CITY OF SAN ANGELO TEXAS
Development Corporation

Regular Agenda via Audio/Video Broadcast
5/27/2020

Notice is hereby given in accordance with an order of the Office of the Governor issued March 16, 2020, of a Regular Meeting of the City of San Angelo Development Corporation (COSADC) scheduled for May 27, 2020 at 8:30 AM. The Council Chambers at the McNease Convention Center – South Meeting Room, 501 Rio Concho Drive, San Angelo, Texas will not be open to the public. COSADC members and staff will attend virtually in order to advance the public health goal of limiting face-to-face meetings (also called "social distancing") to slow the spread of the Coronavirus (COVID-19). There will be no public access to the regular meeting location. A public, free-of-charge audio/video broadcast of the meeting will be available on the City's YouTube channel at: https://www.youtube.com/user/CityofSanAngeloTx.

The Meeting Agenda and the Agenda Packet are posted online at https://www.cosatx.us/departments-services/economic-development/city-of-san-angelo-development-corporation

Members of the public who wish to submit Public Comment on agenda items must send their written comments via email to nora.nevarez@cosatx.us by noon May 26, 2020.

The subject must be in the following format: "Public Comment: [item number, description] – May 27, 2020." All emails must include your name and address

Please note all Public Comment emails relevant to posted agenda items received by the deadline will be published as part of the agenda packet prior to the meeting are therefore public record. Call 325- 653-7197 or 325-650-6456 for staff assistance.

A recording of the meeting will be available to the public in accordance with the Open Meetings Act upon written request.

1. **Call to Order**
2. **Prayer**
3. **Public Comment**

Issues or items that are not on the agenda may be raised by the public at this time. Citizens should speak from the podium, begin by stating their name and limit remarks to less than three minutes. Board members may request that a discussed item be placed on a future agenda. The Board takes public comment on all Regular Agenda items during the discussion of those items.

4. **Consent Agenda**
   a. Consider approving the April 22, 2020 meeting minutes
   b. Consider approving the necessary corporation disbursement
   c. Consider approving the April 2020 Financial Statements

d. Consider a minute Resolution authorizing the COSADC Board President to negotiate and execute an agreement with Ener-Tel Services, Inc. (ENER-TEL) for Mutual Termination of the Economic Development and Performance Agreement with ENER-TEL that includes mutual releases.

5. Regular Agenda

a. Consider a Resolution of the City of San Angelo Development Corporation Board of Directors authorizing the use of sales and use tax funds in an amount not to exceed $400,000, to provide an Economic Development Incentive to WMC LIQUIDATION CO. D/B/A BRYAN WENDLAND CORPORATION, D/B/A WENDLAND TANK CORP., AND FORMERLY D/B/A WENDLAND MANUFACTURING CORP., for a Business Retention and Expansion Program (BREP) project related to business enterprises that create or retain primary jobs, as authorized for a Type B Corporation under Local Government Code Chapter 505 Subchapter D. (Presentation made by Shannon Scott, Business, Retention & Expansion Coordinator)

b. Consider nominating & approving two (2) members of the COSADC Board of Directors to serve on the Industrial Park Review Committee in accordance with the Declaration of Covenants, Conditions and Restrictions recorded as Volume 941, Pages 48 through 52, Records of Real Property, Tom Green County, Texas (Presentation made by Robert Schneeman, Economic Development Project Manager)

c. Consider a resolution authorizing the use of Sales and Use Tax funds of up to and not to exceed $250,000, in increments as authorized from time to time by the Board, subject to City Council approval, for planning, engineering, other professional services, and construction and related services and materials, for development of industrial transportation infrastructure and improvements suitable for industrial rail transportation service, necessary to promote or develop new or expanded business enterprises that create or retain primary jobs, on a tract of land acquired by COSADC, being 180 acres more or less, located adjacent to the south right-of-way of FM 2105, 1.5 miles west of Hwy 277, and adjacent to the easterly boundary of an abandoned railroad right-of-way, a project authorized under Chapter 505 of the Texas Development Corporation Act. (Presentation made by Robert Schneeman, Economic Development Project Manager)

d. Consider approving a resolution authorizing the sale of approximately 5.544 acres of vacant land located at the southwest quadrant of the intersection of Gateway Drive and Venture Drive, within the San Angelo Business and Industrial Park, to Dkota Investments, Inc. at a price of $25,000.00 per acre; authorizing the Board President to negotiate and execute a real estate sales contract in a form approved by the City Attorney, and recommending ratification by City Council. (Presentation made by Robert Schneeman, Economic Development Project Manager)

e. Consider a resolution authorizing the placement of approximately 100,000 cubic yards of fill material by Reece Albert, Inc. on a tract of land acquired by COSADC, being 180 acres more or less, located adjacent to the south right-of-way of FM 2105, 1.5 miles west of Hwy 277, and adjacent to the easterly boundary of an abandoned railroad right-of-way, a project authorized under Chapter 505 of the Texas Development Corporation Act. (Presentation made by Robert Schneeman, Economic Development Project Manager)

f. Consider a resolution authorizing the use of Sales and Use Tax funds for the purchase of additional water supply by the City of San Angelo under inter local agreement with the cities of Midland and Abilene, for an indefinite period subject to review on every tenth anniversary, pursuant to ballot proposition adopted November 2nd, 2010, a project authorized for a Type 4B Development Corporation under Chapters 501 and 505 of the Texas Development Corporation Act. (Presentation made by Allison Strube, Director of Water Utilities)

6. **Closed Session**

Executive Session under the provision of Government Code, Title 5. Open Government; Ethics, Subtitle A. Open Government, Chapter 551. Open Meetings, Subchapter D. Exceptions to Requirement that Meetings be Open under the following sections:

7. **Follow Up and Administrative Issues**

   a. Consider and possible actions of items discussed in Closed Session, if needed

   b. Announcements and consideration of Future Agenda Items

8. **Adjournment**

CERTIFICATION

I hereby certify that the above notice of meeting was published on the City of San Angelo's website on the 22nd day of May 2020 at 3:00 p.m.

Nora Nevarez on behalf Guy Andrews

Guy Andrews, Economic Development Director

All agenda items are subject to action. All contracts/agreements may be subject to further negotiation prior to execution. The Board reserves the right to consider business out of posted order and/or meet in a closed session on any agenda item should the need arise and if applicable pursuant to authorization by Title 5, Chapter 551, of the Texas Government Code.

In compliance with the Americans with Disabilities Act, the City of San Angelo Development Corporation will provide for reasonable accommodations for persons attending board meetings. To better serve you, requests should be received 48 hours prior to the meetings. Please contact the Economic Development Office at 325-653-7197.

Citizen requests to display materials on the city's monitors must submit the request 96 hours prior to the meeting by email to nora.nevarez@cosatx.us. Time limits of discussion are as stated above and materials cannot exceed 10 pages. Citizens bringing materials for distribution to City of San Angelo Development Corporation members during the meeting must bring a minimum of 12 copiers.

COSADC meetings are broadcast on Channel 17-Government Access at 8:00 A.M. on every Wednesday on the Wednesday after each meeting.

Report to Board

CITY OF SAN ANGELO TEXAS
Development Corporation

Requestor: Nora Nevarez, Executive Office Coordinator, COSADC, 325-653-7197

Meeting Date: May 27, 2020

Item type: Consent Item

Caption:

Consider approving the April 22, 2020 meeting minutes

Summary/History:

Financial Impact:

Other Information/Recommendation:

Attachments:

1. COSADC Minutes 04-22-2020 COSADC Minutes 04-22-2020.doc

Presentation:

Approvals/Reviews:

Nora Nevarez	Created/Initiated
Dan Saluri	Approved
Nolan Sosa	Approved
Tina Dierschke	Approved
Guy Andrews	Final Approval

City of San Angelo, Texas
Development Corporation Meeting
Wednesday, April 22, 2020

Present:
Todd Kolls, President
Bill Dendle, First Vice President
Dr. David Cummings, Second Vice President
Max Puello, Director
Erika Lara, Director
Garland Freeze, Director (via audio only)

1. Call to Order

With a quorum of the City of San Angelo Development Corporation Board Members present, President Kolls called the regular session of the City of San Angelo Development Corporation to order at 8:37 a.m., on Wednesday, April 22, 2020 via Zoom livestreamed to the City's YouTube channel at youtube.com/CityofSanAngeloTx.

2. Special Instructions

President Kolls read special instructions for the virtual meeting.

3. Prayer

An invocation was provided by First Vice President Dendle.

4. Public Comment

Issues or items that are not on the agenda may be raised by the public at this time. Citizens should speak from the podium, begin by stating their name and limit remarks to less than three minutes. Board members may request that a discussed item be placed on a future agenda. The Board takes public comment on all Regular Agenda items during the discussion of those items.

No public comments were received by noon April 21, 2020.

5. Consent Agenda

a. Consider approving the February 26, 2020 meeting minutes

b. Consider approving the necessary corporation disbursements

c. Consider approving the February 2020 Financial Statements

d. Consider adoption of a motion authorizing the Board President to negotiate and execute a service agreement with Pullig Contracting Co., not to exceed $4,350 annually, with provision for renewals.

e. Consider approving First Addendum to Real Estate Sales Contract By and Between City of San Angelo Development Corporation and Coverlay Manufacturing, Inc.

f. Consider adoption of a motion authorizing the Board President to negotiate and execute a professional services marketing and promotional agreement with McLaughlin Advertising to promote the 2020 Business Plan Competition in an amount not to exceed $5,000 and other promotional services upon request

Motion: **First Vice President Dendle made a motion, seconded by Second Vice President Dr. Cummings, to approve the consent as present. The motion carried unanimously five (5) ayes to zero (0) nays**

6. Regular Agenda

a. Consider approving the March 2020 Financial Statements (Presentation made by Tina Dierschke, Director of Finance)

Motion: **Second Vice President Dr. Cummings made a motion, seconded by First Vice President Dendle to approve the March 2020 Financial Statements. The motion carried unanimously five (5) ayes to zero (0) nays.**

b. Consider a resolution of the San Angelo Development Corporation (C0SADC) authorizing the use of Sales and Use Tax funds in an amount not to exceed $70,000 dollars to partially fund City Of San Angelo cleanup, open space improvement, landscaping and related facilities necessary to enhance the Knickerbocker Road right of way and adjoining Bureau of Reclamation land as open space fronting the San Angelo Regional Airport—Mathis Field, a project authorized under Section 501.103 Infrastructure Improvements (street landscaping) and Section 505.152 of the Texas Local Government Code for open space improvements necessary to promote tourism and develop new or expanded business enterprises; and, authorizing the Board President to negotiate and execute a Memorandum of Understanding (MOU) with the City of San Angelo providing terms for performance, and any other related documents, in a form approved by the City Attorney, subject to approval of City Council. (Presentation made by Robert Schneeman, Economic Development Project Manager)

Motion: **Director Puello made a motion, seconded by Director Lara to approve the resolution as presented. The motion carried unanimously three (3) ayes to two (2) nays.**

c. Consider approval of additional funding to Ports to Plains in the amount of $10,000 (Presentation by Guy Andrews, Director of Economic Development)

Motion: **Director Lara made a motion, seconded by First Vice President Dendle to approve the additional funding as presented. The motion carried unanimously five (5) ayes to zero (0) nays.**

7. Closed Session

Executive Session under the provision of Government Code, Title 5. Open Government; Ethics, Subtitle A. Open Government, Chapter 551. Open Meetings, Subchapter D. Exceptions to Requirement that Meetings be Open under the following sections:

a. Section 551.087 to deliberate regarding commercial or financial information that the Board is receiving from business prospects with whom economic development negotiations are being conducted, and discuss financial or other incentives relating to the following projects:

   Project 2019-W322
   Project 2020-W001

Executive Session was not held

8. Follow Up and Administrative Issues

a. Consider and possible action of items discussed in Closed Session, if needed

No Action Taken on this item.

b. Announcements and consideration of Future Agenda Items

No Action Taken on this item.

9. Adjournment

Motion: Director Puello made a motion, seconded by First Vice President Dendle to adjourn the meeting. The motion carried unanimously five (5) ayes to zero (0) nays.

There being no further business, the meeting adjourned at 9:03 a.m.

THE CITY OF SAN ANGELO

_____
Corporation President

ATTEST:

_____
Corporation Secretary

In accordance with Chapter 2, Article 2.300, of the Official Code of the City of San Angelo, the minutes of this meeting consist of the preceding Minute Record and the Supplement Minute Record. Details on Board meetings may be obtained from the City Clerk's Office. (Portions of the video recording may be distorted due to equipment malfunction or other uncontrollable factors.)

Report to Board

CITY OF SAN ANGELO TEXAS
Development Corporation

Requestor: Nora Nevarez, Executive Office Coordinator, COSADC, 325-653-7197

Meeting Date: May 27, 2020

Item type: Consent Item

Caption:

Consider approving the necessary corporation disbursement

Summary/History:

Financial Impact:

Other Information/Recommendation:

Attachments:

1. Disbursement 05-27-2020 Disbursement 05-27-2020.pdf

Presentation:

Approvals/Reviews:

Nora Nevarez	Created/Initiated
Dan Saluri	Approved
Nolan Sosa	Approved
Tina Dierschke	Approved
Guy Andrews	Final Approval

City of San Angelo Development Corporation
Check Disbursements
For Board Approval May 27, 2020

Economic Development				
Reece Albert, Inc	$	674,391.95	Gateway Add 2.2 (Inv. 11422 & 11421)	
Principal LED		177,101.70	2019 Job Creation & Property Tax rebate incentive	
Ports to Plains		10,000.00	Additional support (Inv 1876)	
Impact Data Source, LLC		6,701.00	Annual membership (Inv 19383)	***Ck. 5120***
Principal LED		3,950.99	2019 Property Tax	
Sam Tambunga		1,762.00	Auto insurance for COSADC vehicle (Inv. 1525)	*Ck. 5127*
By the Stream Media, LLC		1,500.00	COVID-19 Video (Inv. BTSM 1503)	*Ck. 5118*
Total for Board Consideration	**$**	**875,407.64**		
Dirt Doctor	$	725.00	General cleaning at BRC (Inv.4239)	*Ck. 5113*
Dirt Doctor		725.00	General cleaning at BRC (Inv. 4268)	
Texas Economic Development Council		525.00	Membership renewal for S. Scott (Inv. 10258)	*Ck. 5116*
Russell Wallace		596.00	IT Serv for Business Factory (Inv. Cosa1007)	*Ck. 5128*
Standard Times		463.38	Legal notices (Inv. 3298172)	
Clare's Heating & Air Conditioning		298.50	Add freon to units in incubator area (Inv. 6320)	
Ener-tel		225.00	Fire system serv call (Inv 213226)	*Ck. 5119*
Ener-tel		190.00	Service call - reset cameras (Inv. 215324)	
Canon Financial Services		188.45	Mo copier rental for Business factory (Inv 21308986)	*Ck. 5112*
Canon Financial Services		171.32	MO copier rental for Business factory (Inv 21195068)	*Ck. 5108*
Ener-tel		100.00	Monthly burglar/fire security (Inv. 212944)	*Ck. 5114*
Ener-tel		100.00	Monthly burglar/fire security (Inv. 215177)	*Ck. 5125*
Atmos Energy		87.80	Mo. Gas utilities at BRC (Serv date 0307 to 04/03)	*Ck. 5111*
MDK Serv., LLC		79.00	Qtrly pest control (Inv. 27631)	*Ck. 5115*
Texas Economic Development Council		79.00	Webinar: How COVID 19 will shape ED in TX (Inv 10867)	*Ck. 5124*
Atmos Energy		69.73	MO gas utilities at BRC (Serv Date 04/04 to 05/05)	
Angelo Water Serv Co		55.50	Water delivery to BRC (Serv date 05/01 to 05/31)	*Ck. 5117*
Staples		45.04	Cleaning supplies (Inv. 3442771498 & 3442873918)	*Ck. 5123*
Republic Service		27.86	Trash serv for BRC (Inv. 691000953687)	*Ck. 5126*
	$	**4,751.58**		
Total Economic Development Disbursements	**$**	**880,159.22**		
Ballot				
Fist Title Co.	$	40,000.00	Mortgage buy down - 2215 Lillie St.	*Ck. 2003*
Total for Board Consideration	**$**	**40,000.00**		
Total Routine Disbursements	**$**	**-**		
Total Ballot Disbursements	**$**	**40,000.00**		
Grand Total Disbursements this Period	**$**	**920,159.22**		

Report to Board

CITY OF SAN ANGELO TEXAS
Development Corporation

Requestor: Nora Nevarez, Executive Office Coordinator, COSADC, 325-653-7197

Meeting Date: May 27, 2020

Item type: Consent Item

Caption:

Consider approving the April 2020 Financial Statements

Summary/History:

Financial Impact:

Other Information/Recommendation:

Attachments:

1. COSADC Stmts 2004 — COSADC Stmts 2004.pdf

Presentation:

Approvals/Reviews:

Nora Nevarez	Created/Initiated
Dan Saluri	Approved
Nolan Sosa	Approved
Tina Dierschke	Approved
Guy Andrews	Final Approval

City of San Angelo Development Corporation

Financial Information and Schedules
As of April 30, 2020

Contents

Executive Summary

Economic Development

- Balance Sheet
- Revenue & Expenditure Report
- Project Commitments

Ballot

- Balance Sheet
- Revenue & Expenditure Report
- Project Commitments

Transaction Detail by Account

2011 Bond Issue

Hickory Water Supply

This UNAUDITED information is designed for internal use and analysis only.

