

## PUBLIC NOTICE

### DEVELOPMENT CORPORATION OF ABILENE, INC.

A regular meeting of the Development Corporation of Abilene, Inc. will be held on Tuesday, November 12, 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

November 12, 2013  
1:30 p.m.

Abilene Laboratories  
1325 Pine St.

1. Call the meeting to order.
2. Approval of minutes from the October 29, 2013, board meeting.
3. November 2013 sales tax 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 additional assistance for Smith Pipe.
6. Discussion and possible approval of a resolution authorizing a construction contract and funding for the extension of Enterprise Dr.

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**  
**October 29, 2013**

<b>MEMBERS PRESENT:</b>	Paul Cannon	Scott Senter
	Dave Copeland	Marelyn Shedd
<b>MEMBER ABSENT:</b>	Dani Ramsay	
<b>STAFF PRESENT:</b>	Richard Burdine	Kim Tarrant
	Mindy Patterson	Daniel Santee
<b>GUESTS PRESENT:</b>	Jason Smith	Abilene Industrial Foundation
	Gary Robinett	Abilene Industrial Foundation
	John Mangalonzo	Abilene Reporter News

1. **CALL THE MEETING TO ORDER.** President Paul Cannon called the meeting to order at 1:37 p.m. at the Abilene Laboratories, 1325 Pine St., Abilene Texas.
2. **APPROVAL OF MINUTES FROM OCTOBER 8, 2013 BOARD MEETING.** Scott Senter moved to approve minutes from the October 8, 2013, board meeting. Marelyn Shedd seconded and the motion carried.
3. **SALES TAX REPORT FOR OCTOBER 2013.** Mindy Patterson, Director of Finance for the City of Abilene, reviewed the sales tax revenue for October 2013, which represents August 2013 sales. The total sales tax rebate was \$3,260,503.83 which is 6.63% below the projected budget amount. The October breakdown is \$2,445,337.87 going to the General Fund and \$815,125.96 to the DCOA. Collections are 4.76% less than last year. This is the first rebate of the 2014 fiscal year.
4. **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 October 29, 2013, and the time is 1:38 p.m. Later, President Cannon announced the date is still October 29, 2013, and the time is 1:46 p.m. No vote or action was taken in Executive Session.

5. **DISCUSSION AND POSSIBLE APPROVAL OF A RESOLUTION AUTHORIZING ASSISTANCE FOR PROJECT AH.** Richard Burdine introduced Project AH, an existing Abilene business that started twenty-five years ago when the owner started experimenting in the kitchen. The company employs 11 to manufacture products for relief of aches and other skin care and foot care products, which are sold through national retailers and online. To assist with the company's expansion, Mr. Burdine recommends assistance of \$76,948 for a building expansion, capital equipment

purchases, and creation of 10 new positions (3 new jobs in 2013, 3 more new jobs in 2014 and 4 more new jobs in 2015).

Dave Copeland moved to approve resolution DCOA-2014.05 as presented, authorizing assistance for Project AH totaling \$76,948 for job creation of 10 and capital investment up to \$224,980 paid over 3 years. Scott Senter seconded and the motion carried.

**EXECUTIVE SESSION –SESSION 2.** After a short break, President Paul Cannon announced the date is still October 29, 2013, and the time is 1:52 p.m. as the board went into another Executive session. Later, President Paul Cannon announced the date is still October 29, 2013, and the time is 2:32 p.m. No vote or action was taken in Executive Session.

6. **ADJOURNMENT.** The next regularly scheduled meetings are November 12, 2013 and November 26, 2013. There being no further business the meeting was adjourned.

