

PUBLIC NOTICE

DEVELOPMENT CORPORATION OF ABILENE, INC.

A regular meeting of the Development Corporation of Abilene, Inc. will be held on Tuesday, October 17, 2017, 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

October 17, 2017
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 September 27, 2017, and October 11, 2017, board meetings.
3. Sales tax report for October 2017 and financial report for August 2017.
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 of the matters listed, as authorized by the Texas Government Code Sections:
 1. 551.071 (Consultation with Attorney),
 - A. Outstanding insurance claims
 - B. Prairie Dog Pet Products project
 - C. Enavail, LLC
 2. 551.072 (Deliberations about Real Property)
 - A. Acquisition of parcels of land in West Abilene
 3. 551.074 (Personnel Matters)
 4. 551.087 (Business Prospect/Economic Development)
 - A. Project Mayday
 - B. Project CO2
 - C. Hardin-Simmons University
5. Discussion and possible approval of FY18 contracts with:
 - A. Abilene Industrial Foundation
 - B. City of Abilene for Airport Business Development
 - C. Abilene Chamber of Commerce Military Affairs
 - D. Small Business Development Center
 - E. ACU Griggs Center for Entrepreneurship and Philanthropy for BE in Abilene program
6. Discussion and possible approval of a resolution authorizing the resolution of debt owed by Enavail, LLC.

7. Discussion and possible approval of a resolution authorizing a project with Hardin-Simmons University (HSU), which includes sale of the AbLabs facility at 1325 Pine St., the adjacent parking lot at 1342 Walnut St., and equipment located thereon to HSU.
8. Discussion and possible approval of a resolution authorizing a contract with Enprotec/Hibbs & Todd for development services associated with the 18/36 Industrial Park.
9. Discussion and possible approval of a resolution authorizing an amendment to the industrial workforce training program administered by Cisco College to extend the term and include post-secondary students.
10. Discussion and possible approval of a resolution authorizing compensation to DCOA employees for increased benefits costs as administered by City of Abilene.
11. Discussion of next monthly board meeting.
12. 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 _____, 2017, at _____.

City Secretary

NOTICE

Persons with disabilities who would like special assistance or need special accommodations to participate in this meeting should contact the Development Corporation of Abilene, Inc., (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
September 27, 2017

MEMBERS PRESENT: Dave Copeland John Beckham Jack Rich
Greg Blair Jack Rentz

STAFF PRESENT: Kent Sharp Kim Tarrant Mike Rains

GUESTS PRESENT: Mark Zachary - McMahon Law Firm
Jodie McGaughey - HSU
James Stone - HSU

1. CALL THE MEETING TO ORDER: President Dave Copeland called the meeting to order at 1:30 p.m. at 174 Cypress St., 3rd floor conference room, Abilene Texas.

2. APPROVAL OF MINUTES FROM THE AUGUST 23, 2017, AND SEPTEMBER 11, 2017, BOARD MEETINGS: Greg Blair moved to approve the minutes for the August 23, 2017, and September 11, 2017, board meetings. Jack Rich seconded and the motion carried.

3. SALES TAX REPORT FOR SEPTEMBER 2017 AND FINANCIAL REPORT FOR JULY 2017: Mike Rains with the Finance Department presented the final FY17 sales tax report for September. The rebate is \$3,253,365.88, which represents July sales. Economic Development received \$813,341.47, which is 7.56% above last year and 7.30% above the projected FY17 budget amount. For the period October through September, sales tax is 1.58% above last year and 2.33% above the approved FY17 budget amount. The DCOA's total current assets as of July 31, 2017 were \$23,067,528. The July 2017 revenues totaled \$920,196 and expenditures totaled \$485,211 with \$240,995 being spent on eight 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 September 27, 2017 and the time is 1:37 p.m. Later, President Dave Copeland announced the date is still September 27, 2017 and the time is 3:02 p.m. No vote or action was taken in Executive Session.

5. DISCUSSION AND POSSIBLE APPROVAL OF A RESOLUTION AUTHORIZING AWARD OF BID NO. CB-1775 SALE OF 922 N. 13TH ST., ABILENE TEXAS, AND CONTRACT RELATING TO SALE: Kent Sharp, CEO of the DCOA, presented three bids for the DCOA-owned property located at 922 N. 13th St., also known as the Stone Shop. The building is currently occupied by a business called The Plant Lady. Bids were \$34,854.55 from Charles Wolfe; \$40,000 from Jason Wilson, current tenant; and, \$40,200 net from Jack Chamberlain with Chamberlain Trust as the official high bidder. Staff recommends the board reject all bids on the basis the building's value is much higher than the amount on the bids received. In addition, given the uncertainty

of the building next door at 1325 Pine St., Staff recommends keeping the property until a final decision has been reached on that property.

Jack Rich moved to reject all bids received for the DCOA-owned property located at 922 N. 13th St. stating the bids undervalue the building. John Beckham seconded and the motion passed.

6. UNTABLE; DISCUSSION AND POSSIBLE ACTION TO RESCIND RESOLUTION DCOA-2016.02 APPROVED ON OCTOBER 13, 2015, AUTHORIZING A CONTRACT WITH LYDICK HOOKS ROOFING AND FUNDING FOR ROOF REPAIRS TO THE BLUE CROSS BLUE SHIELD BUILDING LOCATED AT 4002 LOOP 322, ABILENE, TEXAS, AND TO DOCUMENT THE TERMINATION OF CONTRACT: See action under Item #7.

