

LUBBOCK REESE REDEVELOPMENT AUTHORITY (LRRRA)
MEETING AGENDA OF THE BOARD OF DIRECTORS

*Pursuant to the Executive Orders of Governor Abbott, and other authority provided by the Texas Attorney General, the Board of Directors will convene in-person and via video and/or teleconference.
You may join the meeting by video here: <https://us02web.zoom.us/j/2405318564> or dial in using this telephone number (346) 248-7799.*

Date: Wednesday, May 26, 2021

Time: 8:00 a.m.

Place: Reese Technology Center, LRRRA Board Room, 9801 Reese Blvd, Suite 200, Lubbock, TX 79416

AGENDA ITEMS	TAB	SPEAKER
Call the Meeting to Order		Joe Rapier
1. Citizen Comments - Any citizen wishing to appear before a regular meeting of the Lubbock Reese Redevelopment Authority Board of Directors, regarding any matter posted on the Board Agenda, shall complete the sign-up form provided at the meeting, no later than 7:45 a.m.	TAB 1	Joe Rapier
2. a. Hold an Executive Session, in accordance with V.T.C.A. Government Code, Section 551.072, regarding certain matters concerning real property. Discussions regarding interest in the lease, sale, or value of buildings and property. b. Hold an Executive Session, in accordance with V.T.C.A. Government Code, Section 551.074(a), Deliberations Regarding Personnel Matters: <ul style="list-style-type: none">• Executive Director• Manager of Business Development• Manager of Accounting• Manager of Operations• Operations Lead• Service Technician• Service Technician• Administrative Coordinator• Administrative Assistant• Board of Directors c. Hold an Executive Session, in accordance with V.T.C.A. Government Code, Section 551.071, Consultation with Attorney.	TAB 2	John Tye Murvart Musa Don Provost Joe Rapier Murvart Musa Darrell Guthrie
3. Action Item – Consider the Minutes of the April 28, 2021 Board of Directors Meeting.	TAB 3	Joe Rapier

4. Action Item – Consider Fiber Optic Cable and Conduit Usage Agreement with Unite Private Network	TAB 4	Murvat Musa
5. Discussion Item – Risk Management Review	TAB 5	Murvat Musa
6. Discussion Item – LRRRA Legislation Changes - Update	TAB 6	Murvat Musa
7. Discussion Item – Financial Reports and Make Ready Cost Reporting	TAB 7	Sandy Hamilton
8. Discussion Item – Marketing Report	TAB 8	Lacy Elliott
9. Discussion Item – Reese Events & Activities	TAB 9	Murvat Musa
Adjourn the Meeting		Joe Rapier

Lubbock Reese Redevelopment Authority (LRRRA) will post this meeting agenda on its front doors and on its website at <http://www.reesetechnologycenter.com/agendas/> by 5:00 p.m., Friday, May 21, 2021.

by: 
Lacy Elliott, Administrative Coordinator

The LRRRA Board meetings are available to all persons regardless of disability. To notify the LRRRA of your attendance or if you require special assistance, please contact them at (806) 885-6592 or write Reese Technology Center, 9801 Reese Blvd., Suite 200, Lubbock, Texas 79416 at least 48 hours in advance of the meeting.

ITEM 1

Citizen Comments

ITEM 2

EXECUTIVE SESSION

Information to be provided at
meeting
(if applicable)

Lubbock Reese Redevelopment Authority
Board Meeting Minutes

April 28, 2021

The Lubbock Reese Redevelopment Authority held a regular meeting at 8:00 a.m. Wednesday, March 24, 2021 at the Lubbock Reese Redevelopment Authority, 9801 Reese Boulevard, Suite 200, Lubbock, TX 79416.

These are the minutes of the Board of Directors of the Lubbock Reese Redevelopment Authority, a State of Texas Political Subdivision.

<u>MEMBERS PRESENT:</u>	Joe Rapier	Todd McKee	Tim Pierce
	John Tye	Steve Verett	Tim Collins
	Dewayne Askins		

MEMBERS ABSENT: None

OTHERS PRESENT:

Reese Staff: Murvat Musa-Executive Director, Don Provost-Manager of Business Development, Sandy Hamilton-Manager of Accounting, Chris Evans-Manager of Operations, Lacy Elliott-Administrative Coordinator, and Cecilia Davila-Administrative Assistant

Legal Counsel: Darrell Guthrie, by video conference

Others: Mitchel Burt, KBR; Paul Carroll, USAF, AFCEC,

Call the meeting to order.

Joe Rapier called the meeting to order at 8:02 a.m.

ITEM 1 **Citizen Comments** – Joe Rapier called for any citizen comments. There were none.

ITEM 2 **Presentation and Discussion Item.** Paul Carroll presented AFCEC PFAS update.

ITEM 3 **Hold an Executive Session.** Joe Rapier called the Executive Session to order at 8:25 a.m.

- a. Hold an Executive Session, in accordance with V.T.C.A. Government Code, Section 551.072, regarding certain matters concerning real property. Discussions regarding interest in the lease, sale, or value of buildings and property.
- b. Hold an Executive Session, in accordance with V.T.C.A. Government Code, Section 551.074(a), Deliberations Regarding Personnel Matters.

Executive Director
Manager of Business Development
Manager of Accounting
Manager of Operations
Operations Lead
Service Technician
Service Technician
Administrative Coordinator
Administrative Assistant
Board of Directors

- c. Hold an Executive Session, in accordance with V.T.C.A. Government Code, Section 551.071, Consultation with Attorney.

No action was taken in the Executive Session.

Reconvene the Board of Directors Meeting

Joe Rapier adjourned the Executive Session and reconvened Open Session at 10:40 a.m.

- ITEM 4** **Consider the Minutes of the March 24, 2021 Board of Directors Meeting.**
Action Item – Todd McKee moved to approve the minutes and Dewayne Askns seconded. The minutes were approved 7-0.
- ITEM 5** **Consider Approval of Lease for Stonewall Fabrication and Construction LLC, B89.** **Action Item** – Todd McKee moved to approve lease for Stonewall Fabrication and Construction, LLC, Building 89. Tim Pierce seconded, and the motion passed 7-0.
- ITEM 6** **Consider Completion of Sale of Golf Course Property** **Action Item** – Tim Pierce moved to approve completion of sale of golf course property. John Tye seconded, and the motion passed 7-0.
- ITEM 7** **Consider Updates to LRRRA Employee Personnel Policy Manual.** **Action Item** – Tim Collins moved to approve the LRRRA Employee Personnel Policy Manual. Steve Verett seconded, and the motion passed 7-0.
- ITEM 8** **Consider Manager of Business Development Incentive Pay Plan FY 2021.** **Action Item** – Tim Pierce moved to approve revision to the Manager of Business Development Incentive Pay Plan FY2021. John Tye seconded, and the motion passed 7-0.

- ITEM 9 **Consider Award of Bid for Tree Removal in Former Housing to Hildebrandt Tree Tech**
Action Item – Steve Verett moved to award bid for tree removal in former housing to Hildebrandt Tree Tech. Tim Collins seconded, and the motion passed 7-0.
- ITEM 10 **Risk Management Review.** **Discussion Item** – Deferred agenda item to the May meeting in the interest of time.
- ITEM 11 **LRRA Legislation Changes – Update** **Discussion Item** - No action required. Murvat Musa updated the Board on the status of the LRRA Legislation Changes.
- ITEM 12 **Financial Reports and Make Ready Cost Reporting.** **Discussion Item** - No action required. Sandra Hamilton presented financial reports for March and relevant make ready costs to the Board.
- ITEM 13 **Marketing Report.** **Discussion Item** – No action required. Murvat Musa presented various posts as part of our social media campaign to the Board.
- ITEM 14 **Reese Events and Activities.** **Discussion Item** – No action required. Murvat Musa presented Reese activities and upcoming events to the Board.

Adjourn the meeting. Joe Rapier adjourned the meeting at 11:26 a.m.

Content of minutes agreed to and approved by:

Approved by _____
Joseph R. Rapier, President

ATTEST:

LRRA Board Member

AGENDA ITEM 4
UNITE PRIVATE NETWORK (UPN)
FIBER OPTIC CABLE AND CONDUIT USAGE AGREEMENT

In 2019, UPN invested approximately \$300,000 to extend fiber optic cable to Reese Technology Center. This investment resulted in major price reductions in the cost of lit fiber to LRRRA and its customers. There are now four fiber providers available on the property at significantly lower rates than ever: UPN, Vexus, Suddenlink, and Windstream. Prior to the UPN buildout, rates were \$10 - \$25 per Mbps. Today, we pay UPN \$1.55 per Mbps.

In exchange for this investment, Reese agreed to allow UPN to utilize LRRRA owned conduit and dark fiber, as needed and as available, with prior LRRRA approval. We have similar agreements with Windstream and Vexus (formerly NTS).

Staff is requesting Board approval for this agreement.

Fiber Optic Cable and Conduit Usage Agreement

This Fiber Optic Cable and Conduit Usage Agreement (“Agreement”) by and between the Lubbock Reese Redevelopment Authority (“LRRA” or “Grantor”), a Texas political subdivision, and Unite Private Networks, L.L.C. (“UPN” or “Grantee”), a Delaware limited liability company, the parties hereto may be referred to as Party or collectively Parties.

