354,189.86	-
<b>TOTAL ENCUMB. / EXPENDITURES</b>	<b>\$ 149,417,306.98</b>	<b>\$ 1,306,369.75</b>	<b>\$ 7,248,019.86</b>	<b>\$ 156,665,326.84</b>	<b>\$ 10,789,636.19</b>
<b>TOTAL FUND BALANCE</b>				<b>\$ 36,416,508.28</b>	
<b>UNENCUMBERED FUND BALANCE</b>					<b>\$ 25,626,872.09</b>

3.7

**DEVELOPMENT CORPORATION OF ABILENE  
STATUS OF FUNDS @ AUGUST 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	\$ -	\$ 41,343.12	\$ 595,995.42	\$ 40,364.58
Life Sciences Property -Pine	Div 2765	635,963.85	-	47,030.12	572,711.73	46,659.12
DCOA Annual Contracts	Div 2775	308,810.00	-	13,914.55	226,923.22	81,886.78
Abilene Industrial Foundation	2775-4950	746,850.00	-	46,444.54	523,064.67	-
TTU Small Business Dev Cntr	2775-4951	250,000.00	-	17,493.75	144,168.75	-
Chamber Military Affairs	2775-4952	100,000.00	-	26,137.50	41,276.98	-
Airport Business Dev Mgr	2775-4953	181,630.00	-	4,754.78	101,877.85	79,752.15
Murf Systems	4998	199,665.00	199,665.00	-	-	-
EASI 04	5213	2,476,938.00	2,131,546.52	233,418.86	233,418.86	111,972.62
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	1,166,803.00	658,436.00	242,544.00	508,367.00	-
Pactiv (formerly PWP)	5251	2,933,899.00	2,507,898.97	-	-	0.03
SBIR/STTR	5263	271,400.00	86,200.16	-	-	185,199.84
EASI 7th Doc	5265	264,176.00	239,175.14	-	24,999.00	-
TTU HSC Research	5273	3,000,000.00	2,187,988.66	116,667.00	249,667.00	562,344.34
Energy Maintenance Serv (Broadwind Serv)	5282	869,894.00	248,270.07	-	20,328.00	601,295.53
Genesis Network Phase II	5284	1,291,925.00	22,924.00	-	0.18	1,269,000.00
Tower Tech (Broadwind Towers)	5285	5,302,716.00	3,596,278.51	-	837,610.41	868,826.68
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	361,435.00	233,155.10	106,279.00	128,279.00	0.90
AIC Equipment Lease/Purchase	5312	164,489.00	164,128.01	-	360.83	0.16
Nation Wide Products	5313	105,250.00	62,366.67	-	42,416.67	466.66
Enavail, LLC	5316	422,173.00	379,990.57	-	10,416.71	31,765.15
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
Energy Maintenance Serv-Gearbox	5319	622,500.00	289,660.00	-	313,270.89	19,569.11
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	-	70,000.00	-
Cooperative Response Center	5324	296,500.00	71,748.18	-	62,844.42	161,907.40
Land 922 N 13th Street	5325	50,000.00	35,735.00	-	12,750.00	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	495,390.00	75,500.00	-	75,500.00	344,389.50
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	1,283.88	56,598.31	6,250.52
Vine St. Parking Lot	5335.3	158,850.00	158,850.00	-	-	-
Vine St. Construction	5335.4	569,064.00	32,610.00	14,961.23	482,428.13	42,235.47
Vine St. Interior Demo	5335.5	130,489.00	121,698.03	-	1,332.94	3,547.06
Vine St. Other Impr	5335.6	14,618.00	-	-	14,617.28	0.72
Vine Street Gotta Go Trailways	5335.7	19,500.00	-	-	15,500.00	4,000.00
Vine Street Fehr Foods	5335.8	62,607.00	-	8,258.25	45,690.25	6,348.00
Slide Fire Improvements	5335.9	325,000.00	-	80,907.89	80,907.89	234,100.00
Welder Training	5339	417,438.00	146,766.19	-	140,278.26	130,393.55
Fehr Foods '12	5340	510,000.00	-	-	170,000.00	340,000.00
Prospect Development	5341	1,216.00	1,216.00	-	-	-
Pactiv Compressor A/E	5344.1	33,672.00	10,500.00	248.82	23,170.85	1.15
Pactiv Compressor Construction	5344.2	335,500.00	-	16,390.30	327,806.00	7,694.00
Owens Machine & Tool	5345	351,000.00	-	-	-	351,000.00
Bioleth Marketing and PR Plan	5346	116,400.00	-	5,881.16	80,608.13	17,766.90
TMAC FY13	5347	110,000.00	-	-	22,000.00	88,000.00
Hangar Doghouses	5348.1	423,000.00	-	-	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	907,250.00	-	-	10,200.00	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	10,500.00	53,760.00
Five Point Land Clearing	5355	37,160.00	-	-	35,160.00	2,000.00
Fehr Foods '13	5356	240,000.00	-	-	-	240,000.00
TTUHSC Center FY13 Operating	5357	250,120.00	-	-	208,620.00	41,500.00
Purchase 834 Pine	5358	40,485.00	-	1,061.00	37,984.66	2,500.00
Tucker Energy Service	5359	1,585,000.00	-	-	-	1,585,000.00
Five Points Survey	5360	35,000.00	-	5,200.00	5,200.00	29,800.00
TTUHSC Center FY14 Operating	5361	427,109.00	-	274,400.00	274,400.00	152,709.00
Miscellaneous Activities	2785	354,189.86	354,189.86	-	-	-