7. UNTABLE AND AMEND AGENDA ITEM; DISCUSSION AND POSSIBLE APPROVAL OF A RESOLUTION AWARDED BID NO. CB-1770 FOR ROOF REPLACEMENT AND MISCELLANEOUS WORK FOR BLUE CROSS BLUE SHIELD BUILDING LOCATED AT 4002 LOOP 322, ABILENE, TEXAS AND POSSIBLE AUTHORIZATION OF PAYMENT FOR ROOF DESIGN AND/OR ROOF MONITORING SERVICES ON THE BUILDING: Kent Sharp updated the board on items tabled during the meeting on September 11, 2017. Staff went back and reviewed all reports generated by the different parties involved in the Blue Cross Blue Shield (BCBS) roof replacement damaged during a hailstorm in June of 2014.

A local architectural/engineering firm determined the roof did not need to be replaced, but rather a new layer of roofing could be placed over the existing roof. Resolution DCOA-2016.02 approved on October 13, 2015, authorized a contract with Lydick Hooks to repair the BCBS roof for \$908,000 plus a contingency of 5%, or \$45,400. Since that time, a lawsuit has been filed and is pending between the City and the Texas Municipal League Intergovernmental Risk Pool (TMLIRP) concerning claims filed after the 2014 hailstorm.

In February of 2016, the City of Abilene (City) employed the services of Crenshaw Consulting Group, LLC (CCG) a roofing consultant and design group to provide engineering services for the BCBS building. The agreement also provides for payment to CCG of the basic service fee at 8.5% of final construction costs plus reimbursable expenses. CCG determined there were several items needing repair not previously identified by the local A/E firm, including ponding and drainage problems needing to be addressed during any repairs or replacement. The project was placed for bid in August 2017 with three contractors submitting bids, and Texas Roof Management is the lowest bidder at \$2,492,525.00.

At the request of the TMLIRP, a report was prepared by the Donan Group in April of 2016 giving three approaches to the roof repair/replacement: 1) Prime existing roof surface and overlay with a new Siplast membrane; 2) Remove existing roof surface down to the Dens-Dek Roof Board, put insulation board on top and overlay with a layer of the modified-bitumen roof surface; and 3) Place lightweight concrete over the existing roof surface. In conclusion, the report stated the first option was the original work approved by the local A/E firm that would not have complied with City codes. The second option

was deemed excessive and did not address all of the current roof issues. The last option would provide a solid roof and fix the drainage issue plus provide a longer-term solution.

Greg Blair made the motion to approve resolution DCOA-2017.15 REV terminating the construction contract awarded to Lydick Hooks Roofing by resolution DCOA-2016.02 approved on October 13, 2015. Jack Rich seconded and the motion passed.

John Beckham made the motion to approve resolution DCOA-2017.16 REV awarding Bid No. CB-1770 and a contract with Texas Roof Management for roof replacement and miscellaneous work on the Blue Cross Blue Shield building located at 4002 Loop 322, Abilene, Texas in the amount of Two Million Four Hundred Ninety-Two Thousand Five Hundred Twenty-Five and no/100's Dollars (\$2,492,525.00). The resolution also authorizes payment to CCG under the February 16, 2016, Service Request/Authorization Agreement for services rendered at 8.5% of final construction costs based upon the bid award and reimbursable expenses. Greg Blair seconded and the motion passed.

8. DISCUSSION OF NEXT MONTHLY BOARD MEETING: President Dave Copeland announced the next scheduled board meeting will be Tuesday, October 17, 2017 at 1:30 p.m.

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

Dave Copeland, President

DEVELOPMENT CORPORATION OF ABILENE, INC.
SPECIAL-CALLED BOARD MEETING MINUTES
October 11, 2017

MEMBERS PRESENT: Dave Copeland Greg Blair John Beckham
 Jack Rentz

MEMBERS ABSENT: Jack Rich

STAFF PRESENT: Kent Sharp Kim Tarrant

GUESTS PRESENT: Mark Zachary McMahon Law Firm
 Bruce Kreidler City Council
 Robert Hanna City Manager
 Kristina Jones Military Affairs Committee
 Doug Williamson Military Affairs Committee
 Doug Peters Military Affairs Committee
 Justin Jaworski Abilene Industrial Foundation

1. CALL THE MEETING TO ORDER: President Dave Copeland called the meeting to order at 10:02 a.m. at 174 Cypress St., 3rd floor conference room, Abilene Texas.

2. EXECUTIVE SESSION – SESSION 1: President Dave Copeland announced there would be no need to go into Executive Session and instead would go straight into the open part of the meeting.

3. DISCUSSION AND POSSIBLE APPROVAL OF A RESOLUTION AUTHORIZING MATCHING FUNDS FOR A TEXAS MILITARY PREPAREDNESS COMMISSION GRANT TO IMPROVE PERIMETER FENCING ON DYESS AIR FORCE BASE: Kent Sharp, CEO of the DCOA, turned the meeting over to Doug Peters, President of the Abilene Chamber of Commerce to explain the Defense Economic Adjustment Assistance Grant (DEAAG) being applied for by the Abilene Chamber of Commerce Military Affairs Committee (MAC). Mr. Peters gave a brief background for the need of the DEAAG grant at Dyess Air Force Base (Dyess). Approximately 3,000 feet of perimeter fence must be relocated due to an FFA and Department of Defense (DoD) violation with the lateral clearance zone requirements which prohibits obstructions within 1,000 feet of the runway centerline. The current fence is located 750 feet from the runway and has been classified as a permanent obstruction in accordance with FAA PART 77 standards. Dyess recently exchanged land with the owner of an adjacent property, which will allow the fence to be relocated and comply with FAA criteria. The total cost to relocate this section of fence is \$563,389.76 and MAC is requesting the DCOA provide 35%, or \$198,880, of the match, and in-kind contributions from the federal government will make up the difference. Mr. Peters then turned the meeting over to Kristina Jones, the volunteer who will assist in writing the grant since she has experience.

Ms. Jones told the board she had a lengthy visit with the Governor's Texas Military Preparedness Commission (TMPC) to find out what makes a successful grant proposal and what they expect to see. Last year's grant application for the Visitor's Control Center was denied due to less than 50% match funding. If the funds are available next year, MAC would like to apply again for the funding to improve the Visitor's Control Center for

security reasons. Greg Blair commented on the importance of community partnerships for any future BRAC decisions.

