

RESOLUTION NO. 111-2016

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ABILENE, TEXAS, APPROVING DEVELOPMENT CORPORATION OF ABILENE, INC. ("DCOA") FUNDING FOR EXPANSION OF BROADWIND TOWERS ("COMPANY").

WHEREAS, Broadwind Towers, Inc., is based in Manitowoc, Wisconsin and manufactures wind turbine towers; and,

WHEREAS, in 2008, the DCOA approved resolution DCOA-2008.14 authorizing an assistance package for Company in the total amount of \$3,816,250 in direct incentives for job creation of 150 and capital investment of \$20+ million for construction of a new manufacturing plant in the Five Points Business Park and equipment purchases; and,

WHEREAS, the package also included indirect incentives totaling \$911,250 for job training through the Fast Track Welding Training program, conveyance by the DCOA of 41.6 acres on Arnold Blvd. (north of Pactiv Industries) valued at \$600,000, and rail service to the south boundary of the new construction site; and,

WHEREAS, in 2008, the DCOA also approved additional \$700,000 capital investment incentive for construction cost overruns of approximately \$7 million paid at 10% of the company's actual cost; and,

WHEREAS, in 2011, the DCOA authorized the reallocation of \$20,500 in job creation incentive funds to instead be used to train 15 welders for the company's Caterpillar contract, and in 2012 another \$30,000 was reallocated to train 20 more welders and provide leadership training for the supervisory team; and,

WHEREAS, of the \$5,427,500 total authorized under the original agreement, \$4,904,077 was funded; and,

WHEREAS, in 2014, the DCOA approved resolution DCOA-2014.20 authorizing a new assistance package for Company's growth in the amount of \$1,602,160, including: 1) re-approving \$516,000 unearned Job Creation Incentive funds from the original agreement for creation of FTEs in excess of 115, 2) \$200,000 to extend a new railroad line to the north property line of Company's current storage yard, 3) \$20,000 to install a fence along the new property line between DCOA and Company, 4) \$163,635 financing for Company's purchase of a DCOA-owned 10.909 acre lot located adjacent to Company's existing storage yard, and 5) \$702,525 maximum financing for 75% of the cost to install base material on the 10.909 acre lot; and,

WHEREAS, Broadwind Towers decided the extended rail spur would not benefit their operations, so in 2015 the DCOA re-allocated the rail spur funds of \$200,000 for; 1) security fencing around the company's entire perimeter costing \$163,300 and additional funds of \$12,546 to fence the new property line as previously approved, and 2) leftover funds of \$69,246 from the fencing project would be reimbursed to the company as all or part of their 25% payment obligation for the base material note; and,

WHEREAS, of the \$1,614,706 total authorized under the 2014 agreement, \$842,935 has been funded leaving \$771,771 available; and,

WHEREAS, Company has recently secured additional contracts for monopole production and is considering Abilene for the expansion, which includes a new third structure constructed adjacent to the existing plant for final assembly, a new paint booth, equipment purchases, and preparation of the laydown yard; and,

WHEREAS, staff requests the City Council approve an assistance package for the Company in an amount not to exceed \$715,000 to assist with Company's expansion in Abilene, to be conducted in four separate phases.

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

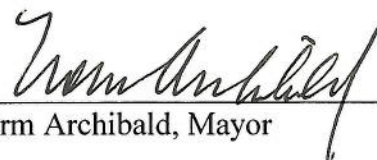
PART 1. That the DCOA incentive in an amount not to exceed Seven Hundred Fifteen Thousand and no/100's Dollars (\$715,000.00) is authorized for Broadwind Towers, Inc. for its production expansion funded at 10% of Company's total projected capital investment, estimated to be \$7,150,000. Funding will be provided upon receipt by DCOA of evidence of Company's actual costs and financed under two separate promissory notes, both secured by a corporate guarantee. The company will retain at least 85% of its current employment of 170. Terms of the notes will also include deadlines for completion of the Company's phases of expansion (I through IV), 0% interest, and annual principal reductions over 5 years.

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

ADOPTED this the 25th day of August, 2016.

ATTEST:


Danette Dunlap, City Secretary


Norm Archibald, Mayor

APPROVED:


Stanley Smith, City Attorney