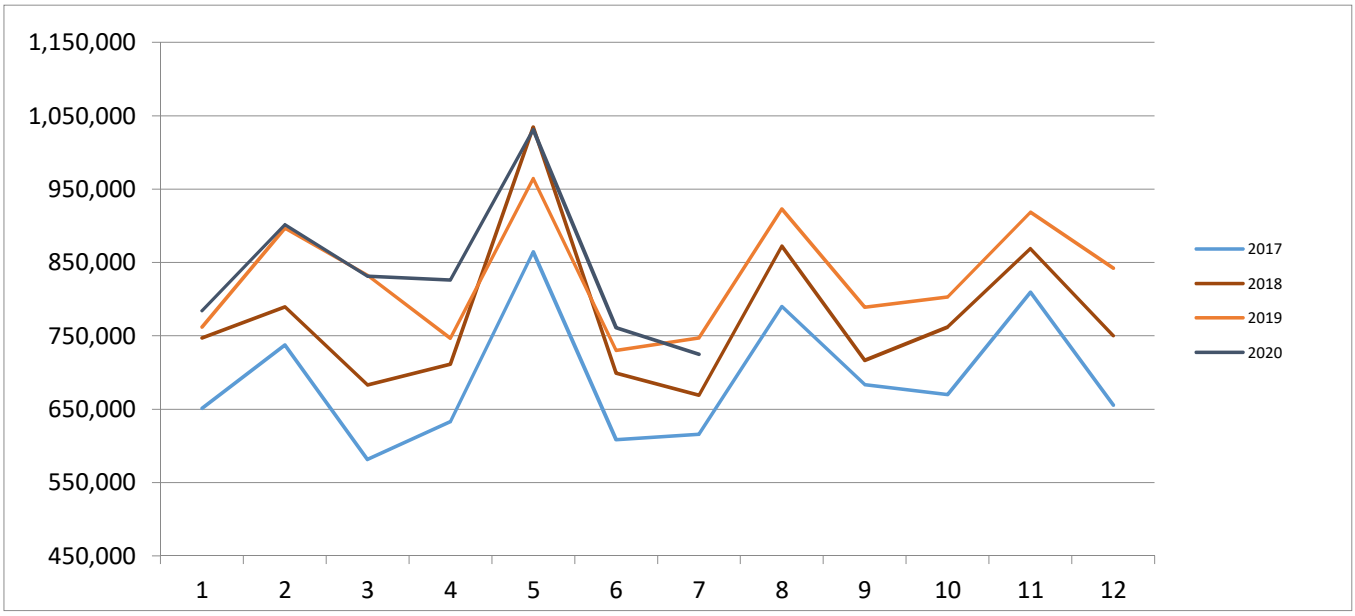
City of San Angelo Development Corporation
Executive Summary
April 2020

Available Fund Balances

Unassigned Fund Balance-Economic Development	6,420,494
Unassigned Fund Balance-Ballot	760,425

Sales Tax Analysis

Month	2017	2018	2019	2020	% Over/(Under)
Oct	650,926	747,063	761,865	784,232	2.94%
Nov	737,436	789,302	896,890	901,416	0.50%
Dec	581,382	683,012	832,486	831,209	-0.15%
Jan	632,603	711,415	746,604	826,116	10.65%
Feb	864,339	1,034,662	964,281	1,030,912	6.91%
Mar	608,253	699,086	730,020	761,229	4.28%
Apr	615,673	669,034	747,020	725,032	-2.94%
May	789,680	872,259	923,026		
Jun	683,530	716,509	789,102		
Jul	669,686	761,927	802,784		
Aug	809,685	868,604	918,423		
Sep	655,327	750,212	842,023		



City of San Angelo Development Corporation
Balance Sheet - Economic Development
As of April 30, 2020

ASSETS	
Current Assets	
Checking/Savings	
Cash	59,763
Money Market	7,511,104
Total Checking/Savings	7,570,867
Accounts Receivable	
Leases	11,946
Total Accounts Receivable	11,946
Other Current Assets	
Investments	7,000,000
Total Other Current Assets	7,000,000
Total Current Assets	14,582,812
Fixed Assets	
Land -Industrial Park	69,395
Industrial Park-Phase I	567,414
Industrial Park-Phase II	38,624
Industrial Park-Phase III	20,377
Building-Business Resource Ctr	2,004,967
Accum Depr-Building	(770,217)
Total Fixed Assets	1,930,560
TOTAL ASSETS	16,513,372
LIABILITIES & FUND EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	2,807
Total Current Liabilities	2,807
Total Liabilities	2,807
Fund Equity	
Committed for Eco. Dev. Projects	8,159,511
Restricted for Fixed Assets	1,930,560
Unassigned Fund Balance	6,420,494
Total Fund Equity	16,510,564
TOTAL LIABILITIES & FUND EQUITY	16,513,372

City of San Angelo Development Corporation
Revenue & Expenditure Report - Economic Development
As of April 30, 2020

	Budget	Month Actual	YTD Actual	YTD Actual W/ Enc	Over/(Under) Budget	% of Budget
Revenues						
Sales & Use Tax	2,609,674	203,009	1,640,841	1,640,841	(968,833)	63%
Interest on Investments	225,000	35,030	127,086	127,086	(97,914)	56%
Lease Income	67,679	14,647	35,163	35,163	(32,516)	52%
Miscellaneous Income	-	-	1,650	1,650	1,650	100%
Gain on Sale Assets	-	-	309,675	309,675	309,675	100%
Total Revenues	2,902,353	252,686	2,114,415	2,114,415	(787,938)	73%
Expenditures						
Administrative	131,237	17,005	49,321	53,458	(77,779)	41%
Partner Affiliations	105,547	-	101,297	101,297	(4,250)	96%
City Services	640,310	-	323,213	323,213	(317,097)	50%
Industrial Park Ops & Maint	17,222	99	2,394	4,020	(13,202)	23%
Marketing-Chamber of Commerce	243,750	-	181,250	243,750	-	100%
Advertising	46,500	3,311	4,527	7,911	(38,589)	17%
Utilities	44,500	1,519	26,128	41,057	(3,443)	92%
Capital	68,000	-	29,128	29,128	(38,872)	43%
Business Factory	104,767	784	37,149	45,100	(59,667)	43%
Total Operating Expenditures	1,401,833	22,718	754,407	848,934	(552,899)	61%
Projects						
Air Service Marketing	955	-	-	-	(955)	0%
TGC/GAFB	8,399	-	-	-	(8,399)	0%
Principle LED	11,803	-	-	-	(11,803)	0%
Phase II Sewer Line	96,000	-	-	-	(96,000)	0%
TXDOT Aside Program Grant	60,500	-	-	-	(60,500)	0%
CalTech	181,950	-	-	-	(181,950)	0%
Parkhill	52,108	-	3,048	52,108	-	100%
Grant Works	50,000	-	-	-	(50,000)	0%
Netco	5,500	-	-	-	(5,500)	0%
Elite Solutions	15,260	-	-	-	(15,260)	0%
Goodfellow AFB	1,188,705	-	333,015	333,015	(855,690)	28%
Industrial Park-Phase II	2,861,063	168,483	168,733	2,500,250	(360,813)	87%
Howard College Const Tr	71,885	-	71,885	71,885	-	100%
US Customs Retention	25,000	-	-	-	(25,000)	0%
US Customs Retention II	1,100,000	-	-	-	(1,100,000)	0%
Principle LED BREP	200,147	-	-	-	(200,147)	0%
Carter Fentress	4,000	-	-	-	(4,000)	0%
Shea Transportation	33,093	-	33,051	33,093	-	100%
Chadbourne Street	2,250,000	-	-	-	(2,250,000)	0%
Comm Dev Strategies	2,035	-	391	2,035	-	100%
Centurion	380	-	-	-	(380)	0%
Ener-Tel	50,000	-	-	-	(50,000)	0%
West Texas Steel	59,000	-	-	-	(59,000)	0%
SMC Global	200,000	-	-	-	(200,000)	0%
J's Deer & Wild Game	60,000	-	-	-	(60,000)	0%
Schwertner Property	590,500	-	539,414	539,414	(51,086)	91%
Bradford Area	638,861	-	638,861	638,861	-	100%
Double Barrel	70,000	-	-	-	(70,000)	0%
Air Service Marketing II	13,000	-	13,000	13,000	-	100%
Industrial Park Turn Lane	24,765	-	-	-	(24,765)	0%
Centurion Planning & Desi	36,000	-	-	-	(36,000)	0%
Future Projects	727,791	-	-	-	(727,791)	0%
Total Project Expenditures	10,688,700	168,483	1,801,398	4,183,661	(6,505,039)	17%
Total Expenditures	12,090,533	191,201	2,555,805	5,032,595	(7,057,938)	21%
Revenue Over/(Under) Expenditures	(9,188,180)	61,485	(441,390)	(2,918,180)		

City of San Angelo Development Corporation
Economic Development Projects
As of April 30, 2020

Project	Original Allocation	Current Allocation	Current Year Activity	Inception to Date	Remaining Allocation
Air Service Marketing	60,000	60,000	-	59,045	955
TGC/GAFB	633,000	633,000	-	624,601	8,399
Principle LED	550,001	516,123	-	504,320	11,803
Phase II Sewer Line	100,000	100,000	-	4,000	96,000
TXDOT Aside Program Grant	100,000	100,000	-	39,500	60,500
CalTech	603,999	223,050	-	41,100	181,950
Parkhill	308,000	323,000	3,048	273,940	49,060
Grant Works	54,000	54,000	-	4,000	50,000
Netco	60,000	60,000	-	54,500	5,500
Elite Solutions	40,260	15,260	-	-	15,260
Goodfellow AFB	1,500,000	1,500,000	333,015	644,310	855,690
Industrial Park-Phase II	2,000,000	2,861,263	168,733	168,933	2,692,330
Howard College Const Tr	168,000	166,780	71,885	166,780	-
US Customs Retention	25,000	25,000	-	-	25,000
US Customs Retention II	46,435	1,149,225	-	49,225	1,100,000
Principle LED BREP	300,147	300,147	-	100,000	200,147
Carter Fentress	20,000	20,000	-	16,000	4,000
Shea Transportation	49,000	43,400	33,051	43,358	42
Chadbourne Street	1,500,000	3,750,000	-	1,500,000	2,250,000
Comm Dev Strategies	65,000	65,000	391	63,356	1,644
Centurion	7,500	7,500	-	7,120	380
Ener-Tel	50,000	50,000	-	-	50,000
West Texas Steel	59,000	59,000	-	-	59,000
SMC Global	200,000	200,000	-	-	200,000
J's Deer & Wild Game	60,000	60,000	-	-	60,000
Schwertner Property	600,000	600,000	539,414	548,914	51,086
Bradford Area	638,861	638,861	638,861	638,861	-
Double Barrel	70,000	70,000	-	-	70,000
Air Service Marketing II	13,000	13,000	13,000	13,000	-
Industrial Park Turn Lane	24,765	24,765	-	-	24,765
Centurion BREP	36,000	36,000	-	-	36,000
	9,941,968	13,724,374	1,801,398	5,564,863	8,159,511

Total Committed, Not Expended	8,159,511

City of San Angelo Development Corporation
Balance Sheet - Ballot
As of April 30, 2020

ASSETS	
Current Assets	
Checking/Savings	
Cash	23,768
Money Market	1,336,359
Total Checking/Savings	1,360,126
Total Current Assets	1,360,126
TOTAL ASSETS	1,360,126
LIABILITIES & FUND EQUITY	
Fund Equity	
Committed for Ballot Projects	337,002
Assigned for Debt Service	262,699
Unassigned Fund Balance	760,425
Total Fund Equity	1,360,126
TOTAL LIABILITIES & FUND EQUITY	1,360,126

City of San Angelo Development Corporation
Revenue & Expenditure Report - Ballot
April 2020

	Budget	Month Actual	YTD Actual	YTD Actual w/ Enc	Over/(Under) Budget	% of Budget
Revenues						
Sales & Use Tax	6,710,590	522,023	4,219,305	4,219,305	(2,491,285)	63%
Interest on Investments	75,000	3,705	40,234	40,234	(34,766)	54%
Total Revenues	6,785,590	525,728	4,259,539	4,259,539	(2,526,051)	63%
Expenditures						
City Services	30,135	-	15,068	15,068	(15,067)	50%
Loan/Debt Service	5,452,250	-	5,039,438	5,039,438	(412,812)	92%
Total Operating Expenditures	5,482,385	-	5,054,506	5,054,506	(427,879)	92%
Projects						
West TX Water Partnership	200,000	10,170	49,863	49,863	(150,137)	25%
Affordable Housing	304,865	-	118,000	118,000	(186,865)	39%
Future Projects	798,340	-	-	-	(798,340)	0%
Total Project Expenditures	1,303,205	10,170	167,863	167,863	(1,135,342)	13%
Total Expenditures	6,785,590	10,170	5,222,369	5,222,369	(1,563,221)	77%
Revenue Over/(Under) Expenditures	-	515,558	(962,830)	(962,830)		

City of San Angelo Development Corporation
Ballot Projects
As of April 30, 2020

Project	Project Allocation	Current Year Activity	Inception to Date	Remaining Allocation
Ballot Projects:				
Water Supply Projects				
West Texas Water Partnership	692,740	49,863	542,603	150,137
* Reclaimed Water Alternatives	1,389,965	-	1,389,965	-
* Red Arroyo Storm Water Basin	151,040	-	151,040	-
Total Expenditures	2,233,745	49,863	2,083,608	150,137
Total Water Supply Projects				150,137
Affordable Housing				
Revenues				
* Sale of Fixed Assets - Blackshear Properties	394,351	-	394,351	-
Total Revenues				
Expenditures				
Affordable Housing	3,347,965	118,000	3,161,100	186,865
* Administrative Contract	120,405	-	120,405	-
* Blackshear Neighborhood Boundary	28,300	-	28,300	-
* Blackshear Properties	404,125	-	404,125	-
* Neighborhood Blitz	550,000	-	550,000	-
* Neighbors Helping Neighbors	53,000	-	53,000	-
* Rebuilding Together - Housing One Stop	23,759	-	23,759	-
* Rebuilding Together - Housing Repair	74,920	-	74,920	-
* Rehabs	114,487	-	114,487	-
* Roofing Grant	200,000	-	200,000	-
Total Expenditures	4,916,961	118,000	4,730,097	186,865
Total Affordable Housing				186,865
Other Projects				
* Sports Facilities Maintenance	285,353	-	285,353	-
Total Expenditures	285,353	-	285,353	-
Total Ballot Projects Committed, Not Expended				337,002
Voter Approved Projects:				
* Fort Concho Improvements	900,000	-	900,000	-
* Sports & Athletics Facilities	708,744	-	708,744	-
* 29th Street Sports Complex	1,750,000	-	1,750,000	-
Total Expenditures	3,358,744	-	3,358,744	-
Total Voter Approved Projects Committed, Not Expended				-

* Completed

City of San Angelo Development Corporation
Transaction Detail by Account
April 2020

Group #	PO #	Type	Date	Number	Description	Amount
Fund 700 DEVELOPMENT CORPORATION						
700-0000-313.00-00 TAX / SALES AND USE TAX						
4857		AJ	4/30/2020	448	COSADC SALES TAX A	203,008.92
700-0000-361.10-00 INTEREST / INTEREST ON INVESTMENTS						
4824		AJ	4/30/2020	426	BANK INTEREST ED	118.45
4824		AJ	4/30/2020	426	MONEY MARKET INTER	5,099.24
4830		AJ	4/30/2020	431	SECURITIES CALLED	29,812.50
700-0000-363.11-00 RENT / RENT						
4380		AJ	4/16/2020 MR			(355.15)
4414		AJ	4/16/2020 MR			2,529.75
4377		AJ	4/15/2020 MR			355.15
700-0000-391.60-00 TRANSFER / TRANSFER FROM AIRPORT						
4794		AJ	4/30/2020	410	VERTEX AEROSPACE F	12,117.39
700-0700-411.03-20 PROFESSIONAL & TECHNICAL / PROFESSIONAL						
4853		AJ	4/30/2020	444	MONTHLY CORRECTION	(5,652.34)
PROJECT#: DC0123						
4711	122296	AP	3/31/2020	5122	REECE ALBERT INC	69,472.01
PROJECT#: DC0147						
4711	122296	AP	3/31/2020	5122	REECE ALBERT INC	99,011.05
PROJECT#: DC0147						
700-0700-411.03-32 PROFESSIONAL & TECHNICAL / SOFTWARE MAIN						
4710	122318	AP	4/23/2020	5120	IMPACT DATASOURCE	6,701.00
4652		AP	3/25/2020	9085	CITIBANK, N.A	159.95
700-0700-411.04-11 PURCHASED SERVICES / WATER/SEWER UTILITI						
4125		AJ	4/3/2020 UT		UB CHARGE UPDATE	135.60
4112		AJ	4/2/2020 UT		UB CHARGE UPDATE	15.00
700-0700-411.04-12 PURCHASED SERVICES / NATURAL GAS						
4549	121088	AP	4/7/2020	5111	ATMOS ENERGY	87.80
700-0700-411.04-13 PURCHASED SERVICES / ELECTRICITY						
4862		AJ	4/30/2020	453	REVERSE GEXA ACCRU	(622.74)
4301		AP	4/13/2020	674288	GEXA ENERGY, LP	662.91
700-0700-411.04-31 PURCHASED SERVICES / BLDG. & GROUNDS MAI						
4775	121087	AP	4/30/2020	5126	REPUBLIC SERVICES,	27.86
4710	120875	AP	4/23/2020	5117	ANGELO WATER SERVI	55.50
4549	121305	AP	4/20/2020	5115	MDK SERVICES LLC	79.00
4710	122327	AP	4/20/2020	5119	ENER-TEL SERVICES	225.00
4549	121314	AP	4/13/2020	5113	DIRT DOC, LLC	725.00
4549	121754	AP	4/1/2020	5114	ENER-TEL SERVICES	100.00
4410	121087	AP	3/31/2020	5110	REPUBLIC SERVICES,	27.86
700-0700-411.04-42 PURCHASED SERVICES / RENT OF EQUIPMENT						
4450		AP	4/20/2020	674421	CTWP	121.76
700-0700-411.05-21 PURCHASED SERVICES / INSURANCE-LIABILITY						
4710	122320	AP	4/17/2020	5121	PK KELLEY INSURANC	8,879.00
700-0700-411.05-31 PURCHASED SERVICES / CELLULAR PHONE						
4832		AJ	4/30/2020	433	VERIZON MARCH 2020	56.58
4853		AJ	4/30/2020	444	MONTHLY CORRECTION	418.80
700-0700-411.05-40 PURCHASED SERVICES / ADVERTISING						
4710	122326	AP	4/14/2020	5118	BY THE STREAM MEDI	1,500.00
4652		AP	3/6/2020	9085	CITIBANK, N.A	359.52
4652		AP	3/6/2020	9085	CITIBANK, N.A	1,451.36
700-0700-411.05-65 PURCHASED SERVICES / SPECIAL PROJECT "A"						

City of San Angelo Development Corporation
Transaction Detail by Account
April 2020