---

Paul Cannon, President

MEMORANDUM

November 6, 2013

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

---

The sales tax rebate for November is \$3,587,043.03 which represents September sales. This is 0.54% above last year and 1.43% below the projected FY 14 budget amount. The breakdown of the November rebate is \$2,690,282.27 to the General Fund and \$896,760.76 for economic development. Of this rebate, \$90,427 is from prior periods, audit payments, future payments, and unidentified payments. For the period of October through November, sales tax is 2.06% below last year and 3.98% below the projected FY 14 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 2012-13	Actual 2012-13		Actual 2013-14	Actual 2013-14	
October	\$2,567,604.30	\$855,868.10	\$3,423,472.40	\$2,445,377.87	\$815,125.96	\$3,260,503.83
November	2,675,867.12	891,955.71	3,567,822.83	2,690,282.27	896,760.76	3,587,043.03
<b>YTD</b>	<b>\$5,243,471.42</b>	<b>\$1,747,823.81</b>	<b>\$6,991,295.23</b>	<b>\$5,135,660.14</b>	<b>\$1,711,886.72</b>	<b>\$6,847,546.86</b>
December	2,319,312.29	773,104.09	3,092,416.38			
January	2,186,131.29	728,710.43	2,914,841.72			
February	3,038,055.04	1,012,685.01	4,050,740.05			
March	2,464,587.05	821,529.01	3,286,116.06			
April	2,402,889.56	800,963.19	3,203,852.75			
May	2,895,168.95	965,056.32	3,860,225.27			
June	2,482,246.02	827,415.34	3,309,661.36			
July	2,480,852.18	826,950.72	3,307,802.90			
August	2,781,814.76	927,271.58	3,709,086.34			
September	2,393,587.58	797,862.52	3,191,450.10			
<b>FY TOTAL</b>	<b>\$30,688,116.14</b>	<b>\$10,229,372.02</b>	<b>\$40,917,488.16</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 2012-13	Actual 2013-14	% Change
October	\$855,868	\$815,126	-4.76%
November	891,956	896,761	0.54%
<b>YTD</b>	<b>\$1,747,824</b>	<b>\$1,711,887</b>	<b>-2.06%</b>
December	773,104		
January	728,710		
February	1,012,685		
March	821,529		
April	800,963		
May	965,056		
June	827,415		
July	826,951		
August	927,272		
September	797,862		
<b>FY TOTAL</b>	<b>\$10,229,372</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 November '13 represents September '13 sales. Approximately \$22,607 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*

<b>Accounting Period Month</b>	<b>Actual 2009-10</b>	<b>Actual 2010-11</b>	<b>Actual 2011-12</b>	<b>Actual 2012-13</b>	<b>Actual 2013-14</b>
October	\$671,904	\$661,859	\$890,386	\$855,868	\$815,126
November	758,231	774,838	964,808	891,956	896,761
<b>YTD</b>	<u>\$1,430,136</u>	<u>\$1,436,697</u>	<u>\$1,855,194</u>	<u>\$1,747,824</u>	<u>\$1,711,887</u>
December	602,230	647,119	725,276	773,104	
January	594,761	693,114	941,066	728,710	
February	898,241	978,890	1,175,879	1,012,685	
March	618,659	646,308	732,189	821,529	
April	601,410	641,310	769,064	800,963	
May	814,964	948,413	977,461	965,056	
June	612,963	741,634	766,944	827,415	
July	660,806	749,767	756,886	826,951	
August	829,188	1,013,393	920,096	927,272	
September	649,391	799,173	800,200	797,862	
<b>FY TOTAL</b>	<u>\$ 8,312,748</u>	<u>\$ 9,295,819</u>	<u>\$10,420,256</u>	<u>\$ 10,229,372</u>	

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

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



# DEVELOPMENT CORPORATION OF ABILENE, INC.

## BOARD AGENDA

MEETING DATE: November 12, 2013

**PROJECT:** Smith Pipe – Phase 5

**STAFF:** Richard Burdine, CEO

---

### THE COMPANY

Smith Pipe is a local company founded in 1983 and currently owns many acres of land south of Abilene in the City's 5-mile extraterritorial jurisdiction (ETJ). The company operates drillings rigs, well service units, a Roust-A-Bout crew, and plug & abandonment units in addition to manufacturing new storage tanks and pressure vessels and sales of used oilfield equipment. The company also operates a truck fleet for rig moving and equipment sales. They currently have 418 employees.

**PHASES 1 & 2** - In May 2011, the DCOA Board approved Resolution DCOA-2011.16 authorizing assistance for Smith Pipe (Project BC) in a total amount not to exceed \$1,155,368 for Phase 1 construction and Phase 2 expansion of a new 40,500 sq ft facility adjacent to the existing facility for its new pipe coating operation that will support and enhance their current operation. The company pledged to add another 44 jobs total and invest \$5,267,000 in capital.

**PHASE 3** - On October 11, 2011, the DCOA approved Resolution DCOA-2012.01 authorizing Phase 3 assistance totaling \$521,790 for the purchase of more land and construction of a 15,000 sq ft main shop and a 5,000 sq ft paint and sand blasting shop for the company's new tank fabrication operation. At the time, the total estimated project cost for construction and equipment purchases was \$2,087,900. Plans are to create 31 new jobs in Phase 3, in addition to the 44 jobs to be created in Phases 1 and 2 combined.