RECITALS

Lubbock Reese Redevelopment Authority is in the process of redeveloping its property as shown on Exhibit A (the “Property”) into a premier technology hub and data center for businesses in Lubbock, Texas; and,

Lubbock Reese Redevelopment Authority owns conduits and dark fiber connecting to the Property (the “Facilities”);

Unite Private Networks, L.L.C. has made an approximate \$300,000.00 investment to extend fiber optic cable to the Reese Technology Center campus; and,

Unite Private Networks, L.L.C. desires to utilize these Facilities to provide services to UPNs customers and help attract new businesses to the Property.

In consideration of the mutual covenants, terms and conditions contained herein, the Parties covenant and agree as follows:

Section 1. Term.

1.1 Initial Term. This Agreement takes effect on June 1, 2021 (the “Effective Date”) and expires on May 31, 2026 (the “Initial Term”).

1.2 Option to Extend Term. UPN shall have four (4) extension periods of five (5) years each, such option to be exercised by UPN giving LRRA written notice of its desire to exercise the respective option to extend term no less than one hundred twenty days (120) days prior to expiration of the Initial Term or any subsequent renewal term. Without receipt of such notice, this Agreement shall be terminated without the necessity for the execution of any further instrument. If UPN exercises a renewal term, the Agreement will be extended upon the same terms and conditions as are contained in this Agreement.

Section 2. Conduit Access and Occupancy.

UPN expressly understands and agrees that the Property and Facilities are subject to various easements for the provision and delivery of water, wastewater, electricity, natural gas, telephone, and other telecommunications services to other LRRA customers, as well as other landowners on the Reese Technology Campus (collectively, the “Easements”). Consequently, Sections 2.1—2.4 are subject to said Easements and UPN shall make commercially reasonable efforts to coordinate its activities to avoid interference with the operations of any Easement Owner.

2.1. Conduit Availability and Access Request: UPN will submit a request for conduit availability along a route or at a building to Grantor’s designated representative. Within 5 days of receipt of such request, Grantor shall provide any available documentation for such conduit route or building entrance conduit including as-builts and inner duct availability information as available. Following receipt of such documentation from Grantor, UPN may, directly or using a contractor, access the

Facilities to determine whether sufficient space exists and may place its own fiber optic cable within the conduit if space is available at that time.

2.2. Manhole and Handhole Occupancy: If space is available, as determined by Grantor, UPN may place splice cases and slack loops in any Grantor manholes or handholes. If space is not available, UPN may, at its election, core out of any existing manhole and place its own handhole nearby, or intercept the conduit package and place its own handhole.

2.3. Post Occupancy Notification: Upon completion of installation of its fiber facilities, UPN will provide Grantor notice of its occupancy of Grantor's conduit including mapping of the structure occupied. All facilities belonging to UPN shall be tagged or otherwise marked as UPN owned facilities.

2.4. UPN Conduit Installation: UPN shall have the right, but not the obligation, to install conduit on the Property wherever needed to provide services to customers within the Property. UPN will submit proposed construction drawings to Grantor for approval at the location identified below for Notice. Grantor will endeavor to provide feedback or approval within 5 business days of receipt of plans. Conduit installed by UPN shall at all times remain the property of UPN.

Section 3. Dark Fiber Access.

3.1. Dark Fiber Availability Request: It is expressly understood and agreed by UPN that LRRA has no obligation under this Agreement to add additional Facilities to the existing fiber optic network that presently exists on the Reese Technology Center as of the Effective Date of this Agreement. Subject to the foregoing, UPN will submit a request for dark fiber availability between two or more points ("Demarcation Points") to Grantor's designated representative. Grantor will have 10 days to confirm or deny availability of the fibers and provide an estimated interval for delivery, if available.

3.2. Fiber Assignment: If Grantor confirms availability of fiber optic cable(s), UPN will request fiber assignments and a firm order commitment date for delivery of the fiber(s) to the designated Demarcation Points.

3.3. Post Installation Acceptance Package: Upon completion of delivery of the designated fiber, if the fibers fail to meet the requirements, Grantor shall repair the fiber or assign different fibers.

3.4. Maintenance: Grantor shall be responsible for responding to all locate tickets, relocations, emergency repairs or restoration of the dark fiber, as set forth below. Grantor shall give UPN at least ten (10) business days advanced notice of any planned maintenance that may affect the dark fibers. Grantor shall immediately notify UPN of any fiber cut at UPN's Network Operations Center via email at NOC@upnfiber.com or via phone at 866-963-4237. Grantor shall have personnel on site within two (2) hours of a report of a dark fiber failure. Notwithstanding the foregoing, it is expressly understood and agreed that Grantor has no obligation to repair or maintain the Facilities.

3.5. Self-Help: UPN shall have the right but not the obligation to perform restoration efforts directly or through the use of its contractors at its sole cost and expense. If UPN exercises its rights hereunder it shall have the right to restore its services and shall not be obligated to restore services to any other entity.

Section 4. Building 20 Operational Rights.

- 4.1. Access: UPN shall have escorted access to 9927 Reese Blvd, Building 20, Lubbock, TX 79416 ("Building 20") 24 hours a day, 7 days a week, 365 days a year.
- 4.2. Building Entrance Conduit: UPN shall have the right to use any existing building entry conduit and to place its own building entry conduit in the building if the existing building entry conduit is full.
- 4.3. Space and Power: Grantor shall provide UPN with space in the telecommunications closet to mount a fiber distribution panel and place equipment. Grantor shall also provide UPN with 20 amps 120-volt power.
- 4.4. Cross-connects and Splicing: UPN shall have a right to splice to or cross connect with any other fiber within Building 20 provided the owner of such fiber has agreed in writing to allow UPN to do so.

Section 5. Fees.

Grantor shall provide all of the rights and services to UPN under this Agreement at no cost to UPN provided UPN provides services to at least one customer within the Property.

Section 6. General Provisions.

6.1. Notices. Any and all notices, designations, consents, offers, acceptances or any other communication provided for herein shall be given in writing by registered or certified mail, return receipt requested, or by receipted hand delivery, by Federal Express, courier, or other similar and reliable carrier, which shall be addressed to each Party as set forth as follows:

LRRA:	Reese Technology Center Executive Director 9081 Reese Blvd., Suite 200 Lubbock, TX 79416
UPN:	Unite Private Networks ATTN: VP of Real Estate 7200 NW 86th Street, Suite M Kansas City, MO 64153

Each such notice shall be deemed to have been provided at the earliest of the following: (a) at the time it is actually received; or (b) in the case of overnight hand delivery courier or services such as Federal Express with guaranteed next day delivery, within one day; or (c) in the case of registered U.S. Mail, within five (5) days; or when verified by automated receipt or electronic logs if sent by facsimile or email. From time to time, the parties may change the name and address of a Party designated to receive notice. Such change of the designated person shall be in writing to the other Party and as provided herein.

6.2. Entire Agreement. This Agreement and the Exhibits hereto set forth the entire understanding and agreement of the Parties. This Agreement supersedes all prior agreements and understandings whether written or oral between the Parties relating to the (i) utilization of Grantor's fiber, conduit, or use of Building 20 or (ii) UPN's installation of its fiber optic cable within the Property.

6.3. Amendments. Except as otherwise contemplated herein, this Agreement shall not be amended, altered or changed except in writing and with approval by authorized representatives of both Parties.

6.4. Survival of Obligations. Any liabilities or obligations of either Party for (i) acts or omissions prior to the termination of this Agreement, (ii) any obligations of either Party under provisions of this Agreement relating to confidential and proprietary information, indemnification, and any other provisions of this Agreement which, by their terms, are contemplated to survive (or be performed after) termination of this Agreement will survive the termination of this Agreement.

6.5. Severability. If any section or subsection or other provision or portion of this Agreement is or becomes invalid under any applicable statute or rule of law, and such invalidity does not materially alter the essence of this Agreement as to either Party, the invalidity of such provision shall not render this entire Agreement unenforceable and this Agreement shall be administered as if it did not contain the invalid provision.

6.6. Defense of Third-Party Claims and Indemnification.

(a) Defense. To the extent permitted pursuant to state or federal law, and except for claims arising out of or caused by LRRRA's acts or omissions, UPN will defend LRRRA, its directors, officers, employees, affiliate and customers (collectively, the "Covered Entities") from and against any and all claims, actions or demand brought by or against LRRRA and/or any of the Covered Entities by third parties alleging: (a) with respect to UPN's business: (i) infringement or misappropriation of any intellectual property rights; (ii) defamation, libel, slander, obscenity, pornography, or violation of the rights of privacy or publicity; or (iii) spamming, or any other offensive harassing or illegal conduct or violation of the Acceptable Use Guidelines or Anti-Spam Policy; (b) any damage or destruction to the Property, Premises, LRRRA Equipment or to any other LRRRA customer which damage is caused by or otherwise results from acts or omissions by UPN, UPN's representative or designees; (c) any personal injury or property damage to any UPN employee, representative or other designee arising out of such individual's activities related to the services provided under this Agreement, unless such injury or property damage is caused by LRRRA's acts or omissions; or (d) any other damage arising from the UPN Equipment or business (collectively, the "Covered Claims"). In the event of any claim under this paragraph, LRRRA may select its own counsel. This entire clause, or portions thereof, is enforceable only to the extent allowed, and not otherwise prohibited, by Texas Law.