**BALANCE OF OBLIGATED PROGRAMS**      \$ 45,736,118.71      \$ 26,037,736.86      \$ 1,306,369.75      \$ 7,248,019.86      \$ 10,789,636.19      \$ 1,660,723.94

**UNDESIGNATED FUND BALANCE**      (unencumbered balance less obligated programs and contingent liabilities)      \$ 23,966,148.15

DCOA Board approved projects waiting for signed contracts	Expiration Date
Marketing for 2nd Airline      5334	09/30/2013
Project LS	01/31/2014
Project KM	01/31/2014
Project RZ	02/27/2014
FY14 Annual Contracts & Property Management	02/27/2014
<b>Total</b>	<b>11,227,121</b>

3.8

# DEVELOPMENT CORPORATION OF ABILENE, INC.

## BOARD AGENDA

MEETING DATE: September 24, 2013

**PROJECT:** Vine St. Tenant Improvements for Slide Fire Solutions

**STAFF:** Richard Burdine, CEO

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### BACKGROUND

Slide Fire Solutions (SFS), f/k/a Project LS, is a Texas-based company that manufactures aftermarket products for gun enthusiasts. The company is adding a new division to manufacture ammunition components. Only ammunition projectiles will be manufactured in Abilene so there is no concern over explosives being used in the manufacturing process. The majority of the work involves machining the projectiles using advanced machining “robots” extensively. SFS anticipates hiring or transferring 26 employees with a projected annual payroll of \$1,497,800 and making a \$15MM capital equipment investment through the end of 2014.

To start up their new division SFS is leasing space in the DCOA-owned warehouse at 4109 Vine Street. Warehouse D (32,726 s.f.) plus 5,056 s.f. of office space in the upper office area are adequate for their short-term needs. The company originally wanted to lease Warehouse E, which is separated from Warehouse D by Warehouse C, which is occupied by Fehr Foods. Since the board approved assistance to SFS via resolution DCOA-2013.22 on July 30, 2013, the company has revised its plans and feels Warehouse D is adequate for its needs. The company is on a fast timeline as equipment began arriving from overseas in August; therefore, a temporary lease agreement was executed for Warehouse D only to allow the company to set up and test the new equipment. Meanwhile, we have contracted for improvements to the warehouse and office space to accommodate the company’s immediate and long-term needs.

The incentives package approved for Project LS on 7-30-13 in the amount of \$1,936,230 includes:

1. Capital Investment Incentive - \$1,500,000 paid at 10% of Company’s capital equipment investment of \$15MM over 3 years at \$500,000/year.
2. Job Creation Incentive – \$436,230 paid for 26 new positions over 3 years.
3. Vine St. Lease - A temporary lease beginning immediately for Warehouse D at \$2.00/s.f./year, triple net for up to 6 months. A permanent 5-year lease will be executed soon for Warehouse D and the office space. The permanent lease couldn’t be finalized until we have hard costs for the warehouse modifications because a portion of those costs will be added to the base lease rate of \$2.00/s.f./year.