**REVISION TO PHASES 1, 2, & 3** - On February 27, 2012, the board authorized Resolution DCOA-2012.14, which revised previously approved assistance packages for Phases 1, 2 and 3 by eliminating the job creation incentive for each phase and increasing the capital investment incentive for Phase 3 by \$12,000. Also approved is advancing the capital investment incentives for Phase 2 and 3 under separate notes at 0% interest secured by a letter of credit. The advances will occur after completion of the phase and receipt by the DCOA of appropriate documentation, and the principal balances will be forgiven over the following 3 years in equal annual amounts.

The final impact is the reduction of the assistance approved for all three phases by \$941,668 by eliminating the job creation incentives, then increasing the Phase 3 capital investment incentive by \$12,000. The result is total capital investment incentives for all three phases of \$747,490, down from \$1,677,158 including job creation incentives.

Status -Phase 1 was funded in July 2011 at \$226,500 under a note secured by a letter of credit and forgiven over 3 years. The current unforgiven balance is \$75,500. Phase 2 approval of \$300,200 is not funded and on hold pending word from the company. Phase 3 was funded in February 2013 at \$220,790 under a note secured by a letter of credit and forgiven over 3 years.

**PHASE 4** – On July 24, 2012, the board approved Resolution DCOA-2012.25 authorizing Phase 4 capital investment assistance of \$400,000 paid at 10% of cost for an expansion of the tank

manufacturing operation, including purchase of 35 more acres of land, construction of a 45,000 sq ft building, additional equipment purchases, and 50 new jobs.

Status – Phase 4 was funded in February 2013 at \$355,810.50 under a note secured by a letter of credit and forgiven over 3 years.

**THE PROJECT**

The company has now embarked on a Phase 5 expansion of the vessel shop including new equipment, a new small tanks blasting, coating & painting shop and construction of a new warehouse. The expansion will cost an estimated \$4,520,000 and result in 67 new jobs as follows:

1. Vessel Shop Addition – a 30,000 sq ft addition to the existing 24,200 sq ft facility at a cost of about \$2MM, adding 3 more bays and 42 new jobs.
2. Vessel Shop Equipment – specialized equipment for rolling cans in the vessel shop including two rollers and a plasma table at a cost of about \$720,000 and 8 new jobs,
3. Blasting, Coating & Painting Small Tanks – a new 18,000 sq ft facility at a cost of about \$1,700,000 and 8 new jobs,
4. Warehouse – a new 5,000 sq ft warehouse at a cost of about \$100,000, and 2 new jobs.

The company is revising its corporate structure and adding 2 new vice president positions, an Engineer, a Procurement Manager, an HR manager and 2 Operations Managers to make operations more efficient. Cliff Smith has stepped down as President but will remain active in the drilling side of the company. David Hill was hired in April 2012 as President with ties to the Hill Family Partnership, which has a large interest in the company.

**THE REQUEST**

The company requests the DCOA approve a 10% capital investment incentive of up to \$452,000 for Phase 5 construction and equipment purchases. As with Phases 3 and 4, the company requests the DCOA advance the Phase 5 capital investment incentive under a separate note receivable upon completion of construction and DCOA’s receipt of documentation evidencing actual costs. The loan will be secured by a letter of credit and forgiven over three years in equal annual amounts of \$150,667. Though there are no job creation incentives approved or being requested, the company will be required to submit annual reports of employment.

Because the project is located in the City’s ETJ, approval by the Taylor County Commissioner’s Court will be required prior to finalization of the deal.

**FISCAL IMPACT**

Phase 5 capital investment incentive	\$452,000
--------------------------------------	-----------

**STAFF RECOMMENDATION**

Staff recommends approval of resolution DCOA-2014.06 authorizing a capital investment incentive for Smith Pipe’s Phase 5 expansion of up to \$452,000 at 10% of cost for expansion of the vessel manufacturing operation, addition of a small tanks blasting, coating & painting facility and a new warehouse. The capital investment incentive will be advanced under a separate forgivable note and secured by a letter of credit.

**ATTACHMENTS**

Resolution DCOA-2014.06

S:\DCOAMeeting Memos\FY 2014\Smith Pipe Ph 5 & 6 11-12-13.docx

**RESOLUTION NO. DCOA-2014.06**

A RESOLUTION OF THE DEVELOPMENT CORPORATION OF ABILENE, INC. (DCOA), ABILENE, TEXAS AUTHORIZING FINANCIAL ASSISTANCE FOR SMITH PIPE'S PHASE 5 EXPANSION OF ITS VESSEL SHOP, SMALL TANK BLASTING, COATING & PAINTING SHOP AND WAREHOUSE SPACE.

