

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 AWARDDING 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