

PUBLIC NOTICE

DEVELOPMENT CORPORATION OF ABILENE, INC.

A regular meeting of the Development Corporation of Abilene, Inc. will be held on Monday, January 25, 2016, at Develop Abilene conference room, 174 Cypress St., 3rd floor, Abilene, Texas, commencing at 1:30 p.m. to consider the following agenda:

SIGNED:



Kent Sharp, CEO

AGENDA

January 25, 2016
1:30 p.m.

Develop Abilene Conference Room
174 Cypress St., 3rd floor

1. Call the meeting to order.
2. Approval of minutes from the January 12, 2016 board meeting.
3. 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.
4. Discussion and possible approval of a resolution authorizing a reduced sales price for vacant land at 1842 Hwy 351.
5. 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 _____, 2016, 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 12, 2016

MEMBERS PRESENT: Dave Copeland John Beckham Marelyn Shedd

MEMBERS ABSENT: Dani Ramsay Jack Rich

STAFF PRESENT: Kent Sharp Kim Tarrant Chace Craig

GUESTS PRESENT: Ira Goldfarb - Prairie Dog Pet Products
Claudia Goldfarb - Prairie Dog Pet Products
Brian Yates - Abilene Chamber of Commerce
Justin Jaworski - Abilene Industrial Foundation
Brooke Crum - Abilene Reporter News
Bruce Kreitler - Abilene City Council

1. CALL THE MEETING TO ORDER: President Dave Copeland called the meeting to order at 1:30 p.m. at 174 Cypress St., Suite 301, Abilene Texas.

2. APPROVAL OF MINUTES FROM THE DECEMBER 17, 2015 BOARD MEETING: Marelyn Shedd moved to approve the minutes from the December 17, 2015 board meeting. John Beckham seconded and the motion carried.

3. SALES TAX REPORT FOR JANUARY 2016 AND PRELIMINARY OCTOBER AND NOVEMBER 2015 FINANCIAL REPORTS: Kent Sharp, CEO of the DCOA presented the sales tax report for January 2016. Total revenue of \$3,020,371.36 represents November sales, which is 5.39% below last year and 6.33% below the projected FY16 budget. Economic Development received \$755,092.84.

The DCOA's preliminary total current assets as of October 31, 2015 were \$22,431,240. The preliminary October 2015 revenues totaled \$917,726 and total expenditures were \$174,033. The preliminary total current assets as of November 30, 2015 were \$23,109,080. The preliminary November 2015 revenues totaled \$1,099,081 and total expenditures were \$454,573. A total of \$307,407 was spent on four different projects.

4. EXECUTIVE SESSION – SESSION 1: 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 12, 2016, and the time is 1:40 p.m. Later, President Copeland announced the date is still January 12, 2016, and the time is 2:25 p.m. No vote or action was taken in Executive Session.

5. OFFICER ELECTIONS - PRESIDENT, VICE PRESIDENT AND SECRETARY/TREASURER: John Beckham moved to re-elect Dave Copeland as the DCOA board president, Marelyn Shedd seconded and the motion carried. President Dave Copeland moved to re-elect Marelyn

Shedd as Vice President and John Beckham as Secretary/Treasurer. Marelyn Shedd seconded and the motion carried.

6. DISCUSSION AND POSSIBLE APPROVAL OF A RESOLUTION AUTHORIZING FUNDING FOR REMEDIATION WORK AT SPEC 3 BUILDING IN FIVE POINTS BUSINESS PARK UNDER LEASE TO PRAIRIE DOG PET PRODUCTS: Kent Sharp discussed the need for additional funding up to \$100,000, to resolve maintenance issues at the Spec 3 building after a recent visit by the architects and engineers contracted by Prairie Dog Pet Products (PDPP), Emergent Construction Technologies (ECT). These issues need to be resolved before the finish out of the Spec 3 building can begin. They involve; 1) gutters and downspouts, 2) roof, wall and skylights; 3) dirt work at the east wall, and 4) lightning protection system. Staff recommends the board approve an additional \$100,000 to complete the maintenance issues at the Spec 3 building to provide PDPP and ECT with a shell building ready for finish-out.