(b) Notification. UPN will provide LRRRA with prompt written notice of each Covered Claim of which UPN becomes aware, and, at LRRRA's sole option, LRRRA may elect to participate in the defense and settlement of a Covered Claim, provided that such participation shall not relieve UPN of any of its obligation under this Section.

6.7. Assignment. The Parties may assign this Agreement without consent to a wholly-owned subsidiary or affiliate, or to an entity that acquires a controlling interest in the Party or to a company into which or with which a party is merged. Any other assignment requires the written consent of the non-assigning party. This Agreement shall inure to the benefit of and be binding upon the

Parties hereto and their respective successors and assigns. UPN shall have the right to pledge its rights and privileges contained herein as collateral for financing without the need to obtain consent from Grantor.

6.8. Ownership. This Agreement does not transfer ownership of Grantor's conduit or dark fiber and grants only a right to use such fibers or conduit for the term of this Agreement. All conduit, fiber, and equipment placed by UPN pursuant to this Agreement shall at all times remain the exclusive property of UPN. The rights conferred to UPN under this Agreement are intended to run with the land.

6.9. Waiver of Breach. The waiver by either Party of a breach of any provision of this Agreement will not operate or be construed as a waiver of any subsequent breach by such Party.

6.10. Representations and Warranties. In addition to any other representations and warranties contained in this Agreement, each Party hereto represents and warrants to the other that:

- (i) It has the full right and authority to enter into, execute, deliver and perform its obligations under this Agreement;
- (ii) It has taken all requisite corporate action to approve the execution, delivery and performance of this Agreement;
- (iii) This Agreement constitutes a legal, valid, and binding obligation enforceable against such party in accordance with its terms; and
- (iv) Its execution of and performance under this Agreement shall not violate any applicable existing regulations, rules, statutes, or court orders of any local, state, or federal government agency, court or body.

6.11. Confidentiality. This Section shall be subject to the requirements of and procedures set forth for protecting confidential information contained in the Texas Public Information Act, Texas Government Code Chapter 552 (the "TPIA"). Each Party agrees to provide the other Party such information as shall be necessary to permit the performance of their respective obligations hereunder. During the course of this Agreement, it may be necessary for one party to provide the other Party with information to be used in connection with the investigation or performance of this Agreement ("Confidential Information"). Confidential Information excludes any information that (i) the subject Party notifies the recipient in writing is not confidential, (ii) becomes available to the recipient on a non-confidential basis from a source other than the subject Party, any Person acting on behalf of the subject Party, or any person who has confidentiality obligations (whether to the subject Party or otherwise), (iii) is or becomes generally available to the public other than as a result of a disclosure by the recipient or any person to whom such recipient disclosed the information, or (iv) is required to be disclosed by law, subject to the provisions of this section. Confidential Information may take the form of documentation, drawings, specifications, software, technical or engineering data, business information, the identity of parties to a possible business transaction, the status and existence of discussions or negotiations among the Parties, the terms and conditions of any business transaction, plans and proposals relating thereto, and information concerning a Party's financial condition, results of operations, financial forecasts and projections, capital projects, research and development, design plans, management plans, business plans, marketing plans, and feasibility plans, markets, business, products, services, contracts, customers, suppliers, trade secrets, operating procedures, material and labor costs, sources and requirements,

and technological means, methods, and processes, as well as every study, report, analysis, notation, summary, synopsis, compilation and other document (collectively, "Work Product") containing, analyzing or otherwise reflecting any Confidential Information described above, and may be communicated orally, in writing, by electronic media, by visual observation, or by other means. Except as otherwise provided herein, neither Party will, without prior written consent of the Party providing such Confidential Information, (y) use any portion of such Confidential Information for any purpose other than performance pursuant to this Agreement, or (z) disclose any portion of such Confidential Information to any persons or entities other than the officers, employees and contractors of such Party who reasonably need to have access to such Confidential Information for purposes of performance under this Agreement and who have agreed to comply with the terms of this Agreement. Each recipient Party agrees to guard Confidential Information utilizing the same degree of care utilized by such recipient Party in protecting its own Confidential Information, but in any event not less than a reasonable degree of care. The obligations of a recipient Party with respect to Confidential Information shall remain in effect during and after the Term of this Agreement. The provisions of this subsection shall not apply to reasonably necessary disclosures in or in connection with filings under any securities laws, regulatory filings or proceedings, financial disclosures which are required by law, disclosures required by court or tribunal of competent jurisdiction, or disclosures that may be reasonably necessary in connection with the performance or enforcement of this Agreement or any of the obligations hereof; provided, however, that if the receiving Party would otherwise be required to refer to or describe any aspect of this Agreement in any of the preceding circumstances, the receiving Party shall use its reasonable efforts to take such steps as are available under such circumstances (such as by providing a summary or synopsis) to avoid disclosure of the financial terms and conditions of this Agreement. Notwithstanding any provision of this Agreement to the contrary, either Party may disclose the terms and conditions of this Agreement in the course of a due diligence review performed in connection with prospective debt financing or equity investment by, or a sale to, a third party, so long as the persons conducting such due diligence review have agreed to maintain the confidentiality of such disclosure and not to use such disclosure for any purpose other than such due diligence review.

6.12. Independent Contractors. In all matters pertaining to this Agreement, the relationship of the Grantor and UPN shall be that of independent contractors, and neither Grantor nor UPN shall make any representations or warranties that their relationship is other than that of independent contractors. This Agreement is not intended to create nor shall it be construed to create any partnership, joint venture, employment or agency relationship between Grantor and UPN; and no Party hereto shall be liable for the payment or performance of any debts, obligations, or liabilities of the other Party, unless expressly assumed in writing herein or otherwise. Each Party retains full control over the employment, direction, compensation, and discharge of its employees, and will be solely responsible for all compensation of such employees, including social security withholding and worker's compensation responsibilities.

6.13. Relationship Meetings. The Parties will endeavor to meet to discuss the benefits of the relationship and evaluate the future needs of both Parties in June 2025, 2030, and 2035. At these meetings the Parties will discuss the need for changes on a prospective basis for any future uses. No changes shall be made for existing authorized uses during these meetings.

6.14 Insurance.

(a) LRRA shall not be obligated to insure any furnishings, equipment, trade fixtures, or other personal property, which UPN may place or cause to be placed within Premises. LRRA and UPN waive any requirement of contents insurance, or property casualty coverage on Premises. LRRA will maintain a policy or policies of comprehensive general liability insurance insuring LRRA against loss of life, bodily injury and/or property damage with respect to Reese Technology Center, operation of the Reese Technology Center, parking lots and other improvements associated with the land upon which Reese Technology is located.

(b) UPN acknowledges that, because LRRA is an agency of the State of Texas, liability for the tortious conduct of the agents and employees of LRRA or for injuries caused by conditions of tangible state property is provided for solely by the provisions of the Texas Tort Claims Act (Texas Civil Practice and Remedies Code, Chapters 101 and 104), and that Workers' Compensation Insurance coverage for employees of UPN is provided by UPN as mandated by the provisions of Texas Labor Code, Chapter 503. UPN further acknowledges that State agencies are prohibited, by the General Appropriations Act, from expending any funds appropriated by that Act for purchasing policies of insurance covering claims arising under the Texas Tort Claims Act. LRRA shall therefore have no obligation under this Agreement to purchase policies of insurance, which cover claims arising under the Texas Tort Claims Act. No insurance carrier of either party shall have a right of subrogation against the other party to this Service Agreement. UPN assumes all risks associated with the parties not having insurance coverage covering Premises or the equipment located by UPN therein.

16.5 Limitation of Liability, Personal Injury, Damage to UPN's Business, Damage to UPN's Equipment, and Warranties.

(a) Limitation of Liability. LRRA's liability for any and all losses, injury, or damages to persons or properties, or work performed arising out of or in connection with this Agreement, and for any other claim, including but not limited to Co-location Provider's claims of contribution and indemnification related to third party claims arising out of services rendered by LRRA, shall be limited to the sole and exclusive remedies against LRRA as stated in the SLA available at www.reesedatacenter.com/SLA_AUP.php. LRRA shall not be liable for any special, indirect, consequential, lost profits, or punitive damages. UPN agrees to limit LRRA's liability to UPN and any other third party for any damages on account of any error, omission, or negligence to a sum not to exceed the payment received by LRRA for the particular service provided giving rise to the claim as outlined in the SLA. The limitation of liability set forth herein is for any and all matters for which LRRA may otherwise have liability arising out of or in connection with this agreement, whether the claim arises in tort, contract, common law, statute, or otherwise. Under no circumstances shall LRRA be liable for actions arising from mechanical issues or defects from UPN Equipment, equipment purchased from a third party, or services provided by a third party. UPN's sole remedy for damages incurred from equipment purchased from a third party or services provided by a third party shall be against that third party.

