


PUBLIC NOTICE

DEVELOPMENT CORPORATION OF ABILENE, INC.

A regular meeting of the Development Corporation of Abilene, Inc. will be held on Tuesday, February 24, 2015, at Abilene Laboratories conference room, 1325 Pine St., Abilene, Texas, commencing at 1:30 p.m. to consider the following agenda:

SIGNED:



Kent Sharp, CEO

AGENDA

February 24, 2015
1:30 p.m.

Abilene Laboratories Conference Room
1325 Pine St.

1. Call the meeting to order.
2. Approval of minutes from the January 26, 2015, board meeting.
3. Sales tax report for February 2015 and Status of Funds report for January 2015.
4. Executive Session:
The DCOA reserves the right to adjourn into executive session at any time during the course of this meeting to discuss any item on the agenda, as authorized by Texas Government Code Sections 551.071 (Consultation with Attorney), 551.072 (Deliberations about Real Property), 551.074 (Personnel Matters) see list below, and 551.087 (Business Prospect/Economic Development). After discussion in executive session, any action or vote will be taken in public.

(Personnel) Section 551.074
The DCOA, pursuant to the adopted Bylaws, may consider the appointment, employment and duties of certain positions as well as membership of certain committees.

(Consultation with Attorney) Section 551.072
Discuss DCOA v. Slide Fire litigation.
5. Discussion and possible approval of a resolution authorizing infrastructure assistance for construction of the Texas Tech University Health Sciences Center School of Public Health on Pine St.
6. Discussion and possible approval of a resolution authorizing a debt restructure for BBP Bird, LP secured by the Tige Boats manufacturing facility on Hwy 36.
7. Discussion and possible approval of a resolution authorizing amended assistance for CarbonLITE Recycling and additional construction funding for the finish-out and expansion of the Spec 3 building at 6558 Five Points Parkway.
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 _____, 2015, 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
January 26, 2015

MEMBERS PRESENT: Dave Copeland Marelyn Shedd Dani Ramsay
 Scott Senter John Beckham

STAFF PRESENT: Kent Sharp Kim Tarrant

GUESTS PRESENT: Brian Bethel - Abilene Reporter News

1. CALL THE MEETING TO ORDER:

President Dave Copeland called the meeting to order at 1:33 p.m. at Abilene Laboratories, 1325 Pine St., Abilene Texas.

2. APPROVAL OF MINUTES FROM THE JANUARY 13, 2015 BOARD MEETING:

Marelyn Shedd moved to approve the minutes from the January 13, 2015 board meeting. John Beckham seconded and the motion carried.

3. STATUS OF FUNDS REPORT FOR DECEMBER 2014: Kent Sharp, CEO of the DCOA presented the status of funds reports for December 2014. Total ending current assets were \$18,498,333. In December, revenues totaled \$1,097,755 and the DCOA spent a total of \$1,005,833 on ten projects.

5. DISCUSSION AND POSSIBLE APPROVAL OF A RESOLUTION AUTHORIZING ADDITIONAL FUNDING FOR IMPROVEMENTS TO THE DCOA-OWNED VINE ST. WAREHOUSES FOR OCCUPANCY BY ABIMAR FOODS (FORMERLY FEHR FOODS):

Kent Sharp discussed the need for additional funding of \$11,871 for tenant improvements to the DCOA-owned warehouses A-D at 4009/4109 Vine St. for occupancy by Abimar Foods. The warehouses were recently improved to meet Abimar Foods' business expansion needs, employee safety regulations, and FDA food storage regulations. During the construction, several change orders were raised. In addition to the change orders, Jacob & Martin has been providing project supervision services due to the staff shortage in the Economic Development Department. The breakdown of the requested funding is \$9,871 to cover the change orders and \$2,000 for contingency.

Scott Senter moved to approve resolution DCOA-2015.04 authorizing additional funding of \$11,871 for improvements to DCOA-owned warehouses at 4009/4109 Vine St. for occupancy by Abimar Foods. John Beckham seconded and the motion was carried.

6. DISCUSSION AND POSSIBLE APPROVAL OF A RESOLUTION RE-AUTHORIZING PHASE 5 ASSISTANCE FOR PETROSMITH (FORMERLY SMITH PIPE): Marelyn Shedd dismissed herself from the room and all discussions on this item.

Kent Sharp requested that the board re-authorize Petrosmith's Phase 5 capital investment assistance of \$452,000 and rescind Phase 2 facility expansion assistance of \$300,200.

Phase 5 capital investment assistance was originally approved by the board in November 2013. The board authorized \$452,000 at 10% of the company's expected investment. The funds will be advanced under a note to be secured by a letter of credit with the principal balance forgiven over three years in equal annual amounts of \$150,667. The company has not signed an addendum for the Phase 5 assistance, and therefore the funds have not been advanced and the assistance has expired.

The Phase 2 expansion of the pipe coating operation has not materialized and the assistance of \$300,200 was never funded. A rescission of the funds will provide opportunities to other projects.

Dani Ramsay moved to approve resolution DCOA-2015.05 re-authorizing a capital investment incentive of \$452,000 for Petrosmith's Phase 5 expansion and the rescission of the Phase 2 capital investment assistance of \$300,200 originally approved in May 2011. Scott Senter seconded and the motion was carried.

Marelyn Shedd returned to the conference room after the vote.

4. EXECUTIVE SESSION

I hereby announce we are going into Executive Session pursuant to Texas Government Code Sections 551.071, 072, 074 and 087 to consult with our legal counsel, discuss real property transactions, personnel matters, 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 Dave Copeland announced the date is January 26, 2015, and the time is 1:44 p.m. Later, President Copeland announced the date is still January 26, 2015, and the time is 2:30 p.m. No vote or action was taken in Executive Session.

7. ADJOURNMENT:

The next meeting is scheduled for Tuesday, February 10, 2015. There being no further business the meeting was adjourned.