John Beckham moved to approve resolution no. DCOA-2018.01 authorizing funding up to \$198,880.00 as a portion of the match contribution for a Texas Military Preparedness Commission grant to relocate approximately 3,000 feet of fence to comply with FAA and DoD guidelines. Greg Blair Seconded and the motion passed.

4. DISCUSSION OF NEXT BOARD MEETING ON OCTOBER 17, 2017, 1:30 P.M.:
There was no discussion regarding the next board meeting scheduled for October 17, 2017.

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

Dave Copeland, President

**Sales tax report for October 2017 will be available
during the board meeting**

DEVELOPMENT CORPORATION OF ABILENE
STATEMENT OF NET POSITION
August 31, 2017 and 2016

	August 2017	August 2016
Current Assets:		
Cash and cash investments	\$ 20,051,971	\$ 19,426,755
Accounts receivable	1,677,765	35,293
Due from other governments	1,757,691	1,789,074
Prepaid expense	-	1,700
	<u>23,487,427</u>	<u>21,252,822</u>
Total Current Assets		
Noncurrent Assets:		
Notes receivable, net	3,319,600	10,758,897
Notes receivable - earning economic incentives	11,479,057	8,528,960
Capital assets	62,437,447	51,765,462
Accumulated depreciation	(14,190,010)	(9,815,739)
	<u>48,247,437</u>	<u>41,949,723</u>
Total capital assets, net		
	<u>63,046,094</u>	<u>61,237,580</u>
Total Noncurrent Assets		
	<u>86,533,521</u>	<u>82,490,402</u>
Total Assets		
Liabilities		
Current:		
Accounts payable	\$ 45,858	\$ 347,121
Accrued expenses	1,677,765	-
	<u>1,723,623</u>	<u>347,121</u>
Total Current Liabilities		
	<u>1,723,623</u>	<u>347,121</u>
Total Liabilities		
	<u>1,723,623</u>	<u>347,121</u>
Net Position		
Net Investment in capital assets	48,247,437	41,949,723
Restricted for contractual obligations	8,684,729	14,516,771
Unrestricted, designated for purposes of trust	27,877,732	25,676,787
	<u>84,809,898</u>	<u>82,143,281</u>
Total Net Position		
	<u>84,809,898</u>	<u>82,143,281</u>
Total Liabilities and Net Position		
	<u>\$ 86,533,521</u>	<u>\$ 82,490,402</u>

DEVELOPMENT CORPORATION OF ABILENE
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
For eleven months ending August 31, 2017 and 2016

	August 2017	Fiscal YTD 2017	Fiscal YTD 2016
Revenues:			
Sales and use taxes	\$ 1,000,259	\$ 9,507,966	\$ 9,404,596
Interest income	16,314	275,877	153,752
Building rental / land lease	93,526	990,045	1,013,817
Sale of Land		-	496,459
Miscellaneous revenue	6,052	75,211	117,167
Total Revenues	<u>1,116,151</u>	<u>10,849,099</u>	<u>11,185,791</u>
Expenses:			
Economic Development Projects	1,391,386	5,755,815	5,150,935
Life Sciences property maintenance	19,145	258,698	335,047
DCOA property maintenance	35,362	249,360	359,276
Abilene Industrial Foundation	36,309	434,079	355,178
TTU Small Business Development Center	12,244	121,575	125,662
Chamber Military Affairs	-	257,928	207,852
Airport Business Development Manager	12,946	118,059	98,554
Economic Development Operating Division	60,585	736,111	599,592
Total Expenditures	<u>1,567,977</u>	<u>7,931,625</u>	<u>7,232,096</u>
Changes In Net Position	(451,826)	2,917,474	3,953,695
Net Position at Beginning of Period	<u>25,261,724</u>	<u>81,892,424</u>	<u>78,189,586</u>
Net Position at End of Period	<u>\$ 24,809,898</u>	<u>\$ 84,809,898</u>	<u>\$ 82,143,281</u>

Summary of Current Period Economic Development Projects:

TTU Pharmacy School - Earned Principal Reduction	\$ 93,312
TTU 842 Pine - Business Incentive	166,231
TTU Nursing School - Earned Principal Reduction	269,368
EASI De Fuel Truck	1,950
TTUHSC School of Public Health-Earned Principal Reduction	470,130
Communities In School - Job Training	11,389
City-owned Surplus Land Purchase	377,006
Donald Harding Jr - Services	2,000
Total	<u>\$ 1,391,386</u>