John Beckham moved to approve resolution DCOA-2016.08 authorizing up to \$100,000 for remediation/repairs to the Spec 3 building at 6558 Five Points Parkway, Abilene, Texas, in advance of finish-out construction by PDPP. Marelyn Shedd seconded and the motion carried.

7. FY15-16 DCOA GOALS UPDATE: Kent Sharp presented an update on the goals set by the DCOA for FY15-16. The goals are: 1) Finish the Five Year Strategic Plan by November 30, 2015. TIP will deliver the final plan in January; 2) Develop and communicate a plan to implement the plan. The Strategic Planning Committee (SPC) is working to develop ways to implement the strategic plan; 3) Standardize the process of developing and presenting incentives for approval that aligns with the plan. The DCOA will work with the AIF to overlay existing methods of developing incentives to recommendations in the plan; 4) Plan, execute and evaluate the new workforce training program with our partners including Taylor County high schools, Cisco College, TSTC and Workforce Solutions of West Central Texas. A total of 30 students from the Abilene ISD high schools completed the 2015 fall semester of the training program; and 5) Develop and execute a communications strategy, in conjunction with AIF, which raises awareness of local and outside media, as well as local stakeholders, of the successes of the DCOA. Articles have been placed in State, National and local media.

8. ADJOURNMENT: There being no further business the meeting was adjourned.

Marelyn Shedd, Vice President

DEVELOPMENT CORPORATION OF ABILENE, INC.
BOARD AGENDA
MEETING DATE: January 25, 2016

PROJECT: Reduced Sales Price for Land on Hwy 351

STAFF: Kent Sharp, CEO

BACKGROUND INFORMATION:

TxDOT finished 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. Coca Cola Refreshments USA, Inc. has a manufacturing plant on Enterprise Dr., but 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, adding a round trip distance of about 5 miles. The additional driving distance increased the company's operating costs by an estimated \$500,000/year, which put the Abilene plant at a competitive disadvantage with its Coca Cola "sister" plants.

A viable solution was to extend Enterprise Drive from Hwy 351 to East Lowden Rd and install a traffic signal at the intersection of Hwy 351 and Enterprise Dr., the street that runs adjacent to Coke's plant. Enterprise Drive is heavily used by trucks running from Coke's plant to WindStar. WindStar extended its driveway south to intersect with East Lowden Rd and renovated the warehouse space that Coca Cola leases at a cost of about \$5.22 million.

In 2013, the board authorized \$876,450 to purchase 1.86 acres of land from Region 14 Education Service Center, a portion of which (.905 acre) was used for construction of the Enterprise Dr. extension from Hwy 351 to E. Lowden Rd, which was completed in May of 2014. The remaining .953 acre lot (Lot 102, Block A) was re-platted and re-zoned for General Retail use. Development along Hwy 351 has increased significantly, which prompted TxDOT to use bond money to install traffic lights and medians to improve safety and traffic flow. A traffic light is being installed at the intersection of Hwy 351 and E. Lake Rd. and another is planned for the intersection at Enterprise Dr.

On January 13, 2015, the board approved resolution DCOA-2015.03 authorizing the sale of the vacant Lot 102 at 1842 Hwy 351 for \$525,000, which is market value. The buyer is Beck Interests of Fort Worth who plans to build a Starbucks on the site. In addition, Beck has been in contact with Wal-Mart about abandoning the existing driveway for the super store on Hwy 351 (between the Chik Fil A and the subject lot) and moving it instead to Enterprise Dr., running behind the new coffee shop. That will assist with frontage for Starbucks and assist Wal-Mart since TxDOT is requiring the closure of the Hwy 351 driveway. Enterprise Dr. will provide ingress and egress for not only the Starbucks but also Wal-Mart and all the smaller retail stores adjacent to Wal-Mart.

The sales contract was executed on February 6, 2015, and amended twice to extend the inspection period a total of 300 days to 12-10-15 to allow Beck enough time to work through all development issues, including driveway negotiations with Wal-Mart.