(b) Personal Injury. Each UPN Representative and any other persons visiting LRRA facilities does so at his or her own risk and LRRA shall not be liable for any harm to such persons resulting from any cause other than LRRA's acts or omissions resulting in personal injury to such persons during such a visit. This entire clause, or portions thereof, is enforceable only to the extent allowed, and not otherwise prohibited, by Texas Law.

(c) Damage to UPN Business. Except for claims arising out of or caused by LRRA's gross negligence, LRRA assumes no liability to UPN, any UPN Representative, or any third party for any claims arising out of or related to UPN's business, UPN's customers or clients, UPN Representative's activities at LRRA or otherwise, or for any lost revenue, lost profits, replacement goods, loss of technology, rights or service, incidental, punitive, indirect or consequential damages, loss of data, or interruption or loss of use of Service or of any UPN's business, even if advised of the possibility of such damages, whether under theory of contract, tort, strict liability or otherwise. This entire clause, or portions thereof, is enforceable only to the extent allowed, and not otherwise prohibited, by Texas Law.

(d) Damage to UPN Equipment. LRRA assumes no liability for any damage to, or loss of, any UPN Equipment resulting from any cause other than LRRA's acts or omissions. Unless caused by LRRA's acts or omissions, LRRA shall not be liable to UPN, any UPN Representative, or any third party for any claims arising out of or related to UPN Equipment for any lost revenue, lost profits, replacement good, loss of technology, rights or services incidental, punitive, indirect or consequential damages, loss of data, or interruption or loss of use of any UPN Equipment, even if advised of the possibility of such damages, whether under theory of contract, tort, strict liability or otherwise. This entire clause, or portions thereof, is enforceable only to the extent allowed, and not otherwise prohibited, by Texas Law.

(e) Warranties. LRRA makes no warranties or representations of any kind, whether expressed or implied for the service it is providing. LRRA also disclaims any warranty of merchantability or fitness for any particular purpose and will not be responsible for any damages that may be suffered by UPN, including loss of data resulting from delays, non-deliveries or service interruptions by any cause, or errors or omissions of UPN. Use of any information obtained by way of LRRA is at UPN's own risk, and LRRA specifically denies any responsibility for the accuracy or quality of information obtained through its services. Connection speed represents the speed of an end-to-end connection. LRRA does not represent guarantees of speed or availability of end-to-end connections. LRRA expressly limits its damages to UPN for any non-accessibility time or other down time to the pro-rate monthly charge during the system unavailability. LRRA specifically denies any responsibilities for any damages arising as a consequence of such unavailability. The SLA defines usage warranties, if any, and outlines the sole and exclusive remedy for service interruptions.

16.16 Termination and Default.

(a) Conditions of Breach. Breach of this Agreement will occur if either party does not fulfill its obligations under this Agreement and such Breach is not cured within thirty (30) days of written notice by the other party. Additionally, UPN shall be in breach of this Agreement if UPN fails to cure any material or mechanics lien, enters bankruptcy protection, has a receiver appointed, fails to provide service to its customers, or unreasonably interferes with the operations of LRRA's customers.

(b) Remedies for Breach. If UPN is in breach of this Agreement, then upon 30 days written notice to UPN from LRRA, with such notice detailing the breach of the Agreement by UPN, and upon UPN's failure to cure such breach within such 30 day period (which 30 day period shall begin to run 2 days after the written notice is mailed by certified U.S. First Class mail, return receipt requested to UPN), LRRA may (a) discontinue all services to UPN; (b) disconnect UPN from its Internet, power and telecommunications services; (c) require UPN to pay any and all amounts due

to the date that the UPN removes its Equipment from the Property, and (d) pursue all other remedies available to it under law or this Agreement.

(c) Estoppel and Waiver. No breach under this Agreement will be deemed to have been waived, nor will either party be guilty of laches, because of the failure of either party to take action pertaining to such breach.

(d) Remedies Cumulative. The rights and remedies given to LRRRA and UPN in this Agreement are distinct, separate and cumulative remedies, and the exercise of any one or more of them will not be deemed to exclude LRRRA's or UPN's rights to exercise any or all of the others which are given in this Agreement, or at law or in equity, unless such remedies are expressly excluded.

16.17 Force Majeure. Neither party will be liable for any failure or delay in its performance under this Agreement due to any cause beyond its reasonable control, including act of war, acts of God, earthquake, flood, embargo, riot, sabotage, labor shortage or dispute, governmental act or failure of the Internet, provided that the delayed party: (a) gives the other party prompt notice of such cause, and (b) uses its reasonable commercial efforts to correct promptly such failure or delay in performance.

16.18 Government Regulations. UPN will not export, re-export, transfer, or make available, whether directly or indirectly, any regulated item or information to anyone outside the U.S. in connection with this Agreement without first complying with all export control laws and regulations which may be imposed by the U.S. Government and any country or organization of nations within whose jurisdiction UPN operates or does business.

Section 7. Execution.

In consideration of the mutual covenants set forth above and for other good and valuable consideration, the receipt, adequacy and legal sufficiency of which are hereby acknowledged, the Parties have entered into the above Agreement and have caused their duly authorized representatives to execute this Agreement.

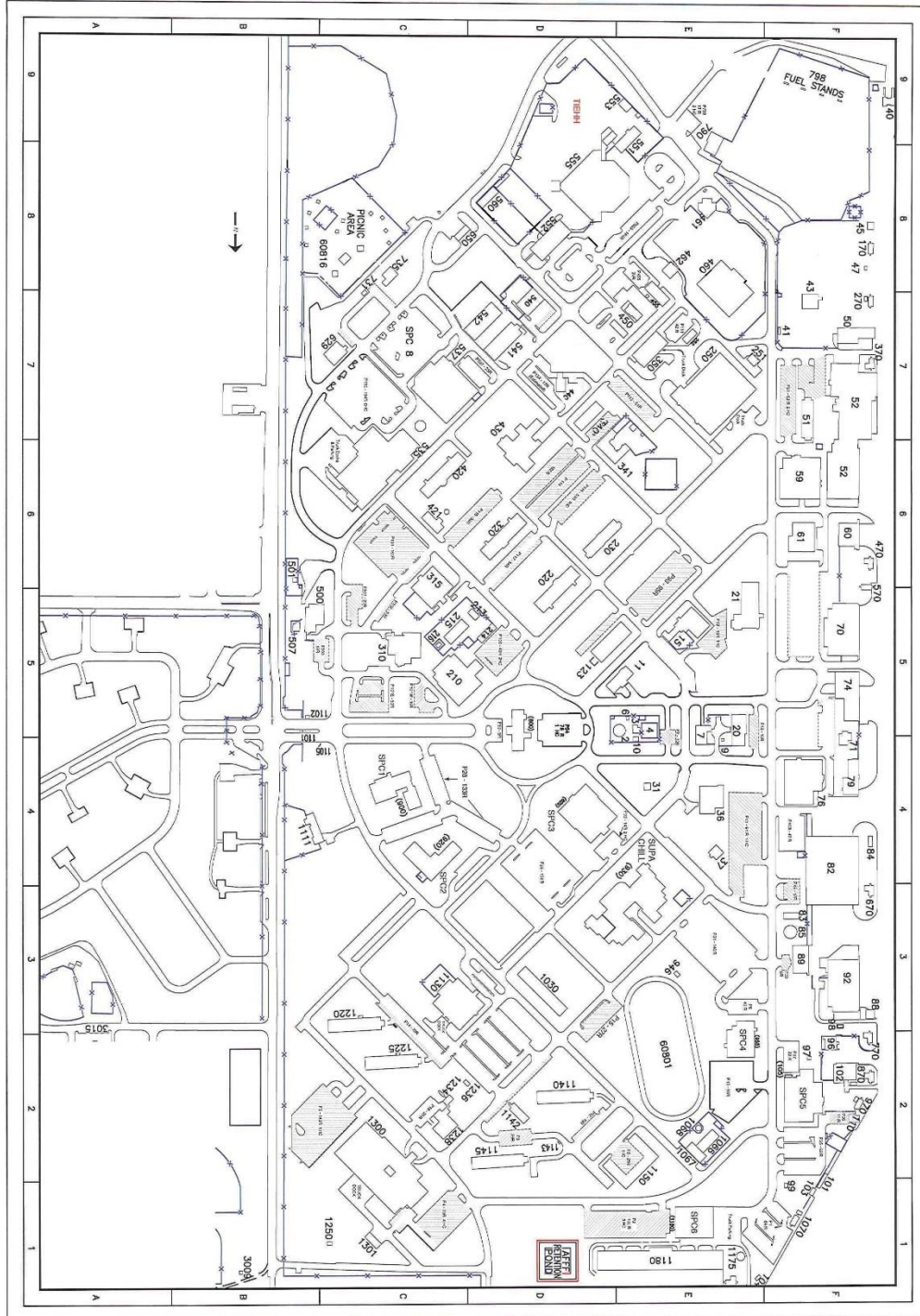
The execution of this Agreement by LRRRA shall not be considered a waiver of LRRRA's sovereign immunity to suit.