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

WHEREAS, Smith Pipe is a local company founded in 1983 located on Hwy 277 South, in the City's 5-mile extraterritorial jurisdiction (ETJ); and,

WHEREAS, the company operates drillings rigs, well service units, a Roust-A-Bout crew, and plug & abandonment units in addition to manufacturing new storage tanks and pressure vessels and sales of used oilfield equipment. The company also operates a truck fleet for rig moving and equipment sales; and,

WHEREAS, in May 2011 the DCOA approved Resolution DCOA-2011.16 authorizing assistance for the company (also known as Project BC) in an amount not to exceed \$594,441 for Phase 1 and \$560,927 for Phase 2 expansion in exchange for capital investment by the Company of \$5,267,000 and new job creation of 44. The company constructed a new facility adjacent to the existing facility for its new pipe coating operation that will support and enhance their current operation; and,

WHEREAS, on October 11, 2011, the DCOA approved Resolution DCOA-2012.01 authorizing Phase 3 assistance totaling \$521,790 for the purchase of more land and construction of a 15,000 sq ft main shop and a 5,000 sq ft paint and sand blasting shop for the company's new tank fabrication operation in exchange for 31 more jobs and a capital investment of \$2,087,900; and,

WHEREAS, on February 27, 2012, the DCOA approved Resolution DCOA-2012.14 which revised previously approved assistance packages for Phases 1, 2 and 3 by eliminating the job creation incentive for each phase and increasing the capital investment incentive for Phase 3 by \$12,000. Also approved was advancing the capital investment incentives for Phase 2 and 3 under separate notes at 0% interest secured by a letter of credit; and,

WHEREAS, on July 24, 2012, the DCOA approved Resolution DCOA-2012.25 authorizing Phase 4 capital investment assistance of \$400,000 for an expansion of the tank manufacturing operation, including purchase of 35 more acres of land, construction of a 45,000 sq ft building, additional equipment purchases; and,

WHEREAS, Smith Pipe has now embarked on a Phase 5 expansion of the vessel shop including new equipment, a new small tanks blasting, coating & painting shop and construction of a new warehouse, which is estimated to cost \$4,520,000 with 67 new jobs; and,

WHEREAS, staff requests the DCOA authorize capital investment assistance for Smith Pipe for Phase 5 up to \$452,000, to be advanced under a separate 3-year forgivable note and secured by a letter of credit.

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

**PART 1.** DCOA hereby authorizes capital investment assistance in an amount up to Four Hundred Fifty-Two Thousand and no/100's Dollars (\$452,000) for Smith Pipe for the Phase 5 expansion of its vessel shop, small tanks blasting, coating & painting shop and construction of a new warehouse. Funding shall be calculated at 10% of the company's actual costs for:

1. Vessel Shop Addition – a 30,000 sq ft addition to the existing 24,200 sq ft facility at a cost of about \$2MM, adding 3 more bays and 42 new jobs.
2. Vessel Shop Equipment – specialized equipment for rolling cans in the vessel shop including two rollers and a plasma table at a cost of about \$720,000 and 8 new jobs,
3. Blasting, Coating & Painting Small Tanks – a new 18,000 sq ft facility at a cost of about \$1,700,000 and 8 new jobs,
4. Warehouse – a new 5,000 sq ft warehouse at a cost of about \$100,000, and 2 new jobs.

Also approved is advancing the capital investment incentive under a separate note at 0% interest secured by a letter of credit. The advance will occur after completion of the phase and receipt by the DCOA of appropriate documentation evidencing actual costs. The principal balance will be forgiven over the following 3 years in equal annual amounts of up to \$150,667. Though there are no job creation incentives approved or being requested, the company will be required to submit annual reports of employment.

**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 12th day of November, 2013.

ATTEST:

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

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

APPROVED:

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

# DEVELOPMENT CORPORATION OF ABILENE, INC.

## BOARD AGENDA

MEETING DATE: November 12, 2013

**PROJECT: Extension of Enterprise Drive– Construction Bid Award**

**STAFF: Richard Burdine, CEO**

---

### **BACKGROUND INFORMATION:**

TxDOT is in the process of converting the access roads for I-20 (E. Overland Trail and E. Stamford St.) from 2-way to 1-way in an effort to reduce the number of traffic accidents caused by access road traffic not yielding to on and off ramp traffic. The improvements will also make this stretch of interstate consistent with traffic flow in other metropolitan areas of Texas.

