

To: Brian Lee <titusjudge@gmail.com>

Cc: Janeth Moreno <Janeth@mpedc.org>

Subject: Letter of Commitment for Infrastructure Grant for Road Improvement

Importance: High

Hi Judge Lee,

Janeth, Jeff, and I have been working on the State grant for improving CR 2200 to allow for improved existing operations and future expansions at Diamond C. The infrastructure grant requires letters of commitment for the matching capital stack.

I sincerely appreciate and admire the County's willingness to consider partnering with MPEDC, the City of MP, and Diamond C in a public-private partnership. This community really steps up for industry. We should be proud of that.

SUMMARY: The revised KSA engineering estimate for the ~1,350 linear foot improvement is \$813,250 (see attached). The potential grant award is up to \$1 million with a 10% match requirement (ie. \$81,325). In order to make the grant more appealing, especially since we are applying for amounts at the upper threshold, I wanted to put a community match totaling \$120,000 (14.8% match), meaning \$30,000 each from a 4-way cost share with Titus County, City of MP, MPEDC, and Diamond C. I think the cost share demonstrates broad community support. Since we were all looking at upwards of \$100,000 - \$300,000 each (an original, much shorter, insufficient road cost alone was ~\$471,400), a grant award represents significant savings, helps 20-25 families living at the south end of the CR 2200 outside city limits, and assists one our region's largest and fastest-growing employers.

What we need:

1. **A \$30,000 commitment letter via Commission approval?** This is critical.
2. **Also, would you be willing to add that in the event of DC's failure to create jobs required by the grant, the County would be willing to provide up to \$100,000 to MPEDC to help pay back the full amount of the improvement? And add that to the commitment letter?** Obviously, repayment is highly unlikely but the grant specifically states that the applicant, MPEDC, will be responsible for repayment if "job creation target is not met". DC has assured us that job creation will exceed 25 jobs at the site. I am not worried at all about repayment, however, should it trigger, the grant asks us to detail repayment if Diamond C fails to hit job creation targets.

Agenda Action Item Language:

- Consider and possibly approve participation and letter of commitment towards Texas Department of Agriculture's Texas Rural Business Fund grant in the amount of \$30,000 for improvements to County Road 2200 to support current and future industry operations.
- Consider and possibly approve participation and letter of commitment towards Texas Department of Agriculture's Texas Rural Business Fund grant in an amount up to **\$100,000** for improvements to County Road 2200 to support current and future industry operations only in the event that job creation targets are not met and public-private partners enter into full repayment of improvements estimated at \$813,250.

Thanks! Let me know if you have any questions or concerns.