IN WITNESS WHEREOF, having read and intending to be bound by the terms hereof, the Parties have signed this Addendum on the date(s) set forth below.

For: Lubbock Reese Redevelopment Authority ("Grantor")	For: Unite Private Networks, L.L.C
By: Joseph R. Rapier	By:
Title: President, Board of Directors	Title:
Date:	Date:

Exhibit A

PROPERTY DESCRIPTION



BOARD REPORT ITEM #2021-0526-085

**BOARD OF DIRECTORS
LUBBOCK REESE REDEVELOPMENT AUTHORITY (LRRRA)
May 26, 2021**

Item to Be Considered:

Consider Fiber Optic Cable and Conduit Usage Agreement with Unite Private Network (UPN)

Previous Board Action:

The Board routinely reviews and approves agreements entered into by the LRRRA.

Statement of Pertinent Facts:

- a. In 2019, UPN made a \$300,000 investment to extend their fiber infrastructure to RTC, resulting in much more competitive fiber pricing for Reese and its partners.
- b. In exchange for the investment, Reese agreed to allow UPN to use LRRRA-owned conduit and dark fiber with prior LRRRA approval.

Advice Opinions Recommendations and Motion:

If the Board of Directors concurs, the following motion is in order:

“Resolved, that the Board of Directors of the Lubbock Reese Redevelopment Authority hereby authorizes the Board president to approve an agreement with Unite Private Network for Fiber Optic Cable and Conduit Usage, pending final negotiation of terms and conditions, on the 26th day of May 2021.”

Approved by:

Joseph R. Rapier - President

ATTEST:

LRRRA Board Member

Agenda Item 5

Risk Management

Executive Summary

Management has an on-going process to assess and address current and anticipated risks, both direct and indirect. We recognize that these risks are a threat to Reese, therefore, this process allows us to identify potential problems before they occur so that risk-handling activities can be planned and invoked as needed.

Risk management is set up as a continuous, disciplined process of problem identification and resolution so that the system supplements other systems. This includes: organization, planning and budgeting, and cost control. Surprises will be diminished because emphasis will now be on proactive (we quantify the risk, predict the impact, and manage it) rather than reactive management. The goal is to mitigate adverse impacts on Reese.

Risk is managed in two broad ways: by retention and sharing. Retention allows Reese to accept and budget for the risk, while sharing allows us to transfer the risk by outsourcing it or by insuring against it.

An example of this is the following:

- We identify the threat: the company's server hardware malfunctions.
- We have a present process in place to manage the threat: all data is backed up to the Reese Data Center and to a cloud service.
- We share that responsibility: we contract with an outsource provider to ensure the data is being backed up to both locations.
- We plan for future treatment of the threat: we ensure updates to the system and manage the relationship with the outsource provider. In this scenario the management of the threat is both retained and shared by Reese.

Management recognizes that not all risk can be mitigated or managed. A few examples are:

- Regulatory risk – as a political subdivision of the state, we are subject to state and federal regulations. The threat of regulation is immense and unpredictable.
- Political risk – we have no control over the political environment in which we operate which is complicated by being in an era of globalization.
- Economic risk – we must consider our local economy as well as the national and global economy. Closer to home, we are impacted by the oil and gas as well as the agriculture industries. This can cause great shifts in demand for what we have to offer.

Reese management presents a semi-annual update of the Risk Management Report and the report which follows reflects updated risk assessments.

SEMI-ANNUAL RISK MANAGEMENT REPORT

5 26 2021

YELLOW SECTIONS INDICATE AN ADDITION OR CHANGE TO THAT SPECIFIC TYPE OF THREAT

ORANGE SECTIONS INDICATE THESE ITEMS WERE ON THE LAST REPORT AND HAVE SINCE BEEN COMPLETED

TECHNOLOGY

TYPE OF THREAT	PRESENT TREATMENT	STATUS	FUTURE TREATMENT	STATUS
Data Breach	*Virus and Malware Software on Each Work Station Runs Daily	*Retention/Sharing	*Upgrade Firewall / Virus Software / Malware Software	*Sharing
	*Change All Passwords and Codes as Needed	*Retention	*Continue to monitor system and determine need to changes Passwords/Codes	*Sharing
	*Inability to Access Employee Programs - Don't have passwords. Using LastPass - password repository	*Retention	*Ensure all employees are properly using LastPass	*Retention
	*Third Party System Check	*Sharing	*Third Party System Check	*Sharing
Hardware/Software Malfunction or Data Loss	*All Data Saved on Server Once a Day	*Retention	*Redundant Equipment / Hardware	*Retention/Sharing
	*Document Storage/Filing/Retrieval - Laserfiche	*Retention	*Implementation completed. File conversion in process. Next Step - Maximize Usage	*Retention
	*Server Back up of Specific Data to Reese Data Center and Cloud	*Sharing	*Maintain Updates	*Retention/Sharing
Server Down	*System Resides Behind two firewalls, on in B800 and one in B36.	*Sharing	*Maintain all servers: 1 in B36, 1 in B800, and a virtual server. Email server was decommissioned Jan 2021 and is now cloud based. All servers back up to each other.	*Sharing
Electrical	*SPEC Grid Upgrades	*Sharing	*Upgrades On-going	*Sharing
	*UPS Inspections for DC	*Retention	*On Site Inspections by Eaton	*Sharing
	*Dedicated refueling truck for the generator at DC	*Retention	*Maintain	*Sharing
	*Backup Generator at B36	*Retention/Sharing	*Scheduled Maintenance	*Retention/Sharing
Loss of Power - SPEC	*Operations Notified of Outage	*Retention/Sharing	*Redundant Equipment at B36	*Sharing
	*Call SPEC - direct access to field technicians	*Retention/Sharing	*Continue Relationship with SPEC	*Sharing
	*Monitor until Event Resolved	*Retention/Sharing	*Continue Relationship with SPEC	*Sharing
	*Customer Follow-up Report	*Retention/Sharing	*Continue to monitor	*Retention/Sharing
	*Engage LP&L for Possible Power as Backup to DC	*Sharing	*Begin Dialogue with City of Lubbock	*Sharing
B36 Support Equipment	*Emergency Repair Response for UPS'	*Retention/Sharing	*Maintenance of UPS Units with Eaton	*Retention/Sharing
B36 - Chiller-HVAC	*Replace Air Handlers	*Retain/Retention	*Completed	*Retain/Retention
B36 - Fire System	*Assess Halon Fire System and Repair/Replacement Options	*Retain/Retention	*Assess for FY22 Budget	*Retain/Retention
	*Emergency Repair Response	*Retain/Retention	*Maintenance of Chiller with TDI	*Retention/Sharing
Unknown	*Crisis Management - Alert System & Training Opportunities	*Retention/Sharing	*Consultants: SWITCH, SPEC, Parkhill	*Retention
Cyber Risk to Individual Equipment	*Inventory & Evaluate Company Owned Equipment.	*Retention	*Company Equipment Inventory Completed.	*Retention
	*There are now 2 servers. 1 used for the accounting system and general back-ups and the other server is in B36, used for data center operations. Email is now in the cloud.	*Retention/Sharing	*Continued monitoring of company exposure of Cyber Risk	*Retention/Sharing
	*State Mandated Cyber Security Training for all Employees	*Retention/Sharing	*Annual State Mandated Training to be done by June each year	*Retention/Sharing
Employee Workstation Down	*Establish extra work station in MOO office and DC. This was done with existing inventory.	*Retention	*Ensure workstations work properly	*Retention

WATER SYSTEM

TYPE OF THREAT	PRESENT TREATMENT	STATUS	FUTURE TREATMENT	STATUS
Technology	*SCADA Upgrade Water Control System	*Retention	*Monitor Integration with City of Lubbock	*Retention/Sharing
Contamination / Accident	*Flushing via Fire hydrants	*Retention	* On-going	*Retention
	*Water Operations Quality Monitoring	*Retention	*Ongoing	*Retention/Sharing
	*Enhanced Chlorination System - Installed in 2013	*Retention/Sharing	*Maintaining & Monitoring Campus Water System	*Retention/Sharing
	*PFAS/USAF Testing	*Retention/Sharing	*Monitor test results in collaboration w/ USAF	*Retention/Sharing
Age	*TCEQ	*Retention/Sharing	*On-going Inspections	*Retention/Sharing
	*Independent Tower Inspections	*Retention/Sharing	*Ongoing	*Retention/Sharing
	*TCEQ Lead & Copper Regular Monitoring	*Retention	*Monitoring and Compliance - regular monitoring.	*Retention
Design	*Locating & Exercising all valves	*Retention	*Repair Faulty Valves	*Retention/Sharing
	*Develop Map of all Valves - This will be on-going as not all valves are identified on maps, i.e. we find them by accident.	*Retention	*Expansion of Water Utility if needed. We feel 95% of valves have been identified.	*Retention/Sharing
	*Dialogue with Water Utilities at City of Lubbock	*Retention/Sharing	*Evaluate & Redesign Overall Water Flow. Agreement with USAF for \$80M buildout will benefit LRRR by adding a looping system.	*Retention/Sharing
	*Flow Meters & Gauges Installed	*Retention	*Ongoing	*Retention
	*Add Isolation Valves on South Side of Property Between SPC 8 and B555	*Retention/Sharing	*Part of Continuing Project to Better Manage Water System	*Retention/Sharing
	*Evaluate for Upgrade - Pump Valve Tree for Elevated Tower	*Retention/Sharing	*Valves and Piping May Need Replacing and new Check Valve. Possible FY222 Project.	*Retention/Sharing
	*Former Housing Area Closed	*Retention	*To be Determined	*Retention
Water Cost	*Negotiations with City of Lubbock - new 5 year contract secured.	*Sharing	*New 5 Year Contract Negotiated and In Place	*Retention
	*Training on All Aspects of Water System	*Retention/Sharing	*Ongoing. MOO to get water license	*Retention/Sharing
	*Flushing of line between point of delivery and water tanks. COL completed installation of flushing valves.	*Retention	*Ongoing monitoring of water quality	*Retention
	*Flushing	*Retention	*Ongoing	*Retention/Sharing
	*Bill Reconciliation	*Retention	*Ongoing	*Retention/Sharing
Facility Failure	*Crisis Management - New Pandemic Policy also covers other disasters in case of failure.	*Retention/Sharing	*Observation / Inspection *Sharing: Utility Contractors of America, PSC, Electric Contractor, Brandon Clark & Lbk Electric	*Retention/Sharing