Dave Copeland, President

MEMORANDUM

February 11, 2015

TO: David A. Vela, Interim City Manager

FROM: Mindy Patterson, Director of Finance

SUBJECT: February Sales Tax

The sales tax rebate for February is \$4,548,329.90 which represents December sales. This is 7.14% above last year and 5.03% above the projected FY 15 budget amount. The breakdown of the rebate is \$3,411,247.43 to the General Fund and \$1,137,082.47 for economic development. Of this rebate, \$97,191 is from prior periods, audit payments, future payments, and unidentified payments. For the period of October through February, sales tax is 8.05% above last year and 5.93% above the projected FY 15 budget amount. I have requested the detail from the state.

Should you have any questions, please contact me.

MP:ls

CITY OF ABILENE SALES TAX COMPARISON

Accounting Period Month	GENERAL FUND	ECONOMIC DEVELOPMENT	TOTAL	GENERAL FUND	ECONOMIC DEVELOPMENT	TOTAL
	Actual 2013-14	Actual 2013-14	2013-14	Actual 2014-15	Actual 2014-15	2014-15
October	\$2,445,377.87	\$815,125.96	\$3,260,503.83	\$2,605,980.73	\$868,660.24	\$3,474,640.97
November	2,690,282.27	896,760.76	3,587,043.03	2,963,660.77	987,886.92	3,951,547.69
December	2,299,504.67	766,501.56	3,066,006.23	2,510,766.92	836,922.30	3,347,689.22
January	2,232,726.16	744,242.05	2,976,968.21	2,394,359.96	798,119.98	3,192,479.94
February	3,184,058.27	1,061,352.76	4,245,411.03	3,411,247.43	1,137,082.47	4,548,329.90
YTD	<u>\$12,851,949.24</u>	<u>\$4,283,983.09</u>	<u>\$17,135,932.33</u>	<u>\$13,886,015.81</u>	<u>\$4,628,671.91</u>	<u>\$18,514,687.72</u>
March	2,231,833.90	743,944.63	2,975,778.53			
April	2,178,587.64	726,195.88	2,904,783.52			
May	2,944,225.82	981,408.61	3,925,634.43			
June	2,319,035.66	773,011.89	3,092,047.55			
July	2,382,921.14	794,307.05	3,177,228.19			
August	2,900,442.34	966,814.11	3,867,256.45			
September	2,537,417.37	845,805.79	3,383,223.16			
FY TOTAL	<u>\$30,346,413.11</u>	<u>\$10,115,471.05</u>	<u>\$40,461,884.16</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 to the State Comptroller 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 2013-14	Actual 2014-15	% Change
October	\$815,126	\$868,660	6.57%
November	896,761	987,887	10.16%
December	766,502	836,922	9.19%
January	744,242	798,120	7.24%
February	1,061,353	1,137,082	7.14%
YTD	\$4,283,983	\$4,628,672	8.05%
March	743,945		
April	726,196		
May	981,409		
June	773,012		
July	794,307		
August	966,814		
September	845,806		
FY TOTAL	\$10,115,471		

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 to the State Comptroller in accordance with GASB 33 requirements.

Revenue for February '15 represents December '14 sales. Approximately \$24,298 of the rebate is from prior periods, audit, and future payments.

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

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

Accounting Period Month	Actual 2010-11	Actual 2011-12	Actual 2012-13	Actual 2013-14	Actual 2014-15
October	\$661,859	\$890,386	\$855,868	\$815,126	\$868,660
November	774,838	964,808	891,956	896,761	987,887
December	647,119	725,276	773,104	766,502	836,922
January	693,114	941,066	728,710	744,242	798,120
February	978,890	1,175,879	1,012,685	1,061,353	1,137,082
YTD	<u>\$3,755,819</u>	<u>\$4,697,415</u>	<u>\$4,262,323</u>	<u>\$4,283,983</u>	<u>\$4,628,672</u>
March	646,308	732,189	821,529	743,945	
April	641,310	769,064	800,963	726,196	
May	948,413	977,461	965,056	981,409	
June	741,634	766,944	827,415	773,012	
July	749,767	756,886	826,951	794,307	
August	1,013,393	920,096	927,272	966,814	
September	799,173	800,200	797,862	845,806	
FY TOTAL	<u><u>\$9,295,819</u></u>	<u><u>\$10,420,256</u></u>	<u><u>\$10,229,372</u></u>	<u><u>\$10,115,471</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 to the State Comptroller in accordance with GASB 33 requirements.

DEVELOPMENT CORPORATION OF ABILENE
STATEMENT OF NET POSITION
January 31, 2015 and 2014

	January 2015	January 2014
Current Assets:		
Cash and cash investments	\$ 16,882,113	\$ 17,148,190
Accounts receivable	173,059	35,293
Due from other governments	1,847,609	1,702,786
Total Current Assets	18,902,781	18,886,269
Noncurrent Assets:		
Notes receivable	17,143,111	18,487,372
Capital assets	47,929,002	44,144,817
Accumulated depreciation	(8,633,256)	(7,776,020)
Total capital assets, net	39,295,746	36,368,797
Total Noncurrent Assets	56,438,857	54,856,169
Total Assets	\$ 75,341,638	\$ 73,742,438
Liabilities		
Current:		
Accounts payable	\$ 384,902	\$ 51,679
Total Current Liabilities	384,902	51,679
Total Liabilities	384,902	51,679
Net Position		
Net Investment in capital assets	39,295,746	36,368,797
Restricted for contractual obligations	29,129,736	21,482,096
Unrestricted, designated for purposes of trust	6,531,254	15,839,866
Total Net Position	74,956,736	73,690,759
Total Liabilities and Net Position	\$ 75,341,638	\$ 73,742,438

DEVELOPMENT CORPORATION OF ABILENE
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
For four month ending January 31, 2015 and 2014