Best,

Nathan Tafoya, CEcD | Executive Director

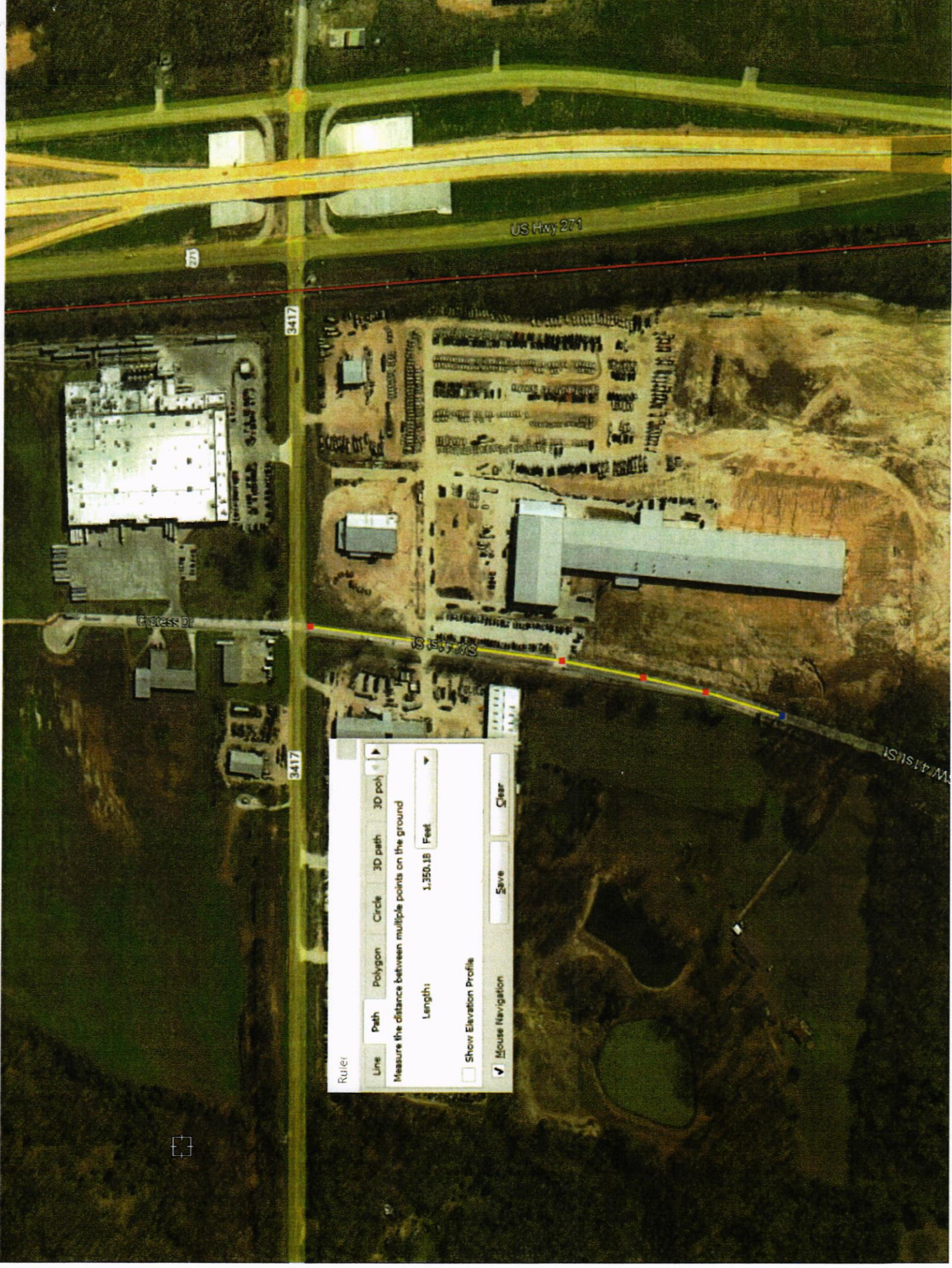
Mount Pleasant Economic Development Corp.

www.mpedc.org

nathan@mpedc.org

903.717.7241 Direct VoIP: call or text

806.414.6086 Mobile: call or text



US Hwy 271

3417

3417

Cypress Dr

3417 WS

W 41st St

Ruler

Line Path Polygon Circle 3D path 3D poly

Measure the distance between multiple points on the ground

Length: 1,350.18 Feet

Show Elevation Profile

Mouse Navigation

Save Clear



Kristin Andrews

From: Lanny Buck P.E. <l buck@ksaeng.com>
Sent: Tuesday, February 8, 2022 4:44 PM
To: Nathan Tafoya
Cc: Ed Thatcher
Subject: FW: CR2200 Updated OPCC
Attachments: 100131 CR2200 Revised.pdf

Please see attached revised estimate to extend roadway to 1,350 feet.

Lanny Buck P.E. | Director
KSA | www.ksaeng.com
Main: 903.236.7700 | Cell: 903.452.4721
lbuck@ksaeng.com

"Pleased with our service? Give us your feedback [here](#)."

From: Brian Pritchett P.E. <bpritchett@ksaeng.com>
Sent: Tuesday, February 8, 2022 4:39 PM
To: Lanny Buck P.E. <l buck@ksaeng.com>
Subject: CR2200 Updated OPCC

Having problems with outlook. Updated OPCC for 1,350 feet

Brian Pritchett, P.E. | Project Engineer
KSA | www.ksaeng.com
Main: 903.251.6042 | Fax: 903.236.7779 |
bpritchett@ksaeng.com

