

PUBLIC NOTICE

DEVELOPMENT CORPORATION OF ABILENE, INC.

A special joint meeting of the Development Corporation of Abilene, Inc. (DCOA) and Abilene City Council will be held on Thursday, August 2, 2018, in the City Council Chambers, 555 Walnut St., 2nd floor, Abilene, Texas, scheduled at 10:30 a.m. to consider the following agenda:

SIGNED:



Kent Sharp, CEO of the DCOA

AGENDA

August 2, 2018
10:30 a.m.

City Council Chambers
555 Walnut St., 2nd floor, Abilene, TX

1. Call the meeting to order.
2. 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 Section 551.072 (Deliberations about Real Property) and 551.071 (Consultation with Attorney):
 - A. Acquisition of properties in West Abilene
3. Discussion and possible approval of a resolution authorizing the DCOA's purchase of Properties in West Abilene.
4. 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 _____, 2018, 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 AGENDA
MEETING DATE: August 2, 2018

PROJECT: Purchase of West Abilene Properties

STAFF: Kent Sharp, CEO

GENERAL INFORMATION:

On April 23, 2018, the DCOA board approved resolution DCOA-2018.15 authorizing the Chief Executive Officer (CEO) to enter into a purchase contract for properties in West Abilene plus authority to expend up to \$15,000.00 to conduct due diligence activities, including but not limited to environmental studies, prior to closing on the purchase. The CEO executed the purchase contract on May 10, 2018, with a due diligence period to expire after ninety (90) days.

The due diligence activities conducted to date include:

1. Phase I Environmental Site Assessment
2. Structural engineer's opinion
3. Plumbing, roofing, electrical, HVAC and fire suppression system assessments
4. Restoration/cleaning service contractors
5. Asbestos survey

The purchase contract includes a lease-back agreement of one of the buildings located at the site to the current owner for a period of thirty (30) months, \$10.00 annual base rent and Lessee's payment of occupancy costs such as insurance, taxes, routine maintenance and utilities. The purchase closing is to occur after the DCOA board's receipt, review and approval of the results of the due diligence activities conducted on the properties.

THE REQUEST:

In summary, the properties are in good condition but need repairs and interior cleanup, all of which is manageable.

The purchase price is \$5,000,000.

FISCAL IMPACT:

\$5,000,000 plus all applicable closing costs

STAFF RECOMMENDATION:

Staff recommends the Board approve resolution DCOA-2018.24 authorizing the purchase of West Abilene properties in the amount of \$5,000,000.00 plus all applicable closing costs.

ATTACHMENT:

Resolution DCOA-2018.24

RESOLUTION NO. DCOA-2018.24

A RESOLUTION OF THE DEVELOPMENT CORPORATION OF ABILENE, INC. ("DCOA"), ABILENE, TEXAS AUTHORIZING THE PURCHASE OF PROPERTIES IN WEST ABILENE.

WHEREAS, certain industrial properties in West Abilene are for sale and would be very useful to DCOA for further developing Abilene's manufacturing and distribution sectors; and,

WHEREAS, on April 23, 2018, DCOA approved resolution DCOA-2018.15 authorizing the CEO to enter into a purchase contract for properties in West Abilene and expend up to \$15,000.00 for any due diligence activities to be conducted on the properties during the 90-day due diligence period; and,

WHEREAS, the purchase contract is dated May 10, 2018, is in the amount of \$5,000,000.00, and the due diligence activities conducted by staff on the property include a Phase I Environmental Site Assessment, structural engineers' opinion, and assessments by a plumber, roofing contractor, electrician, HVAC contractor, fire suppression contractor and restoration service contractors; and,

WHEREAS, the purchase contract allows DCOA the option of terminating prior to the expiration of the due diligence period, which has not expired; and,

WHEREAS, the purchase contract includes a lease-back agreement of one of the buildings located at the site to the current owner for a period of thirty (30) months, \$10.00 annual base rent and Lessee's payment of occupancy costs such as insurance, taxes, routine maintenance and utilities; and,

WHEREAS, the purchase closing is to occur after the DCOA board's receipt, review and approval of the results of the due diligence activities conducted on the properties; and,

WHEREAS, staff concludes the properties are in need of repairs and cleanup; however, the benefits of owning the properties for DCOA's economic development purposes are great; and,

WHEREAS, staff requests DCOA authorize the purchase of the West Abilene properties in the amount of \$5,000,000.00 plus all applicable closing costs.

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

PART 1. Subject to City Council approval, DCOA authorizes the purchase of West Abilene properties for Five Million and no/100's Dollars (\$5,000,000.00) plus all applicable closing costs. DCOA also authorizes a lease agreement with the current property owner for one of the buildings on site for a period of thirty (30) months under the terms that are attached to the purchase contract, which includes annual base rent of \$10.00 and Lessee's payment of occupancy costs such as insurance, taxes, routine maintenance and utilities.

In the event that City Council does not approve the purchase of the properties, DCOA authorizes the Chief Executive Officer of the DCOA to terminate the purchase contract.

PART 2. The funding commitment authorized under this resolution is contingent upon City Council approval and 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 execute all other related documents on behalf of the DCOA.

ADOPTED this the 2nd day of August, 2018.

ATTEST:

Greg Blair
Secretary/Treasurer

John Beckham
President

APPROVED AS TO FORM:

Mark Zachary, Attorney at Law