Group #	PO #	Type	Date	Number	Description	Amount
4549	121415	AP	4/12/2020	5112	CANON FINANCIAL SE	188.45
4287	122039	AP	4/1/2020	5109	WALLACE, RUSSELL E	596.00
700-0700-411.05-90 PURCHASED SERVICES / CONVENTIONS & SCHOO						
4710	122328	AP	4/21/2020	5124	TEXAS ECONOMIC DEV	79.00
700-0700-411.05-91 PURCHASED SERVICES / PROF.DUES & SUBSCRI						
4551	122124	AP	2/6/2020	5116	TEXAS ECONOMIC DEV	525.00
700-0700-411.06-10 SUPPLIES / OFFICE SUPPLIES						
4711	121070	AP	3/20/2020	51173	STAPLES ADVANTAGE	3.20
4711	121070	AP	3/19/2020	51173	STAPLES ADVANTAGE	41.84
4652		AP	3/9/2020	9085	CITIBANK, N.A	28.99
700-0700-411.06-14 SUPPLIES / POSTAGE & SHIPPING						
4864		AJ	4/30/2020	455	REVERSE ACCRUAL	(10.00)
700-0705-411.04-11 PURCHASED SERVICES / WATER/SEWER UTILITI						
4244		AJ	4/8/2020	UT	UB CHARGE UPDATE	30.69
4183		AJ	4/7/2020	UT	UB CHARGE UPDATE	68.06
Fund 711 COSADC - BALLOT						
711-0000-313.00-00 TAX / SALES AND USE TAX						
4857		AJ	4/30/2020	448	COSADC SALES TAX A	522,022.94
711-0000-361.10-00 INTEREST / INTEREST ON INVESTMENTS						
4824		AJ	4/30/2020	426	BANK INTEREST BALL	12.22
4824		AJ	4/30/2020	426	MONEY MARKET INTER	3,692.55
711-0700-411.03-20 PROFESSIONAL & TECHNICAL / PROFESSIONAL						
4796		AJ	4/27/2020	412	WTX WATER PARTNERS	10,170.17
PROJECT#: DC0123						
4853		AJ	4/30/2020	444	MONTHLY CORRECTION	5,652.34
PROJECT#: DC0123						

THE CITY OF SAN ANGELO, TEXAS

Schedule of Revenues and Expenditures
Fiscal Year through April 30, 2020

2011A Tax/Revenue C.O. - Fund 514

For Airport, Ft. Concho, and Parks Improvements
Debt Payments Through 2024

	Dept	Current Budget	Month Actual	YTD W/Enc	Over/(Under) Budget	Previous Years Activity	Inception to Date
Beginning Fund Balance		**855,955**		**855,955**			
REVENUES:							
C.O. Proceeds		-	-	-	-	13,780,000	13,780,000
Municipal Pool Donation		-	-	-	-	21,225	21,225
SASSRA Stock Barn		-	-	-	-	157,722	157,722
Transfer from Dev. Corp.		-	-	-	-	4,220,000	4,220,000
Interest Income		-	100	1,211	1,211	168,882	170,093
Total Revenues		-	100	1,211	1,211	18,347,829	18,349,040
EXPENDITURES:							
Airport Terminal Rehab	3925	-	-	-	-	500,000	500,000
Concho River	4119	258,084	-	2,630	(255,454)	8,341,918	8,344,548
Parks	6000	466,021	1,401	27,668	(438,353)	459,051	486,719
Red Arroyo Trail	6040	-	-	-	-	325,000	325,000
Recreation	6100	75,000	-	-	(75,000)	2,597,817	2,597,817
Fort Concho Improvements	6301	-	-	-	-	100,001	100,001
Auditorium	6602	-	-	-	-	3,750,001	3,750,001
Fairgrounds	6636	-	-	-	-	1,157,722	1,157,722
Transfer to Intergovernmental	1994	15,000	-	15,000	-	-	15,000
Issue Costs	9900	-	-	-	-	260,363	260,363
Total Expenditures		814,105	1,401	45,298	(768,807)	17,491,873	17,537,171
Revenue Over/(Under) Expenditures		**(814,105)**	**(1,301)**	**(44,087)**			
Ending Fund Balance		**41,850**		**811,868**			

THE CITY OF SAN ANGELO, TEXAS

Schedule of Revenues and Expenditures
Fiscal Year through April 30, 2020

Hickory Water Supply - Fund 516

Debt Payments Through 2031

	Dept	Current Budget	Month Actual	YTD W/Enc	Over/(Under) Budget	Previous Years Activity	Inception to Date
Beginning Fund Balance		**2,090,675**		**2,090,675**			
REVENUES:							
Interest		-	1,044	12,703	12,703	600,798	613,501
C.O. Proceeds		-	-	-	-	119,998,750	119,998,750
Total Revenues		-	1,044	12,703	12,703	120,599,548	120,612,251
EXPENDITURES:							
Easements/Property Damage	4150	-	-	-	-	106,865	106,865
Engineering	4157	2,076,396	77,605	2,076,396	-	17,632,306	19,708,702
Well Field Pipelines	4152	-	-	-	-	3,026,918	3,026,918
30 " Transmission Main	4153	-	-	-	-	38,681,022	38,681,022
Well Field Pumps	4154	-	-	-	-	12,831,038	12,831,038
Well Field Pump Station	4155	-	-	-	-	1,617,139	1,617,139
Well Field Expansion	4158	-	-	-	-	7,668,888	7,668,888
Treatment Plant	4156	-	-	-	-	27,132,194	27,132,194
Well Field Expansion #2	4159	-	-	-	-	9,640,252	9,640,252
Issue Costs	9900	-	-	-	-	172,251	172,251
Total Expenditures		2,076,396	77,605	2,076,396	-	118,508,873	120,585,269
Revenue Over/(Under) Expenditures		**(2,076,396)**	**(76,561)**	**(2,063,693)**			
Ending Fund Balance		**14,279**		**26,982**			

	Revenues
Previous Years Activity	120,599,548
Current Year Budget	-
Less Interest Earned	(600,798)
TOTAL	**119,998,750**

Report to Board

CITY OF SAN ANGELO TEXAS Development Corporation

Requestor: Shannon Scott, Economic Development Specialist, COSADC, 325.653.7197

Meeting Date: May 27, 2020

Item type: Consent Item

Caption:

Consider a minute Resolution authorizing the COSADC Board President to negotiate and execute an agreement with Enertel Services, Inc. (ENERTEL) for Mutual Termination of the Economic Development and Performance Agreement with ENERTEL that includes mutual releases.

Summary/History:

Per the request of the Vice President of Sales & Marketing of Ener-Tel, they are asking that the Economic Development Performance agreement between COSADC and Ener-Tel be terminated. As of 5-14-20, no incentives have been paid on behalf of COSADC to Ener-Tel.

Financial Impact:

The original incentives proposed to Ener-Tel included:

$5,000 per FTE created for up to 10 FTE's

Total incentives proposed: $50,000

No incentives have been paid to date

Other Information/Recommendation:

Attachments:

1.	19-0362_COSADC_ENERTEL_BREP_EDA_07-03-19.docx	19-0362_COSADC_ENERTEL_BREP_EDA_07-03-19.docx.pdf
2.	20-0XXX_COSADC_ENERTEL_EDA_TERMINATE	20-0XXX_COSADC_ENERTEL_EDA_TERMINATE.docx

Presentation:

Approvals/Reviews:

Shannon Scott	Created/Initiated
Dan Saluri	Approved
Nolan Sosa	Approved
Tina Dierschke	Approved
Dan Saluri	Approved
Guy Andrews	Final Approval

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ECONOMIC DEVELOPMENT PERFORMANCE AGREEMENT BY AND BETWEEN CITY OF SAN ANGELO DEVELOPMENT CORPORATION AND ENER-TEL SERVICES

This Agreement is entered into by and between the City of SAN ANGELO DEVELOPMENT CORPORATION, a State of Texas non-profit Type B development corporation ("COSADC") and ENER-TEL SERVICES, INC. a Texas for profit company authorized to transact business in Texas ("Company"), undertaken when fully executed; approved by the City Council for the City of San Angelo; and, at least sixty days after notice of the specific project is first published subject to the condition that a petition of registered voters is not received by the City Council requiring that an election be held pursuant to Local Government Code, Sec. 505.160; but, effective from and after the 1st day of March, 2019 (the "Effective Date") .

RECITALS:

A. COSADC is a non-profit Type B development corporation created by the City of San Angelo pursuant to the Texas Development Corporation Act, Chapters 501 and 505 of the Texas Local Government Code (the "Act"), and is authorized by law to expend economic development sales and use tax proceeds for authorized projects, subject to approval of the City of San Angelo City Council. Such authorized projects include expenditures for the creation or retention of Primary Jobs (as defined at Section 501.002 of the Texas Local Government Code) and found by the board of directors to be required or suitable for the development, retention, or expansion of manufacturing and industrial facilities.

B. COSADC is authorized to provide direct incentives or make expenditures on behalf of a business enterprise under an authorized project pursuant to a performance Agreement with the business enterprise which provides, at a minimum, for a schedule of additional payroll to be created or retained and capital investment to be made as consideration for any direct incentives provided and specifies the terms under which repayment must be made if the business enterprise does not meet the performance requirements specified in the Agreement.

C. Company is a business enterprise engaged in the design, installation and servicing of security systems. Company's home office, warehouse and manufacturing facilities are located in a building

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at 1911 S. Bryant Blvd., San Angelo Texas, 76903 (hereinafter ("Site"). Company has determined that expansion of its current facilities and other capital improvements, (hereinafter collectively "Capital Improvements") plus creation and retention of at least 3, but up 10, new full time equivalent Primary Jobs in addition to retention of existing full time Primary Jobs will be required to meet increased demands for its products and services. (Hereinafter the "Project").

D. The board of directors of COSADC has determined that the Project and provision of direct incentives to Company as stated in this Agreement are in compliance with the requirements and purposes of the Act, COSADC Articles of Incorporation, and the COSADC Business Retention and Expansion Program (BREP) approved by City Council; and, that the Project and direct incentives serve the public purposes set forth in the Act.

F. On February 26th, 2019, Company applied for direct incentives from COSADC for the described Capital Improvements and Primary Job creation and retention at Site. COSADC desires to provide such incentives to Company under the terms and conditions of this Agreement entered into in accordance with the application, subject to approval of the City of San Angelo City Council.

G. On April 16, 2019, the City Council of the City of San Angelo approved the recommendation of COSADC Board to approve negotiation and execution of a performance agreement with Company under the terms and conditions set forth herein for incentives, the sum total of which shall not exceed FIFTY THOUSAND AND NO/100 DOLLARS ($50,000)

NOW, THEREFORE, in consideration of the mutual benefits and promises and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, COSADC and Company agree as follows:

TERMS

1. RECITALS: The foregoing recitals are true and correct and are incorporated into and made a part of this Agreement for all purposes.

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2. TERM: When undertaken, this Agreement shall become enforceable relating back to its Effective Date as first hereinabove provided. This Agreement shall automatically terminate three years after payment by COSADC of the last job creation incentive, unless earlier terminated in accordance with its terms, provided that all provisions of this Agreement which must survive in order to give effect to their meaning will survive termination or expiration of this Agreement.

3. COMPANY PERFORMANCE REQUIREMENTS:

A. Company shall timely meet, comply with and maintain each of the Company performance requirements specified in this Agreement at its Site, which performance requirements are conditions precedent to the obligation of COSADC to provide and Company to retain the direct incentives provided for under this Agreement, including the following:

B. Company shall make the entire Minimum Threshold Project Investment agreed to in Section 4. "Minimum Project Threshold Investment", from and after the Effective Date, and on or before the 31st day of December, 2021. Said Minimum Threshold Investment shall be a condition precedent to Company's entitlement to receive or to retain any direct incentive payments, rebates, credits or other benefits from COSADC under this Agreement

C. Company shall provide COSADC with copies of rendition statements and personal property tax reports relating to the Site, 1911 S. Bryant Blvd. delivered to Tom Green County Chief Appraiser for each tax year commencing with 2019, and shall timely pay any ad valorem commercial real and personal property taxes payable for each tax year commencing 2019, relating to its Threshold Investment prior to claiming reimbursement under this Agreement.

D. On or before January 31, 2022, Company shall make the certification to COSADC required under this agreement (in substantially the form of **Exhibit "D" Request for Incentive Payment**) to establish timely compliance with the Minimum Project Threshold Investment, including but not limited to equipment purchase receipts, capital improvement receipts and any other receipts or business records verifying under generally accepted accounting and audit principals that the Minimum Project Threshold Investment required has been met to the satisfaction of COSADC.

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E. Company shall secure all plan reviews, permits and inspections applicable under city ordinance for all capital improvements at its Site, which improvements shall be made in compliance with all applicable City codes and regulations.

F. Company shall provide a preference to the extent practicable for the purchase of construction materials and equipment for the Project from businesses that maintain establishments located in Tom Green County.

G. From the Effective Date of this Agreement to December 31, 2022, Company shall create the equivalent of a minimum of three (3), but up to ten (10), new Full Time Equivalent jobs, at the Site; each full time equivalent job created having a gross annual pay including benefits of at least THIRTY FIVE THOUSAND DOLLARS ($35,000) (hereinafter "FTE's) Company shall retain each newly created FTE under the terms and for the period required under Section 5. "Job Creation and Retention" of this Agreement.

H. Company shall annually, on or before March 31st of each year commencing March 31 2020, comply with the annual certification and reporting requirement establishing FTE job creation and retention to COSADC under this Agreement.

I. *(Intentionally left blank)*

J. Within ten days of written notice and demand for payment, Company shall promptly reimburse COSADC for any incentive payments, rebates, credits or benefits received if at the time of such incentive payment, rebate credit or benefit Company was in default under this Agreement or was not otherwise entitled to such incentive under terms of this Agreement, or is not entitled to retain such incentive under the terms of this Agreement.

4. <u>MINIMUM PROJECT THRESHOLD INVESTMENT</u>:

A. As a Company performance requirement and condition precedent to COSADC's obligation to provide incentives under this Agreement, Company shall complete a minimum Threshold Project Investment for capital improvements at the Site during the period from the Effective Date of this

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Agreement to December 31st, 2021, of at least EIGHT HUNDRED THOUSAND AND NO/100 DOLLARS ($800,000) as reflected on Company's ad valorem rendition statements and personal property tax reports , but estimated in good faith by Company to be the Project investment set forth in **Exhibit "A"**, attached hereto, and made a part hereof for all purposes.

B. Company shall provide copies of its rendition statements annually on or before March 31st of each subsequent tax year during the term of this Agreement.

5. JOB CREATION AND RETENTION:

A. Attached hereto as **Exhibit "E"**, and made a part hereof for all purposes, is Company's census of 66 existing FTE jobs, employed at the Company Site on the Effective Date (hereinafter "Core Jobs"). Company shall continuously retain all of the Core Jobs through December 31, 2022, and for three consecutive years following the year of the last job creation incentive payment made pursuant to this Agreement. Company shall annually report a summary of Core Job retention in a form substantially the same as **Exhibit "E-1"** attached hereto. In addition to continuous maintenance of the Core Jobs, Company shall create a minimum of three (3) new FTE's as defined herein, but not to exceed ten (10) new FTE's for purposes of incentive grants, during the time period from the Effective Date of this Agreement to December 31, 2022.

B. New FTE's for any annual year shall be new full-time job positions created in addition to the Core Jobs, and having a minimum average annual Base Wage (gross pay including benefits) of $35,000 per FTE. The minimum average annual Base Wage for newly created jobs shall be utilized to calculate the number of new FTE positions created and establish the equivalent number of FTE's created for which incentives may be payable. The total annual gross payroll including benefits for new full-time jobs (excluding Core jobs) shall be divided by the $35,000 minimum annual Average Base Wage required to calculate the number of FTE's created or retained for which incentives may be payable. Notwithstanding anything to the contrary in this Agreement, the sum of any annual base wage paid to an individual

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employee that exceeds $175,000, excluding benefits, shall not be included in gross annual pay for purposes of calculating Average Base Wage level and the number of newly created FTE's.

C. For example: if Company creates nine new full-time jobs during the first quarter of 2019, seven of which have an annual Base Wage of $50,000 each and two of which have an annual Base Wage of $35,000 each, the FTE job creation would be calculated to be the sum of annual base wages for the nine newly created jobs divided by the required average annual Base Wage of $35,000, for a total of 12 FTE's created in 2019 for incentive purposes [(7 x $50,000) + (2 x $35,000) ÷ $35,000 = 12], rounded to the nearest lower whole number = 12 FTE's. Company would then need to retain in addition to the number of Core Jobs, 12 or more full time jobs having a total average annual Base Wage combined of at least $420,000, for three consecutive annual years after December 31st of the year in which incentives were paid for creation of 12 FTE's.

D. A condition precedent to Company's right to receive or retain any job creation incentive under this Agreement is that Company retain jobs that are the equivalent of every new FTE for which it receives a job creation incentive payment for a minimum of three consecutive years from and after December 31st of the year for which the job creation incentive is paid and that the sum total of full time jobs created be at least the equivalent of 3 FTE's, in addition to continuous retention during the full term of this Agreement of the 66 Core Jobs listed on the Company census for the Effective Date.

E. The new jobs shall be filled by individuals who are not current full time employees of Company at its San Angelo location at the time of job creation. New employees shall first be deemed to replace any vacant Core Jobs, before any new employee Base Wage is included in calculating the number of FTE's created by Company.

F. Company shall certify to COSADC compliance with its job creation and retention and base wage level commitments annually as hereinafter provided for jobs created for the period from the

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Effective Date through December 31, 2022. An Affidavit of Compliance shall be executed by a duly authorized representative of Company, accompanied with required documentation verifying the facts stated, in substantially the form of "Affidavit of Compliance", attached hereto as "**Exhibit "C".** The Affidavit of Compliance shall include tables identified as **Exhibit "E-1" "Core Job Retention Summary" and Exhibit "C-1" "Job Creation and Retention Summary"** by year, in substantially the attached forms. Such annual certifications shall continue for three (3) consecutive years after the end of the calendar year for which the last direct incentive for the FTE of which the job constitutes a part shall have been paid.

i. The first required reporting period for certification of job creation and retention compliance under this Agreement shall be for the period March 1, 2019 through December 31, 2019. No later than March 31, 2020, Company shall separately certify with Affidavit of Compliance substantially in the form of **Exhibit "C"**, **Exhibit "E-1" "Core Job Retention Summary" and Exhibit "C-1" "Job Creation and Retention Summary"**, under penalty of perjury, for the period reported the number of jobs retained, terminated and created, and annual Base Wages applicable for calculating equivalent FTE's for which Company applies for or has been paid incentives.

ii. No later than March 31st of each year after 2020, for which certification of compliance for job creation and retention is required under this Agreement, Company shall certify with Affidavits of Compliance substantially in the form of **Exhibit "C"** , **Exhibit "E-1" "Core Job Retention Summary" and Exhibit "C-1" "Job Creation and Retention Summary"** , under penalty of perjury, for the period reported the number of jobs retained, terminated and created, and annual Base Wages applicable for calculating equivalent FTE's for which Company applies for or has been paid incentives.

iii. The annual reporting required under this Section 5., shall consist of a fully executed Affidavit of Compliance in substantially the form of **Exhibit "C"**, **Exhibit "E-1" "Core Job Retention Summary" and Exhibit "C-1" "Job Creation and Retention**

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Summary" , accompanied with supporting documentation sufficient to verify under generally accepted accounting and audit principals the facts certified, which shall include Texas Workforce Commission "Employer's Quarterly Report" (FORM C-4 03/06) as submitted to Texas Workforce Commission, and other payroll documentation as may be reasonably required by COSADC.