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City of Mount Pleasant

CR2200 Rehabilitation

Pre-Agreement OPCC

Item No.	Description	Quantity	Unit	Unit Price	Total
1.01	Mobilization, Insurance, and Bonding	1	LS	\$20,000.00	\$20,000.00
1.02	Barricades, Signs and Traffic Handling	1	LS	\$15,000.00	\$15,000.00
1.03	Site Preparation	1	LS	\$5,000.00	\$5,000.00
1.04	Care of Water During Construction	1	LS	\$5,000.00	\$5,000.00
1.05	Stormwater Pollution Prevention	1	LS	\$5,000.00	\$5,000.00
1.06	Hydromulch	2.0	AC	\$5,000.00	\$10,000.00
1.07	Scarify, Mix, and Recompact Asphalt Pavement	3,400	SY	\$20.00	\$68,000.00
1.08	10-inch Reinforced Concrete Roadway	3,400	SY	\$100.00	\$340,000.00
1.09	Embankment	700	CY	\$45.00	\$31,500.00
1.10	Finish Grading	1	LS	\$14,000.00	\$14,000.00
1.11	Driveway Transitions	3	EA	\$5,000.00	\$15,000.00
1.12	Miscellaneous Allowance	1	LS	\$25,000.00	\$25,000.00
Total					
Construction Subtotal :					\$553,500.00
Construction Contingencies (20%):					\$110,700.00
Opinion of Probable Construction Cost:					\$664,200.00
Basic Services (Engineering and Bididng) @ 9.9%:					\$66,000.00
Construction Administration @ 3.8%:					\$25,000.00
Part Time Project Representative @ 4.8%:					\$32,000.00
Survey (Design and Construction) @ 1.7%:					\$6,500.00
Geotech and Materials Testing @ 4.6%:					\$18,050.00
Reimbursables					\$1,500.00
Total					\$813,250.00

Assumptions:

Unit costs are in 2021 dollars.

Assumes 1,350 feet of 22 feet wide roadway



TEXAS DEPARTMENT OF AGRICULTURE
COMMISSIONER SID MILLER

Texas Rural Business Fund (TxRBF)

Eligibility and Program Overview

Eligible Applicant

- Eligible applicant is a rural city or county
- Project must be in a community that is rural in nature and located in a county with less than 200,000 population
- The community must contribute at least a 10% in match for the public infrastructure project.

Eligible Application

- Minimum award \$250,000, Maximum award \$1,000,000
- Minimum 25 full time jobs created. Full time is considered 40 hours/week.
- Application must successfully demonstrate project's potential impact to the local and regional economy
- Application should document local and regional support
- If project results in relocation from another community in Texas, the applicant must demonstrate a letter of support from the other community
- TxRBF funds must be used for public infrastructure improvements. Infrastructure includes road, rail, water, sewer, electric, and telecommunications. TxRBF funds may also be used for engineering costs related to the public infrastructure improvements. TxRBF funds may not be used for administrative costs.