Coca Cola Refreshments USA, Inc. has a manufacturing plant on Enterprise Dr., on the north side of I-20, just south of State Hwy 351. Coca Cola also leases warehouse space in WindStar, the large warehouse on the north access road of I-20. The change of traffic flow largely impacts the route taken by Coca Cola's trucks returning to the plant from WindStar. Trucks are now required to travel north on the access road to the next cross-over (West Lake Road FM 600) and back around to Hwy 351, a round trip distance of almost 5 miles. The additional driving distance significantly impacts the efficiency of Coke's Abilene operation, thereby increasing their operating costs by an estimated \$500,000/year, which puts the Abilene plant at a competitive disadvantage with its Coca Cola "sister" plants.

Hwy 351 has become increasingly busy with the construction of Wal-Mart, Cracker Barrel, Lowes and most recently, Chik-Fil-A, as well as other retail stores. The increased traffic makes left turns difficult and sometimes dangerous from either direction onto and from Hwy 351. A viable solution is to extend Enterprise Drive from Hwy 351 to East Lowden Road and install a traffic signal at the intersection of Hwy 351 and Enterprise Dr., the street that runs adjacent to Coke's plant and intersects with E. Overland Trail. Enterprise Drive is heavily used by trucks running from Coke's plant to WindStar. WindStar will extend its driveway south to intersect with East Lowden Rd. along with major renovations/additions to the warehouse space that Coca Cola leases at a cost of about \$5.22 million, which will give Coke trucks the ability to travel back to the plant using a shorter route. Enterprise Dr. would also be extended north to intersect with East Lowden Road, and a traffic signal will be installed at the intersection of Enterprise Drive and Hwy 351. The traffic signal and road extension will not only allow more direct access between Coke's plant and Windstar, but it will slow traffic on Hwy 351 making left turns safer.

On January 8, 2013, DCOA approved resolution DCOA-2013.11 authorizing \$30,800 and a contract with Jacob & Martin professional engineers to provide engineering and surveying services for the extension of Enterprise Dr. to East Lowden Road. TxDOT will design and contract for installation of the traffic signal subject to DCOA project funding.

On May 15, 2013, DCOA approved resolution DCOA-2013.20 authorizing \$876,450 and purchase of 1.86 acres of land from Region 14 Education Service Center located on Hwy 351. A portion, .905 acre, will be used for construction of an extension of Enterprise Dr. from Hwy 351 to E. Lowden Rd. and the remaining .955 acre will be sold for about \$457,600. The resulting net cost to DCOA is \$418,850. Demolition of an existing metal structure lying partly on the land was authorized along with other costs as indicated below:

Appraisal by Austin Huckabee & Assoc.

\$ 2,450

6.1

Purchase of 1.86 acres land from Region 14	\$840,000
Demo of existing metal structure	\$ 14,000
Contingency (i.e. closing costs, environmental studies, abatement, etc.)	<u>\$ 20,000</u>
TOTAL COSTS	\$876,450

Also authorized was solicitation of bids for construction. The appraisal was completed, and the metal building was demolished at a much reduced cost of \$2,750; however, the concrete pad remains. During the process of getting the property re-platted it was discovered the property owned by Region 14 was not zoned properly. Jacob & Martin worked to re-zone the land and the re-plat was approved in October. Closing for DCOA's purchase of the land was on October 31, 2013 and closing costs were \$5,182. Bids for construction were opened November 4<sup>th</sup>.

During the re-plat process, public improvements conforming with the City's Master Thoroughfare Plan were triggered on the portion of Lowden Avenue adjacent to Region 14's property. The Plan requires that Enterprise Dr. be constructed as a subcollector street. I signed on the DCOA's behalf a Development Agreement with the City of Abilene whereby the DCOA agrees to overbuild the Enterprise Dr. extension to specifications of a collector street in exchange for a discount on the cost of required improvements on Lowden Ave. Overbuilding the extension means that more base material will be added to reduce long term maintenance and reconstruction costs as traffic and further development in the area increase.

The required improvements include about 1,190 lf of curb & gutter and 5,950 sf/lf of sidewalks along Lowden Ave, which will be installed by the City at some point in the future. The estimated additional cost for overbuilding the extension is \$51,310.30 and the estimated cost of required improvements on Lowden Ave. is \$64,557.50, the difference being \$13,274.20. The DCOA will deposit the \$13,274.20 difference with the City of Abilene as satisfaction of the developer's contribution requirement for the improvements. This will also satisfy any obligation Region 14 has for the improvements.