6. COSADC INCENTIVES AND INCENTIVE CAPS: Subject to Company complying with the performance requirements specified under this Agreement, Company shall become eligible to receive up to the but not exceeding the following incentives described under this Section 6, pursuant to the schedule of incentives by type and incentive caps as set forth in Exhibit **"B-1"** attached hereto and made a part hereof for all purposes. In no event, notwithstanding anything to the contrary in this Agreement, shall the cumulative sum of all incentives payable or credited under this Agreement exceed the maximum sum of FIFTY THOUSAND AND NO/100 DOLLARS ($50,000).

Type of Incentive and Incentive Cap:

A. Individual job creation incentives in a sum of FIVE THOUSAND AND NO/100 DOLLARS ($5,000.00). Primary Jobs created that are the equivalent of an FTE as defined herein, from the Effective Date through December 31, 2022, at the Project Site, subject to condition that Company create and retain jobs that are at least the equivalent of 3, but up to 10 FTE's as herein provided and subject to Company's reimbursement obligation for any FTE not retained for a period of three years from and after December 31st of the year for which the FTE individual incentive was paid. In no event shall the cumulative sum of the individual incentives for job creation and retention exceed FIFTY THOUSAND DOLLARS ($50,000).

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7. PAYMENT: A determination of Company eligibility for payment of direct incentives shall be made by COSADC within sixty (60) days after receipt by COSADC of a written request for payment accompanied with Compliance Affidavits and documentation sufficient to verify under generally accepted accounting and audit principals the facts certified in accordance with provisions of this Agreement.

A. Company and COSADC acknowledge that COSADC may reasonably require in its discretion, additional information and documentation to facilitate COSADC in making an expeditious determination of eligibility for payment of direct incentives. COSADC, in cooperation with Company, shall calculate the amount of any direct incentive payable under this Agreement as provided in the Agreement and attached Exhibits.

B. The amount of direct incentives which may be payable to Company shall be calculated on the rates and schedules set out in this Agreement and attached Exhibits subject to the limitations set forth therein and further provided that in no event shall the cumulative total sum of direct incentives payable by COSADC under this Agreement exceed the Incentive Caps provided for at Section 6 herein.

C. COSADC shall pay to Company the economic development incentive provided for under this Agreement within sixty (60) days following COSADC's determination of the eligibility of Company for the direct incentive payment and calculation of the sum due.

D. Tender of payment of any incentive due under this Agreement is conditioned upon COSADC's receipt of Company's written concurrence that: the sum tendered for the type of incentive is the full amount due Company for the performance requirements Company has met up to that time; that the incentive payment is made subject to repayment obligations of Company under the terms of this Agreement; that Company agrees COSADC is in full compliance with its obligations under this Agreement on date the payment is tendered and accepted; and, releasing COSADC from any future claim of Company, known or unknown, relating to COSADC's obligations under the Agreement for the type of incentive payment being tendered up to the date payment is accepted.

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8. RETENTION OF RECORDS: Company shall maintain, in a manner that conforms to this Agreement, the fiscal records and supporting documentation for all direct incentives, if any, provided to Company under this Agreement for the greater of three (3) years from the end of the term of this Agreement, or such other period required by applicable law or regulation.

9. COMPLIANCE AUDIT AND INSPECTION RIGHTS: Upon reasonable prior written notice to Company, and without costs charged by Company to COSADC, Company shall allow COSADC access to and the right to examine and inspect any and all:

A. Payroll and employment accounting records of Company relating to the creation, retention and enhancement of FTE positions and certifications by Company of the information included in each affidavit submitted by Company under this Agreement, including any other records of Company that may be reasonably related to verification of compliance with all performance requirements under this Agreement; and

B. Books, accounts, records, and audit reports with supporting documentation belonging to, maintained or kept at the direction of Company pertaining to performance of this Agreement.

10. FORFEITURE OF INCENTIVE PAYMENTS: If established by documentation of the parties relating to performance of this Agreement or by an audit conducted by COSADC under Section 9, "Compliance Audit and Inspection Rights", COSADC may determine that Company has failed to meet or maintain a performance requirement entitling Company to receive or retain incentive payments or credits (fee waivers) specified in this Agreement, in which event Company shall forfeit such incentive payment or credit and shall repay to COSADC the incentive payments or credits received in accordance with the repayment terms set forth under Section 11. "Repayment Terms".

11. REPAYMENT TERMS: Company shall comply with the following terms for repayment of forfeited incentive payments or credits:

A. Company shall repay one hundred percent (100%) of all incentive payments received pursuant to this Agreement (under the BREP Program outlined in **Exhibits B-1 Schedule of**

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Incentives, and Exhibit B-2 Summary of Incentives) when grounds for forfeiture occur on or before March 31, 2021.

B. Company shall repay sixty-six percent (66%) of incentive payment received under this Agreement (the BREP Program and incentives outlined in **Exhibit B-1 Schedule of Incentives, and Exhibit B-2** Summary of Incentives) when grounds forfeiture occur after March 31, 2021 and before March 31, 2022.

C. Company shall repay one thirty-three percent (33%) of a forfeited incentive payment received under this Agreement (the BREP Program and incentives outlined in **Exhibit "B-1" Schedule of Incentives**, **and Exhibit B-2** Summary of Incentives) when grounds for forfeiture occur on or after March 31, 2022.

D. COSADC shall provide Company written notice by certified mail return receipt requested of the sum of any incentive payment or credit determined to be forfeited and the applicable percentage of the incentive payment which must be reimbursed, which sum shall be due and payable thirty (30) calendar days after date of the notice.

E. Any incentive payment or credit deemed forfeited not paid when due after notice as herein provided shall accrue interest at the lesser of ten percent (10%) per annum or the maximum interest rate allowed by law until the forfeited sum and accrued interest thereon are paid in full.

F. Failure of Company to timely pay the sum of any incentive payment or credit determined to be forfeited as herein provided, after notice, shall constitute a default by Company in addition to any other default, and shall entitle COSADC to terminate this Agreement and exercise all remedies available to it under this Agreement, at law, or in equity.

12. <u>OWNERSHIP OF DOCUMENTS</u>: Company understands and agrees that any information, document, report or any other material whatsoever provided to COSADC by Company, or otherwise obtained or prepared by Company as a result of this Agreement is and shall at all times remain the property of COSADC. Company agrees not to use any such information, document, report or material for any

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purpose whatsoever other than performance under this agreement without first securing the written consent of COSADC, which may be withheld or conditioned by COSADC in its sole discretion.

13. AWARD OF AGREEMENT: Company represents and warrants to COSADC that Company has not employed or retained any person or entity employed by COSADC to solicit or secure this Agreement and that Company has not offered to pay, paid, or agreed to pay any such person or entity any fee, commission, percentage, brokerage fee, or gift of any kind contingent upon or in connection with, the award of this Agreement.

14. PUBLIC RECORDS AND CONFIDENTIALITY: Company understands that COSADC is subject to the Texas Public Information Act, Texas Government Code, Chapter 552 (TPIA), and that the public shall have access, at all reasonable times, to information pertaining to COSADC contracts, subject to the provisions of law. Company hereby consents to access by COSADC and the public to all information and documents subject to disclosure under applicable law. The confidentiality of Company's records, including Company information related to COSADC's economic development considerations and direct incentives provided herein, will be maintained in accordance with and subject to all applicable laws, including the Texas Public Information Act. COSADC will, as required by the Texas Public Information Act, notify Company if a request relating to such proprietary information is received thereby permitting Company opportunity to protect such information from disclosure. Company acknowledges that the TPIA provides exceptions from the general requirement of disclosure of public information that may apply to Company trade secret, proprietary and confidential commercial financial information, and that Company will need to assert the interest of Company as provided under TPIA and at law for purposes of nondisclosure.

15. REPRESENTATIONS AND WARRANTIES OF COMPANY: Company represents and warrants to COSADC that as of the date hereof: (i) Company is a Texas corporation in good standing to transact business in the State of Texas, (ii) Company is not delinquent in the payment of any sums due the City of San Angelo, including but not limited to permit fees and occupational licenses, nor in the performance of any obligation to the City of San Angelo or COSADC, (iii) execution of this Agreement

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has been duly authorized by the governing body of Company and this Agreement is not in contravention of Company's regulations, or any Agreement or instrument to which Company is a party or by which it may be bound as of the date hereof, (iv) no litigation or governmental proceeding is pending, or, to the knowledge of any of Company's officers, threatened against or affecting Company, which may result in a material adverse change in Company's business, assets, liabilities, or operations sufficient to compromise Company as a viable, for profit going concern capable of performing pursuant to this Agreement, (v) no written certificate or written statement herewith or heretofore delivered by Company to COSADC in connection herewith, or in connection with any transaction contemplated hereby, to the knowledge of any of Company's officers, contains any untrue statement of a material fact or fails to directly disclose any material fact necessary to keep the statements contained therein from being misleading, and (vi) during the term of this Agreement, Company will not knowingly employ any undocumented workers in violation of Texas Government Code, Chapter 2264.

16. COMPLIANCE WITH PROGRAM REQUIREMENTS AND FEDERAL, STATE AND LOCAL LAWS: Company shall comply with all requirements applicable under COSADC Incentive Programs, including the Business Retention and Expansion Program (BREP), the provisions of which are adopted as a part of this Agreement for all purposes as if fully set forth herein. Company acknowledges that its officials have reviewed and are familiar with the terms and regulations applicable under the BREP.

17. INDEMNIFICATION: COMPANY SHALL INDEMNIFY, DEFEND AND HOLD HARMLESS COSADC AND ITS BOARD MEMBERS, OFFICIALS, EMPLOYEES AND AGENTS, (COLLECTIVELY REFERRED TO AS "INDEMNITEES") AND EACH OF THEM FROM AND AGAINST ALL LOSS, COSTS, PENALTIES, FINES, DAMAGES, CLAIMS, EXPENSES (INCLUDING ATTORNEY'S FEES) OR LIABILITIES (COLLECTIVELY REFERRED TO AS "LIABILITIES") ASSERTED BY ANY PERSON OR PERSONS, INCLUDING AGENTS OR EMPLOYEES OF COMPANY OR COSADC BY REASON OF ANY INJURY TO OR DEATH OF ANY PERSON OR DAMAGE TO OR DESTRUCTION OR LOSS OF ANY PROPERTY ARISING OUT OF, RESULTING FROM, OR IN CONNECTION WITH (I) THE PERFORMANCE OR NON-

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PERFORMANCE OF THIS AGREEMENT WHICH IS OR IS ALLEGED TO BE DIRECTLY OR INDIRECTLY CAUSED, IN WHOLE OR IN PART, BY ANY ACT, OMISSION, DEFAULT OR NEGLIGENCE (WHETHER ACTIVE OR PASSIVE) OF COMPANY OR ITS EMPLOYEES, AGENTS OR SUB-CONTRACTORS (COLLECTIVELY REFERRED TO AS "COMPANY"), REGARDLESS OF WHETHER IT IS, OR IS ALLEGED TO BE, CAUSED IN WHOLE OR PART BY ANY ACT, OMISSION, DEFAULT OR NEGLIGENCE OF THE INDEMNITEES, OR ANY OF THEM OR (II) THE FAILURE OF COMPANY TO COMPLY WITH ANY OF THE PROVISIONS OF THIS AGREEMENT OR THE FAILURE OF COMPANY TO CONFORM TO STATUTES, ORDINANCES, OR OTHER REGULATIONS OR REQUIREMENTS OF ANY GOVERNMENTAL AUTHORITY, FEDERAL OR STATE, IN CONNECTION WITH THE PERFORMANCE OF THIS AGREEMENT OR SUSTAINED IN OR UPON THE PREMISES, OR AS A RESULT OF ANYTHING CLAIMED TO BE DONE OR ADMITTED TO BE DONE BY COMPANY HEREUNDER. COMPANY EXPRESSLY AGREES TO INDEMNIFY AND HOLD HARMLESS THE INDEMNITEES, OR ANY OF THEM, FROM AND AGAINST ALL LIABILITIES WHICH MAY BE ASSERTED BY AN EMPLOYEE OR FORMER EMPLOYEE OF COMPANY, OR ANY OF ITS SUB-CONTRACTORS, AS PROVIDED ABOVE, FOR WHICH COMPANY'S LIABILITY TO SUCH EMPLOYEE OR FORMER EMPLOYEE WOULD OTHERWISE BE LIMITED TO PAYMENTS UNDER STATE WORKERS' COMPENSATION OR SIMILAR LAWS. THIS INDEMNIFICATION SHALL SURVIVE THE TERM OF THIS AGREEMENT AS LONG AS ANY LIABILITY COULD BE ASSERTED. NOTHING HEREIN SHALL REQUIRE COMPANY TO INDEMNIFY, DEFEND, OR HOLD HARMLESS ANY INDEMNIFIED PARTY FOR THE INDEMNIFIED PARTY'S OWN GROSS NEGLIGENCE OR WILLFUL MISCONDUCT.

18. **NONDISCRIMINATION:** Company represents and warrants to COSADC that Company does not and will not engage in discriminatory practices and that there shall be no discrimination in connection with Company's performance under this Agreement on account of race, color, sex, religion, age, handicap, marital status or national origin. Company further covenants that no otherwise entitled

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individual shall, solely by reason of race, color, sex, religion, age, handicap, marital status or national origin, be excluded from participation in, be denied employment or other services, or be subject to discrimination under any provision of this Agreement.

19. INDEPENDENT CONTRACTOR: COSADC and Company acknowledge that Company is an independent contractor, and that no term or provision hereof or act of Company in performance of this Agreement shall be construed as making Company an agent or employee of COSADC. All officers and employees of Company shall be solely responsible to Company, and COSADC shall not have any authority, responsibility, or liability with respect thereto.

20. NO JOINT VENTURE: It is acknowledged and agreed by the parties hereto that the terms of this Agreement are not intended to and shall not be deemed to create any partnership or joint venture among the parties. COSADC, its past and future officers, employees and agents do not assume responsibilities or liabilities of any third party in connection with Company's operations or employees.

21. NO THIRD PARTY BENEFICIARIES: This Agreement is not intended to confer any rights, privileges or causes of action upon any third party.

22. COSADC'S TERMINATION RIGHTS:

A. COSADC shall have the right to terminate this Agreement, by giving Company at least five (5) business days prior written notice, upon discontinuance or termination of the incentive program, unavailability of funds for providing incentive under the Project, or if COSADC determines, in its sole discretion, that continuation of the Project is no longer in the public interest.

B. COSADC shall have the right to terminate this Agreement, without notice or liability to Company, upon the occurrence of an event of default in the performance of any Company performance requirement under this Agreement. In such event, COSADC shall not be obligated to pay any incentives or reimbursements to Company and Company shall repay COSADC all direct incentives and reimbursements, including all fee waivers, provided to Company while Company was in default under this Agreement in accordance with Section 11 "Repayment Terms" of this Agreement. It is expressly agreed that this Agreement constitutes a single transaction, although, incentive payments hereunder are divided

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into multiple installments as earned. A failure of Company to perform any obligation it has under this Agreement may constitute a breach of the entire Agreement and terminate any further commitment by COSADC.

C. The dissolution or termination of Company's existence as a going business or concern, Company's insolvency, appointment of receiver for Company's assets, any assignment of all or substantially all of the assets for the benefit of creditors of Company, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against Company shall all be deemed events of default. However, in the case of involuntary proceedings, if such proceedings are discharged within sixty (60) days after filing, no event of default shall be deemed to have occurred.

23. ASSIGNMENT: This Agreement shall not be assigned by Company, in whole or in part, without the prior written consent of COSADC, which consent may be withheld or conditioned, in the sole discretion of the COSADC board of directors, subject to approval of the City Council for the City of San Angelo.

24. NOTICES: All notices required under this Agreement shall be in writing and shall be given by hand-delivery or by certified U.S. Mail, return receipt requested, addressed to the other party at the address indicated herein or to such other address as a party may designate by notice given as herein provided. Notice shall be deemed given on the day on which personally delivered; or, if by mail, on the third day after being deposited with the U.S. Mail or the date of actual receipt, whichever is earlier.

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TO COMPANY:
ENER-TEL SERVICES, INC.
Attn: Brady Gilbert
1911 S. Bryant Blvd.
San Angelo, Texas 76903

TO COSADC:
City of San Angelo Development Corporation
Director of Economic Development
69 N. Chadbourne St.
San Angelo, TX 76903

25. CONTINGENCY CLAUSE: Funding for this Agreement is contingent on the availability of funds and continued authorization for program activities and this Agreement is subject to amendment due to lack of funds, reduction of funds and/or change in regulations, upon thirty (30) days written notice thereof to Company; or in the alternative at the election of COSADC, termination as herein provided.

26. MISCELLANEOUS PROVISIONS:

A. This Agreement shall be construed and enforced according to the laws of the State of Texas. The parties acknowledge that this Agreement can be performed in Tom Green County, Texas, and that venue for the resolution of any dispute between the parties relating to this Agreement shall be in Tom Green County, Texas.

B. Title and paragraph headings are for convenient reference and are not a part of this Agreement.

C. The meaning of capitalized terms shall be as defined under the Act (Chapters 501 and 505 of the Texas Local Government Code), except as specifically provided otherwise under this Agreement.

D. No waiver or breach of any provision of this Agreement shall constitute a waiver of any subsequent breach of the same or any other provision hereof, and no waiver shall be effective unless made in writing.

E. Should any provision, paragraph, sentence, word or phrase contained in this Agreement be determined by a court of competent jurisdiction to be invalid, illegal or otherwise unenforceable under the laws of the State of Texas or the City of San Angelo, such provision, paragraph, sentence, word or phrase shall be deemed modified to the extent necessary in order to conform with such

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laws, or if not modifiable, then same shall be deemed severable, and in either event, the remaining terms and provisions of this Agreement shall remain unmodified and in full force and effect or limitation of its use.