MAINTENANCE/CAPITAL PROJECTS

TYPE OF THREAT	PRESENT TREATMENT	STATUS	FUTURE TREATMENT	STATUS
Capital	*Capital Budget	*Retention	* Staff Assessment of Capital Needs	*Retention
	*Management & Prioritization	*Retention	*Return on Investment	*Retention/Sharing
	*Building Demo - Round 1 Completed	*Retention	*Project completed	*Retention/Sharing
	*Building Demo - Round 2 Discussion	*Retention	*Develop future demo plan	*Retention
	*On-going seal coat program. Ensure cap ex item in annual budget.	*Retention/Sharing	*On-going	*Retention/Sharing
	*Match Funding - EDA Grant	*Retention - continue to seek out partners for sharing	*Secured EDA grant for airfield upgardes and security	*Retention

IMAGE / ONGOING OPERATIONS				
TYPE OF THREAT	PRESENT TREATMENT	STATUS	FUTURE TREATMENT	STATUS
Accidents	*More Signage	*Retention	*Staff Enforcement	*Retention
	*Flashing Light Research & 4th Street - Installed	*Retention/Sharing	*Maintain	*Retention
Safety Issues	*OSHA & Other Training	*Retention/Sharing	*Increased Analysis	*Retention/Sharing
	*HazMat Plan	*Retention	*COL Fire Department	*Retention/Sharing
	*TML Insurance & Training	*Sharing	*Continue to work with TML on Safety Training	*Retention/Sharing
	*Risk Management Plan	*Retention/Sharing	*Ongoing	*Retention
	*Emergency 1st Responder Relationships	*Retention/Sharing	*Continued Communication. COL Interlocal	*Retention/Sharing
	*Staff CPR/AED Classes	*Retention/Sharing	*Westex CPR/AED Classes	*Retention/Sharing
	*Emergency Shelter	*Retention/Sharing	*Develop Emergency Shelter Plan and Communicate to Customers. Possible B930.	*Retention/Sharing
	*TML Safety Videos	*Retention	*Ongoing	*Retention
	*Unauthorized Alterations to Leased Buildings	*Retention/Sharing	*Observation / Accountability	*Retention/Sharing
	*Unauthorized Digging	*Retention/Sharing	*Greater Awareness	*Retention/Sharing
	*After-Hours Unauthorized Entry	*Retention/Sharing	*Increase video monitoring. New DVR 2021	*Retention/Sharing
Ingress / Egress	*NE Gates, Gate 114, and Front Entrance	*Retention/Sharing	*Monitor	*Retention/Sharing
	*Gate Access Protocol	*Retention	*Ongoing	*Retention
	*Hwy 114 S and NE Entrances and Gate 74	*Retention	*Ongoing Maintenance and Operations	*Retention/Sharing
	*Monitor Perimeter Fencing (Chain Link & Barb Wire)	*Retention	*Upgrade Perimeter Fencing. EDA Grant awarded	*Retention
Airfield	*Establish Airfield Joint Use Operating Procedures	*Retention/Sharing	*Lights and Navigational Aids	*Retention/Sharing
	*Ground Traffic Controller	*Retention/Sharing	*Consistent management of increased airfield traffic	*Retention/Sharing
	*Purchased back 26.11 acres with access to airfield	*Retention	*Completed	*Retention
	*Hwy 114 NE Entrance: Increased Traffic & Activity	*Retention	*Signage / Staff Ground Traffic Controller Mgmt.	*Retention
Site Security Airfield	*Non-Commissioned Security Officer	*Retention/Sharing	*Surveillance	*Risk Reduction
Site Security Campus	*Non-Commissioned Security Officer	*Retention/Sharing	*Surveillance Technology	*Risk Reduction
Fire Hazard	*Risk Reduction	*Retention/Sharing	*On-site Fire Suppression System	*Risk Reduction
	*Controlled Burn/Dead Tree Removal in Former Housing Area. Weather and resources a factor. On-going	*Retention/Sharing	*Continued talks with COL Fire Dept & TX Forest Service working on new plan	*Risk Reduction
Regulatory	*Consistent dialogue with FAA	*Retention/Sharing	*Increased dialogue with FAA	*Risk Reduction
Track Area -Common Area Exercising Accident	*Communication	*Retention/Sharing	*Signage	*Retention/Sharing
	*Maintenance	*Retention/Sharing	*On-going	*Retention/Sharing
	*Liability Insurance	*Retention/Sharing	*Continue to be insured	*Retention/Sharing
Campus Entrance Striping/Signage	*Inspection	*Retention	*Signage	*Retention
	*New Arrows	*Retention/Sharing	*Continued Communication with Customers/New Signage	*Retention/Sharing
	*4 Way Intersection	*Retention	*Completed	*Retention
Staff Succession Planning	*Cross Training	*Retention	*Additional Training *Continued Information Sharing *Organizational Management Training *Annual Evaluations	*Retention
Certification /Licensure	*Internal Requirements - State & Federal	*Retention/Sharing	*Ongoing	*Retention/Sharing
	*External Requirements	*Retention/Sharing	*Ongoing	*Retention/Sharing
Backup Generator at B36	*Scheduled Maintenance	*Retention/Sharing	*Ongoing	*Retention/Sharing
	*Load Test - performed monthly	*Retention	*Ongoing	*Retention
Storm Damage	*Respond to severe storms	*Retention/Sharing	*Business Continuity Plan	*Retention/Sharing
Environmental-Customer Management - PFAS	*Observation	*Retention/Sharing	*Ongoing	*Retention/Sharing
	*Investigation	*Retention/Sharing	*Ongoing	*Retention/Sharing
	*Remediation	*Retention/Sharing	*Ongoing	*Retention/Sharing
Wildlife / Predator	*Monitor Reports of Sightings or Encounters w/ Wildlife	*Retention/Sharing	*Ongoing / Predator Control Procedure *TX Parks & Wildlife *Lynda Watson	*Retention/Sharing
New Construction	*Possible New Construction	*Retention/Sharing	*On-going Talks with Customers about New Construction	*Retention/Sharing
Active Shooter	*Staff Training/Concealed Carry on Campus	*Retention	*On-going Training and Monitoring	*Retention
Drones	*In Coordination with Customers	*Retention	*Reese Operating Manual/FAA Regulations	*Retention/Sharing
Customer Care	*Customer Survey	*Retention	*Annual customer surveys and follow up	*Retention
Operations Internal Needs	*Shop Space - Shop Addition	*Retention	*On-going evaluation of needs.	*Retention
	*Assess Aging Vehicles & Plan for Replacement	*Retention	*Vehicle Replacement Plan - all vehicles replaced	*Retention

VACANT INCOME PRODUCING PROPERTY

TYPE OF THREAT	PRESENT TREATMENT	STATUS	FUTURE TREATMENT	STATUS
Missed Opportunities	*Identification of "Make Ready" Needs and Costs	*Retention/Sharing	*On-going Review of Properties	*Retention
	*Chapter 380 Agreements	*Retention	*Developing Policy in Reese Operating Manual	*Retention
	*Stabilization of Buildings - Roofs and HVAC	*Retention	*Ongoing Property Wide Building Rehab Plan	*Retention
	*Non-investment of former housing	*Retention	*Look for PPP opportunities or develop ourselves	*Retention/Sharing
	*Non-investment of existing buildings	*Retention	*Deteriorating Asset Base - continue to evaluate and invest	*Retention
Customer Research Collaboration	*Unrealized Research Collaboration with TTU	*Retention	*Continued Communication	*Retention/Sharing
"Make Ready" Costs Exceed Benefit Excess Cost Due To: Environmental Structural Damage Electrical Issues Plumbing Issues HVAC Issues Roof Damage Utility Connection Building Code Compliance Other	*Inspection and Evaluation	*Retention/Sharing	*On-going Review & Analysis	*Retention/Sharing
Monitor Local/Regional/National Economies Ag/Manufacturing Oil & Gas/Renewables Education/Other Research				

Agenda Item 6

LRRRA Legislation Changes - UPDATE

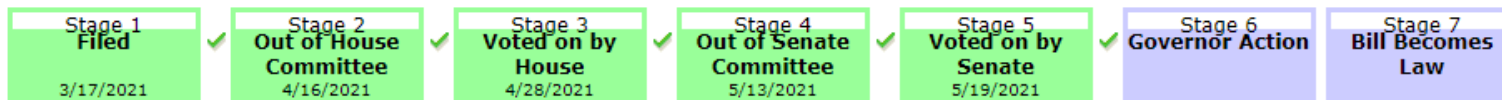
Executive Summary

LRRRA legislation changes are finally seeing progress in the Texas Legislature. The chart below shows the progression of the bill through both chambers. Once the Governor signs, we will update the Board and the changes will take effect on September 1, 2021.