**REQUEST:**

The construction cost estimate for the extension of Enterprise Drive as a subcollector street was \$225,000. Four bids were received on November 4<sup>th</sup> for construction as a collector street as follows:

Contractor	Epic Construction	Bontke Brothers	J.H. Strain & Sons	Contract Paving
Bid Amount	\$256,017.00	\$305,097.52	\$331,499.00	\$682,558.00

The signal work or participation in the signal work by TxDOT is not included; however, the conduit and boxes for the signal work will be installed. Once construction is completed, the roadway will be dedicated to the City of Abilene for maintenance.

Jacob & Martin recommends award to Epic Construction as low bidder. Staff requests the DCOA award the bid for construction to Epic Construction and funding of \$256,017 plus a 5% contingency in the amount of \$12,800. Also requested is funding for the developer's contribution requirement for Lowden Ave. improvements.

**FISCAL IMPACT:**

Construction contract	\$256,017.00
5% Contingency	\$ 12,800.00
<u>Developer's Contribution</u>	<u>\$ 13,274.20</u>
TOTAL	\$282,091.20

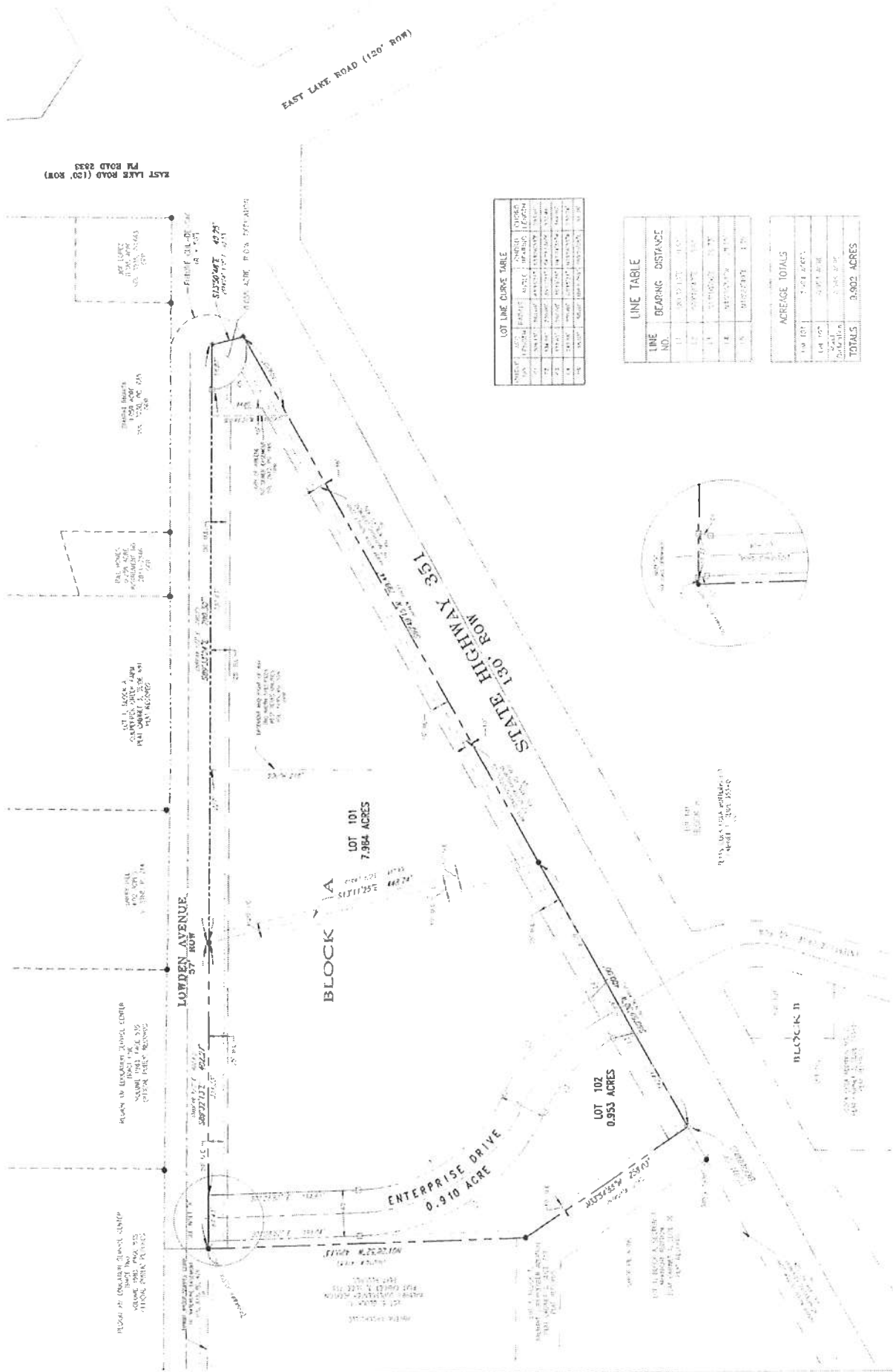
**STAFF RECOMMENDATION:**

Staff recommends approval of resolution DCOA-2014.07 authorizing a construction contract with Epic Construction for the Enterprise Drive extension and funding of \$256,017 plus a 5% contingency of \$12,800 and \$13,274.20 as a developer's contribution to the City of Abilene for total funding of \$282,091.20.

**ATTACHMENTS:**

Site Plan of the extension of Enterprise Drive to East Lowden Road by Jacob & Martin  
Letter from Jacob & Martin, Ltd. dated 11-7-13 recommending award of bid to Epic Construction  
Resolution DCOA-2014.07

S:\DCOA\Meeting Memo\FY 2014\Enterprise Drive Extension construction 11-2-13.doc



LOT LINE CURVE TABLE

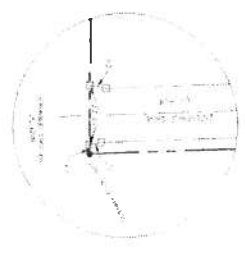
LINE NO.	BEARING	DISTANCE	CHORD BEARING	CHORD DISTANCE
1	S 89° 15' 00" W	100.00	S 89° 15' 00" W	100.00