F. This Agreement constitutes the sole and entire Agreement between the parties hereto relating to the subject matter of the Agreement. No modification or amendment hereto shall be valid unless in writing and executed by properly authorized representatives of the parties hereto.

G. Any delay or failure in the performance by either Party hereunder shall be excused if and to the extent caused by the occurrence of a Force Majeure. For purposes of this Agreement, Force Majeure shall mean a cause or event that is not reasonably foreseeable or otherwise caused by or under the control of the Party claiming Force Majeure, including acts of God, fires, floods, explosions, riots, wars, hurricane, sabotage terrorism, vandalism. accident, restraint of government, governmental acts, injunctions, labor strikes, other than those of Company or its suppliers, that prevent a Party from performing, and other like events that are beyond the reasonable anticipation and control of the Party affected thereby, despite such Party's reasonable efforts to prevent, avoid, delay, or mitigate the effect of such acts, events or occurrences, and which events or the effects thereof are not attributable to a Party's failure to perform its obligations under this Agreement.

H. This Agreement shall be binding upon the parties hereto, their heirs, executors, legal representatives, successors or permitted assigns.

I. In the event any legal action or proceeding is commenced between COSADC and Company to enforce provisions of this Agreement or to recover damages for breach, the prevailing party in such legal action shall be entitled to recover its costs and reasonable attorney’s fees and expenses incurred by reason of such action, unless prohibited by law.

J. This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, and all of which, taken together, shall constitute but one and the same instrument, which may be sufficiently evidenced by one counterpart.

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K. Failure by either party on one or more occasions to exercise one or more of its rights under this Agreement shall not be construed as waiver of such right or rights, and rights granted hereunder are in addition to those available under law and equity.

L. The provisions of this Agreement, which by their nature extend beyond the expiration or termination of the Agreement, will survive expiration or termination of the Agreement.

27. **EXHIBITS:** The following Exhibits "A", "B-1", "B-2", "C", C-1, D, E, and "E-1" are attached and incorporated herein by reference for all purposes.

Exhibit "A": Capital Investment Schedule

Exhibit "B-1": Schedule of Incentives

Exhibit "B-2": Summary of Incentives

Exhibit "C": Affidavit of Compliance for Job Creation Incentives

Exhibit "C-1": Job Creation and Retention Summaries

Exhibit "D": Request for Incentive Payment

Exhibit "E": Census Listing of Current Positions on beginning of 1st Quarter 2019, commencing March 1, 2019

Exhibit "E-1": Core Job Retention Summary

(Signature Page to Follow)

DocuSign Envelope ID: 111F0092-F134-4A11-AA59-9333CF130F4D

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be executed by their respective officials thereunto duly authorized, this the day and year above written.

CITY OF SAN ANGELO DEVELOPMENT CORPORATION

ATTEST:

DocuSigned by:
B488B9107DA14CD...
Nora Nevarez, Secretary

DATE: 9/16/2019 | 3:28 PM CDT

DocuSigned by:
D5BB05B2E1E14B1...
Todd Kolls, President

DATE 9/16/2019 | 10:25 AM CDT

ENER-TEL SERVICES, INC.

DocuSigned by:
62E8B3FDF914421...
Brady Gilbert, Director
DATE:

EMAIL: brady.gilbert@ener-tel.com

APPROVED AS TO CONTENT:

DocuSigned by:
B555592C5C6947A...
Guy Andrews, Director of Economic Development

APPROVED AS TO FORM

DocuSigned by:
809C3C877D18482...
Dan. T. Saluri, Deputy City Attorney

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ECONOMIC DEVELOPMENT PERFORMANCE AGREEMENT BY AND BETWEEN CITY OF SAN ANGELO DEVELOPMENT CORPORATION AND ENER-TEL SERVICES, INC.

Exhibit "A"

Estimated Capital Investment Schedule

From and after March 1, 2019, the Effective Date of the Agreement, Company shall make capital investment in the building at the Company's facility located at 1911 S. Bryant Blvd., San Angelo, Texas, (the "Site") of at least EIGHT HUNDRED THOUSAND DOLLARS AND NO/100 ($800,000), the total required investment to be completed no later than December 31, 2021. Company agrees that the rendition of Company's capital improvements and equipment and personal business property investments shall be determined by out of pocket costs actually incurred and paid by Company, verified with copies of Company business records acceptable to COSADC under generally accepted accounting and audit principals. Such business records shall include the company's annual capital improvement and business personal property tax rendition statements, paid receipts for costs incurred and other records reasonably necessary to verify claimed investments satisfactory to COSADC.

Following is a schedule of estimated building improvement and equipment investment costs:

Year	Building	Equipment	Total Cost
2019	$800,000		

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ECONOMIC DEVELOPMENT PERFORMANCE AGREEMENT BY AND BETWEEN CITY OF SAN ANGELO DEVELOPMENT CORPORATION AND ENER-TEL SERVICES, INC.

Exhibit "B-1"

Schedule of Incentives

FTE Primary Job Creation Financial Assistance Incentive:

Individual incentives in a sum of FIVE THOUSAND AND NO/100 DOLLARS ($5,000) per equivalent FTE created as defined in the Agreement from the day after the Effective Date through December 31, 2022, for the Project, each new FTE being made up of a job or jobs filled by a new full time employee, subject to Company's reimbursement obligation for any such job or jobs making up the FTE not retained for a period of three years from and after December 31st of the year for which the FTE individual incentive was paid. The cumulative sum of the individual incentives for FTE creation and retention shall not exceed FIFTY THOUSAND DOLLARS **($50,000)**.

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ECONOMIC DEVELOPMENT PERFORMANCE AGREEMENT BY AND BETWEEN CITY OF SAN ANGELO DEVELOPMENT CORPORATION AND ENER-TEL SERVICES, INC.

Exhibit B-2 Summary of Incentives

Type of Incentive	**Maximum Amount of Assistance**
Job Creation Grant	$50,000
Total	**$50,000**

Notwithstanding anything to the contrary in this Agreement, the cumulative total of all incentive payments and reimbursements that may become payable to Company by COSADC under this Economic Development Performance Agreement shall not exceed $50,000.

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ECONOMIC DEVELOPMENT PERFORMANCE AGREEMENT BY AND BETWEEN CITY OF SAN ANGELO DEVELOPMENT CORPORATION AND ENER-TEL SERVICES, INC.

Exhibit "C"

Affidavit of Compliance

For Job Creation Incentives

STATE OF TEXAS, §
§
COUNTY OF TOM GREEN §

Before me, the undersigned notary public in and for the State of Texas, personally appeared the undersigned Affiant, who, being by me first duly sworn, deposes and as follows:

My name is_____, I am 18 years of age or older, of sound mind, capable of making this affidavit, and certify under penalty of perjury that I am personally acquainted with the facts herein stated:

1. I am, and at all times pertinent to the averments in this affidavit have been an officer of ENER-TEL SERVICES, INC. (hereinafter "Company"); and I am duly authorized by the governing body of Company to make this affidavit for purposes of certifying on behalf of Company the facts attested to in my capacity as _____ for Company.

2. I make this affidavit in compliance with the terms of the Economic Development Performance Agreement entered into by and between ENER-TEL SERVICES, INC. and the City of San Angelo Development Corporation, having an effective date of _____, 2019 (hereinafter referred to as the "Agreement"), which Agreement I have read and am familiar with.

3. I understand that Company has an obligation under the Agreement to provide the certifications attested to by me in this affidavit, as provided at Section 5." JOB CREATION AND RETENTION" therein.

DocuSign Envelope ID: 111F0092-F134-4A11-AA59-9333CF130F4D

4. " I hereby certify and warrant that during the time period from_____ _____, 2019 through _____, 20___, (hereinafter the Report Period), the information provided on **Exhibit "E-1" Core Job Retention Summary** and on **Exhibit "C-1" Job Creation and Retention Summary** attached to this Affidavit and made a part hereof, are true and correct.

5. Attached hereto and made a part of this affidavit are true and correct copies of Company records created and maintained by Company under generally accepted accounting and audit principals required under the Agreement which verify the facts herein certified to by me. The records include IRS Form 941 and Employers Quarterly Federal Texas Workforce Commission "Employer's Quarterly Report" (FORM C-4 03/06) for all quarters of the reporting period, payroll reports approved by COSADC Economic Development staff, and other Company records reasonably required by COSADC to verify the information stated in this Affidavit and included in the attached Exhibits.

Signature _____

Subscribed and sworn to (or affirmed) before me on this _____ day of _____20__ by _____, proven to me on the basis of satisfactory evidence to be the person(s) who appeared before me, in his/her capacity as _____ of ENER-TEL SERVICES, INC.

_____
Notary Public, State of Texas

DocuSign Envelope ID: 111F0092-F134-4A11-AA59-9333CF130F4D

Exhibit "C-1"
Job Creation & Retention Summary by Year

2019 JOB CREATION & RETENTION SUMMARY BY YEAR
Due by March 31, 2020

New Jobs Created*	Total Annual Base Pay	Equivalent New FTE's		
Q2 - 2019				

- Incentive payable in 2020; job retention required through 2023

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Exhibit "C-1"
Job Creation & Retention Summary by Year

2020 JOB CREATION & RETENTION SUMMARY BY YEAR
Due by March 31, 2021

New Jobs Created	Total Annual Base Pay 2020 New Jobs	Created New FTE's 2020	Total Annual Base Pay Retained FTE's	Total Annual Base Pay New & Retained	2020 Total Equivalent FTE's
Q2 -2019	$		$	$	
2020	$		$	$	
	$		$	$	
	$		$	$	
	$		$	$	
	$		$	$	
	$		$	$	
	$		$	$	
Totals					

- Incentive payable in 2021; job retention required through 2024

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Exhibit "C-1"
Job Creation & Retention Summary by Year

2021 JOB CREATION & RETENTION SUMMARY BY YEAR
Due by March 31, 2022

New Jobs Created	Total Annual Base Pay 2021 New Jobs	Created New FTE's 2021	Total Annual Base Pay Retained FTE's	Total Annual Base Pay New & Retained	2021 Total Equivalent FTE's
Q2 - 2019	$		$	$	
2020	$		$	$	
2021	$		$	$	
	$		$	$	
	$		$	$	
	$		$	$	
	$		$	$	
	$		$	$	
Totals					

- Incentive payable in 2022; job retention required through 2025

DocuSign Envelope ID: 111F0092-F134-4A11-AA59-9333CF130F4D

Exhibit "C-1"
Job Creation & Retention Summary by Year

2022 JOB CREATION & RETENTION SUMMARY BY YEAR
Due by March 31, 2023

New Jobs Created	Total Annual Base Pay 2022 New Jobs	Created New FTE's 2022	Total Annual Base Pay Retained FTE's	Total Annual Base Pay New & Retained	2022 Total Equivalent FTE's
Q2 - 2019	$		$	$	
2020	$		$	$	
2021	$		$	$	
2022	$		$	$	
	$		$	$	
	$		$	$	
	$		$	$	
	$		$	$	
Totals					

- Incentive payable in 2023; job retention required through 2026

DocuSign Envelope ID: 111F0092-F134-4A11-AA59-9333CF130F4D

Exhibit "C-1"

2023 Job Retention Summary

Due by March 31, 2023

Created FTE's Retained from Year Indicated	Total Annual Base Pay Retained FTE's	Total Annual Base Pay New & Retained	2022 Total Equivalent FTE's		
2021	$		$	$	
2022	$		$	$	
2023	$		$	$	
	$		$	$	
	$		$	$	
	$		$	$	
	$		$	$	
	$		$	$	
Totals					

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Exhibit "C-1"
2024 Job Retention Summary

Due by March 31, 2024

Created FTE's Retained from Year Indicated	Total Annual Base Pay Retained FTE's	Total Annual Base Pay New & Retained	2023 Total Equivalent FTE's		
2022	$		$	$	
2023	$		$	$	
2024	$		$	$	
	$		$	$	
	$		$	$	
	$		$	$	
	$		$	$	
	$		$	$	
Totals					

DocuSign Envelope ID: 111F0092-F134-4A11-AA59-9333CF130F4D

Exhibit "C-1"

2025 Job Retention Summary

Due by March 31, 2026

Created FTE's Retained from Year Indicated	Total Annual Base Pay Retained FTE's	Total Annual Base Pay New & Retained	2024 Total Equivalent FTE's		
2023	$		$	$	
2024	$		$	$	
2025	$		$	$	
	$		$	$	
	$		$	$	
	$		$	$	
	$		$	$	
	$		$	$	
Totals					

- Last FTE job creation is 2021, paid in 2022

DocuSign Envelope ID: 111F0092-F134-4A11-AA59-9333CF130F4D

ECONOMIC DEVELOPMENT PERFORMANCE AGREEMENT BY AND BETWEEN CITY OF SAN ANGELO DEVELOPMENT CORPORATION AND ENER-TEL SERVICES, INC.

Exhibit "D"

Request for Incentive Payment

STATE OF TEXAS, §
§
COUNTY OF TOM GREEN §

Before me, the undersigned notary public in and for the State of Texas, personally appeared the undersigned Affiant, who, being by me first duly sworn, deposes and as follows:

My name is_____, I am 18 years of age or older, of sound mind, capable of making this affidavit, and certify under penalty of perjury that I am personally acquainted with the facts herein stated:

1. I make this affidavit in compliance with the terms of the Economic Development Performance Agreement entered into by and between ENER-TEL SERVICES, INC. (hereinafter "Company) and the City of San Angelo Development Corporation, having an effective date of_____, 2019 (hereinafter "Agreement"), which Agreement I have read and am familiar with

2. I am, and at all times pertinent to the averments in this affidavit have been, an official of Company. I am duly authorized by Company to make this affidavit in my capacity as _____ _____ for purposes of causing the following incentive payments to be made in the sums indicated. I do hereby certify on behalf of Company that all performance obligations of Company that entitle Company at this time to the incentive payments and sums indicated herein have been fully performed.

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3. The following incentive payments in the sums indicated are due ENER-TEL SERVICES, INC. under the terms of the Agreement for the following items:

Incentive	**Amount**
	$
	$
	$
Job Creation/Retention Incentives***	$
	$
Total Request	**$**

4. Attached hereto and made a part of this affidavit in support of this request for incentive payments in the sums indicated above are true and correct copies of Company records created and maintained by Company under generally accepted accounting and audit principals required under the Agreement which verify the facts herein certified to by me. The records include IRS Form 941 and Employers Quarterly Federal Texas Workforce Commission "Employer's Quarterly Report" (FORM C-4 03/06) for all quarters of the reporting period, payroll reports approved by COSADC Economic Development staff, and other Company records reasonably required by COSADC to verify the information stated in this Affidavit.

5. Subject to payment of the foregoing requested sums for incentive payments above set forth, the undersigned hereby certifies on behalf of Company that there is no existing default or unfulfilled obligations on the part of COSADC in any of the terms and conditions of the Agreement, and no event has occurred or condition exists which, with the passing of time or giving of notice or both, would constitute an event of default by COSADC under the Agreement.

6. The undersigned further certifies on behalf of Company that Company claims no defense against COSADC, and except as to the foregoing request, there is no payment due, incentive due, offset, rebate,

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adjustment, concession, abatement, or other sum due or payable or other performance due by COSADC under the terms of the Agreement.

7. The undersigned acknowledges on behalf of Company that the Agreement includes grounds for forfeiture of incentive payments and that the foregoing request for incentive payments will be subject to possible forfeiture and repayment obligations as provided for in the Agreement.

Signature _____

Subscribed and sworn to (or affirmed) before me on this _____ day of _____20__ by _____, proven to me on the basis of satisfactory evidence to be the person(s) who appeared before me, in his/her capacity as _____ of ENER-TEL SERVICES, INC.

_____
Notary Public, State of Texas

*** Attach Texas Workforce Commission "Employer's Quarterly Report" (FORM C-4 03/06) for all quarters of the reporting period; IRS Form 941 Employers Quarterly Federal Tax Returns for the year or other payroll reports as approved by Economic Development staff.

DocuSign Envelope ID: 111F0092-F134-4A11-AA59-9333CF130F4D

ECONOMIC DEVELOPMENT PERFORMANCE AGREEMENT BY AND BETWEEN CITY OF SAN ANGELO DEVELOPMENT CORPORATION & ENER-TEL SERVICES, INC.

EXHIBIT "E"

LISTING OF COMPANY'S CORE FTE PRIMARY JOBS AS OF BEGINNING OF 1st QUARTER OF 2019

Employee ID	Job Title	Job No.
XXX-XX-		1
XXX-XX-		2
XXX-XX-		3
XXX-XX-		4

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Employee ID	Job Title	Job No.

Total

The above listed positions will be utilized as the basis for calculating job creation and losses. Only the position and number will be utilized not specific employee identification.

DocuSign Envelope ID: 111F0092-F134-4A11-AA59-9333CF130F4D

EXHIBIT "E-1"

ENER-TEL SERVICES, INC.

CORE JOB RETENTION SUMMARY

Year	No. Core Jobs Jan 1st Rpt. Yr.	No. Core Jobs Dec. 31st Rpt Yr	Net No. Core Jobs retained during yr.
2019			
2020			
2021			
2022			
2023			
2024			
2025			
2026			

MUTUAL TERMINATION OF ECONOMIC DEVELOPMENT PERFORMANCE AGREEMENT AND RELEASE

This mutual termination of Economic Development Performance Agreement and Release is entered into by and between the City of San Angelo Development Corporation (COSADC) and ENERTEL SERVICES. INC., a Texas for profit corporation ("ENERTEL") collectively "the Parties".

WHEREAS, COSADC and ENERTEL entered into an Economic Development Performance Agreement, effective March 1, 2019 ("EDA"); and,

WHEREAS, no incentive grant payments have been made by COSADC to ENERTEL under the EDA; and,

WHEREAS, the Parties desire to terminate the EDA and release each other from any present or future obligations or claims thereunder;

NOW THEREFORE, in consideration of the mutual benefits and promises and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by each of the parties, COSADC and ENERTEL agree as follows:

1. The foregoing recitals are acknowledged by the parties to be true and correct and are incorporated herein by this reference.
2. Each of the Parties acknowledges that the other is in compliance with the terms of the Agreement and that neither Party is in default.
3. COSADC does hereby release absolutely and forever discharge ENERTEL, and its officers directors, owners, affiliates, successors and assigns from any and all actual or possible claims, charges, damages, demands, liabilities, obligations suits, or causes of action of every kind and nature whatsoever arising under the EDA.
4. ENERTEL does hereby release absolutely and forever discharge COSADC, and its officers directors, owners/incorporators (inclusive of the City of San Angelo) successors and assigns from any and all actual or possible claims, charges, damages, demands, liabilities, obligations suits, or causes of action of every kind and nature whatsoever arising under the EDA.
5. This Agreement sets forth the entire agreement and understanding of the parties hereto in respect of the subject matter contained herein, and supersedes all prior agreements, promises, covenants, arrangements, communications, representations or warranties, whether oral or written, relating to the subject matter hereof.