	January 2015	Fiscal YTD 2015	Fiscal YTD 2014
Revenues:			
Sales and use taxes	\$ 798,119	\$ 3,491,589	\$ 3,222,630
Interest income	3,421	14,338	12,873
Building rental / land lease	89,643	342,108	330,815
Sale of land	-	163,635	201,013
Miscellaneous revenue	7,833	27,913	93,420
Total Revenues	<u>899,016</u>	<u>4,039,583</u>	<u>3,860,751</u>
Expenses:			
Economic development projects	517,260	2,891,140	2,395,658
Life Sciences property maintenance	42,825	159,433	155,844
DCOA property maintenance	23,895	92,996	127,860
Abilene Industrial Foundation	41,285	110,559	159,507
TTU Small Business Development Center	10,537	38,887	47,700
Chamber Military Affairs	24,766	73,518	-
Airport Business Development Manager	11,214	24,376	27,351
General administrative services	39,987	169,909	207,742
Total Expenditures	<u>711,769</u>	<u>3,560,818</u>	<u>3,121,662</u>
Changes In Net Position	187,247	478,765	739,089
Net Position at Beginning of Period	<u>74,769,489</u>	<u>74,477,971</u>	<u>72,951,670</u>
Net Position at End of Period	<u>\$ 74,956,736</u>	<u>\$ 74,956,736</u>	<u>\$ 73,690,759</u>

Summary of Current Period Economic Development Projects:	
Petrosmith	\$ 192,200
Vine St. Fehr Foods	109,090
Hangar Doghouse AE	12,631
Hangar Doghouse Construction	225
EASI De-Fuel Truck	1,750
Spec 3 Finish Out AE	122,909
Spec 3 Finish Out Construction	45,715
842 Pine Boiler Replacement AE	3,006
842 Pine Boiler Replacement Construction	6,633
TTUHSC FY15 ExperImmune	13,923
Pine St. Buildings - Hail Damage	9,178
Total	<u>\$ 517,260</u>

Development Corporation of Abilene
Economic Program Status
As of January 31, 2015

Economic Programs:	Project	Amount Obligated	Prior Years Disbursement	Current Year Disbursement	Balance reserved for obligated programs
Murf Systems	4998	\$ 235,665	\$ 235,665	\$ -	\$ -
TTU Pharmacy School	5242	1,608,998	1,524,992	-	84,006
Pactiv (formerly PWP)	5251	2,933,899	2,507,899	-	426,000
Energy Maintenance Serv (Broadwind Serv)	5282	268,598	268,598	-	-
TTU 842 Pine	5308	536,450	532,999	-	3,451
Enavail, LLC	5316	386,240	386,240	-	-
Pepsi Beverage Co.	5321	350,000	140,000	-	210,000
Cooperative Response Center	5324	231,483	211,483	-	20,000
Petrosmith Ph 1, 2, 3 & 4	5330	640,362	418,700	192,200	29,462
TTUHSC School of Nursing	5331	537,517	537,517	-	-
Vine St. Fehr Foods Improvements	5335.10	283,263	9,400	135,814	138,049
Fehr Foods '12	5340	510,000	340,000	-	170,000
Rentech '12	5342	173,800	173,800	-	-
Pactiv Compressor Construction	5344.2	335,306	335,306	-	-
Owens Machine & Tool	5345	351,000	35,363	-	315,637
Biotech Marketing and PR Plan	5346	118,400	117,076	125	1,199
Hangar Doghouses A/E	5348.1	423,000	235,156	18,757	169,087
Hangar Doghouses Construction	5348.2	2,732,618	247,560	251,266	2,233,792
Enterprise Dr. Extension A/E	5352.1	889,462	889,462	-	-
Enterprise Dr. Extension Construction	5352.2	276,792	276,792	-	-
EASI De-Fuel Truck	5354	64,260	35,000	5,250	24,010
Fehr Foods ' 13	5356	240,000	74,272	-	165,728
Tucker Energy Services	5359	413,295	-	-	413,295
Five Points Infrastructure	5359.1	1,000,000	137,491	-	862,509
Five Points Survey	5360	42,485	42,483	-	2
Five Pts / Pdaris Dr A/E	5362.1	60,200	59,565	-	635
Polaris Drive Construction	5362.2	1,064,100	593,725	408,485	61,890
5 Pts RR Expansion	5363.1	16,000	-	-	16,000
Spec 3 Finish Out A/E	5364.1	759,601	410,100	197,599	151,902
Spec 3 Finish Out Construction	5364.2	11,041,249	835,058	957,936	9,248,255
842 Pine Boiler Replacement A/E	5365.1	76,286	70,712	5,573	1
842 Pine Boiler Replacement Equipment	5635.2	312,300	186,846	100,138	25,316
842 Pine Boiler Construction	5635.3	868,820	691,301	60,140	117,379
CarbonLITE Industries	5366	6,196,000	-	-	6,196,000
Fehr Foods Expansion	5368	2,623,000	-	-	2,623,000
Broadwind Towers 2014	5373	1,438,525	-	-	1,438,525
Fast Track Welding '14	5375	248,462	154,702	-	93,760
Corley Wetsel Trucking	5376	455,200	-	-	455,200
Clavel Corp	5377	77,717	12,745	-	64,972
Fehr Foods 14	5378	200,000	-	-	200,000
Gift Card System	5379	82,100	-	-	82,100
TTUHSC FY 15 ExperImmune	5380	1,029,012	888,050	60,423	80,539
Fulwiler Land Purchase	5381	496,807	4,800	488,256	3,751
BWJ Consulting	5382	619,000	-	-	619,000
Dyess Telecomm Upgrade	5383	23,000	6,935	-	16,065
Pine St. Buildings - Hail Damage	5384.1	10,000	-	9,178	822
Subtotal Economic Program Obligation Reserve		\$ 43,280,272	\$ 13,627,793	\$ 2,891,140	\$ 26,761,339

Development Corporation of Abilene
Economic Program Status
As of January 31, 2015

Economic Programs:	Project	Amount Obligated	Prior Years Disbursement	Current Year Disbursement	Balance reserved for obligated programs
Plus Administrative Division Obligations:					
Business Services Division	Division 2760	665,640	-	169,909	495,731
Life Sciences Property Maintenance	Division 2765	597,780	-	159,433	438,347
DCOA Property Maintenance	Division 2775	324,430	-	92,996	231,434
Abilene Industrial Foundation	Division 2775	604,775	-	110,559	494,216
TTU Small Business Dev Center	Division 2775	250,000	-	38,887	211,113
Chamber Military Affairs	Division 2775	397,000	-	73,518	323,482
Airport Business Development Manager	Division 2775	198,450	-	24,376	174,074
Subtotal Administrative Divisions Obligation Reserve		\$ 3,038,075	\$ -	\$ 669,678	\$ 2,368,397
Total reserve for obligated programs					<u>\$ 29,129,736</u>

