

RESOLUTION NO. 63-2015

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ABILENE, TEXAS, APPROVING DEVELOPMENT CORPORATION OF ABILENE, INC. ("DCOA") FUNDING FOR ABIMAR FOODS, INC. ("ABIMAR").

WHEREAS, Abimar (formerly Fehr Foods) began operations in 1992 with 27 employees and manufactured cookies that were sold under the name of Lil' Dutch Maid and private labels; and,

WHEREAS, on October 15, 2010, 100% of the stock of Fehr Holdings, LLC ("Fehr") was acquired along with its affiliates by Grupo Nutresa (holding company), which is devoted to the production and merchandising of cookies through its two production platforms, one located in Texas and the other in Oklahoma; and,

WHEREAS, the DCOA has assisted the company since 1992 with many of its expansion and capital investment projects; and,

WHEREAS, employment has grown from 27 in 1992 to over 400; and,

WHEREAS, in October 2013, the company began its \$30 million expansion into crackers in the former Sam's Club on S. 1st St. with the DCOA providing \$4,500,000 for capital investment, facility improvements, and equipment purchases; and,

WHEREAS, also included is \$623,000 for creation of 105 new jobs in excess of the existing cookie production jobs at the N. 1st St. facility; and,

WHEREAS, in 2014, the board assisted the company in the amount of \$200,000 with a capital project at the cookie production facility on N. 1st St., which included automated equipment, updated equipment, energy efficiency upgrades, employee safety upgrades, and environmental safety upgrades; and,

WHEREAS, several months ago, AbiMar approached the AIF/DCOA about further expanding its footprint in Abilene by adding three additional production lines at a cost of \$15,000,000 and an estimated 50 new jobs; and,

WHEREAS, the focal point of the project is to: 1) Increase capacity in wirecuts and crèmes, 2) increase productivity, 3) reduce conversion costs and 4) consolidate some of their operations; and,

WHEREAS, on October 13, 2015, the DCOA board approved resolution DCOA.2016.03 authorizing financial assistance of \$1,500,000 for Abimar Foods, Inc.; and,

WHEREAS, the DCOA board requests the City Council approve the assistance package for Abimar Foods, Inc. not to exceed \$1,500,000.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF ABILENE, TEXAS:

PART 1. DCOA incentive not to exceed One Million Five Hundred Thousand and no/100's Dollars

(\$1,500,000.00) is authorized for Abimar Foods, Inc. for its production expansion at 10% of the company's projected capital investment totaling approximately \$15 million. The incentive will be paid to the company in Year 1 for the first \$1.5 million in expenditures. The money will be granted as a forgivable loan and backed by a lien against the company's plant on South 1st with terms to be provided in the Agreement for Financial Assistance that is reduced on an annual basis in the amount of \$300,000 for a term of 5 years.

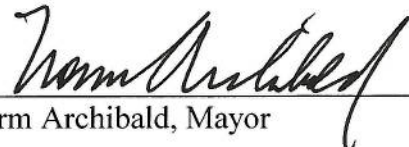
PART 2. That this resolution shall take effect immediately from and after its passage.

ADOPTED this the 22nd day of October, 2015.

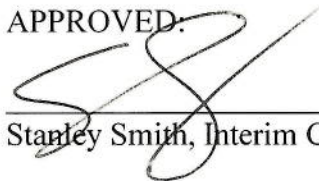
ATTEST:



Danette Dunlap, City Secretary



Norm Archibald, Mayor

APPROVED:


Stanley Smith, Interim City Attorney