IN WITNESS WHEREOF, the Parties have caused this instrument to be executed by their duly authorized officials, each signatory hereto warranting authorization of that Party's governing body, effective as of the date of last signature below.

CITY OF SAN ANGELO DEVELOPMENT CORPORATION

_____
Todd Kolls, President

ATTEST:

_____
Nora Nevarez, Secretary

ENERTEL SERVICES, INC

_____
Ozzie Carrasco, Vice President of Sales & Marketing
ozzie.carrasco@ener-tel.com

APPROVED AS TO CONTENT:

_____
Guy Andrews, Development Services Director

APPROVED AS TO FORM

_____
Dan T. Saluri Deputy City Attorney

Report to Board

CITY OF SAN ANGELO TEXAS
Development Corporation

Requestor: Shannon Scott, Economic Development Specialist, COSADC, 325.653.7197

Meeting Date: May 27, 2020

Item type: Regular Item

Caption:

Consider a Resolution of the City of San Angelo Development Corporation Board of Directors authorizing the use of sales and use tax funds in an amount not to exceed $400,000, to provide an Economic Development Incentive to WMC LIQUIDATION CO. D/B/A BRYAN WENDLAND CORPORATION, D/B/A WENDLAND TANK CORP., AND FORMERLY D/B/A WENDLAND MANUFACTURING CORP., for a Business Retention and Expansion Program (BREP) project related to business enterprises that create or retain primary jobs, as authorized for a Type B Corporation under Local Government Code Chapter 505 Subchapter D. (Presentation made by Shannon Scott, Business, Retention & Expansion Coordinator)

Summary/History:

WENDLAND TANK CORP. plans on investing $2,000,000 at their existing facility that is located at 601 W. 11th St. for new production machinery, equipment and capital and infrastructure improvements that are for the purposes of expanding its business.

They currently have 20 employees which they will retain, and anticipate hiring up to 5 new employees within the next 3 years.

Financial Impact:

Proposed Incentives:

$400,000 one time capital investment grant once the $2,000,000 capital investment/improvements have been made.

Total Proposed Incentives: $400,000

Other Information/Recommendation:

Attachments:

1. 20-0515_COSADC_WENDLAND_BREP_RESO 20-0515_COSADC_WENDLAND_BREP_RESO.pdf

Presentation:

Approvals/Reviews:

Shannon Scott	Created/Initiated
Dan Saluri	Approved
Nolan Sosa	Approved
Tina Dierschke	Approved

Dan Saluri	Approved
Guy Andrews	Final Approval

A RESOLUTION OF THE CITY OF SAN ANGELO DEVELOPMENT CORPORATION BOARD OF DIRECTORS AUTHORIZING THE USE OF SALES AND USE TAX FUNDS IN AN AMOUNT NOT TO EXCEED $400,000, TO PROVIDE AN ECONOMIC DEVELOPMENT INCENTIVE TO WMC LIQUIDATION CO. D/B/A BRYAN WENDLAND CORPORATION, D/B/A WENDLAND TANK CORP., AND FORMERLY D/B/A WENDLAND MANUFACTURING CORP., FOR A PROJECT RELATED TO BUSINESS ENTERPRISES THAT CREATE OR RETAIN PRIMARY JOBS, AS AUTHORIZED FOR A TYPE B CORPORATION UNDER LOCAL GOVERNMENT CODE CHAPTER 505 SUBCHAPTER D.

WHEREAS, The voters of the City of San Angelo on November 2, 2010 approved the use of sales and use tax proceeds for the continued economic development projects authorized under Section 4B of the Act, including but not limited to, the development, promotion, creation, retention, or expansion of business enterprises that create or retain primary jobs, including suitable infrastructure, and

WHEREAS, WMC LIQUIDATION CO., d/b/a BRYAN-WENDLAND CORPORATION, d/b/a WENDLAND TANK CORP., and formerly d/b/a WENDLAND MANUFACTURING CORP., a foreign for profit corporation authorized to conduct business in Texas, (hereinafter "WENDLAND") located at 601 W. 1llth Street, San Angelo, (hereinafter "Site") having a mailing address of P.O. Box 808, San Angelo, Texas 76902, specializes in the manufacturing of tanks and pressure vessels for the water, waste water, chemical, oil and natural gas industries in San Angelo, and is in the process of planning for expansion of its business; and,

WHEREAS, WENDLAND proposes to retain at its Site in San Angelo twenty (20) existing full time primary jobs (Full Time Equivalents / FTE's) having an annual base pay including benefits of at least $43,000, but less than $150,000, and create at least five (5) additional FTE's; and,

WHEREAS, WENDLAND. proposes to invest a minimum of $2,000,000, within two years for new production machinery, equipment, facility, capital and infrastructure improvements at its Site that are necessary for expansion of its business at San Angelo; and,

WHEREAS, WENDLAND has applied with COSADC under the Business Retention and Expansion Program (BREP) for an incentive to carry out the foregoing business expansion plans, and the Board has determined that the incentivizing the business expansion plans will promote or develop expansion of a business enterprise that creates or retains primary jobs, a qualified development corporation Project authorized under Chapter 505 of the Texas Local Government Code; and,

WHEREAS, at least sixty (60) days prior to undertaking a Project, a public notice of the specific Project shall be published and at least one public hearing shall be held by the Development Corporation prior to expending funds on the Project in compliance with the requirements of the Development Corporation Act, Sections 505.159 and 505.160 of the Local Government Code and

WHEREAS, on June 24, 2020, or at such other time as approved by the Board, the City of San Angelo Development Corporation shall hold a Public Hearing on the Project prior to expending authorized grant funds;

DRAFT

NOW, THEREFORE, BE IT RESOLVED BY THE CITY OF SAN ANGELO DEVELOPMENT CORPORATION THAT:

Section 1. The fore going recitals are found by the Board to be true and correct, and are adopted as part of this Resolution.

Section 2. The City of San Angelo Development Corporation offers this Resolution authorizing the use of sales and use tax funds for a qualified economic development Project grant pursuant to the Development Corporation Act, Chapter 505 of the Texas Local Government Code (the "Act"), to incentivize the business expansion plan of WMC LIQUIDATION CO., d/b/a BRYAN-WENDLAND CORPORATION, d/b/a WENDLAND TANK CORP., and formerly d/b/a WENDLAND MANUFACTURING CORP., a foreign for profit corporation authorized to conduct business in Texas, (hereinafter "WENDLAND"), substantially as set forth herein, in an amount up to but not to exceed $400,000; directing the Director of Economic Development to prepare an economic development performance agreement therefore with WENDLAND in a form approved by the City Attorney in compliance with the Act for submission to the Board and subject to approval of City Council; and, recommending to City Council ratification of the Project.

ADOPTED THIS _____ DAY OF_____, 2020

CITY OF SAN ANGELO DEVELOPMENT CORPORATION

ATTEST: By: _____
Todd Kolls, President

_____
Nora Nevarez, Corporate Secretary

APPROVED FOR CONTENT

_____
Shannon Scott, Business Retention & Expansion Coordinator

APPROVED AS TO FORM

_____
Dan T. Saluri, Deputy City Attorney

DRAFT

Report to Board

CITY OF SAN ANGELO TEXAS
Development Corporation

Requestor: Robert Schneeman, Economic Development Coordinator, COSADC, 325.653.7197

Meeting Date: May 27, 2020

Item type: Regular Item

Caption:

Consider nominating & approving two (2) members of the COSADC Board of Directors to serve on the Industrial Park Review Committee in accordance with the Declaration of Covenants, Conditions and Restrictions recorded as Volume 941, Pages 48 through 52, Records of Real Property, Tom Green County, Texas (Presentation made by Robert Schneeman, Economic Development Project Manager)

Summary/History:

Financial Impact:

No fiscal impact

Other Information/Recommendation:

Attachments:

1. Ind Park CCR's — Ind Park CCR's.pdf

Presentation:

Approvals/Reviews:

Robert Schneeman	Created/Initiated
Dan Saluri	Approved
Nolan Sosa	Approved
Tina Dierschke	Approved
Dan Saluri	Approved
Guy Andrews	Final Approval

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

Preamble

This Declaration of Covenants, Conditions, and Restrictions is made on June 17, 2002, at San Angelo, Tom Green County, Texas, by CITY OF SAN ANGELO DEVELOPMENT CORPORATION, a Texas corporation ("Declarant or Developer"), whose mailing address is 500 Rio Concho Drive, Suite A, San Angelo, Texas 76903.

Recitals

1. Declarant is the owner of all that certain real property (hereinafter referred to as "SAN ANGELO BUSINESS AND INDUSTRIAL CENTER " or "Property") located in Tom Green County, Texas, described as follows: San Angelo Gateway Addition, Section 1, a subdivision of the City of San Angelo, Tom Green County, Texas, filed of record in Cabinet F, Slide 17, of the Official Plat Records of Tom Green County, Texas, and the First Replat in Block 2 of the San Angelo Gateway Addition of San Angelo, Tom Green County, Texas, filed of record in Cabinet F, Slide 27 of the Official Plat Records of Tom Green County, Texas; this Property also being known as the SAN ANGELO BUSINESS AND INDUSTRIAL CENTER.

2. The Declarant has devised a general plan for the entire Property as a whole, with specific provisions for particular parts and parcels of the Property. This general plan provides a common scheme of development designed to protect and safeguard the Property over a long period.

3. This general plan will benefit the Property in general, the parcels and lots that constitute the Property, the Declarant, and each successive owner of an interest in the Property.

4. Therefore, in accordance with both the doctrines of restrictive covenant and implied equitable servitude, the Declarant desires to restrict the Property according to these covenants, conditions, and restrictions in furtherance of this general development plan.

NOW, THEREFORE, it is declared that all of the Property and all tracts and lots within the Property shall be held, sold, leased and conveyed subject to the following easements, restrictions, covenants, and conditions.

EASEMENTS, RESTRICTIONS, COVENANTS, CONDITIONS

1. ACREAGE CONTROL: SAN ANGELO BUSINESS AND INDUSTRIAL CENTER lands shall not be sub-divided either by sale, lease or otherwise, without approval of the Review Board.

2. SET BACKS: SAN ANGELO BUSINESS AND INDUSTRIAL CENTER shall have minimum building set back restrictions of 50 feet from the property line adjoining any street and 15 feet minimum set back restrictions from side and rear property lines inside the SAN ANGELO BUSINESS AND INDUSTRIAL CENTER. Set backs of 100 feet from the surrounding Highways exist under separate deed restriction.

3. PROVISIONS FOR OFF-STREET PARKING AND LOADING: On-street parking and on-street loading shall not be permitted in the SAN ANGELO BUSINESS AND INDUSTRIAL CENTER and all SAN ANGELO BUSINESS AND INDUSTRIAL CENTER lands shall be developed in such a way as to provide sufficient off-street parking. Parking and loading areas shall be paved to provide dust-free, all weather surfaces.

4. OUTSIDE STORAGE: Outside storage of material shall be permitted only where such storage is appropriately screened from all approaches.

5. TEMPORARY STRUCTURES, PORTABLE STRUCTURES: No temporary building or portable structure shall be moved onto any lot except that which is necessary in the construction of a pre-approved building. Temporary Structures shall include, but not be limited to, any garage, mobile home , trailer, tent, shack , barn or other outbuildings. Any building which was once a portable building, regardless of how same may be placed or attached to any lot in the addition, shall be classified as a temporary structure and such is strictly prohibited. Portable buildings include, but are not limited to, portable

greenhouses, storage buildings, and all other portable buildings. Not withstanding anything to the contrary herein, the Developer reserves the right to place a portable sales building on the Property for the purpose of conducting sales operations of the lots and tracts located within the Property.

6. MAINTENANCE: The owner of any tract or lot shall at all times keep the premises, buildings, improvements and appurtenances in a safe, clean, wholesome condition and comply in all respects with all government, health, fire and police requirements and regulations, and any owner will remove at his or its own expense any rubbish of any character whatsoever which may accumulate on said site or lot. All trash/garbage shall be placed in such containers and deposited for pickup as specified by said City of San Angelo or its said franchisee. In the event said owner fails to comply with any or all of the aforesaid specifications and/or requirements, then, and only then, the Developer shall have the right, privilege and license to enter upon the premises to make any and all corrections and/or improvements that may be necessary to meet such standards and charge to and collect from said owner the reasonable costs of making such corrections and/or improvements.

7. REVIEW BOARD: A Review Board is hereby created consisting of 5 persons (a) two Board Members of the City of CITY OF SAN ANGELO DEVELOPMENT CORPORATION, (b) a representative of the San Angelo Chamber of Commerce, (c) a representative of City of San Angelo, and (d) a representative of San Angelo Industries. In the event the City of CITY OF SAN ANGELO DEVELOPMENT CORPORATION should cease to be an owner of land within the SAN ANGELO BUSINESS AND INDUSTRIAL CENTER, its right to designate a representative to serve on said Review Board shall terminate and the Developer shall appoint as the third party member of said Board a representative of the remaining property owners in said SAN ANGELO BUSINESS AND INDUSTRIAL CENTER. Before commencing the construction or alteration of any building, enclosure, fence, loading dock, parking facility, storage yard or any other structure or permanent improvement on any site or lot within SAN ANGELO BUSINESS AND INDUSTRIAL CENTER, the property owner shall first submit site plans and building plans and specifications therefor (hereinafter collectively referred to as the "Plans") and the Review Board's written approval shall be required before such construction or alteration is commenced. The Review Board shall have the right to approve the location of all utility infrastructure, the location of streets and railroad trackage and shall also have the right to approve all facilities for the handling of surface waters, other storm drainage and clean industrial effluent. The Review Board hereby created shall consist of the persons appointed by the respective parties hereto from time to time. Such appointments shall be effective when written notice thereof shall have been mailed to the respective parties to this agreement with a copy of such notification being filed in the office of the Developer. Changes in the membership of the Review Board may be effected in like manner. No member of the Review Board shall be entitled to any compensation for performing his duties as a member of such Review Board. Except in the case of those items described herein where unanimous consent or unanimous action of the Review Board is required, action of the Review Board shall be by majority vote. All actions of the Review Board shall be in writing and filed in the office of the Developer and shall at all reasonable times be open to public inspection. In the event that the Review Board or its designated representatives shall fail to approve or disapprove any Plans or any other instruments or items requiring the Review Board's approval within thirty (30) days after they have been submitted to the Review Board, such approval will not be required and the approval requirement in question shall be deemed to have been satisfied.

8. CONSTRUCTION MATERIALS: The outside walls of all buildings and structures in the SAN ANGELO BUSINESS AND INDUSTRIAL CENTER shall be finished with painted metal, brick or masonry, or concrete on all sides or other construction materials of at least equal attractiveness in the sole discretion of the Review Board.

9. SIGNS: Plans and specifications for the construction, installation or alteration of all outdoor signs shall be first submitted to and have the written approval of the Review Board. No signs shall be permitted in the SAN ANGELO BUSINESS AND INDUSTRIAL CENTER except (a) traffic control signs, (b) directory signs, and (c) signs identifying the occupants of respective buildings, all of such identifying signs being affixed to the building or being positioned so as not to be higher than ten feet above the roofs of the respective buildings. No flashing signs shall be allowed and all signs shall be in good taste and in keeping with the architecture and design integrity of SAN ANGELO BUSINESS AND INDUSTRIAL CENTER, all as determined by the Review Board in its sole discretion.

10. LAND USES: (a) No SAN ANGELO BUSINESS AND INDUSTRIAL CENTER lands shall be used for any of the purposes prohibited by the restrictions contained in the plat or any replat of the Property, such plat and replat having been filed as referenced above.

(b) None of the lands within the bounds of said SAN ANGELO BUSINESS AND INDUSTRIAL CENTER shall be used for any of the following purposes:

i. The operation of a junk or salvage yard;

ii. Uses constituting nuisance, public or private, by reason of emission of smoke, dust, gas, odor, fumes, noise, vibration, or refuse material of any kind;

iii. Without limiting the generality of "ii" above, the manufacture of acid, cement, lime, gypsum, fireworks, glue; the manufacture, incineration or reduction of garbage, offal or dead animals, and the refining of petroleum, the smelting of zinc, copper, tin or iron ores, or the maintaining of stockyards and/or abattoirs;

iv. No animal, livestock, or poultry of any kind shall be raised, bred, or kept with the exception of dogs, cats and other household pets, provided they are not kept or maintained for commercial purpose; or

v. Maintenance of any unenclosed frame structure such as a tower used for the transmission or reception of television or radio messages, unless the erection and maintenance of such structure has been approved by the unanimous consent of the Review Board.

(c) The Property is subject to all other applicable restrictions of record including, but not limited to, those contained in the following:

i. Deed from Mrs. Ruth J. Gordon, Mrs. Mary B. Johnson Hall and the Central National Bank of San Angelo, as Independent Executor and Trustee of the Estate of J. Willis Johnson, Deceased to Ethicon, Inc. filed of record in Vol. 441, Page 268, of the Deed Records of Tom Green County, Texas.

ii. Amendment of Restrictive Covenants filed of record in Volume 896, Page 817, of the Official Public Records of Tom Green County, Texas.

iii. Restrictive Covenant and Notice filed of record in Volume 893, Page 364, of the Official Public Records of Real Property of Tom Green County, Texas.

11. VARIANCES AND INTERPRETATIONS: The Review Board may grant to any owner of land in the SAN ANGELO BUSINESS AND INDUSTRIAL CENTER variances from any of the provisions contained in this Development Plan where such variances, in the sole discretion of the Review Board, are not detrimental to the SAN ANGELO BUSINESS AND INDUSTRIAL CENTER; provided, however, that no variation of Minimum Frontage, Minimum Depth, Minimum Acreage or Minimum Set Back restrictions shall be permitted except by the unanimous consent of the Review Board. Any question of interpretation of any provision of this Development Plan shall be decided by the Review Board. All covenants are intended to comply with the City of San Angelo Ordinances, and it will be the intent of the review board to comply with all ordinances of the City of San Angelo, and the review board will not have any authority to change any intent of any ordinances of the City of San Angelo. However, the Review Board reserves the exclusive right to change, add and/or amend any provision in this document with the unanimous vote of the Board.