Bill: HB 4579

Legislative Session: 87(R)

Author: Burrows



Legend

- Indicates bill passed stage
- Indicates bill has not reached stage
- Indicates bill failed to complete stage

Stage 1	Bill filed by Burrows on 3/17/2021.
Stage 2	Bill reported out of House committee on County Affairs with vote of 9 Ayes, 0 Nays, 0 Present Not Voting, 0 Absent.
Stage 3	Bill passed the House.
Stage 4	Bill reported out of Senate committee on Water, Agriculture & Rural Affairs with vote of 8 Ayes, 0 Nays, 0 Present Not Voting, 1 Absent.
Stage 5	Bill passed the Senate.
Stage 6	Not reached.
Stage 7	Not reached.

CASH BALANCES - APRIL 30, 2021

	3/31/2021	4/30/2021	Change
General Fund Bank Accounts	\$ 3,462,865	\$ 3,353,942	\$ (108,923)
Fiber Optic Fund Checking	\$ -	\$ -	\$ -
EDA Grant Checking	\$ -	\$ 200,000	\$ 200,000
Capital Maintenance - Designated	\$ 855,000	\$ 855,000	\$ -
Petty Cash	\$ 100	\$ 100	\$ -
Total Cash	\$ 4,317,965	\$ 4,409,042	\$ 91,077
Accounts Receivable - G/F	\$ 161,429	\$ 148,981	\$ (12,448)
Accounts Receivable - F/O	\$ 14,156	\$ 9,136	\$ (5,020)
Total Accounts Receivable	\$ 175,585	\$ 158,117	\$ (17,468)
Total Cash & Accounts Receivable	\$ 4,493,550	\$ 4,567,159	\$ 73,609

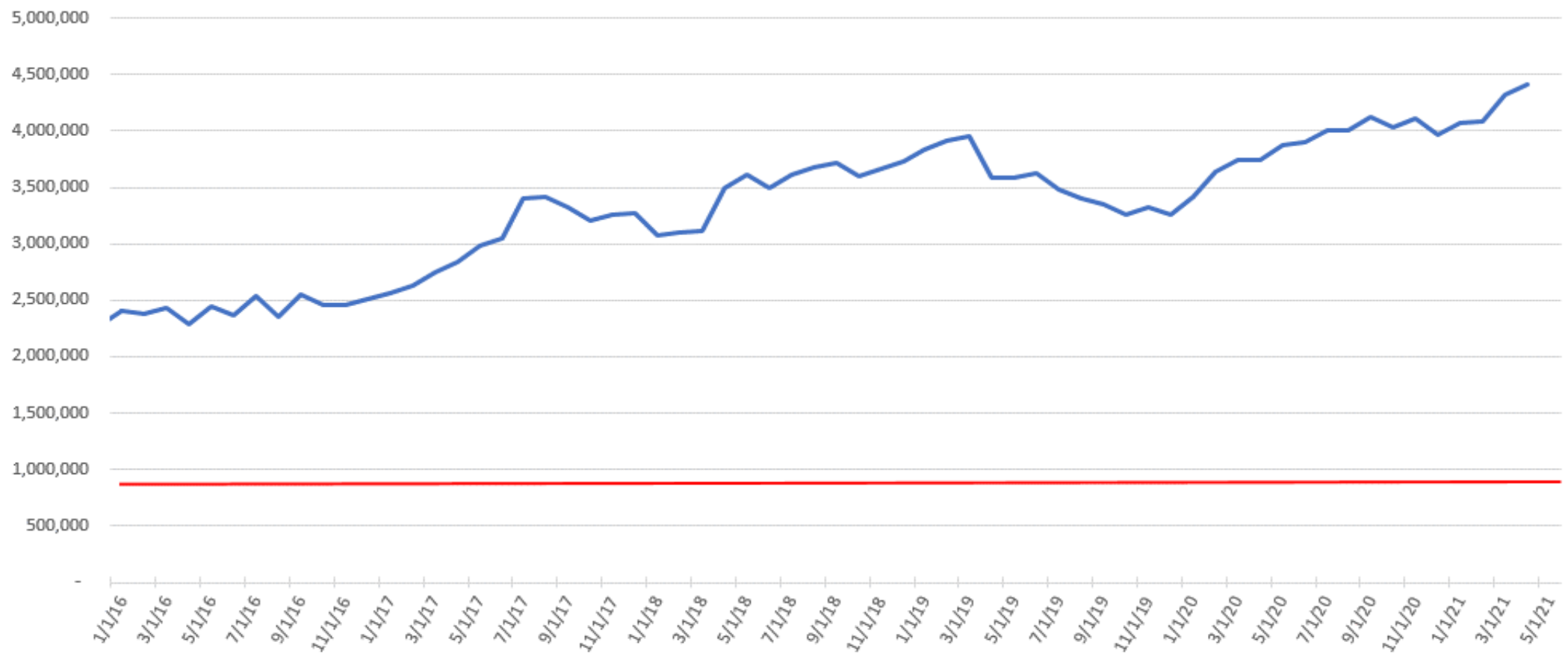
Aged Accounts Receivable as of 04/30/2021

CURRENT	1 - 30 Days - Invoices	31 - 60 Days - Invoices	61 > Days - Invoices	Over 90 Days	TOTAL
130,792.42	33,262.89	81.05	-	-	164,136.36

Aged Accounts Receivable as of 05/19/2021

8,706.88	394.55	61.05	-	-	9,162.48
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LRRA Available Cash
JANUARY 2016 - APRIL 2021



FINANCIAL HIGHLIGHTS - APRIL 2021

DESCRIPTION	Month G/F	Month F/O	Month's Total	YTD G/F	YTD F/O	YTD Total
Operating Revenue	\$ 197,489	\$ 15,622	\$ 213,111	\$ 1,817,783	\$ 106,920	\$ 1,924,703
Other Revenue - Usage Fees	\$ 27,440	\$ 2,092	\$ 29,532	\$ 144,677	\$ 15,046	\$ 159,723
Total Revenue	\$ 224,929	\$ 17,714	\$ 242,643	\$ 1,962,460	\$ 121,966	\$ 2,084,426
Expenses	\$ 137,691	\$ 11,816	\$ 149,507	\$ 1,192,933	\$ 81,680	\$ 1,274,613
Net Income BPSID	\$ 87,238	\$ 5,898	\$ 93,136	\$ 769,527	\$ 40,286	\$ 809,813
Interest Income - Plus	\$ 853		\$ 853	\$ 5,918		\$ 5,918
Depreciation - Less	\$ (45,445)	\$ (2,550)	\$ (47,995)	\$ (318,116)	\$ (17,852)	\$ (335,968)
Net Income	\$ 42,646	\$ 3,348	\$ 45,994	\$ 457,329	\$ 22,434	\$ 479,763

EXTRAORDINARY EXPENSES/CAPITAL EXPENSES & OTHER

CORVUS SYSTEM - REPLACE CAMPUS DVR

7,599.26 CAPITALIZED

ARROW FENCE - FENCE ALONG HWY 114

4,885.00 INSURANCE PROCEEDS - CLAIM PAID

\$ 12,484.26

LUBBOCK REESE REDEVELOPMENT AUTHORITY

Balance Sheet
As of 4/30/2021

(In Whole Numbers)