REQUEST:

After a year of due diligence work on Beck's part, Mr. Beck discovered his profit margin is too tight to build on the site due to all the requirements imposed by the City (detention pond, sidewalks and landscaping). He requests the board accept a reduced purchase price in order to make the deal happen.

There is no realtor or real estate broker fee involved in the transaction, which represents a savings of about \$31,500, because Beck approached staff about the purchase before the property was listed or advertised for sale. Staff requests the board authorize a reduced sales price of \$487,600 (down \$37,400). If approved, closing is set for Friday, January 29th and construction will begin shortly thereafter.

FISCAL IMPACT:

Income to DCOA of \$487,600 less applicable closing costs

STAFF RECOMMENDATION:

Staff recommends approval of resolution DCOA-2016.09 authorizing a reduced sales price for the subject lot located at 1842 Hwy 351 from \$525,000 to \$487,600.

ATTACHMENTS:

Re-plat of Enterprise Dr. extension and subject Lot 102
Resolution DCOA-2016.09

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RESOLUTION NO. DCOA-2016.09

A RESOLUTION OF THE DEVELOPMENT CORPORATION OF ABILENE, INC. ("DCOA"), ABILENE, TEXAS AUTHORIZING A REDUCED SALES PRICE FOR LAND AT 1842 HWY 351.

WHEREAS, TxDOT finished 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, which resulted in a longer round-trip drive for Coca Cola trucks from the WindStar facility to the Coke plant on Enterprise Dr.; and,

WHEREAS, a viable solution was to extend Enterprise Drive from Hwy 351 to East Lowden Rd and install a traffic signal at the intersection of Hwy 351 and Enterprise Dr.; and,

WHEREAS, in 2013, the board authorized \$876,450 to purchase 1.86 acres of land from Region 14 Education Service Center, a portion of which (.905 acre) was used for construction of the Enterprise Dr. extension from Hwy 351 to E. Lowden Rd, which was completed in May of 2014; and,

WHEREAS, a portion of the .86 acres (.905 acre) was used for construction of the Enterprise Dr. extension, which was completed in May 2014, and the remaining .953 acre lot (Lot 102, Block A) at 1842 Hwy 351 was re-platted and re-zoned for General Retail use; and,

WHEREAS, development along Hwy 351 has increased significantly, which prompted TxDOT to use bond money to install traffic lights and medians to improve safety and traffic flow. A traffic light is being installed at the intersection of Hwy 351 and E. Lake Rd. and another is planned for the intersection at Enterprise Dr.; and,

WHEREAS, on January 13, 2015, the board approved resolution DCOA-2015.03 authorizing the sale of the vacant Lot 102 at 1842 Hwy 351 for \$525,000, and because no real estate agent/broker fee is involved, the DCOA will realize a savings of about \$31,500; and,

WHEREAS, the buyer is Beck Interests of Fort Worth who plans to build a Starbucks on the site and work with Wal-Mart to abandon the existing driveway for the super store on Hwy 351 (between the Chik Fil A and the subject lot) and move it instead to Enterprise Dr., running behind the new coffee shop; and,

WHEREAS, the sales contract was executed on February 6, 2015, and amended twice to extend the inspection period a total of 300 days to 12-10-15 to allow Beck enough time to work through all development issues, including driveway negotiations with Wal-Mart; and,

WHEREAS, after a year of due diligence work on Beck's part, Mr. Beck discovered his profit margin is too tight to build on the site due to all the requirements imposed by the City (detention pond, sidewalks and landscaping) and therefore requests the DCOA consider a reduced sales price; and,

WHEREAS, staff requests the board authorize a reduced sales price of \$487,600 (down \$37,400).

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

- PART 1.** DCOA authorizes the sale of the undeveloped lot located at 1842 Hwy 351 for a reduced sales price of Four Hundred Eighty-Seven Thousand Six Hundred and no/100's Dollars (\$487,600.00), less applicable closing costs, which represents a reduction of \$37,400 from the sales price of \$525,000 authorized in January 2015 to Beck Interests.
- 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 25th day of January, 2016.

ATTEST:

John Beckham
Secretary/Treasurer

Marelyn Shedd
Vice President

APPROVED:

Stanley Smith, Interim City Attorney

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