12. TIME LIMIT FOR IMPROVEMENTS: (a) The Purchaser of each tract in the SAN ANGELO BUSINESS AND INDUSTRIAL CENTER shall, within two (2) years after the time of the conveyance of such tract by the Developer, commence in good faith the construction of permanent improvements thereon in accordance with the Plans approved by the Review Board. The Review Board may extend the time within which such construction may be begun and any such extension shall be in writing.

(b) If within the two (2) year period hereinabove provided for, or any extension thereof granted by the Review Board, any such purchaser of any unlimbered tract within the SAN ANGELO BUSINESS AND INDUSTRIAL CENTER on which construction in accordance with the Plans has not in good faith been begun, desires to sell such unimproved tract, he shall first offer such tract to the Developer at the original purchase price thereof, with the usual proration of taxes, insurance premiums, title costs and closing costs being borne by such Purchaser as seller and the Developer as purchaser as is customary

Purchaser to sell such tract, shall have thirty (30) days thereafter within which to exercise its option to reacquire such tract on the above terms and conditions.

(c) If, within the two (2) year period hereinabove provided for, or any extension thereof, any such Purchaser of any unimproved tract within the SAN ANGELO BUSINESS AND INDUSTRIAL CENTER on which construction in accordance with the Plans has been begun, but has not been completed, desires to sell such unimproved tract, the Developer shall have rights of first refusal to purchase the same and such Purchaser shall not sell such unimproved tract to any person, firm or corporation other than the Developer, unless and until the same shall first have been offered to Developer on the same terms and conditions available to such other person, firm or corporation. Developer, upon receipt of written notice of the intention and desire of such Purchaser to sell such tract, shall have thirty (30) days thereafter within which to exercise its right of first refusal to reacquire such tract on the terms and conditions specified in such written notice.

(d) If, after the expiration of the two (2) year period from the date of the conveyance of any unimproved tract lying within the SAN ANGELO BUSINESS AND INDUSTRIAL CENTER, or any extension thereof, any such Purchaser shall not in good faith have begun on such tract construction in accordance with the Plans, the Developer shall have the option for the full period of six (6) months after such expiration to reacquire said property from the Purchaser at the same price for which the tract was conveyed to said Purchaser with the usual prorations of taxes, insurance premiums, title costs and closing costs being borne by such Purchaser as seller and the Developer as purchaser as is customary in San Angelo at that time.

(e) In the event of any sale by such Purchaser to the Developer under subparagraphs (b), (c) or (d) above, Developer shall pay the consideration therefor to such Purchaser in cash and such Purchaser shall execute and deliver a general warranty deed conveying said tract to the Developer free and clear of all liens and encumbrances, save and except zoning ordinances, if any; taxes and assessments not yet due and payable, if any; and restrictions and limitations of record (not containing provisions of reverter of forfeiture), if any.

13. PARTIAL INVALIDITY: The invalidation of any one of the terms and conditions of this Development Plan or the failure to enforce any of said terms or conditions at the time of a violation thereof shall in no event affect any of the other terms and conditions of this Development Plan nor be deemed a waiver of the right to enforce the same or any other of said terms or conditions thereafter.

14. UTILITY EASEMENTS: Developer shall provide free of cost all necessary easements and rights-of-way required to bring public utility service to each of the parcels in the SAN ANGELO BUSINESS AND INDUSTRIAL CENTER, including but not limited to electric power, telephone, gas, water and sewer service. The location of easements are tentative locations only and may be changed if in the unanimous opinion of the Review Board a different location is found to be to the advantage of the SAN ANGELO BUSINESS AND INDUSTRIAL CENTER development. Drainage easements for surface waters, other storm drainage and clean industrial effluent shall be provided by Developer where necessary to provide proper drainage of all lands within the SAN ANGELO BUSINESS AND INDUSTRIAL CENTER.

15. TERMINATION OF DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS: Each term, condition and covenant herein contained shall terminate and be of no further effect on January 1, 2021. However, at any time prior to January 1, 2021, the then owners of a majority of the area in square feet within said SAN ANGELO BUSINESS AND INDUSTRIAL CENTER may by declaration, signed, acknowledged by them, and duly recorded in the Deed Records of Tom Green County, Texas, extend such terms, restrictions, conditions and covenants for a period of ten (10) years. In like manner additional extensions for successive periods of ten (10) years may be provided for as long as the owners of a majority of the area in square feet within said SAN ANGELO BUSINESS AND INDUSTRIAL CENTER affirmatively vote to so extend them. During the term of any such extension, the rights reserved to the parties hereto and to the Review Board created hereby shall continue in full force and effect.

16. ENFORCEMENT OF DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS: The terms and conditions of this Declaration of Covenants, Conditions and Restrictions are made for the benefit of any and all persons who may now own, or who may hereafter own property in SAN ANGELO BUSINESS AND INDUSTRIAL CENTER. Such persons and the Review Board are hereby specifically given the right to enforce these terms and conditions by injunction or other lawful procedure, and to recover damages resulting from any violation thereof.

This Declaration of Covenants, Conditions and Restrictions of SAN ANGELO BUSINESS AND INDUSTRIAL CENTER shall be incorporated by reference in each and every contract of purchase and sale and every deed for conveyance of any character of land in the SAN ANGELO BUSINESS AND INDUSTRIAL CENTER so that all owners, occupants or users of land in the SAN ANGELO BUSINESS AND INDUSTRIAL CENTER shall assume the obligation of, and be bound by, all of the provisions of this Declaration of Covenants, Conditions and Restrictions. All such transactions shall also have as one of the conditions of sale the undertaking by the purchaser to incorporate by reference said Declaration of Covenants, Conditions and Restrictions of SAN ANGELO BUSINESS AND INDUSTRIAL CENTER as a condition of sale in the event of a resale of any of the lands in said SAN ANGELO BUSINESS AND INDUSTRIAL CENTER to a subsequent purchaser to the end that all such subsequent purchasers, occupants or users shall also assume the obligations of, and be bound by, all of the provisions of this Development Plan.

THIS DECLARATION is executed at San Angelo, Texas, this 17th day of June, 2002.

CITY OF SAN ANGELO DEVELOPMENT CORPORATION

By: George Alexander
George Alexander, President

ATTEST:

By: Kathy Keane
Kathy Keane, Secretary

STATE OF TEXAS §
§
COUNTY OF TOM GREEN §

This instrument was acknowledged before me on the 17th day of June, 2002, by George Alexander, as President of the City of San Angelo Development Corporation, a Texas corporation, on behalf of said corporation.

Joanna L. Howell
Notary Public, State of Texas

JOANNA L. HOWELL
Notary Public, State of Texas
My Commission Expires
November 12, 2005

FILED FOR RECORD

2002 JUN 17 PM 2:40

ELIZABETH MCGILL
COUNTY CLERK
COUNTY OF TOM GREEN, TEXAS

STATE OF TEXAS }
COUNTY OF TOM GREEN }

I hereby certify that this instrument was FILED in File Number Sequence on the date and at the time stamped hereon by me, and was duly RECORDED in the Official Public Records of Real Property of Tom Green County, Texas on

JUN 19 2002

Elizabeth McGill

ELIZABETH MCGILL COUNTY CLERK
TOM GREEN COUNTY, TEXAS

VOL. 921 PAGE 52

Report to Board

CITY OF SAN ANGELO TEXAS Development Corporation

Requestor: Robert Schneeman, Economic Development Coordinator, COSADC, 325.653.7197

Meeting Date: May 27, 2020

Item type: Regular Item

Caption:

Consider a resolution authorizing the use of Sales and Use Tax funds of up to and not to exceed $250,000, in increments as authorized from time to time by the Board, subject to City Council approval, for planning, engineering, other professional services, and construction and related services and materials, for development of industrial transportation infrastructure and improvements suitable for industrial rail transportation service, necessary to promote or develop new or expanded business enterprises that create or retain primary jobs, on a tract of land acquired by COSADC, being 180 acres more or less, located adjacent to the south right-of-way of FM 2105, 1.5 miles west of Hwy 277, and adjacent to the easterly boundary of an abandoned railroad right-of-way, a project authorized under Chapter 505 of the Texas Development Corporation Act. (Presentation made by Robert Schneeman, Economic Development Project Manager)

Summary/History:

The Board at its meeting on July 24th, 2019 approved the purchase of a vacant tract of land of approximately 180 acres and City Council on August 6th, 2019 ratified the Board action. The intent of the property is to develop a transportation related rail served industrial facility. It is anticipated that this project may develop in phases which may ultimately include significant extension of utilities, engineering site design, and rail facilities construction.

There has been interest expressed by local businesses to develop various types of transloading facilities at the location and interest also expressed by third partry developers to potentially operate the facility and participate in the development of the site.

According to Section 505 of the Board may not undertake a project within 60 days of publishing public notice and holding at least one public hearing on the project. The intent of this item is to first create a project and second to allow for funding of some of the initial steps in the development of the project without having to wait the sixty days for each phase, thereby allowing the project to progress more efficiently. As each phase or individual task is identified, the expenditure will still require approval by the Board and City Council.

Financial Impact:

$250,000 from Acct. No. 700-0700-800.07-50 Contingencies to a new project; budget amendment required;

Other Information/Recommendation:

Attachments:

1. 20-0522_COSADC_INDUST_TRANSP_180_ACRE_P_RESO 20-0522_COSADC_INDUST_TRANSP_180_ACRE_P_RESO.pdf

Presentation:

Robert Schneeman

Approvals/Reviews:

Robert Schneeman	Created/Initiated
Dan Saluri	New
Nolan Sosa	Approved
Tina Dierschke	Approved
Dan Saluri	Approved
Guy Andrews	Final Approval

A RESOLUTION OF THE CITY OF SAN ANGELO DEVELOPMENT CORPORATION (COSADC) AUTHORIZING THE USE OF SALES AND USE TAX FUNDS OF UP TO AND NOT TO EXCEED $250,000, IN INCREMENTS AS AUTHORIZED FROM TIME TO TIME BY THE BOARD, SUBJECT TO CITY COUNCIL APPROVAL, FOR PLANNING, ENGINEERING, OTHER PROFESSIONAL SERVICES, AND CONSTRUCTION AND RELATED SERVICES AND MATERIALS, FOR DEVELOPMENT OF INDUSTRIAL TRANSPORTATION INFRASTRUCTURE AND IMPROVEMENTS SUITABLE FOR INDUSTRIAL RAIL TRANSPORTATION SERVICE, NECESSARY TO PROMOTE OR DEVELOP NEW OR EXPANDED BUSINESS ENTERPRISES THAT CREATE OR RETAIN PRIMARY JOBS, ON A TRACT OF LAND ACQUIRED BY COSADC, BEING 180 ACRES MORE OR LESS, LOCATED ADJACENT TO THE SOUTH RIGHT-OF-WAY OF FM 2105, 1.5 MILES WEST OF HWY 277, AND ADJACENT TO THE EASTERLY BOUNDARY OF AN ABANDONED RAILROAD RIGHT-OF-WAY, A PROJECT AUTHORIZED UNDER CHAPTER 505 OF THE TEXAS DEVELOPMENT CORPORATION ACT.

WHEREAS, on November 2, 2010, voters of the City of San Angelo adopted a ballot proposition approving the use of sales and use tax proceed for the continued economic development projects authorized under Section 4B of the Texas Development Corporation Act (hereinafter the "Act"), and,

WHEREAS, there are several interstate and international transportation related proposals at the Federal, State and National level, including the proposed corridors for IH 14 and IH 27, as well as completion of the Presidio—Ojinaga International TxDOT/South Orient Railroad bridge project at the Texas border with Mexico, each of which will dynamically enhance the strategic benefits for new industrial businesses that create and retain primary jobs to locate and expand at San Angelo, assuming local development of inter-connective rail transportation infrastructure and suitable industrial subdivisions; and,

WHEREAS, the Board at its meeting on July 24th, 2019 approved the purchase of a vacant tract of land suitable for such industrial development, being 180 acres more or less out of J C Matthews Abstract 8071, Survey 0178, and W.C.R.R. Co Survey 177, Abstract 4031, being a portion of Tax Lot ID #61-08071-0711-000-00, generally located adjacent to the south right-of-way of FM 2105, 1.5 miles west of Hwy 277; said acquisition being ratified by City Council on August 6th, 2019; and,

WHEREAS, the Board hereby finds that funds expended for industrial rail transportation infrastructure and related industrial development of said 180 +/- tract of land acquired by COSADC is a Project authorized under the Texas Development Corporation Act, Chapter 505 of the Texas Local Government Code, and that expenditures incrementally authorized therefore will be used for eligible costs under the Act;

WHEREAS, at least sixty (60) days prior to undertaking a Project, a public notice of the specific Project shall be published and at least one public hearing shall be held by the Development Corporation prior to expending funds on the Project in compliance with the requirements of the Development Corporation Act, Sections 505.159 and 505.160 of the Local Government Code and

WHEREAS, on _____, 2020, the City of San Angelo Development Corporation shall hold a Public Hearing on the Project prior to expending authorized grant funds;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY OF SAN ANGELO DEVELOPMENT CORPORATION THAT:

Section 1. The foregoing recitals are true and correct and are adopted as part of this Resolution.

Section 2. The City of San Angelo Development Corporation hereby authorizes the use of sales and use tax funds of up to and not to exceed $250,000, in increments as authorized from time to time by the Board, subject to City Council approval, for planning, engineering, other professional services, and construction and related services and materials, for development of industrial transportation infrastructure and improvements suitable for industrial rail transportation service, necessary to promote or develop new or expanded business enterprises that create or retain primary jobs, on a tract of land acquired by COSADC, being 180 acres more or less, out of J C Matthews abstract 8071, survey 0178, a portion of tax lot ID #61-08071-0711-000-00, generally located adjacent to the south right-of-way of FM 2105, 1.5 miles west of Highway 277, and adjacent to the easterly boundary of an abandoned railroad right-of-way, a Project authorized under chapter 505 of the Texas Development Corporation Ac

Section 3. The Board President is hereby authorized and directed to negotiate and execute on behalf of COSADC such contracts and agreements including planning, surveying, engineering, construction and related services and material, and related documents required or convenient for implementation of the Project as incrementally authorized from time to time by the COSADC Board and approved by City Council.

ADOPTED on this the _____ day of _____, 2020.

CITY OF SAN ANGELO
DEVELOPMENT CORPORATION

_____
Todd Kolls, President

ATTEST:

_____
Nora Nevarez, Corporation Secretary

APPROVED AS TO FORM

_____
Dan T. Saluri, Deputy City Attorney

APPROVED AS TO CONTENT

_____
Guy Andrews, Director of
Economic Development

Report to Board

CITY OF SAN ANGELO TEXAS
Development Corporation

Requestor: Robert Schneeman, Economic Development Coordinator, COSADC, 325.653.7197

Meeting Date: May 27, 2020

Item type: Regular Item

Caption:

Consider approving a resolution authorizing the sale of approximately 5.544 acres of vacant land located at the southwest quadrant of the intersection of Gateway Drive and Venture Drive, within the San Angelo Business and Industrial Park, to Dkota Investments, Inc. at a price of $25,000.00 per acre; authorizing the Board President to negotiate and execute a real estate sales contract in a form approved by the City Attorney, and recommending ratification by City Council. (Presentation made by Robert Schneeman, Economic Development Project Manager)

Summary/History:

Dkota Investments, Inc. has offered to purchase 5.544 acres at the Industrial Park for $25,000 per acre. Dkota will develop the property for a distribution warehouse. The total purchase price will be approximately $138,600 dependent upon the actual acreage as surveyed on the ground.

Financial Impact:

Approximately $138,600 revenue dependent upon actual acreage determined by a survey on the ground, less any Seller Closing Costs

Other Information/Recommendation:

Attachments:

1. Resolution 20-0544_COSADC_DKOTA_5.4_AC_RESO 2.pdf
2. Exhibit Exhibit A.jpg

Presentation:

Robert Schneeman

Approvals/Reviews:

Robert Schneeman	Created/Initiated
Dan Saluri	Approved
Nolan Sosa	Approved
Tina Dierschke	Approved
Guy Andrews	Final Approval

A RESOLUTION OF THE CITY OF SAN ANGELO DEVELOPMENT CORPORATION BOARD OF DIRECTORS AUTHORIZING THE SALE OF APPROXIMATELY 5.544 ACRES OF VACANT LAND LOCATED AT THE SOUTHWEST QUADRANT OF THE INTERSECTION OF GATEWAY DRIVE AND VENTURE DRIVE, WITHIN THE SAN ANGELO BUSINESS AND INDUSTRIAL PARK, TO DKOTA INVESTMENTS, INC. AT A PRICE OF $25,000.00 PER ACRE; AUTHORIZING THE BOARD PRESIDENT TO NEGOTIATE AND EXECUTE A REAL ESTATE SALES CONTRACT IN A FORM APPROVED BY THE CITY ATTORNEY; AND RECOMMENDING RATIFICATION BY CITY COUNCIL.

WHEREAS, on September 19, 2000, the City of San Angelo ("CITY") conveyed to the City of San Angelo Development Corporation ("COSADC") 406.674 acres of vacant land, restricted to use as the San Angelo Business and Industrial Park (SAIP); and

WHEREAS, COSADC is developing the SAIP by subdividing the land into blocks and lots suitable for development by businesses that retain and create primary jobs; and,

WHEREAS, COSADC has recorded a Declaration of Covenants, Conditions and Restrictions and an amendment to said Declaration, facilitating development and continued use of the land as an industrial park; and,

WHEREAS the COSADC Board has determined a sales price that is an adequate consideration and that the proposed sale of approximately 5.544acres of land to Dkota Investments, Inc. shall be subject to said use restrictions and Declaration of Covenants, Conditions and Restrictions, as amended;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY OF SAN ANGELO DEVELOPMENT CORPORATION THAT:

The COSADC Board hereby authorizes the sale of 5.544 acres of land out of the San Angelo Business and Industrial Park, being out of the Remainder of Block 1, San Angelo Gateway Addition as shown in plat recorded at Cabinet "F" , Slide 17, Plat Records of Tom Green County, Texas, to DKOTA INVESTMENTS, INC. at a price of $25,000.00 per acre, the exact area to be determined by a survey on the ground; authorizes the Board President to prepare and execute a real estate sales contract with DKOTA INVESTMENTS, INC. and any related documents in a form approved by the City Attorney; and, recommends ratification by City Council.