DCOA Board approved projects waiting for signed contracts:

		Expiration Date
Petrosmith Ph. 5	\$ 452,000	7/26/15
Project KW	280,750	12/10/14
Dyess JLUS	<u>50,000</u>	6/17/15
	<u>\$ 782,750</u>	

DEVELOPMENT CORPORATION OF ABILENE, INC.
BOARD AGENDA
MEETING DATE: February 24, 2015

PROJECT: **Infrastructure Assistance for the School of Public Health at the Texas Tech University Health Sciences Center – Abilene Campus**

STAFF: **Kent Sharp, CEO**

THE PROJECT

Texas Tech University Health Sciences Center (TTUHSC) School of Public Health in Abilene (SOPH-Abilene) was announced in July of 2014 by the University as the 4th school on the Abilene campus. Currently existing are the Schools of Pharmacy, Nursing and Biomedical Sciences. The Master of Public Health program will provide advanced training, opportunities for research, and the study of factors which impact a population's health. Graduate students will gain the knowledge and skills necessary to serve populations as small as a local neighborhood, or as large as an entire country. To be added at a later time is a doctoral program in social and behavioral sciences, biostatistics, epidemiology, environmental health services and health administration.

The SOPH is made possible by a collaboration between the Abilene community and TTUHSC, whereby private donors are providing the second largest gift in university history. Hendrick Medical Center will construct a 40,000 square foot facility to house the SOPH-Abilene permanently as an addition to the Abilene campus at the corner of Pine and North 16th Streets. A new facility will have a certificate program to train public health officials, especially in the rural areas. There is a lack of education available for these health care people. Students will have practicums with non-profit agencies and businesses where they can conduct research, surveys and access needs. TTUHSC is working with the 3 local universities to develop dual degree programs such as a joint masters of social work and public health.

The new facility will also house a student union center for student services and promotion of inter-professionalism between students, including those at the SOP and SON. It will also accommodate visiting graduate students during their clinical rotations and provide a campus-like feeling in Abilene.

The SOPH facility construction and the first 2 years of operations will cost approximately \$20 million and another \$10 million will be used to create an endowment. The campus will contain parking spaces for 150 students and support a faculty of 15 and staff of 8 to 10 once fully developed.

THE REQUEST

The DCOA Board is being asked to consider investing in the project infrastructure much like it did for the SOP and SON. Under state law, expenditures for infrastructure improvements are limited to streets and roads, water and sewer utilities, electric utilities, gas utilities, drainage, site improvements and related improvements, and telecommunications and Internet improvements. The estimated qualifying infrastructure expenditures are \$1,951,431. The assistance is proposed in the form of a seven (7) year forgivable loan at zero percent (0%) with principal reductions of \$278,776 per year as long as the SOPH-Abilene is operational.

We should also consider the benefits to the Abilene community of having another 150 students in town, buying groceries and clothes, renting apartments and generally injecting additional money into the local economy.

STAFF RECOMMENDATION

Staff recommends approval of resolution DCOA-2015.06 authorizing funding of up to \$1,951,431 in the form of a seven (7) year forgivable loan at zero (0) percent for infrastructure improvements with principal reductions of \$278,776 per year the SOPH - Abilene is operational.

ATTACHMENTS

Site Plan for TTUHSC campus expansion
Resolution No. DCOA-2015.06

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TEXAS TECH UNIVERSITY HSC
 ABILENE CAMPUS EXPANSION

RESOLUTION NO. DCOA-2015.06

A RESOLUTION OF THE DEVELOPMENT CORPORATION OF ABILENE, INC. (DCOA), ABILENE, TEXAS AUTHORIZING INFRASTRUCTURE ASSISTANCE FOR THE SCHOOL OF PUBLIC HEALTH AT TEXAS TECH UNIVERSITY HEALTH SCIENCES CENTER – ABILENE CAMPUS (“SOPH”).

WHEREAS, Texas Tech University Health Sciences Center (TTUHSC) School of Public Health in Abilene was announced in July of 2014 by the University as the 4th school on the Abilene campus; and,

WHEREAS, currently existing are the Schools of Pharmacy, Nursing and Biomedical Sciences; and,

WHEREAS, the Master of Public Health program will provide advanced training, opportunities for research, and the study of factors which impact a population’s health; and,

WHEREAS, the SOPH is made possible by a collaboration between the Abilene community and TTUHSC, whereby private donors are providing the second largest gift in university history; and,

WHEREAS, Hendrick Medical Center will construct a 40,000 square foot facility to house the SOPH-Abilene permanently as an addition to the Abilene campus at the corner of Pine and North 16th Streets; and,

WHEREAS, the new facility will also house a student union center for student services and promotion of inter-professionalism between students, including those at the School of Pharmacy and School of Nursing; and,

WHEREAS, the facility will contain parking spaces for 150 students and faculty and staff of 25 once fully developed; and,

WHEREAS, the facility construction and the first 2 years of operations will cost approximately \$20 million and another \$10 million will be used to create an endowment; and,

WHEREAS, under state law, the DCOA can assist with expenditures for infrastructure improvements, limited to streets and roads, water and sewer utilities, electric utilities, gas utilities, drainage, site improvements and related improvements, and telecommunications and Internet improvements; and,

WHEREAS, staff requests the DCOA authorize infrastructure assistance for SOPH in the amount of \$1,951,431.

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

PART 1. DCOA hereby authorizes infrastructure assistance for Texas Tech University Health Sciences Center School of Public Health Abilene Campus in the amount of One Million Nine Hundred Fifty-One Thousand Four Hundred Thirty-One and no/100’s Dollars

(\$1,951,431). Such improvements are limited to streets and roads, water and sewer utilities, electric utilities, gas utilities, drainage, site improvements and related improvements, and telecommunications and Internet improvements. The SOPH will be constructed in the 1600 block of Pine St.

DCOA assistance is proposed in the form of a seven (7) year forgivable loan in the amount of \$1,951,431 at zero (0) percent interest with principal reductions of \$278,776 per year as long as the SOPH-Abilene is operational.