### THE REQUEST

The following table shows the tenant improvements made or under contract to Warehouse D and the offices to accommodate Slide Fire. Also included is a percent allocation to DCOA and Slide Fire, with Slide Fire’s share being calculated into the annual lease payments. Improvements to Warehouse D include; 1) heavy electrical power on a temporary basis to allow testing of the company’s equipment until the electrical equipment needed for permanent power is delivered and installed, 2) a 12’ x 12’ opening cut in the concrete wall separating two small rooms at the S end of the warehouse to allow for forklift traffic, 3) ventilation for two pieces of equipment plus cross-ventilation for airflow through the warehouse, 4) extension of a water line to a piece of the company’s equipment, 5) warehouse cleaning, and 6) design fees. Improvements to the office area include; 1) installation of a dividing wall with door, 2) installation of a store front door with glass side panels and a reception pass window at the entry to the lease area, 3) installation of flooring to finish-out areas with no flooring, and 4) installation of 2 fire-rated doors separating the break room from Warehouse E.

## Slide Fire Solutions

### Vine St. Tenant Improvements (TI) Cost Allocation Over a 5-Year Lease

TI for Warehouse D (32,726 s.f.)				Cost Allocation %		Cost Allocation \$		
Description	Vendor	Total Contract Amount	Contract Date	DCOA	Slide Fire	DCOA	Slide Fire	
1 Base Electrical Service Temporary	Long Electric	\$ 36,173.00	08/05/2013	0%	100%	\$ -	\$ 36,173.00	
2 Base Electrical Service Permanent	Long Electric	\$ 239,102.00	08/05/2013	20%	80%	\$ 59,775.50	\$ 179,326.50	
3 Opening cut between small warehouse rooms	Thomas Hicks Construction	\$ 10,195.00	08/12/2013	50%	50%	\$ 5,097.50	\$ 5,097.50	
4 Ventilation for compressor and washer	Batjer & Assoc	\$ 7,786.00	09/17/2013	20%	80%	\$ 1,557.20	\$ 6,228.80	
5 Cross ventilation for warehouse	Batjer & Assoc	\$ 11,410.00	09/17/2013	50%	50%	\$ 5,705.00	\$ 5,705.00	
6 Water line extension/sewer tie-in PLUS CO #1 to change water line to CPVC.	Batjer & Assoc	\$ 10,085.00	08/16/2013	50%	50%	\$ 5,042.50	\$ 5,042.50	
7 Design Fee	Jacob & Martin Engineers	\$ 13,280.00		50%	50%	\$ 6,640.00	\$ 6,640.00	
8 Cleaning of warehouse	ServiceMaster by A-Town Hi-Tech	\$ 2,897.00	09/09/2013	50%	50%	\$ 1,448.50	\$ 1,448.50	
9 Contingency	Estimate	\$ 10,000.00		50%	50%	\$ 5,000.00	\$ 5,000.00	
TOTALS		\$ 340,928.00				\$ 90,266.20	\$ 250,661.80	
Cost per Year Over a 5-Year Lease							\$ 50,132.36	
Cost Per Square Foot Over a 5-Year Lease (\$50,132.36 divided by 32,726 square feet)							\$ 1.53	
Base Warehouse Lease Rate of \$2.00/s.f./year							\$ 2.00	
Total Lease Rate							\$ 3.53	
Annual Lease Payment (\$3.53 times 32,726 s.f.)							\$ 115,522.78	
Monthly Lease Payment (\$115,522.78 divided by 12)							\$ 9,626.90	
TI for Upstairs Offices (5,056 s.f.)				Cost Allocation %		Cost Allocation \$		
Description	Vendor	Total Contract Amount	Contract Date	DCOA	Slide Fire	DCOA	Slide Fire	
1 Dividing wall N end including paint, electric plugs and door	Mackie Construction	\$ 1,000.00	08/08/2013	100%	0%	\$ 1,000.00	\$ -	
2 Store front door and reception window	West Texas Glass	\$ 5,240.00	08/08/2013	100%	0%	\$ 5,240.00	\$ -	
3 2-fire rated doors in breakroom	West Texas Glass	\$ 2,872.00	08/08/2013	100%	0%	\$ 2,872.00	\$ -	
4 Flooring-vinyl tiles and carpet	Callaways Carpets	\$ 10,341.00	08/12/2013	100%	0%	\$ 10,341.00	\$ -	
5 Contingency	Estimate	\$ 5,000.00		100%	0%	\$ 5,000.00	\$ -	
TOTALS		\$ 24,453.00				\$ 24,453.00	\$ -	
Annual Lease Payment (\$6.00 times 5,056 s.f.)							\$ 30,336.00	
Monthly Lease Payment (\$30,336 divided by 12)							\$ 2,528.00	
Combined Annual Lease Payment							\$ 145,858.78	
Combined Monthly Lease Payment							\$ 12,154.90	