Eligible Company

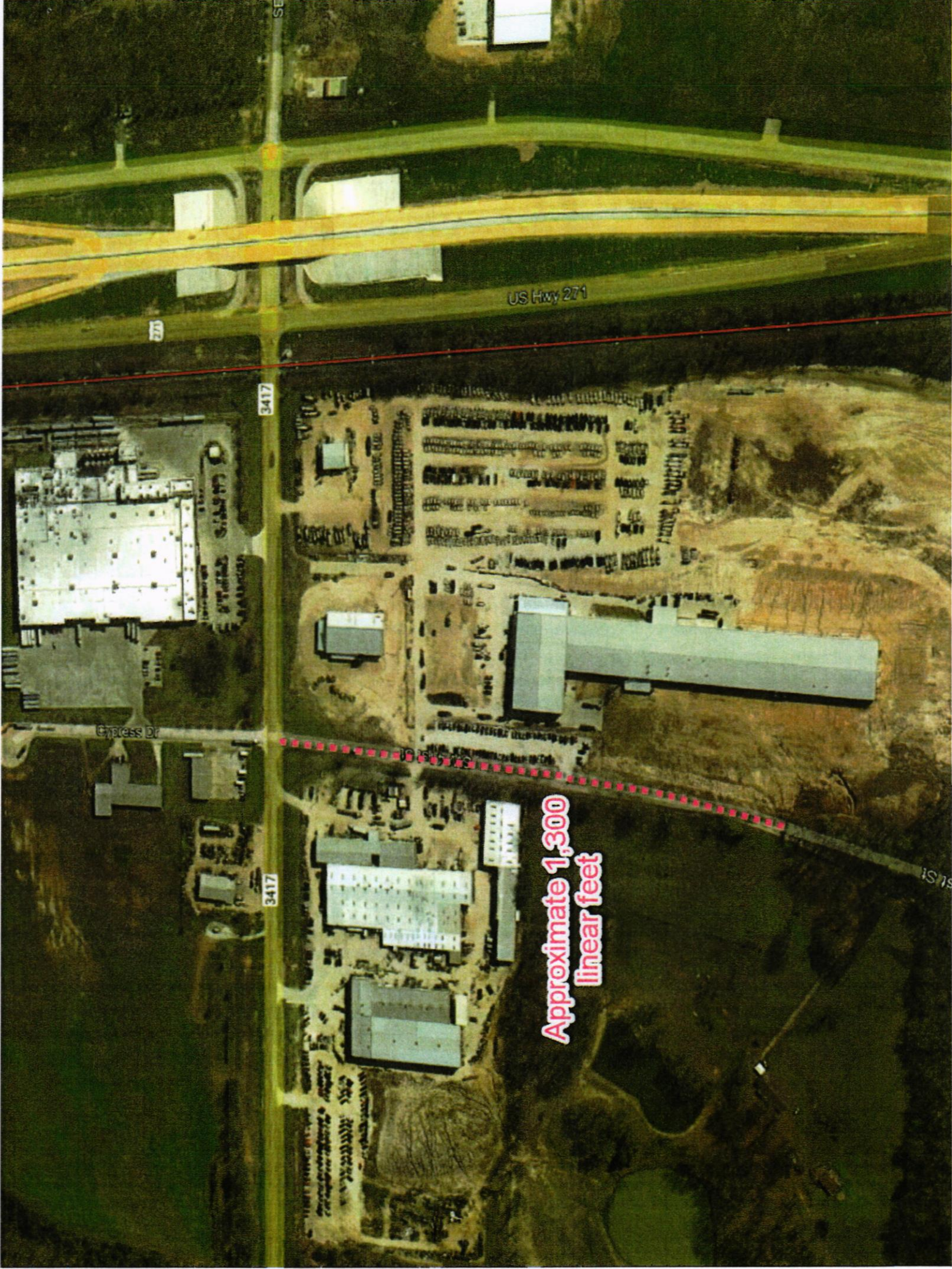
- Company must be in operation for at least 3 years (program does not support proof of concept or start-up operations)
- Company must be operationally and financially healthy
- Company must be in one of the following industries:
 - o agricultural & food manufacturing business,
 - o bio-technology & life sciences (including healthcare),
 - o energy,
 - o information technology,
 - o manufacturing, or
 - o supply chain and logistics

Agreement

- An agreement between Texas Department of Agriculture and the applicant.
 - o 2-year agreement that documents each party's obligations
 - o Agreement will document how funds will be repaid if job creation target is not met. If job creation is not met, repayment to TDA will be prorated based on actual job creations
 - o Applicant is responsible for following all local and state guidelines
 - o Funds will reimburse community for eligible expenses related to public infrastructure improvements as outlined in the application
 - o Reimbursements will not be made until all required financing is secured and expenses are determined as eligible
 - Company must present term sheet for all necessary financing and approval letter (or pre-approved) before contract execution
 - Within 90 days, the Company shall submit fully executed loan documents as outlined in the application
 - o Agreement between applicant and company must be in place before contract execution
 - o Applicant shall submit a report detailing the status of the company's operation and project impact. The initial report shall be submitted by December 31st of each year, beginning with the year the Project Completion Report is submitted, and shall continue to be submitted annually for five (5) years.

Reporting

- TDA staff will conduct an initial site visit before funds are released and before the final reimbursement is made to confirm as-built is consistent with approved project proposal.
- Quarterly Employment Report
- Draw/Reimbursement Request
- Quarterly Construction and Financial Report
- Final report
 - o Final job count, total wages
 - o Summary of final capital investment
 - o Summary of project impact, new investment opportunities
- If necessary, the Department may request other reports or documentation reasonably necessary for an assessment of the applicant's compliance with the program.



US Hwy 271

3417

3417

Express Dr

3417

Approximate 1,300
linear feet

1515



US Hwy 271

271 271

271

1

2

3

5

4

7

6

10

8

11

12

13

14

18

9

17

21

19

SW 41st St

2222

Rd 2225

SW 19