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 24th day of February, 2015.

ATTEST:

Dani Ramsay
Secretary/Treasurer

Dave Copeland
President

APPROVED:

T. Daniel Santee, City Attorney

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DEVELOPMENT CORPORATION OF ABILENE, INC.
BOARD AGENDA
MEETING DATE: February 24, 2015

**PROJECT: Debt Restructure for BBP Bird, LP Loan for Tige Boats
Manufacturing Facility on Hwy 36**

STAFF: Kent Sharp, Chief Executive Officer

BACKGROUND

Tige Boats was founded in 1991 by Charlie Pigeon, and had been sharing manufacturing space in California with another boat manufacturer. In 1994, the DCOA purchased the industrial property at 6803 Hwy 83/277N to move Tige here plus assistance of \$475,000 for leasehold improvements, employee training and relocation costs. Tige committed to create 35 new jobs. In 1996, another \$340,000 was approved to expand the facility and make other modifications. Tige committed to retain 80 and create 25-30 more jobs.

In November 2003, the DCOA approved an assistance package to construct a new 100,000 s.f. manufacturing facility in the total amount of \$4.6 million: \$600,000 as an earned grant to acquire land, extend utilities, make site improvements, and \$4 million construction loan, which was converted to a 25-year real estate lien note upon completion of construction. The 40-acre site is the southeast corner of the intersection of State Hwy 36 and FM 18, adjacent to the Airport, and is now a 130,000 sq ft, 3 building complex designed and built specifically for state-of-the-art, high-quality inboard boat production. The complex includes a product development and engineering facility dedicated to the creation of new Tigé boat designs and innovative technology. The manufacturing facility includes innovative features and engineering designed to optimize the composite boat-building process, promote environmental responsibility and ensure absolute quality of the Tigé product. Tige committed to retain 110 and create 130 new jobs for a total of 240 jobs. The highest FTE employment reported was in 2006 at 198. Current employment is at 163.

The \$4 million permanent loan is dated December 30, 2005, to BBP Bird, LP, the limited partnership that holds the real estate. There is no interest on the loan and payments are required monthly with the first payment due in July of 2006. The DCOA has a first lien on the land and plant on Hwy 36 plus a corporate guaranty from Tige Boats, Inc. Monthly payments are based on boat production from the previous month at \$100/boat with a minimum payment of \$3,600. The original loan structure requires "true-up" payments every 7 years in order to ensure the loan balance amortizes sufficiently to be paid off by July 1, 2031. The first true-up payment was due June 1, 2014 in the amount of \$642,600. That payment was not made though the company has continued to make monthly payments based on boat production. The current note balance is \$3,399,600. The \$600,000 grant was fully earned in 2010.

THE REQUEST

Staff proposes to restructure the debt to BBP Bird, LP in order to ensure better amortization of the note balance. Instead of a fluctuating monthly payment based on boat production, the monthly payment beginning March 1, 2015 will be \$13,333.33, or \$160,000/year for 16 years (192 months) to mature on February 28, 2031. A balloon payment of \$839,600 will be due at maturity, which the company will then have to either pay or refinance with another financial institution. We will retain a first lien on the real estate and the corporate guaranty from Tige Boats, Inc.

FISCAL IMPACT

None.

STAFF RECOMMENDATION

Staff recommends the board approve resolution DCOA-2015.07 authorizing a restructure of the outstanding debt owed by BBP Bird, LP for the Tige Boats manufacturing facility on Hwy 36. The loan will require monthly payments of \$13,333.33 beginning March 1, 2015 until maturity on February 28, 2031, 0% interest, secured by a 1st lien on the real estate and a corporate guaranty from Tige Boats, Inc.

ATTACHMENTS

Resolution DCOA-2015.07

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RESOLUTION NO. DCOA-2015.07

A RESOLUTION OF THE DEVELOPMENT CORPORATION OF ABILENE, INC. (DCOA), ABILENE, TEXAS AUTHORIZING A DEBT RESTRUCTURE FOR BBP BIRD, LP FOR THE TIGE BOATS MANUFACTURING FACILITY ON HWY 36.

WHEREAS, Tige Boats was founded in 1991 by Charlie Pigeon, and had been sharing manufacturing space in California with another boat manufacturer; and,

WHEREAS, in 1994, the DCOA purchased the industrial property at 6803 Hwy 83/277N to move Tige here plus assistance of \$475,000 for leasehold improvements, employee training and relocation costs in exchange for 35 new jobs; and,

WHEREAS, in 1996, another \$340,000 was approved to expand the facility and make other modifications in exchange for retention of 80 and creation of 25-30 more jobs; and,

WHEREAS, in November 2003, the DCOA approved an assistance package to construct a new 100,000 s.f. manufacturing facility in the total amount of \$4.6 million: \$600,000 as an earned grant to acquire land, extend utilities, make site improvements, and \$4 million construction loan, which was converted to a 25-year real estate lien note upon completion of construction; and,

WHEREAS, the 40-acre site is the southeast corner of the intersection of State Hwy 36 and FM 18, adjacent to the Airport, and is now a 130,000 sq ft, 3 building complex designed and built specifically for state-of-the-art, high-quality inboard boat production; and,

WHEREAS, Tige committed to retain 110 and create 130 new jobs for a total of 240. The highest FTE employment reported was in 2006 at 198, and current employment is at 163; and,

WHEREAS, the \$4 million permanent loan is dated December 30, 2005, to BBP Bird, LP, the limited partnership that holds the real estate. There is no interest on the loan and payments are required monthly with the first payment due in July of 2006. The DCOA has a first lien on the land and plant on Hwy 36 plus a corporate guaranty from Tige Boats, Inc. Monthly payments are based on boat production from the previous month at \$100/boat with a minimum payment of \$3,600; and,

WHEREAS, the original loan structure requires "true-up" payments every 7 years in order to ensure the loan balance amortizes sufficiently to be paid off by July 1, 2031. The first true-up payment was due June 1, 2014 in the amount of \$642,600. That payment was not made though the company has continued to make monthly payments based on boat production, resulting in a current note balance is \$3,399,600; and,

WHEREAS, staff requests the DCOA restructure the outstanding debt to BBP Bird, LP to ensure better amortization of the note balance.