I propose the DCOA pay 100% of the office improvements totaling about \$24,453 because the improvements would be easily transferrable to a subsequent tenant(s). I also propose the DCOA pay all of the warehouse improvements totaling \$340,928 up front with the portion allocated to Slide Fire (\$250,661.80) being reimbursed over the 5-year lease period. Approval of such costs also serves to ratify the contracts and expenses thus far incurred on Slide Fire's behalf.

### FISCAL IMPACT

#### Tenant Improvements:

Offices	\$ 24,453
Warehouse D	<u>\$340,928</u>
Total Funding Requested	\$365,381

LESS Costs allocated to SFS	<u>(\$250,662)</u>
Net cost to DCOA	\$114,719



**STAFF RECOMMENDATION**

Staff recommends approval of resolution DCOA-2013.27 authorizing \$365,381 and ratifying contracts for tenant improvements to Warehouse D and upper offices at 4109 Vine St. to accommodate Slide Fire Solutions during its 5-year lease term.

**STAFF RECOMMENDATION**

Resolution DCOA-2013.27

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**RESOLUTION NO. DCOA-2013.27**

A RESOLUTION OF THE DEVELOPMENT CORPORATION OF ABILENE, INC. ("DCOA"), ABILENE, TEXAS AUTHORIZING TENANT IMPROVEMENTS AT 4109 VINE ST. FOR SLIDE FIRE SOLUTIONS, LLC ("SFS").

WHEREAS, SFS (f/k/a/ Project LS) is a Texas-based company that manufactures aftermarket products for gun enthusiasts; and,

WHEREAS, the company is adding a new division to manufacture ammunition projectiles in Abilene and anticipates; 1) hiring or transferring 26 employees with a projected annual payroll of \$1,497,800, and 2) making a \$15MM capital equipment investment through the end of 2014; and,

WHEREAS, on July 30, 2013, the board approved resolution DCOA-2013.22 authorizing assistance for SFS in the amount of \$1,936,230; 1) Capital Investment Incentive - \$1,500,000 paid at 10% of Company's capital equipment investment of \$15MM over 3 years at \$500,000/year, 2) Job Creation Incentive - \$436,230 paid for 26 new positions over 3 years, and 3) Vine St. Lease - A temporary lease beginning immediately for Warehouse D at \$2.00/s.f./year, triple net for up to 6 months; and,

WHEREAS, a permanent lease will include Warehouse D (32,726 s.f.) and 5,056 s.f. of office space in the upper office area, but it couldn't be finalized until all hard costs for the warehouse modifications are gathered because a portion of those costs will be added to the base lease rate of \$2.00/s.f./year; and,

WHEREAS, improvements to Warehouse D include; 1) heavy electrical power on a temporary basis to allow testing of the company's equipment until the electrical equipment needed for permanent power is delivered and installed, 2) a 12' x 12' opening cut in the concrete wall separating two small rooms at the S end of the warehouse to allow for forklift traffic, 3) ventilation for two pieces of equipment plus cross-ventilation for airflow through the warehouse, 4) extension of a water line to a piece of the company's equipment, 5) warehouse cleaning, and 6) design fees; and,

WHEREAS, improvements to the office area include; 1) installation of a dividing wall with door, 2) installation of a store front door with glass side panels and a reception pass window at the entry to the lease area, 3) installation of flooring to finish-out areas with no flooring, and 4) installation of 2 fire-rated doors separating the break room from Warehouse E; and,

WHEREAS, staff requests the DCOA authorize \$365,381 and ratify contracts for tenant improvements to Warehouse D and upper offices at 4109 Vine St. to accommodate Slide Fire Solutions during its 5-year lease term.