ADOPTED on this the 27th[d] day of May, 2020.

CITY OF SAN ANGELO
DEVELOPMENT CORPORATION

ATTEST:

_____
Todd Kolls, President

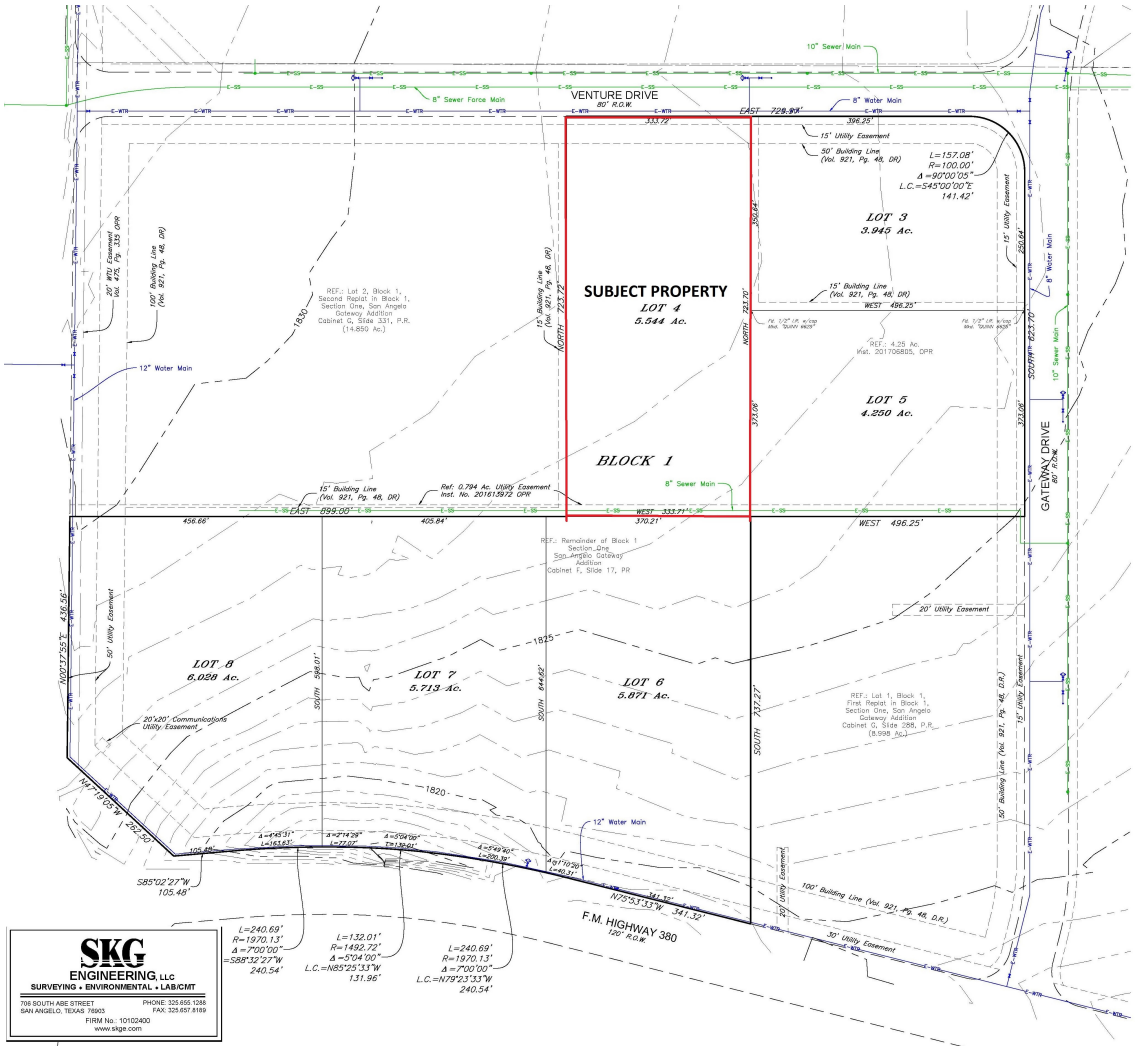
_____
Nora Nevarez, Secretary

APPROVED AS TO FORM

Dan Saluri, Deputy City Attorney

APPROVED AS TO CONTENT

Guy Andrews, Director of
Economic Development



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Report to Board

CITY OF SAN ANGELO TEXAS
Development Corporation

Requestor: Robert Schneeman, Economic Development Coordinator, COSADC, 325.653.7197

Meeting Date: May 27, 2020

Item type: Regular Item

Caption:

Consider a resolution authorizing the placement of approximately 100,000 cubic yards of fill material by Reece Albert, Inc. on a tract of land acquired by COSADC, being 180 acres more or less, located adjacent to the south right-of-way of FM 2105, 1.5 miles west of Hwy 277, and adjacent to the easterly boundary of an abandoned railroad right-of-way, a project authorized under Chapter 505 of the Texas Development Corporation Act. (Presentation made by Robert Schneeman, Economic Development Project Manager)

Summary/History:

Reece Albert, Inc. was recently awarded a contract with TXDOT for improvements to FM 2105 adjacent to the north boundary of the COSADC Multi Modal Transportation site. According to the engineering design plans, the FM 2105 project will generate approximately 100,000 yards of material to be exported. This material consists primarily of road base and chip seal material. This material is deemed to be of good quality for construction fill. In an effort to reduce the cost of exporting this material Reece Albert personnel approached COSADC staff about the possibility of placing this material on the COSADC site.

In the opinion of staff, the site will require a large amount of fill to develop. It is the intent of staff to have the material placed in areas where it will be most useful to the project. As a first option, the material will be placed along the proposed access drives and lead rail track route.

Reece Albert has agreed to remove enough existing material and compact the subgrade sufficiently to allow placement of the material.

Staff will monitor the placement of the material and recommends approval of this item.

Financial Impact:

Material will add value to the property in the form of cost savings in developing the site. The exact savings has not been determined due to the project not yet being out for bids.

Other Information/Recommendation:

Attachments:

1. Resolution — 20-0XXX_COSADC_REECE_INDUST_180_ACRE_FILL_RESO.pdf
2. Concept Site Plan — Rail Yard SIte Plan 4-1-29-20 (2).pdf

Presentation:

Robert Schneeman

Approvals/Reviews:

Robert Schneeman	Created/Initiated
Dan Saluri	Approved
Nolan Sosa	Approved
Tina Dierschke	Approved
Guy Andrews	Final Approval

A RESOLUTION OF THE CITY OF SAN ANGELO DEVELOPMENT CORPORATION (COSADC) AUTHORIZING THE PLACEMENT OF APPROXIMATELY 100,000 CUBIC YARDS OF FILL MATERIAL BY REECE ALBERT, INC. ON A TRACT OF LAND ACQUIRED BY COSADC, BEING 180 ACRES MORE OR LESS, LOCATED ADJACENT TO THE SOUTH RIGHT-OF-WAY OF FM 2105, 1.5 MILES WEST OF HWY 277, AND ADJACENT TO THE EASTERLY BOUNDARY OF AN ABANDONED RAILROAD RIGHT-OF-WAY, A PROJECT AUTHORIZED UNDER CHAPTER 505 OF THE TEXAS DEVELOPMENT CORPORATION ACT.

WHEREAS, on November 2, 2010, voters of the City of San Angelo adopted a ballot proposition approving the use of sales and use tax proceed for the continued economic development projects authorized under Section 4B of the Texas Development Corporation Act (hereinafter the "Act"), and,

WHEREAS, there are several interstate and international transportation related proposals at the Federal, State and National level, including the proposed corridors for IH 14 and IH 27, as well as completion of the Presidio—Ojinaga International TxDOT/South Orient Railroad bridge project at the Texas border with Mexico, each of which will dynamically enhance the strategic benefits for new industrial businesses that create and retain primary jobs to locate and expand at San Angelo, assuming local development of inter-connective rail transportation infrastructure and suitable industrial subdivisions; and,

WHEREAS, the Board at its meeting on July 24th, 2019 approved the purchase of a vacant tract of land suitable for such industrial development, being 180 acres more or less out of J C Matthews Abstract 8071, Survey 0178, and W.C.R.R. Co Survey 177, Abstract 4031, being a portion of Tax Lot ID #61-08071-0711-000-00, generally located adjacent to the south right-of-way of FM 2105, 1.5 miles west of Hwy 277; said acquisition being ratified by City Council on August 6th, 2019; and,

WHEREAS, the Board hereby finds that funds expended for industrial rail transportation infrastructure and related industrial development of said 180 +/- tract of land acquired by COSADC is a Project authorized under the Texas Development Corporation Act, Chapter 505 of the Texas Local Government Code, and that expenditures incrementally authorized therefore will be used for eligible costs under the Act and;

WHEREAS, staff has determined that the development of said 180 +/- acre parcel will require a significant amount of fill material to raise portions of the property and to provide a stable base for the provision of driving areas and potentially certain rail facilities and;

WHEREAS, Reece Albert, Inc. has been awarded a contract by the Texas Department of Transportation for the rehabilitation and improvement of Farm to Market (FM) 2105 adjacent to the north boundary of said 180 +/- acre tract, and;

WHEREAS, it has been determined that the FM 2105 project will require the removal and export of approximately 100,000 cubic yards of road base material and;

WHEREAS Reece Albert, Inc. has determined that it is economically advantageous to dispose of said export material as close as possible to the FM 2105 project site;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY OF SAN ANGELO DEVELOPMENT CORPORATION THAT:

Section 1. The foregoing recitals are true and correct and are adopted as part of this Resolution.

Section 2. The City of San Angelo Development Corporation hereby authorizes the placement of said approximately 100,000 cubic yards of fill material on said 180 +/- acre tract at the direction of staff at no cost to COSADC;

Section 3. The Board President is hereby authorized and directed to negotiate and execute on behalf of COSADC such contracts and agreements as may be deemed necessary and approved by the City Attorney.

ADOPTED on this the _____ day of _____, 2020.

CITY OF SAN ANGELO
DEVELOPMENT CORPORATION

_____
Todd Kolls, President

ATTEST:

_____
Nora Nevarez, Corporation Secretary

APPROVED AS TO FORM

_____
Dan T. Saluri, Deputy City Attorney

APPROVED AS TO CONTENT

_____
Guy Andrews, Director of
Economic Development

FM 2105

400 0 400 800

GRAPHIC SCALE IN FEET

TRANSLOADING / SERVICE TRACKS 400 TF EA. (TYP)

6,630 LF RUN AROUND TRACK

50,000 SF WAREHOUSE (EXAMPLE)

DETAIL

100 FT R.O.W.

RUN AROUND

60'

WORKING LEAD

DRAINAGE

DETENTION POND

File: ...\...\...\COSADC Logos\COSADC_vector.pdf
Missing for invalid reference

RAIL PORT SAN ANGELO

DATE	9/20/19
BY	RAS
PAGE	1 of 1

Report to Board

CITY OF SAN ANGELO TEXAS
Development Corporation

Requestor: Nora Nevarez, Executive Office Coordinator, COSADC, 325-653-7197

Meeting Date: May 27, 2020

Item type: Regular Item

Caption:

Consider a resolution authorizing the use of Sales and Use Tax funds for the purchase of additional water supply by the City of San Angelo under interlocal agreement with the cities of Midland and Abilene, for an indefinite period subject to review on every tenth anniversary, pursuant to ballot proposition adopted November 2nd, 2010, a project authorized for a Type 4B Development Corporation under Chapters 501 and 505 of the Texas Development Corporation Act. (Presentation made by Allison Strube, Director of Water Utilities)

Summary/History:

On November 2, 2010, voters of the City of San Angelo adopted a ballot proposition approving the use of sales and use tax proceed for water supply, water purchase, water rights purchase, and/or capital improvements for the use of fresh water, projects authorized under Section 4B of the Texas Development Corporation Act

On April 9, 2011, the City of San Angelo joined into an Interlocal Agreement with the cities of Midland and Abilene (referred to as the West Texas Water Partnership or WTWP) for purposes of developing mutually beneficial strategies and sources for water supply necessary to provide for the long term needs of each community.

On May 12, 2020, the City Council for the City of San Angelo adopted a motion authorizing negotiation and execution of second interlocal agreement with the WTWP partners providing for long term water supply through assignments of water supply from Midland to Abilene and San Angelo under Midland's untreated groundwater supply contract with Fort Stockton Holdings.

According to the WTWP interlocal agreement, the City of San Angelo shall be entitled to purchase 5,000 acre feet of water annually at the following Volume Rates;

(1) Effective Date (May 12, 2020) though December 31, 2024: $0.30625 / 1,000 gallons.
(2) January 1, 2025 through December 31, 2029: $0.3425 / 1,000 gallons.
(3) January 1, 2030 through December 31, 2030: $0.55 / 1,000 gallons
(4) On January 1, 2031, the Volume Rate then in effect ($0.55) shall be adjusted upward by one-half of one percent, and thereafter, in a like manner, on the first day of January of each succeeding year the Volume Rate then in effect shall be adjusted upward by one-half of one percent

According to the Texas Development Corporation Act, Chapters 501 and 505 of the Texas Local Government Code, the Board must approve a resolution authorizing the expenditure of half cent sales tax funds for the project,

Funding for this project will be paid out of the "Ballot" funds approved by voters in the 2010 ballot initiative.

Financial Impact:

Funding will be from Ballot funds approved for Water Supply and conservation projects. Budget amendment required.

Other Information/Recommendation:

Attachments:

1. Resolution 20-0543_COSADC_CITY_WTWP__P_RESO.pdf

Presentation:

Approvals/Reviews:

Nora Nevarez	Created/Initiated
Dan Saluri	Approved
Nolan Sosa	Approved
Tina Dierschke	Approved
Dan Saluri	Approved
Guy Andrews	Final Approval

A RESOLUTION OF THE CITY OF SAN ANGELO DEVELOPMENT CORPORATION (COSADC) AUTHORIZING THE USE OF SALES AND USE TAX FUNDS FOR THE PURCHASE OF ADDITIONAL WATER SUPPLY BY THE CITY OF SAN ANGELO UNDER INTERLOCAL AGREEMENT WITH THE CITIES OF MIDLAND AND ABILENE, FOR AN INDEFINITE PERIOD SUBJECT TO REVIEW ON EVERY TENTH ANNIVERSARY, PURSUANT TO BALLOT PROPOSITION ADOPTED NOVEMBER 2ND, 2010, A PROJECT AUTHORIZED FOR A TYPE 4B DEVELOPMENT CORPORATION UNDER CHAPTERS 501 AND 505 OF THE TEXAS DEVELOPMENT CORPORATION ACT.

WHEREAS, on November 2, 2010, voters of the City of San Angelo adopted a ballot proposition approving the use of sales and use tax proceed for water supply, water purchase, water rights purchase, and/or capital improvements for the use of fresh water, projects authorized under Section 4B of the Texas Development Corporation Act (hereinafter the "Act"), and,

WHEREAS; on April 9, 2011, the City of San Angelo joined into an Interlocal Agreement with the cities of Midland and Abilene (referred to as the West Texas Water Partnership or WTWP) for purposes of developing mutually beneficial strategies and sources for water supply necessary to provide for the long term needs of each community; and,

WHEREAS, as a result of the extended efforts of the partnering cities, a water supply source was located that the City of San Angelo and partnering cities have determined meets their fundamental water source criteria of affordability, quantity, quality, sustainability and reliability; and,

WHEREAS, on May 12, 2020, the City Council for the City of San Angelo adopted a motion authorizing negotiation and execution of second interlocal agreement with the WTWP partners providing for long term water supply through assignments of water supply from Midland to Abilene and San Angelo under Midland's untreated groundwater supply contract with Fort Stockton Holdings; and,

WEHREAS, pursuant to said WTWP interlocal agreement, the City of San Angelo shall be entitled to purchase 5,000 acre feet of water annually at the following Volume Rates;

(1) Effective Date (May 12, 2020) though December 31, 2024: $0.30625 / 1,000 gallons.
(2) January 1, 2025 through December 31, 2029: $0.3425 / 1,000 gallons.
(3) January 1, 2030 through December 31, 2030: $0.55 / 1,000 gallons
(4) On January 1, 2031, the Volume Rate then in effect ($0.55) shall be adjusted upward by one-half of one percent, and thereafter, in a like manner, on the first day of January of each succeeding year the Volume Rate then in effect shall be adjusted upward by one-half of one percent

WHEREAS, the Board hereby finds that funds expended for the water supply and water purchase under the City of San Angelo interlocal agreement with Midland and Abilene is a Project authorized under the Texas Development Corporation Act, Chapters 501 and 505 of the Texas Local Government Code, and that expenditures annually authorized therefore will be used for eligible costs under the Act;

WHEREAS, at least sixty (60) days prior to undertaking a Project, a public notice of the specific Project shall be published and at least one public hearing shall be held by the Development Corporation prior to expending funds on the Project in compliance with the requirements of the Development Corporation Act, Sections 505.159 and 505.160 of the Local Government Code and

WHEREAS, on June 24, 2020, the City of San Angelo Development Corporation shall hold a Public Hearing on the Project prior to expending authorized grant funds;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY OF SAN ANGELO DEVELOPMENT CORPORATION THAT:

Section 1. The foregoing recitals are true and correct and are adopted as part of this Resolution.

Section 2. The City of San Angelo Development Corporation hereby authorizes the use of sales and use tax funds for the purchase of 5,000 acre feet of water supply annually at the rates as set forth in the foregoing recitals, pursuant to a Memorandum of Understanding (MOU) with the City of San Angelo effective for an indefinite period subject to review on each ten year anniversary, a Project authorized under Chapters 501 and 505 of the Texas Development Corporation Ac

Section 3. The Board President is hereby authorized and directed to negotiate and execute on behalf of COSADC such MOU with the City of San Angelo, and all related documents, required or convenient for implementation of the Project in a form approved by counsel for the Board.

ADOPTED on this the 27th day of May, 2020.

CITY OF SAN ANGELO
DEVELOPMENT CORPORATION

_____
Todd Kolls, President

ATTEST:

_____
Nora Nevarez, Corporation Secretary

APPROVED AS TO FORM

_____
Dan T. Saluri, Deputy City Attorney

APPROVED AS TO CONTENT

_____
Guy Andrews, Director of
Economic Development