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

PART 1. DCOA hereby authorizes a restructure of the debt for the Tige Boats manufacturing facility

on Hwy 36 as follows:

Borrower: BBP Bird, LP
Note Balance: \$3,399,600
Interest Rate: 0%
Note Date: March 1, 2015
Maturity Date: February 28, 2031
Payments: \$13,333.33 due monthly beginning March 1, 2015
Collateral: 1st Lien D/T on real estate and improvements at 1801 Hwy 36
Corporate Guaranty: Tige Boats, Inc.
Balloon Payment at Maturity: \$839,600

Borrower will be required to pay the balloon payment at maturity.

PART 2. 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 24th day of February, 2015.

ATTEST:

Dani Ramsay
Secretary/Treasurer

Dave Copeland
President

APPROVED:

T. Daniel Santee, City Attorney

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6.4

DEVELOPMENT CORPORATION OF ABILENE, INC.
BOARD AGENDA
MEETING DATE: February 24, 2015

PROJECT: CarbonLITE Recycling Amended Assistance and Additional Spec 3 Finish-Out & Expansion Construction Funding

STAFF: Kent Sharp, CEO

BACKGROUND

At their California plant CarbonLITE Recycling, LLC (formerly Project RZ) is the largest producer of food-grade post-consumer recycled polyethylene terephthalate (PET) in the world. They specialize in processing used plastic bottles into high quality PET resin flakes and pellets that can then be used to manufacture new plastic beverage bottles and other products.

On August 27, 2013, the board approved resolution DCOA-2013.24 authorizing assistance totaling \$6,196,000 for CarbonLITE Recycling, LLC to open their second plant in Abilene. During a site visit in December 2013, we learned of the company's need for space in addition to the existing 100,000 sf building, specifically a 100,000 sf warehouse addition and an approximately 10,000 sf office addition. The estimated cost for finish-out, including the warehouse and office additions, increased the preliminary finish-out estimate from \$4-5 million to \$11,800,850, including design fees and other services. The company commits to invest up to \$35 million in capital equipment and create 90 new jobs in Abilene within a three-year period.

On January 14, 2014, the board approved resolution DCOA-2014.15 authorizing a contract with Tittle Luther Partnership/Parkhill Smith Cooper (TLP/PSC) and funding of \$759,601 (\$738,100 basic fee plus \$7,000 for soils analysis/testing and \$14,500 for reimbursable expenses) for architectural, civil, structural, mechanical, plumbing & electrical design services based on the increased construction budget. The board also authorized staff to bid the project.

On April 29, 2014, the board approved resolution DCOA-2014.31 authorizing a construction budget of \$11,041,249 for finish-out of the Spec 3 Building at 6558 Five Pts Pkwy to CarbonLITE's specifications. On July 29, 2014, the board approved resolution DCOA-2014.35 authorizing a Guaranteed Maximum Price (GMP) construction contract with Imperial Construction of Weatherford. The GMP contract states Imperial Construction will work with TLP/PSC during a "preconstruction phase" to determine best practices and the most effective way to design and build the necessary improvements. Then, Imperial Construction will propose a cost of work and add its fee of 5% to the cost. The GMP amount was not yet determined at the time because plans for the construction were not complete. Should the final GMP plus fee exceed the construction budget of \$11,041,249, CarbonLITE Recycling agreed to pay the difference.

During the pre-construction phase, it was discovered the soil inside the original 100,000 sq ft shell building was not sufficiently stable for a foundation as was originally thought. To remedy the situation, the soil had to be chemically injected and backfill added. There was also a perimeter slab that had to be removed, the fire riser room and loading docks demolished, plus other items necessary to prepare for the soil injection process and installation of a foundation. To keep the project moving along while final construction plans were being developed, staff directed Imperial Construction to begin work in August of 2014 on these items at a total cost of \$1,980,812.

Imperial Construction and TLP/PSC developed a final construction price for the project in January of this year in the amount of \$15,336,237 (including the pre-construction work totaling \$1,980,812). Adding that to the A/E budget of \$738,100 brings to grand construction total to \$16,074,337. On top of that are the A/E additional services and reimbursable costs of an estimated \$25,000.

THE REQUEST

Because the soil was not sufficiently stable for a foundation in the original shell building, the added cost was unexpected and staff agreed to pay \$1,100,000 to bring the soil up to the standard it was originally believed to be. Also, the roof was not constructed to bear the weight of the utilities runs necessary for the company’s equipment installation as was originally believed. Because of this, staff agreed to a cost concession of \$500,000, which will be deducted from the shell cost of \$6 million used in the rent calculations and for purchase of the facility should the company exercise its option to purchase during the lease term.

Staff requests the board authorize amendments to the Agreement for Financial Assistance and Lease Agreement No. CLITE13 with both parties agreeing as follows:

1. Plans have been prepared for the Project by TLP/PSC and approved by DCOA and CarbonLITE, and
2. A proposal to construct improvements at the Facility according to such plans has been received from Imperial Construction and has been accepted and approved by DCOA and CarbonLITE, and
3. The estimated costs associated with the foregoing include architectural/design fees of \$738,100 and construction costs of \$15,336,237, and
4. Any change orders for the Project shall be approved by the DCOA and CarbonLITE, and
5. Should change orders be approved for the Project, CarbonLITE will be responsible to reimburse DCOA for the costs associated with such change orders, and
6. DCOA shall fund the construction of finish-out and expansion of the Spec 3 building based on the GMP provided by Imperial Construction of \$15,336,237, and require CarbonLITE to repay any costs in excess of the approved construction budget of \$11,800,850 LESS the soil remediation commitment of \$1,100,000 (see below), and

A/E Fees	\$ 738,100
Imperial Construction’s GMP	<u>\$15,336,237</u>
Total Project Cost	\$16,074,337

LESS DCOA’s previously approved construction commitment (\$11,800,850)

Remainder (funding needed)	\$ 4,273,487
LESS DCOA’s soil remediation commitment	<u>(\$ 1,100,000)</u>
CarbonLITE’s commitment to construction	\$ 3,173,487

7. No later than April 30, 2015, CarbonLITE has to demonstrate its financial capacity to perform under the Agreement and provide the DCOA an Irrevocable Standby Letter of Credit for \$3,173,487. Should the actual finish-out construction costs (including basic design fees) exceed \$16,074,337, CarbonLITE will increase the Letter of Credit amount by the amount of the increase. Staff will invoice the company monthly for reimbursement of construction costs in excess of \$12,900,850 (defined as \$11,800,850 + 1,100,000) (including costs associated with change orders), which the company will have 21 calendar days to pay or DCOA will draw upon the Letter of Credit for payment.