Development Corporation of Abilene
Economic Program Status
As of August 31, 2017

Economic Programs:	Project	Amount Budgeted	Prior Years Disbursement	Current Year Disbursement	Balance reserved for budgeted programs
Murf Systems	4998	\$ 237,240	\$ 235,665	\$ 1,575	\$ -
TTU Pharmacy School	5242	2,018,255	1,893,035	125,220	-
TTU 842 Pine	5308	1,020,231	853,999	166,232	-
Petrosmith Ph 5	5330.1	301,334	150,667	150,667	-
TTUHSC School of Nursing	5331	1,345,621	1,076,253	269,368	-
Rentech '12	5342	470,000	470,000	-	-
Hangar Doghouses A/E	5348.1	423,000	322,318	29,983	70,699
Hangar Doghouses Construction	5348.2	2,722,255	2,722,255	-	-
Hangar 0 Doghouse Construction	5348.3	1,800,000	603,023	1,064,749	132,228
EASI De-Fuel Truck	5354	111,560	78,200	19,500	13,860
Tucker Energy Services	5359	585,000	171,705	-	413,295
Five Points Infrastructure	5359.1	1,000,000	137,491	-	862,509
5 Pts RR Expansion	5363.1	30,800	24,320	-	6,480
Fehr Foods Expansion	5368	5,123,000	3,103,196	1,749,801	270,003
Broadwind Towers 2014	5373	679,300	679,300	-	-
Corley Wetsel Trucking	5376	455,200	-	455,200	-
Fehr Foods 14	5378	160,278	106,852	53,426	-
Gift Card System	5379	82,019	55,395	26,624	-
BWJ Consulting	5382	619,000	280,940	91,320	246,740
Datroo Technologies	5385	234,785	81,460	61,325	92,000
DCOA Strategic Planning	5386	130,000	125,000	-	5,000
Coca Cola Refreshments	5387	-	-	-	-
Martin Sprocket & Gear	5388	-	-	-	-
Industrial Maintenance Training AISD	5389	78,000	50,100	21,876	6,024
Lone Star Canvas	5390	50,000	-	-	50,000
Abimar Foods 2015	5391	300,000	-	300,000	-
BCBS Roof Repairs	5392	953,400	-	-	953,400
TTUHSC School of Public Health	5393	557,552	87,422	470,130	-
Praire Dog Pet Products	5394	-	-	-	-
Spec 3 Remediation	5396	253,318	214,993	38,325	-
18/36 Industrial Park	5398	50,000	-	50,000	-
2016 Startup Week / 2017 Springboard	5399	32,500	-	32,500	-
Broadwind Towers	5400	715,000	-	-	715,000
TSTC New Abilene Campus	5401	4,179,600	-	179,600	4,000,000
AbiMar Employee Relocation	5402	-	-	-	-
Communities in Schools	5403	80,850	-	16,388	64,462
City Owned Surplus Land	5404	386,960	-	378,006	8,954
Donald Hardin, Jr. Service Contract	T5405	28,500	-	4,000	24,500
Subtotal Economic Program Obligation Reserve		\$ 27,214,558	\$ 13,523,589	\$ 5,755,815	\$ 7,935,154

Plus Administrative Division Obligations:

Economic Development Operating Division	Division 2760	840,950	-	736,111	104,839
Life Sciences Property Maintenance	Division 2765	291,691	-	258,698	32,993
DCOA Property Maintenance	Division 2775	390,814	-	249,360	141,454
Abilene Industrial Foundation	Division 2775	619,780	-	434,079	185,701
TTU Small Business Dev Center	Division 2775	200,000	-	121,575	78,425
Chamber Military Affairs	Division 2775	397,000	-	257,928	139,072
Airport Business Development Manager	Division 2775	185,150	-	118,059	67,091
Subtotal Administrative Divisions Obligation Reserve		\$ 2,925,385	\$ -	\$ 2,175,810	\$ 749,575
Total reserve for obligated programs					\$ 8,684,729

DCOA Board approved projects waiting for signed contracts:

Dyess JLUS	\$ 50,000	Expiration Date 12/31/17
	<u>\$ 50,000</u>	

Development Corporation of Abilene
Revenue and Expense
Budget vs Actual Comparison
October 2016 - August 2017

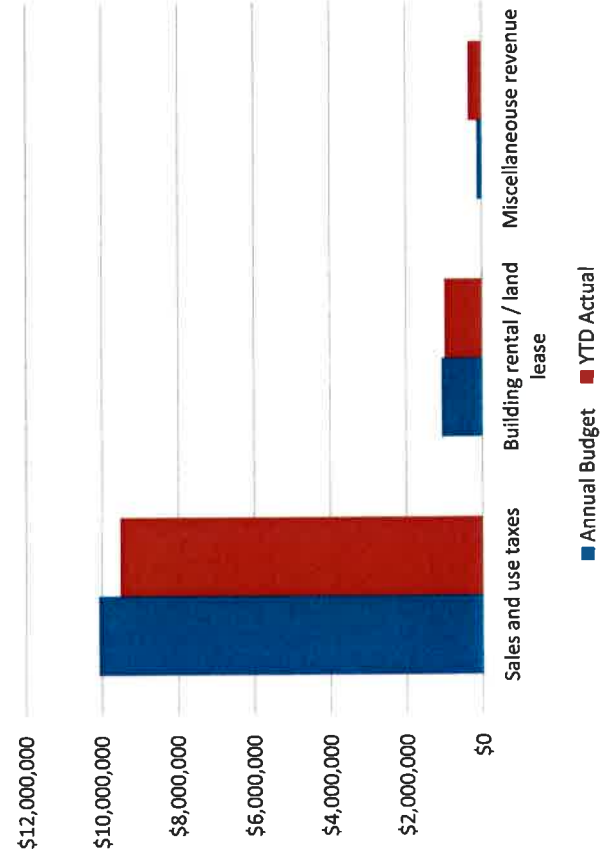
Revenue

	Annual Budget	YTD Actual	% of Budget
Sales and use taxes	10,088,060	9,507,966	94%
Building rental / land lease	1,073,200	990,045	92%
Miscellaneous revenue	135,000	351,088	260%
Revenue	11,296,260	10,849,099	96%

