

Brian Lee

From: Nathan Tafoya <nathan@mpedc.org>
Sent: Wednesday, March 16, 2022 5:49 PM
To: Brian Lee
Cc: Janeth Moreno
Subject: Letter of Commitment for Infrastructure Grant for Road Improvement
Attachments: FW: CR2200 Updated OPCC (143 KB); Approx 1350 feet DC PINK.png; Approx 1350 feet DC Google Earth.png; TxRBF Overview_Eligibility.pdf; Titus County Residents Affected.png

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
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“Capital goes where it’s welcome and stays where it’s well-treated.” – Walter Wriston, Citi Corp.