8. Should CarbonLITE fail to perform as agreed, they will be in default, construction will not resume and they will be responsible for reimbursing the DCOA all design fees and reimbursable costs incurred by the DCOA up to the point of termination. The Lease Agreement deposit of \$77,875 will be applied toward their obligation to reimburse DCOA.

9. CarbonLITE's lease rate shall be adjusted as described below:

Original shell building construction	\$6,000,000
LESS cost concession for roof being structurally unable to carry utilities runs	<u>(\$500,000)</u>
TOTAL Original Shell Cost	\$5,500,000

Finish-out construction	\$15,336,237
Finish-out design work	\$ 738,100
LESS soils remediation in existing 100,000 sq ft shell structure	<u>(\$1,100,000)</u>
LESS Company's estimated repayment responsibility	<u>(\$3,173,487)</u>
TOTAL Finish-Out Cost	\$11,800,850

Basis for Company's lease rate calculation:

Original Shell Cost	\$ 5,500,000
<u>Finish-Out Cost</u>	<u>\$11,800,850</u>
TOTAL LEASE BASIS	\$17,300,850

Annual lease payment at 5.25% of Total Basis (\$17,300,850 x 5.25%)	\$908,295.00
Monthly lease payment	\$ 75,691.25

10. All other assistance of \$6,196,000 previously agreed to by DCOA shall remain unchanged, specifically; 1) Forgivable loan of up to \$5,250,000 based on 15% of Company's cost for purchase and installation of equipment in the Facility, 2) Job Training grant of \$50,000 for 10-15 employees, and 3) Job Creation Incentive of \$896,000 for creation of 90 new jobs.

11. The Letter of Credit required to secure the forgivable capital investment loan of up to \$5,250,000 shall be increased to also cover one year of rent totaling \$908,295, which lease coverage shall be maintained for the first 6 years of the Lease Agreement.

12. CarbonLITE agrees to not disburse equity in any form if it would cause the ratio of total debt to Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA) to exceed 3:1.

FISCAL IMPACT

A/E Fees	\$ 738,100
Imperial Construction's GMP	<u>\$ 15,336,237</u>
Total Construction Project Cost	\$ 16,074,337
LESS original budget previously approved	<u>(\$11,800,850)</u>
New Construction Funding	\$ 4,273,487
LESS amount to be reimbursed by CarbonLITE	<u>(\$ 3,173,487)</u>
Additional construction cost by DCOA	\$ 1,100,000
PLUS estimated design reimbursable costs by DCOA	<u>\$ 25,000</u>
<u>TOTAL new funding by DCOA</u>	<u>\$ 1,125,000</u>

STAFF RECOMMENDATION

Staff recommends approval of resolution DCOA-2015.08 authorizing amended assistance and lease terms to CarbonLITE and as described above. Also authorized is additional construction funding of \$1,125,000 as described above.

ATTACHMENTS

Resolution DCOA-2015.08

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RESOLUTION NO. DCOA-2015.08

A RESOLUTION OF THE DEVELOPMENT CORPORATION OF ABILENE, INC. (“DCOA”), ABILENE, TEXAS AUTHORIZING AMENDED ASSISTANCE AND LEASE TERMS FOR CARBONLITE RECYCLING (“CARBONLITE” OR “COMPANY”) AND ADDITIONAL FUNDING FOR FINISH-OUT AND EXPANSION CONSTRUCTION OF THE SPEC 3 BUILDING AT 6558 FIVE POINTS PARKWAY (“FACILITY”).

WHEREAS, at their California plant CarbonLITE Recycling, LLC (formerly Project RZ) is the largest producer of food-grade post-consumer recycled polyethylene terephthalate (PET) in the world; and,

WHEREAS, on August 27, 2013, the board approved resolution DCOA-2013.24 authorizing Phase 1 assistance for CarbonLITE totaling \$6,196,000 including capital investment, job creation and job training incentives in exchange for CarbonLITE’s investment of \$35 million in capital equipment and 90 new jobs; and,

WHEREAS, during a site visit in December 2013, staff learned of the company’s need for space in addition to the existing 100,000 sf building, specifically a 100,000 sf warehouse addition and a 10,000 sf office addition; and,

WHEREAS, the estimated cost for finish-out, including the warehouse and office additions, increased the preliminary finish-out estimate from \$4-5 million to \$11,800,850, including design fees and other services; and,

WHEREAS, on January 14, 2014, the board approved resolution DCOA-2014.15 authorizing a contract with Tittle Luther Partnership/Parkhill Smith Cooper and funding of \$759,601 (\$738,100 basic fee plus \$7,000 for soils analysis/testing and \$14,500 for reimbursable expenses) for architectural, civil, structural, mechanical, plumbing & electrical design services based on the increased construction budget. The board also authorized staff to bid the project; and,

WHEREAS, on April 29, 2014, the board approved DCOA-2014.31 authorizing a construction budget of \$11,041,249 for finish-out of the Facility to CarbonLITE’s specifications with staff returning to the board for award of the construction contract once bids were received; and,

WHEREAS, on July 29, 2014, the board approved resolution DCOA-2014.35 authorizing a Guaranteed Maximum Price (GMP) construction contract with Imperial Construction of Weatherford, whereby Imperial Construction will work with TLP/PSC during a “preconstruction phase” to determine best practices and the most effective way to design and build the necessary improvements; and,

WHEREAS, during the pre-construction phase, it was discovered the soil inside the original 100,000 sq ft shell building was not sufficiently stable for a foundation and the roof was not constructed to bear the weight of the utilities runs necessary for CarbonLITE’s equipment installation, as was originally thought; and,