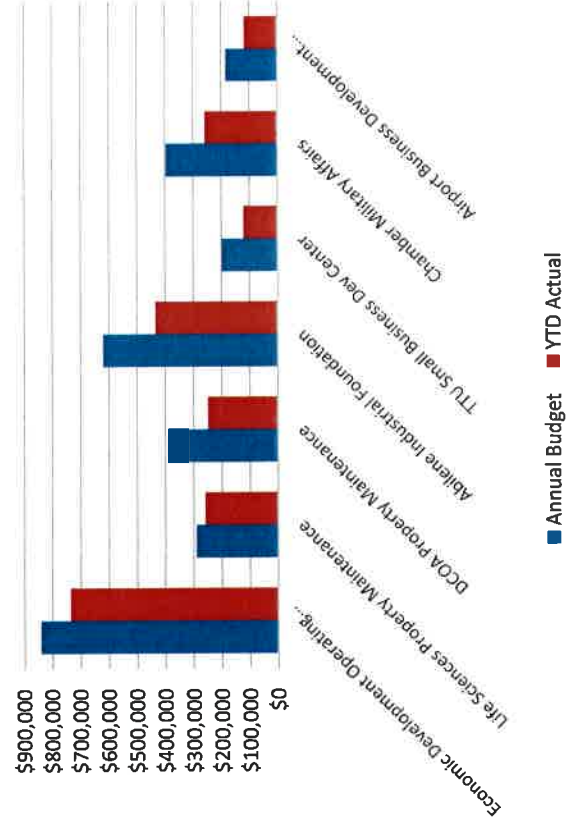
Expenses

	Annual Budget	YTD Actual	% of Budget
Economic Development Operating Division	840,950	736,111	88%
Life Sciences Property Maintenance	291,691	258,698	89%
DCOA Property Maintenance	390,814	249,360	64%
Abilene Industrial Foundation	619,780	434,079	70%
TTU Small Business Dev Center	200,000	121,575	61%
Chamber Military Affairs	397,000	257,928	65%
Airport Business Development Manager	185,150	118,059	64%
	2,925,385	2,175,810	74%

FY 17 Budget vs Actual Revenue



FY 17 Budget vs Actual Expenses



DEVELOPMENT CORPORATION OF ABILENE, INC.

BOARD AGENDA

MEETING DATE: October 17, 2017

PROJECT: DCOA FY18 Contract Renewals

STAFF: Kent Sharp, CEO

GENERAL INFORMATION:

Since 1990, the DCOA has contracted with various agencies to perform services that assist with accomplishment of several of its goals, stated below:

1. To make Abilene competitive in the attraction of business and industry in order to create new, sustainable jobs.
2. To facilitate the creation of new jobs and retention of existing jobs by providing assistance to existing and emerging businesses.
3. To strengthen and expand the skills of the Abilene labor force in coordination with local employers.
4. To strengthen and revitalize downtown Abilene.
5. To increase the number and size of minority-owned, woman-owned, small and entrepreneurial businesses in Abilene.
6. To effectively administer the sales tax revenue.

The board provides annual funding for certain services performed by the Abilene Industrial Foundation (AIF), the City's Airport Business Development Management Program, Chamber Military Affairs, and Small Business Development Center (SBDC), and this year Abilene Christian University Griggs Center (ACU Griggs)

SPECIAL CONSIDERATIONS:

In June of this year, the board approved a FY18 budget that included funding for the agencies listed above totaling \$1,511,065 as follows:

- Abilene Industrial Foundation - \$648,275
- Chamber Military Affairs - \$397,000
- City for Airport Business Development Management - \$185,790
- Small Business Development Center - \$200,000
- BE in Abilene entrepreneurship program - \$80,000 (of the total \$330,000 approved) to be split between SBDC and ACU Griggs Center for Entrepreneurship and Philanthropy for administering the program

Staff is submitting the renewal performance contracts for the board's approval. The contract with SBDC includes \$45,000 of the \$80,000 previously approved for administering the BE in Abilene program. A new contract with ACU Griggs Center is also included for the remaining \$35,000.

FISCAL IMPACT:

Abilene Industrial Foundation with increased budget amount	\$ 648,275
City Airport Business Development Management Program	\$ 185,790
Chamber Military Affairs	\$ 397,000
Small Business Development Center	\$ 200,000
BE in Abilene program (new)	\$ <u>80,000</u>

TOTAL

\$1,511,065

STAFF RECOMMENDATION:

Staff recommends the Board approve the FY18 contract renewals with the agencies listed above, a new contract with ACU Griggs Center and authorize the CEO to execute on the DCOA's behalf.

ATTACHMENT:

FY18 contracts with:

Abilene Industrial Foundation

City of Abilene for Airport Business Development Management Program

Chamber of Commerce Military Affairs

Small Business Development Center

ACU Griggs Center for Entrepreneurship and Philanthropy

S:\DCOA\Meeting Memos\FY2018\FY18 DCOA Annual Contracts 10-17-17.doc

Information will be available during the
board meeting

Information for Items #6 and #7
will be available during the board meeting

DEVELOPMENT CORPORATION OF ABILENE, INC.
BOARD AGENDA
MEETING DATE: October 17, 2017

PROJECT: 18/36 Industrial Park Development Services

STAFF: Kent Sharp, CEO

GENERAL INFORMATION

The DCOA purchased undeveloped land in east Abilene near the Airport at the intersection of State Hwy 36 and FM 18 in 2002 totaling 326.59 acres for a total price of \$408,237.50 (or \$1,250/acre). The intent of purchase was to create a centralized distribution point in Abilene combining rail, air and highway access. A portion of the acreage (231.91 acres) is located north of FM 18 and the remaining 94.68 acres lie south. Tige Boats constructed a new manufacturing plant in 2005 on 40 acres of land to the south.

In 2003, the DCOA paid Carter & Burgess, Inc. \$12,000 for planning and engineering services associated with a proposed rail-served industrial park on this acreage. The company prepared a feasibility study, which was completed in October 2003, and which proposed three alternatives for development. The plan for a rail-served industrial park was put on hold in lieu of a development plan that would be more feasible for the potential end users.

In 2004, DCOA contracted with Hibbs & Todd (now known as Enprotec/Hibbs & Todd or eHT) for \$60,000 to conduct a drainage study, boundary survey, topo survey, and develop a preliminary development plan with lots for the acreage on the north side of FM18. To accommodate a prospect, two lots were platted but never developed. The first lot is approximately 14 acres and the second lot, which is adjacent to the first, contains approximately 10 acres.