2	S 89° 15' 00" W	100.00	S 89° 15' 00" W	100.00
3	S 89° 15' 00" W	100.00	S 89° 15' 00" W	100.00
4	S 89° 15' 00" W	100.00	S 89° 15' 00" W	100.00
5	S 89° 15' 00" W	100.00	S 89° 15' 00" W	100.00
6	S 89° 15' 00" W	100.00	S 89° 15' 00" W	100.00
7	S 89° 15' 00" W	100.00	S 89° 15' 00" W	100.00
8	S 89° 15' 00" W	100.00	S 89° 15' 00" W	100.00
9	S 89° 15' 00" W	100.00	S 89° 15' 00" W	100.00
10	S 89° 15' 00" W	100.00	S 89° 15' 00" W	100.00

LINE TABLE

LINE NO.	BEARING	DISTANCE
1	S 89° 15' 00" W	100.00
2	S 89° 15' 00" W	100.00
3	S 89° 15' 00" W	100.00
4	S 89° 15' 00" W	100.00
5	S 89° 15' 00" W	100.00
6	S 89° 15' 00" W	100.00
7	S 89° 15' 00" W	100.00
8	S 89° 15' 00" W	100.00
9	S 89° 15' 00" W	100.00
10	S 89° 15' 00" W	100.00

ACREAGE TOTALS

LOT 101	7.984 ACRES
LOT 102	0.953 ACRES
TOTALS	8.937 ACRES



6.4





3465 Curry Lane  
Abilene, Texas 79606  
325-695-1070  
[www.jacobmartin.com](http://www.jacobmartin.com)  
Firm No. F-2448

1508 Santa Fe Drive  
Suites 204-205  
Weatherford, Texas 76086  
817-594-9880

November 7, 2013

Richard Burdine  
Chief Executive Officer  
Development Corporation of Abilene  
174 Cypress Street, Suite 301  
Abilene, Texas 79601

Re: Street Construction-Enterprise Drive Extension

Dear Mr. Burdine:

On November 4<sup>th</sup>, 2013 the DCOA received bids for the referenced project. Four bids were received for this project with a low bid of \$256,017.00 by Epic Construction. A bid tabulation is attached as part of this letter, which summarizes the three bids. I have checked references of the low bidder and have found no reason to disqualify the Contractor. Based on the bids received, I recommend awarding the contract to Epic Construction for the base bid of \$256,017.00. Assuming the DCOA concurs with awarding of the project, we will prepare documents for execution by the Contractor and the DCOA. Feel free to contact me if you have any questions.

Sincerely,

JACOB & MARTIN, LTD.