WHEREAS, to keep the project moving along while final construction plans were being developed, staff directed Imperial Construction in August of 2014 to begin work to remedy the soil situation by chemically injecting and backfilling, demolish a perimeter slab, fire riser room and loading docks, plus other items necessary to prepare for the soil injection process and installation of a foundation at a total cost of \$1,980,812; and,

WHEREAS, Imperial Construction and TLP/PSC developed a final construction price for the project in January of this year in the amount of \$15,336,237 (including the pre-construction work totaling \$1,980,812), which when the A/E budget of \$738,100 is added brings to grand construction total to \$16,074,337; and,

WHEREAS, because the soil was not sufficiently stable for a foundation in the original shell building, the added cost was unexpected and staff agreed to pay \$1,100,000 to bring the soil up to the standard it was originally believed to be; and,

WHEREAS, because the roof was not constructed to bear the weight of the utilities runs necessary for the company's equipment installation, staff agreed to a cost concession of \$500,000, which will be deducted from the shell cost of \$6 million used in the rent calculations and for purchase of the facility should the company exercise its option to purchase during the lease term; and,

WHEREAS, staff requests the DCOA authorize amended assistance and lease terms for CarbonLITE Recycling and additional construction funding for the finish-out and expansion of the Spec 3 building at 6558 Five Points Parkway.

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

PART 1. DCOA authorizes amended assistance and lease terms for CarbonLITE Recycling as described below:

1. Plans have been prepared for the construction project by TLP/PSC and approved by DCOA and CarbonLITE, and
2. A proposal to construct improvements at the Facility according to such plans has been received from Imperial Construction and has been accepted and approved by DCOA and CarbonLITE, and
3. The estimated costs associated with the foregoing include architectural/design fees of \$738,100 and construction costs of \$15,336,237, and
4. Any change orders for the construction project shall be approved by the DCOA and CarbonLITE, and
5. Should change orders be approved for the Project, CarbonLITE will be responsible to reimburse DCOA for the costs associated with such change orders, and
6. DCOA shall fund the construction of finish-out and expansion of the Spec 3 building based on the GMP provided by Imperial Construction of \$15,336,237, and require CarbonLITE to repay any costs in excess of the approved construction budget of \$11,800,850 LESS the soil remediation commitment of \$1,100,000 (see below), and

A/E Fees	\$ 738,100
Imperial Construction's GMP	<u>\$15,336,237</u>
Total Project Cost	\$16,074,337
LESS DCOA's previously approved construction commitment	(\$11,800,850)
Remainder (funding needed)	\$ 4,273,487
LESS DCOA's soil remediation commitment	<u>(\$ 1,100,000)</u>
CarbonLITE's commitment to construction	\$ 3,173,487

7. No later than April 30, 2015, CarbonLITE has to demonstrate its financial capacity to perform under the Agreement and provide the DCOA an Irrevocable Standby Letter of Credit for \$3,173,487. Should the actual finish-out construction costs (including basic design fees) exceed \$16,074,337, CarbonLITE will increase the Letter of Credit amount by the amount of the increase. Staff will invoice the company monthly for reimbursement of construction costs in excess of \$12,900,850 (defined as \$11,800,850 + 1,100,000) (including costs associated with change orders), which the company will have 21 calendar days to pay or DCOA will draw upon the Letter of Credit for payment.

8. Should CarbonLITE fail to perform as agreed, they will be in default, construction will not resume and they will be responsible for reimbursing the DCOA all design fees and reimbursable costs incurred by the DCOA up to the point of termination. The Lease Agreement deposit of \$77,875 will be applied toward their obligation to reimburse DCOA.

9. CarbonLITE's lease rate shall be adjusted as described below:

Original shell building construction	\$6,000,000
LESS cost concession for roof being structurally unable to carry utilities runs	<u>(\$500,000)</u>
TOTAL Original Shell Cost	\$5,500,000

Finish-out construction	\$15,336,237
PLUS Finish-out design work	\$ 738,100
LESS soils remediation in existing 100,000 sq ft shell structure	(\$1,100,000)
LESS Company's estimated repayment responsibility	<u>(\$3,173,487)</u>
TOTAL Finish-Out Cost	\$11,800,850

Basis for Company's lease rate calculation:

Original Shell Cost	\$ 5,500,000
Finish-Out Cost	<u>\$11,800,850</u>
TOTAL LEASE BASIS	\$17,300,850

Annual lease payment at 5.25% of Total Basis (\$17,300,850 x 5.25%)	\$908,295.00
Monthly lease payment	\$ 75,691.25

10. All other assistance of \$6,196,000 previously agreed to by DCOA shall remain unchanged, specifically; 1) Forgivable loan of up to \$5,250,000 based on 15% of Company's cost for purchase and installation of equipment in the Facility, 2) Job Training grant of \$50,000 for 10-15 employees, and 3) Job Creation Incentive of \$896,000 for creation of 90 new jobs.

11. The Letter of Credit required to secure the forgivable capital investment loan of up to \$5,250,000 shall be increased to also cover one year of rent totaling \$908,295, which lease coverage shall be maintained for the first 6 years of the Lease Agreement.

12. CarbonLITE agrees to not disburse equity in any form if it would cause the ratio of total debt to Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA) to exceed 3:1.

Also authorized is additional construction funding of One Million One Hundred Twenty-Five Thousand and no/100's Dollars (\$1,125,000) for finish-out and expansion construction of the Facility under a GMP contract with Imperial Construction described below:

A/E Fees	\$ 738,100
Imperial Construction's GMP	<u>\$ 15,336,237</u>
Total Construction Project Cost	\$ 16,074,337
LESS original budget previously approved	<u>(\$11,800,850)</u>
New Construction Funding	\$ 4,273,487
LESS amount to be reimbursed by CarbonLITE	<u>(\$ 3,173,487)</u>
Additional construction cost by DCOA	\$ 1,100,000
PLUS estimated design reimbursable costs by DCOA	\$ <u>25,000</u>
TOTAL new funding by DCOA	\$ 1,125,000

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 February, 2015.

ATTEST:

Dani Ramsay
Secretary/Treasurer

Dave Copeland
President

APPROVED:

T. Daniel Santee, City Attorney