Staff also worked with the City's Planning Dept. in 2005 to develop and file a Planned Development District (PDD) zoning change for the entire area. An avigation easement was filed to prevent obstructed usage by all types of aircraft of the airport.

THE REQUEST

Staff is working with Project CO2 for development of the first lot (Lot 1, Block A) as platted in 2005, containing about 14 acres as a future site for its national headquarters. The company requires construction to be completed by November 2018. Staff requests the board authorize another contract with eHT to prepare a preliminary plat of the entire north side area for a new commercial/industrial subdivision, a site utility investigation, aerial topo survey to update outdated information, prepare a final subdivision plat for Lot 1, Block A, and construction plans for street and water/sewer extensions into the park.

The proposed fee is \$52,950 plus reimbursable and additional services costs (i.e. City, County, etc review and/or application fees). Also not included is any construction staking that may be required for construction to begin.

Staff also requests the board authorize them to solicit proposals for installation of utilities and construction of a road extending north from FM 18 to accommodate the lot should Project CO2 proceed with purchase of the lot for construction purposes. Once all proposals and/or estimates have been received, staff will return to the board for funding authorization to perform the work.

FUNDING/FISCAL IMPACT

eHT contract	\$52,950.00
Contingency for reimbursable and other services charges	<u>\$10,000.00</u>
TOTAL	<u>\$62,950.00</u>

STAFF RECOMMENDATION

Staff recommends the board approve resolution DCOA-2018.05 authorizing funding in the amount of \$52,950 for a contract with eHT as described above plus \$10,000 for reimbursable and other services charges. Also authorized is for Staff to solicit proposals for installation of a road and utilities to accommodate construction on Lot 1, Block A.

ATTACHMENT

Preliminary development plan for proposed lots
Resolution DCOA-2018.05

RESOLUTION NO. DCOA-2018.05

A RESOLUTION OF THE DEVELOPMENT CORPORATION OF ABILENE, INC. (DCOA), ABILENE, TEXAS AUTHORIZING A CONTRACT WITH ENPROTEC/HIBBS & TODD FOR PRELIMINARY PLAT AND OTHER SERVICES FOR THE 18/36 INDUSTRIAL PARK, NORTH SIDE OF FM18 FOR A NEW COMMERCIAL/INDUSTRIAL SUBDIVISION.

WHEREAS, DCOA purchased undeveloped land in east Abilene near the Airport at the intersection of State Hwy 36 and FM 18 in 2002 totaling 326.59 acres for a total price of \$408,237.50 (or \$1,250/acre); and,

WHEREAS, the intent of purchase was to create a centralized distribution point in Abilene combining rail, air and highway access; and,

WHEREAS, in 2003, DCOA paid Carter & Burgess, Inc. \$12,000 for planning and engineering services associated with a proposed rail-served industrial park on this acreage. The company prepared a feasibility study, which was completed in October 2003, and which proposed three alternatives for development including rail service; and,

WHEREAS, the plan for a rail-served industrial park was put on hold in lieu of a development plan that would be more feasible for the potential end users; and,

WHEREAS, in 2004, DCOA contracted with Hibbs & Todd (now known as Enprotec/Hibbs & Todd or eHT) for \$60,000 to conduct a drainage study, boundary survey, topo survey, and develop a preliminary development plan with lots for the acreage on the north side of FM18; and,

WHEREAS, to accommodate a prospect, two lots were platted but never developed; Lot 1 is approximately 14 acres and Lot 2, which is adjacent to the first, contains approximately 10 acres; and,

WHEREAS, Staff also worked with the City's Planning Dept. in 2005 to develop and file a Planned Development District (PDD) zoning change for the entire area; and,

WHEREAS, an aviation easement was filed to prevent obstructed usage by all types of aircraft of the airport; and,

WHEREAS, Staff is working with Project CO2 for development of the first lot (Lot 1, Block A), containing about 14 acres as a future site for its national headquarters and requires construction to be completed by November 2018; and,

WHEREAS, eHT proposes to prepare a preliminary plat of the entire north side area for a new commercial/industrial subdivision, a site utility investigation, aerial topo survey to update outdated information, prepare a final subdivision plat for Lot 1, Block A, and construction plans for street and water/sewer extensions into the park; and,

WHEREAS, Staff requests DCOA authorize a contract with eHT and authorize solicitation of bids for installation of utilities and construction of a road extending north from FM18 to accommodate Lot 1, Block A should Project CO2 proceed with purchase and construction.

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

PART 1. DCOA authorizes a contract with Enprotec/Hibbs & Todd for the proposed development of the 18/36 Industrial Park located at the corner of Hwy 36 and FM18 and funding of Sixty-Two Thousand Nine Hundred Fifty and no/100's Dollars (\$62,950.00) as follows:

Base services - \$52,950

Contingency for reimbursables and other services charges - \$10,000

Also authorized is solicitation of bids for installation of utilities and construction of a road extending north from FM18 to accommodate Lot 1, Block A if needed for development purposes. Once all proposals and/or estimates are received, Staff will return to DCOA for funding authorization to perform the work.

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 17th day of October, 2017.

ATTEST:

Jack Rich
Secretary/Treasurer

Dave Copeland
President

APPROVED:

Mark Zachary, Attorney at Law

S:\DCOA\Resolution\2018\2018 05 18_36 Park Development 10-12-17.docx

DEVELOPMENT CORPORATION OF ABILENE
BOARD AGENDA
MEETING DATE: October 17, 2017

PROJECT: Industrial Workforce Training Program Amendment to Include Post-Secondary Students

STAFF: Kent Sharp, CEO

BACKGROUND:

There is a need for the development of a sustainable, high quality industrial workforce training program for Abilene and Taylor County to meet the needs of existing and future employers in our area. Such a program must be ongoing year after year to address the consistent low unemployment rate of Abilene and Taylor County combined with the deficiency of local workforce participants trained in certain industrial workforce skills. Past and current models in other parts of the state and country, which seem to be the most effective, are composed of partnerships between local training institutions such as community colleges and technical colleges, independent school districts, local workforce boards and local economic development corporations. Each partner brings an important element to the effort.