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

**PART 1.** DCOA authorizes funding of Three Hundred Sixty-Five Thousand Three Hundred Eighty-One and no/100's Dollars (\$365,381.00) and ratifies contracts for tenant improvements to Warehouse D and upper offices at 4109 Vine St. to accommodate Slide Fire Solutions during its 5-year lease term. The following tables depict the contracts and funding and also the allocation of costs between DCOA (\$114,719) and SFS (\$250,662). SFS will reimburse the DCOA for its portion of the costs via its lease payments to DCOA.

6.4

TI for Warehouse D (32,726 s.f.)			Cost Allocation %		Cost Allocation \$	
Description	Vendor	Total Contract Amount	DCOA	Slide Fire	DCOA	Slide Fire
1 Base Electrical Service Temporary	Long Electric	\$ 36,173.00	0%	100%	\$ -	\$ 36,173.00
2 Base Electrical Service Permanent	Long Electric	\$ 239,102.00	20%	80%	\$ 59,775.50	\$ 179,326.50
3 Opening cut between small warehouse rooms	Thomas Hicks Construction	\$ 10,195.00	50%	50%	\$ 5,097.50	\$ 5,097.50
4 Ventilation for compressor and washer	Batjer & Assoc	\$ 7,786.00	20%	80%	\$ 1,557.20	\$ 6,228.80
5 Cross ventilation for warehouse	Batjer & Assoc	\$ 11,410.00	50%	50%	\$ 5,705.00	\$ 5,705.00
6 Water line extension/sewer tie-in PLUS CO #1 to change water line to CPVC.	Batjer & Assoc	\$ 10,085.00	50%	50%	\$ 5,042.50	\$ 5,042.50
7 Design Fee	Jacob & Martin Engineers	\$ 13,280.00	50%	50%	\$ 6,640.00	\$ 6,640.00
8 Cleaning of warehouse	ServiceMaster by A-Town Hi-Tech	\$ 2,897.00	50%	50%	\$ 1,448.50	\$ 1,448.50
9 Contingency	Estimate	\$ 10,000.00	50%	50%	\$ 5,000.00	\$ 5,000.00
TOTALS		\$ 340,928.00			\$ 90,266.20	\$ 250,661.80
Cost per Year Over a 5-Year Lease						\$ 50,132.36
Cost Per Square Foot Over a 5-Year Lease (\$50,132.36 divided by 32,726 square feet)						\$ 1.53
Base Warehouse Lease Rate of \$2.00/s.f./year						\$ 2.00
Total Lease Rate						\$ 3.53
Annual Lease Payment (\$3.53 times 32,726 s.f.)						\$ 115,522.78
Monthly Lease Payment (\$115,522.78 divided by 12)						\$ 9,626.90
TI for Upstairs Offices (5,056 s.f.)			Cost Allocation %		Cost Allocation \$	
Description	Vendor	Total Contract Amount	DCOA	Slide Fire	DCOA	Slide Fire
1 Dividing wall N end including paint, electric plugs and door	Mackie Construction	\$ 1,000.00	100%	0%	\$ 1,000.00	\$ -
2 Store front door and reception window	West Texas Glass	\$ 5,240.00	100%	0%	\$ 5,240.00	\$ -
3 2-fire rated doors in breakroom	West Texas Glass	\$ 2,872.00	100%	0%	\$ 2,872.00	\$ -
4 Flooring-vinyl tiles and carpet	Callaways Carpets	\$ 10,341.00	100%	0%	\$ 10,341.00	\$ -
5 Contingency	Estimate	\$ 5,000.00	100%	0%	\$ 5,000.00	\$ -
TOTALS		\$ 24,453.00			\$ 24,453.00	\$ -
Annual Lease Payment (\$6.00 times 5,056 s.f.)						\$ 30,336.00
Monthly Lease Payment (\$30,336 divided by 12)						\$ 2,528.00
Combined Annual Lease Payment						\$ 145,858.78
Combined Monthly Lease Payment						\$ 12,154.90

**PART 2.** This resolution is contingent upon execution of all necessary agreements. The 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 any contract and all other related documents on behalf of the DCOA.