Tal Fillingim, P.E., CFM



**RESOLUTION NO. DCOA-2014.07**

A RESOLUTION OF THE DEVELOPMENT CORPORATION OF ABILENE, INC. ("DCOA"), ABILENE, TEXAS AUTHORIZING A CONSTRUCTION BID AWARD AND FUNDS FOR THE EXTENSION OF ENTERPRISE DRIVE FROM HWY 351 TO EAST LOWDEN AVENUE.

WHEREAS, TxDOT is in the process of converting the access roads for I-20 from 2-way to 1-way in an effort to reduce the number of traffic accidents occurring; and,

WHEREAS, Coca Cola Refreshments USA, Inc. has a manufacturing plant on Enterprise Dr., on the north side of I-20, just south of State Hwy 351. Coca Cola also leases space in WindStar, the large warehouse on the north access road of I-20; and,

WHEREAS, the change of traffic flow largely impacts the route taken by Coca Cola's trucks returning to the plant from WindStar, which are now required to travel north on the access road to the next cross-over and back around to Hwy 351, a round trip distance of almost 5 miles; and,

WHEREAS, the increased traffic on Hwy 351 makes left turns difficult and sometimes dangerous from either direction onto and from Hwy 351, and a viable solution is to extend Enterprise Drive from Hwy 351 to E. Lowden Ave. and install a traffic signal at the intersection of Hwy 351 and Enterprise Dr.; and,

WHEREAS, WindStar is extending its driveway south to intersect with E. Lowden Ave. along with major renovations/additions to the warehouse space that Coca Cola leases at a cost of about \$5.22 million, which will give Coke trucks the ability to travel back to the plant using a shorter route; and,

WHEREAS, on January 8, 2013, DCOA approved resolution DCOA-2013.11 authorizing a contract with Jacob & Martin, Ltd. and \$30,800 for general engineering and surveying services for the extension of Enterprise Drive from Hwy 351 and E. Lowden Ave.; and,

WHEREAS, on May 15, 2013, DCOA approved resolution DCOA-2013.20 authorizing the purchase of 1.86 acres of land from Region 14 Education Service Center for \$840,000, \$14,000 for demolition of an existing metal structure, \$2,450 for an appraisal and \$20,000 in contingency funds for a total approval of \$876,450, plus authorization to solicit bids for construction; and,

WHEREAS, the appraisal was completed, the metal building was demolished, closing for DCOA's purchase of the land occurred on October 31, 2013, and bids for construction were opened November 4, 2013; and,

WHEREAS, during the re-plat process, public improvements conforming with the City's Master Thoroughfare Plan were triggered on the portion of Lowden Ave. adjacent to Region 14's property including about 1,190 lf of curb & gutter and 5,950 sf/lf of sidewalks; and,

WHEREAS, a Development Agreement with the City of Abilene was executed whereby the DCOA agrees to overbuild the Enterprise Dr. extension to specifications of a collector street in exchange for a discount on the cost of required improvements on Lowden Ave. The estimated additional cost for overbuilding the extension is \$51,310.30 and the estimated cost of required improvements on Lowden Ave. is \$64,557.50, the difference being \$13,274.20; and,

WHEREAS, DCOA will deposit the \$13,274.20 difference with the City of Abilene as satisfaction

4.7

of the developer's contribution requirement for the improvements, which will also satisfy any obligation Region 14 has for the improvements; and,

WHEREAS, staff requests the DCOA award a bid and approve funding for construction of the extension of Enterprise Dr. plus funding of \$13,274.20 as a developer's contribution for improvements on Lowden Ave.

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

**PART 1.** DCOA awards a bid for construction of the extension of Enterprise Dr. to Epic Construction. Also authorized is funding of Two Hundred Eighty-Two Thousand Ninety-One and 20/100's Dollars (\$282,091.20) as follows:

Epic Construction contract	\$256,017.00
5% Contingency	\$ 12,800.00
<u>Developer's Contribution</u>	<u>\$ 13,274.20</u>
TOTAL	\$282,091.20

The DCOA will deposit the \$13,274.20 Developer's Contribution with the City of Abilene as satisfaction of the developer's contribution requirement for public improvements along Lowden Ave., which were triggered by the re-plat process. This will also satisfy any obligation Region 14 Education Service Center has for the improvements. The public improvements include about 1,190 lf of curb & gutter and 5,950 sf/lf of sidewalks along Lowden Ave, which will be installed by the City at some point in the future.

**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 12th day of November, 2013.

ATTEST:

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

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

APPROVED:

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

6.8