On June 23, 2015, the DCOA approved resolution DCOA-2015.14 authorizing participation with Taylor County school districts and Cisco College beginning with the fall semester of 2015 and funding of \$40,000 for an Industrial Workforce Training program for high school juniors and seniors that focuses on training in the areas of HVAC, plumbing, electrical, welding and industrial maintenance. These five curriculum modules have been identified to target demand occupations in our area, which pay a higher starting wage to trained employees versus candidates without these skill sets.

On August 11, 2015, the board approved resolution DCOA-2015.17 authorizing \$30,000 as match grant funds for the purchase of specialized equipment needed to conduct the industrial maintenance module of the Program. The equipment was purchased and DCOA paid its match in February of 2016.

In January 2017, there was \$6,456 unfunded from the initial \$40,000 approved. During the Spring semester of 2017, Cisco College saw an increased number of enrolled students in the program, thus creating a shortfall of funds to cover tuition, supplies, books and fees. The shortfall was estimated at \$8,000.

On January 18, 2017 the DCOA board approved resolution DCOA-2017.05 authorizing additional funds of \$8,000 for additional students enrolled in the Industrial Workforce Training Program for Spring semester of 2017. Of the \$40,000 initially approved in 2015 and the additional \$8,000 approved in 2017 a total of \$42,248 has been reimbursed to Cisco College for 143 high school students trained under this program as follows:

Semester	HVAC	Plumbing	Electrical	Welding	Industrial Maintenance
Fall 2015	8	0	11	10	0
Spring 2016 (including 7 Trent ISD students)	7	0	9	23	0
Fall 2016 (including 1 Jim Ned ISD student)	12	0	14	17	0
Spring 2017 (including 1 Woodson ISD student)	6	0	14	12	0
TOTAL	33	0	48	62	0

In a separate item approved by the DCOA, a request was made to fund a full-time Workforce Development Coach to be employed by Community in Schools of the Big Country (CIS). This position started in April of 2017. The new Workforce Development Coach has given the DCOA and its partners a much better estimate of the number of students to be enrolled in the Industrial Workforce Training Program for the Fall 2017 and Spring 2018 semesters, at which time a funding request will be made for those semesters.

REQUEST:

The Workforce Development Coach identified a need among recent high school graduates (post-secondary students) for the same training that is available to high school students through this program. These post-secondary students are also interested in enrolling in HVAC, Plumbing, Electrical, Welding and Industrial Maintenance. They were unaware of the availability of this program while they were still in one of the area high schools and can progress through the curriculum at a much faster pace, which affords them the ability to gain the necessary workforce training skills sooner than high school students.

Staff requests the Industrial Workforce Program be amended to allow funding for post-secondary students enrolled in HVAC, Plumbing, Electrical, Welding and Industrial Maintenance at Cisco College. The maximum student age at time of enrollment will be 22 years, and the student must be a resident of Taylor County. Funding priority will continue to be given to high school juniors and seniors of Taylor County high schools.

FISCAL IMPACT:

No additional funding is being requested. Funding for the post-secondary students will be paid out of the approved \$50,000.00 for this line item in the annual DCOA Budget.

RECOMMENDATION:

Staff recommends approval of resolution DCOA-2018.02 authorizing an amendment to the Industrial Workforce Training program to include recent high school graduates of Taylor County high schools who reside in Taylor County at the time of enrollment and are twenty-two (22) years old or younger at the time of enrollment.

ATTACHMENTS:

Resolution DCOA-2018.02

RESOLUTION NO. DCOA-2018.02

A RESOLUTION OF THE DEVELOPMENT CORPORATION OF ABILENE, INC. ("DCOA"), ABILENE, TEXAS AUTHORIZING AN AMENDMENT TO THE INDUSTRIAL WORKFORCE TRAINING PROGRAM THROUGH CISCO COLLEGE AND TAYLOR COUNTY SCHOOL DISTRICTS TO INCLUDE POST-SECONDARY STUDENTS.

WHEREAS, there exists in Abilene the glaring need for the development of a sustainable, high quality industrial workforce training program for Abilene and Taylor County to meet the needs of existing and future employers in our area; and,

WHEREAS, such a program must be ongoing year after year to address the consistent low unemployment rate of Abilene and Taylor County combined with the deficiency of local workforce participants trained in certain industrial workforce skills; and,

WHEREAS, this continuing program must be able to have the flexibility to add curriculum modules over time as well as remove certain curriculum modules to adequately address the changing industrial demand occupations in our area; and,

WHEREAS, a local economic development corporation, such as the DCOA, can provide funding in a sustained manner to ensure the program does not terminate after a certain time period, which is often the case when these efforts are dependent on a one time grant from the federal or state government; and,

WHEREAS, initially, for Abilene and Taylor County, five curriculum modules have been identified to target demand occupations in our area which pay a higher starting wage to trained employees, and they include welding, plumbing, HVAC, electrical and industrial maintenance; and,

WHEREAS, on June 23, 2015, the DCOA approved resolution DCOA-2015.14 authorizing participation with Taylor County school districts and Cisco College beginning with the fall semester of 2015 and funding of \$40,000 for the Industrial Workforce Training Program for high school juniors and seniors; and,

WHEREAS, on August 11, 2015, the board approved resolution DCOA-2015.17 authorizing \$30,000 as match grant funds for the purchase of specialized equipment needed to conduct the industrial maintenance module of the Program; and,

WHEREAS, on January 18, 2017, the board approved resolution DCOA-2017.05 authorizing \$8,000 additional funding for additional students enrolled in the program for the spring 2017 semester; and,

WHEREAS, of the \$48,000 total funds approved in 2015 and 2017, a total of \$42,248 has been reimbursed to Cisco College for 143 high school students trained under this program for the Fall 2015, Spring 2016, Fall 2016 and Spring 2017 semesters; and,

WHEREAS, a need and interest were identified among recent high school graduates (post-secondary students) for the same training that is available to high school students through this program because some were unaware of the availability of funds while still in high school; and,

WHEREAS, post-secondary students can progress through the curriculum at a much faster pace, which affords them the ability to gain the necessary workforce training skills sooner than high school students; and,

WHEREAS, Staff requests the Industrial Workforce Program be amended to allow funding for post-secondary students enrolled in HVAC, Plumbing, Electrical, Welding and Industrial Maintenance at Cisco College.