ADOPTED this the 24th day of September, 2013.

ATTEST:

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Marelyn Shedd  
Secretary/Treasurer

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Paul Cannon  
President

APPROVED:

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T. Daniel Santee, City Attorney

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6.6

# DEVELOPMENT CORPORATION OF ABILENE, INC.

## BOARD AGENDA

MEETING DATE: September 24, 2013

**PROJECT:** Contract with Central State Resources, LLC for Railroad Layout Design Services in Five Points Business Park

**STAFF:** Richard Burdine, CEO

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### **BACKGROUND INFORMATION:**

The Five Points Business Park located in west Abilene is mostly owned by the DCOA and is bounded on the west by Fulwiler Rd., the north by I-20, the east by Wall St., and the south by the railroad tracks. Development in the Park has increased significantly over the last few years with construction of the Texas Healthcare Linen and FedEx Ground facilities and the recent sale of 10 acres to Atmos Energy. Efforts to market the Park are somewhat hampered by the lack of an accurate drawing of all the platted lots in the Park showing sizes, existing easements and flood plains and floodways.

On April 30, 2013, the board approved resolution DCOA-2013.19 REVISED authorizing assistance for Tucker Energy Services (f/k/a Project RN), an oil & gas services provider looking to purchase land in the Park, south of Five Points Parkway. The amended assistance package approved in June 2013 includes the sale of 13 acres for the company's Phase 1 expansion into Abilene, which will require replatting that section of land into separate lots. The company is also interested in a rail spur should they move into Phase 2 expansion, and staff is in contact with other potential Park tenants that are also interested in rail service.

On June 11, 2013, the board approved resolution DCOA-2013.21 authorizing a contract with Enprotec/Hibbs & Todd and \$35,000 for work in Five Points Business Park as follows: 1) \$8,000 to develop a drawing of all lots west of Arnold Blvd as platted, 2) \$3,000 to assist in alignment of a proposed rail spur, 3) \$6,000 for a route survey along the proposed rail spur, 4) \$6,000 to re-plate the Park on the west side of Arnold Blvd, 5) \$7,000 to develop a drawing of the entire Park for marketing purposes, and 6) \$5,000 for contingency.

### **REQUEST:**

Central State Resources, LLC is a premier railroad design and construction company whose principals have more than thirty years experience individually in the railroad construction industry. CSR is located near San Antonio and is very actively engaged in railroad design and construction relating to both commercial and oilfield industries on a national basis. CSR uses state of the art GPS Survey Equipment and CAD Design Software to assist in design preparation. Their designs are tailored to meet customer's needs and to comply with all Main Line Railroad specifications, if applicable.

CSR is proposing to design a layout for a proposed expansion of rail service in Five Points Business Park, west of Arnold Blvd. Services will cost \$11,000 and will include:

#### **Preliminary - \$3,800**

1. Communicating with Union Pacific Railroad (UPRR) to determine operational requirements for a rail site and best use of the property.
2. Preliminary track layout for land west of Arnold Blvd. Multiple layouts will be provided to show how the property can be serviced and parceled to customers.
3. Conceptual exhibit drawings for company review and planning with related studies discussing the operational ability and scope of construction.

7.1

10% Plans - \$7,200

1. Prepare 10% plans to submit to UPRR, prepared to UPRR standards. Plans will include horizontal layout, engineering labels per requirements, track capacity information, scope of work and operating plan.
2. 10% plans will be prepared for the manifest rail expansion on the development's existing property and show the ability to service multiple customers.

Not included are utility planning, permits, storm water protection, hydrology study, environmental study, locating actual legal ownership, easements or rights of way (other than furnished by DCOA or DCOA's representatives), and properties survey, any structural drainage design, signal design, and any radio control switch detail and design, if required. Additional services may include drawings and existing topography required to obtain an industry track agreement with UPRR.

I propose the board authorize a contract with CSR for the work described. An expansion of rail service in Five Points Business Park could potentially lead to new clients and tenants in the Park that wouldn't consider the Park without rail service. As mentioned, we are already in contact with several companies that would benefit from this service. There is a severe lack of rail served industrial properties in Abilene.