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

- PART 1.** DCOA authorizes an amendment to the Industrial Workforce Training program through Cisco College to extend the program through September 30, 2018, and use of \$50,000.00 for this purpose approved in the FY 2018 Annual Budget.
- PART 2.** DCOA authorizes an amendment to the Industrial Workforce Training program to allow recent high school graduates (post-secondary students) access to funding under the program so long as they reside in Taylor County at the time of enrollment and are not over the age of twenty-two (22) years at the time of enrollment. Funding priority will continue to be given to juniors and seniors of Taylor County high schools. Beginning in Spring 2018 semester, all applicants for funding must be approved by the CEO or CAO of the DCOA.
- PART 3.** 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 4.** 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 17th day of October, 2017.

ATTEST:

Jack Rich
Secretary/Treasurer

Dave Copeland
President

APPROVED:

Mark Zachary, Attorney

S:\DCOA\Resolution\2018\2018 02 Industrial Workforce Training Program extension of eligibility 01-17-18.doc

DEVELOPMENT CORPORATION OF ABILENE
BOARD AGENDA
MEETING DATE: October 17, 2017

SUBJECT: Additional compensation for DCOA employees

STAFF: Kent Sharp, CEO

BACKGROUND:

DCOA employees receive benefits under the City of Abilene benefits plan, including health insurance. The DCOA reimburses the City of Abilene for all costs associated with health insurance provided to DCOA employees. For FY 2018, the annual prescription deductible under the City of Abilene health insurance plan will increase from \$100 for the employee to \$500, or a \$400 increase. The individual employee contribution to the annual health insurance premium will increase from \$1,200 to \$1,320, or a \$120 increase. Total increase for employee out of pocket for these two items only will be \$520 per employee per year.

The DCOA Board of Directors desires to maintain approximately the same level of out-of-pocket cost each DCOA employee incurs in FY 2018 as that employee incurred in FY 2017. In order to achieve this outcome, additional compensation, on an annual basis, in the amount of \$674.00 per employee is needed to maintain the same level of out-of-pocket cost for each DCOA employee in FY 2018. Please see the following analysis:

Px Ded Increase	\$ 400.00		
Health Ded increae	\$ 120.00		
Total Increase Out-of-Pocket	\$ 520.00		
Pay Increase per Employee			\$ 674.00
- Social Security	0.0765	\$ 51.56	
- Retirement	0.07	\$ 47.18	
- Income Tax	0.15	\$ 101.10	
Total Payroll Deductions			\$ 199.84
Net to Employee			\$ 474.16
Add Back Retirement			\$ 47.18
Net to Employee + Retirement			\$ 521.34

REQUEST:

Staff request the DCOA Board of Directors approve additional compensation per employee of \$674.00 which will net approximately \$474.16 in cash for each employee after deductions of social security, retirement and income tax. NOTE: All employees were calculated on a 15% income tax rate, which may or may not be the rate for every employee.

FISCAL IMPACT:

The DCOA will pay \$4,100 additional annually beginning October 1, 2017. This is calculated by taking the \$674 increase per employee and adding to that the employer's cost of social security and retirement, which is approximately \$146, or \$820 per employee annually times five employees.

RECOMMENDATION:

Staff recommends approval of resolution DCOA-2018.04 authorizing additional compensation for each DCOA employee in the amount of \$674.00 beginning October 1, 2017.

ATTACHMENTS:

Resolution DCOA-2018.04

S:\DCOA\Meeting Memos\FY2018\Industrial Workforce Training Program ammended to increase age limit 10-17-2017.doc

RESOLUTION NO. DCOA-2018.04

A RESOLUTION OF THE DEVELOPMENT CORPORATION OF ABILENE, INC. (DCOA), ABILENE, TEXAS AUTHORIZING ADDITIONAL COMPENSATION FOR EACH DCOA EMPLOYEE IN THE AMOUNT OF \$674.00 PER YEAR BEGINNING OCTOBER 1, 2017.

WHEREAS, DCOA employees receive benefits under the City of Abilene benefits plan, including health insurance; and,

WHEREAS, DCOA reimburses the City of Abilene for all costs associated with health insurance provided to DCOA employees; and,

WHEREAS, the DCOA Board of Directors desires to maintain the same level of out-of-pocket cost each DCOA employee incurs in FY 2018 as that employee incurred in FY 2017; and,

WHEREAS, additional compensation, on an annual basis, in the amount of \$674.00 per employee is needed to maintain the same level of out-of-pocket cost for each DCOA employee in FY 2018.

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

PART 1. DCOA approves additional compensation of \$674.00 per employee of the DCOA.

PART 2. This additional compensation shall become effective retroactive to October 1, 2017.

PART 3. The Chief Executive Officer of the Development Corporation of Abilene, Inc. is hereby authorized to negotiate, enter into and execute all related documents on behalf of the DCOA.

ADOPTED this the 17th day of October, 2018.

ATTEST:

Jack Rich
Secretary/Treasurer

Dave Copeland
President

APPROVED:

Mark Zachary, Attorney at Law

S:\DCOA\Resolution\2018\2018 03 Enavail Debt Resolvd 10-11-17.docx