Union Pacific Distribution Services (UPDS) is a wholly owned subsidiary of Union Pacific Railroad specializing in the design and execution of rail-based logistics programs. Collaboration between UPRR and UPDS resulted in the Wind2Rail program, a logistics solution tailored to meet the changing needs of the wind industry. Wind2Rail utilizes an established network of wind distribution facilities and aligns the Union Pacific rail network with key port and wind farm locations. UPRR and UPDS manage rail shipments on a door-to-door basis, providing customers with consistent service at competitive costs by using the efficiencies of rail for long-haul transport. I have spoken with representatives of the Wind2Rail program and feel confident we will continue to pursue the possibility of Five Points Business Park becoming part of their network.

**FISCAL IMPACT:**

Contract with CSR	\$11,000
Additional Services	<u>\$ 5,000</u>
Total	\$16,000

**STAFF RECOMMENDATION:**

Staff recommends approval of resolution DCOA-2013.28 authorizing a contract with Central State Resources, LLC for a railroad layout for Five Points Business Park, west of Arnold Blvd, and funding of \$11,000, plus \$5,000 for additional services.

**ATTACHMENTS:**

Resolution DCOA-2013.28

7.2

**RESOLUTION NO. DCOA-2013.28**

A RESOLUTION OF THE DEVELOPMENT CORPORATION OF ABILENE, INC. ("DCOA"), ABILENE, TEXAS AUTHORIZING A CONTRACT WITH CENTRAL STATE RESOURCES, LLC TO DESIGN A LAYOUT FOR A PROPOSED EXPANSION OF RAIL SERVICE IN THE FIVE POINTS BUSINESS PARK ("PARK").

WHEREAS, the Five Points Business Park located in west Abilene is mostly owned by the DCOA and is bounded on the west by Fulwiler Rd., the north by I-20, the east by Wall St., and the south by the railroad tracks; and,

WHEREAS, development in the Park has increased significantly over the last few years with construction of the Texas Healthcare Linen and FedEx Ground facilities and the recent sale of 10 acres to Atmos Energy; and,

WHEREAS, Central State Resources, LLC is a premier railroad design and construction company located near San Antonio engaged with both commercial and oilfield industries on a national basis. Their designs are tailored to meet customer's needs and to comply with all Main Line Railroad specifications, if applicable; and,

WHEREAS, an expansion of rail service in Five Points Business Park could potentially lead to new clients and tenants in the Park that wouldn't consider the Park without rail service; and,

WHEREAS, staff requests the DCOA authorize a contract with Central State Resources, LLC to design a layout for a proposed expansion of rail service in the Five Points Business Park.

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

**PART 1.** DCOA authorizes a contract with Central State Resources, LLC and funding of Sixteen Thousand and no/100's Dollars (\$16,000.00) to design a layout for a proposed expansion of rail service in the Five Points Business Park as follows:

Preliminary - \$3,800

1. Communicating with Union Pacific Railroad (UPRR) to determine operational requirements for a rail site and best use of the property.
2. Preliminary track layout for land west of Arnold Blvd. Multiple layouts will be provided to show how the property can be serviced and parceled to customers.
3. Conceptual exhibit drawings for company review and planning with related studies discussing the operational ability and scope of construction.

10% Plans - \$7,200

1. Prepare 10% plans to submit to UPRR, prepared to UPRR standards. Plans will include horizontal layout, engineering labels per requirements, track capacity information, scope of work and operating plan.
2. 10% plans will be prepared for the manifest rail expansion on the development's existing property and show the ability to service multiple customers.

Contingency/Additional Services - \$5,000

Not included are utility planning, permits, storm water protection, hydrology study, environmental study, locating actual legal ownership, easements or rights of way (other than furnished by DCOA or DCOA's representatives), and properties survey, any structural drainage design, signal design, and any radio control switch detail and design, if required. Additional services may include drawings and existing topography required to obtain an industry track agreement with UPRR.

**PART 2.** This resolution is contingent upon execution of all necessary agreements. The 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 any contract and all other related documents on behalf of the DCOA.

ADOPTED this the 24th day of September, 2013.

ATTEST:

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Marelyn Shedd  
Secretary/Treasurer

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

APPROVED:

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T. Daniel Santee, City Attorney