	<u>General Fund</u>	<u>EDA Grant Fund</u>	<u>Fiber Optic Fund</u>	<u>Total</u>
ASSETS				
CASH	3,354,042	200,000	0	3,554,042
DESIGNATED-CAPITAL MAINT	610,000	0	0	610,000
WATER INFRASTRUCTURE RESERVE	245,000	0	0	245,000
INVESTMENTS	0	0	0	0
ACCOUNTS RECEIVABLE	148,981	0	9,136	158,116
ALLOWANCE FOR DOUBTFUL	0	0	0	0
INTERFUND TRANSFERS	0	0	0	0
NOTES RECEIVABLE	0	0	0	0
CONSTRUCTION IN PROGRESS	361,869	675	0	362,544
PROPERTY AND EQUIPMENT, NET	6,585,263	0	124,351	6,709,613
OTHER ASSETS	154,258	0	17,967	172,225
Total ASSETS	<u>11,459,412</u>	<u>200,675</u>	<u>151,454</u>	<u>11,811,541</u>
LIABILITIES				
ACCOUNTS PAYABLE	23,315	0	490	23,805
ACCRUED EXPENSES	59,906	0	3,958	63,864
DEFERRED REVENUE	231,945	0	15,010	246,955
NET PENSION LIABILITIES	8,337	0	0	8,337
NOTES PAYABLE	9,527	0	0	9,527
INTERFUND TRANSFERS	0	0	0	0
REFUNDABLE DEPOSITS	39,907	0	223	40,130
OTHER LIABILITIES	(12,179)	0	0	(12,179)
Total LIABILITIES	<u>360,758</u>	<u>0</u>	<u>19,681</u>	<u>380,439</u>
FUND EQUITY				
BEGINNING OF PERIOD	11,771,504	0	(820,166)	10,951,338
YEAR TO DATE EARNINGS	457,329	0	22,434	479,764
Total FUND EQUITY	<u>12,228,833</u>	<u>0</u>	<u>(797,732)</u>	<u>11,431,101</u>
TOTAL LIABILITY AND FUND	<u>12,589,591</u>	<u>0</u>	<u>(778,050)</u>	<u>11,811,540</u>

LUBBOCK REESE REDEVELOPMENT AUTHORITY
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND EQUITY
From 10/1/2020 Through 4/30/2021

(In Whole Numbers)

	<u>General Fund</u>	<u>Fiber Optic Fund</u>	<u>Total</u>
OPERATING REVENUES	1,962,460	121,966	2,084,426
OPERATING EXPENSES	1,511,049	99,532	1,610,581
OPERATING INCOME(LOSS)	<u>451,411</u>	<u>22,434</u>	<u>473,845</u>
NONOPERATING INTEREST INCOME	5,918	0	5,918
NET NONOPERATING REVENUES	<u>5,918</u>	<u>0</u>	<u>5,918</u>
INCREASE (DECREASE) IN FUND	<u>457,329</u>	<u>22,434</u>	<u>479,764</u>
FUND EQUITY, BEGINNING	11,771,504	(820,166)	10,951,338
FUND EQUITY, ENDING	12,228,833	(797,732)	11,431,101

LUBBOCK REESE REDEVELOPMENT AUTHORITY

SUPPLEMENTAL SCHEDULE OF REVENUES

From 10/1/2020 Through 4/30/2021

(In Whole Numbers)

	<u>General Fund</u>	<u>Fiber Optic Fund</u>	<u>Total</u>
LEASES	1,202,872	0	1,202,872
USAGE FEES	144,677	15,046	159,724
PBT CAM FEES	420,168	0	420,168
CONTRACT SERVICES	15,573	0	15,573
FIBER OPTIC/WIRELESS INCOME	<u>0</u>	<u>106,920</u>	<u>106,920</u>
TOTAL OPERATING REVENUE	<u>1,783,290</u>	<u>121,966</u>	<u>1,905,256</u>
UTILITY FRANCHISE FEES	24,707	0	24,707
INSURANCE PROCEEDS	154,463	0	154,463
TOTAL REVENUES	<u>1,962,460</u>	<u>121,966</u>	<u>2,084,426</u>

LUBBOCK REESE REDEVELOPMENT AUTHORITY

Statement of Revenues and Expenditures

From 10/1/2020 Through 4/30/2021

(In Whole Numbers)

	<u>General Fund</u>	<u>Fiber Optic Fund</u>	<u>Total</u>
OPERATING EXPENSES			
SALARIES & TAXES	458,992	0	458,992
BENEFITS - HEALTH, RETIREMENT & WKR'S COMP	76,445	0	76,445
INSURANCE - PROPERTY & GENERAL LIABILITY	99,489	5,236	104,725
ADMINISTRATIVE EXPENSES	4,539	0	4,539
GENERAL OFFICE EXPENSES	41,844	2,199	44,043
ACCTG. & AUDITING SERVICES	31,536	0	31,536
COMPUTER SOFTWARE & MAINT.	0	21,386	21,386
INTERNET	0	11,863	11,863
LEGAL SERVICES	19,826	0	19,826
NETWORK MAINTENANCE CONTRACT	4,139	0	4,139
TRAINING & TRAVEL	1,086	0	1,086
MARKETING EXPENSES	31,317	0	31,317
OPERATIONS - GROUND MAINT. AND ENGINEERING CONTRACTS	297,137	0	297,137
UTILITIES	126,584	35,327	161,911
DEPRECIATION EXPENSE	318,116	17,852	335,968
Total OPERATING EXPENSES	<u>1,511,049</u>	<u>93,863</u>	<u>1,604,912</u>

LUBBOCK REESE REDEVELOPMENT AUTHORITY
Statement of Revenues and Expenditures
From 4/1/2021 Through 4/30/2021

GENERAL FUND

(In Whole Numbers)

	Current Month			YTD Actual vs Budget		
	Current Month	Current Month	Actual vs Budget	YTD Actual	YTD Budget	Variance
	Actual	Budget	Variance			
REVENUES						
Leases	131,026	142,917	(11,891)	1,202,872	1,000,417	202,455
PBT Cam Fees	60,024	60,000	24	420,168	420,000	168
Usage Fees	27,440	20,833	6,607	144,677	145,833	(1,156)
Contract Services	920	1,250	(330)	15,573	8,750	6,823
Utility Franchise Fees	1,626	2,417	(791)	24,707	16,917	7,790
Insurance Proceeds	3,893	0	3,893	154,463	0	154,463
Total REVENUES	224,929	227,417	(2,488)	1,962,460	1,591,917	370,543
EXPENSES						
Salaries & Taxes	51,908	64,167	12,258	458,992	449,167	(9,825)
Benefits - Health, Retirement & Wkr's	9,476	10,742	1,266	76,445	75,192	(1,253)
Insurance -Property & General Liabilities	14,203	14,583	380	99,489	102,083	2,594
Administrative Expenses	229	892	663	4,539	8,242	3,702
General Office Expenses	3,918	5,121	1,203	41,844	35,846	(5,998)
Accounting & Auditing Services	84	7,483	7,399	31,536	31,483	(52)
Legal Services	4,004	4,167	163	19,826	29,167	9,341
Network Maintenance Contract	402	667	265	4,139	4,667	528
Training & Travel	139	708	569	1,086	4,958	3,872
Marketing Expenses	2,690	4,250	1,560	31,317	29,750	(1,567)
Operations	39,901	41,250	1,349	297,137	288,750	(8,387)
Utilities	10,738	30,417	19,679	126,584	151,917	25,333
Total EXPENSES	137,691	184,446	46,754	1,192,933	1,211,221	18,288
NIBPSID	87,237	42,971	44,267	769,527	380,696	388,831
NON OPERATING REVENUE						
Interest Income	853	542	312	5,918	3,792	2,127
Total NON OPERATING REVENUE	853	542	312	5,918	3,792	2,127
DEPRECIATION						
Depreciation Expense	(45,445)	(47,083)	1,638	(318,116)	(329,583)	11,467
Total DEPRECIATION	(45,445)	(47,083)	1,638	(318,116)	(329,583)	11,467
Increase (Decrease) In Fund Equity	42,646	(3,571)	46,217	457,329	54,904	402,425

GENERAL FUND

Explanation of Significant Budget Variances

2021 APRIL

		Month Variance	YTD Variance	Explanations	Projected Outcome at Year End
Revenues, Leases	4200, 4201	\$ (11,891)	\$ 202,455	Budgeted less monies due to potential loss of ZACHRY	Year End is expected to be over budget.
Revenues, Contract Services	4300	\$ (330)	\$ 6,823	More events than anticipated for YTD	Year End is expected to be on budget.
Revenues, Usage Fees	4260	\$ 6,607	\$ (1,156)	Sprinklers have been in use	Year End is expected to be on budget.
Revenues, Utility Franchise Fees	4650	\$ (791)	\$ 7,790	SPEC paid a Share Refund - Capital Credit 4,375.67 - NOVEMBER	Year End is expected to be on budget.
Revenues, Insurance Proceeds	4350	\$ 3,893	\$ 154,463	Insurance Proceeds for HWY 114 \$ 3,893. & Roof BLDG 70 \$ 150,570.	Year End is expected to be over budget.
Expenses, Salaries & Taxes	5100, 5110	\$ 12,258	\$ (9,825)	Incentive Pay for Quarter 2 was paid	Year End is expected to be on budget.
Expenses, General Office Expenses		\$ 1,203	\$ (5,998)	Annual Maintenance and Support Plan for Accounting Software	Year End is expected to be on budget.
Expenses, Operations	5900	\$ 1,349	\$ (8,387)	Difficult to predict when something will need repairing	Year End is expected to be over budget.
Expenses, Utilities	5380	\$ 19,679	\$ 25,333	LP&L bill has not been properly billed for February & March & APRIL	Year End is expected to be on budget.

LUBBOCK REESE REDEVELOPMENT AUTHORITY
Statement of Revenues and Expenditures
From 4/1/2021 Through 4/30/2021

FIBER OPTIC OPERATING FUND

(In Whole Numbers)

	Current Month			YTD Actual vs Budget		
	Current Month	Current Month	Actual vs Budget	YTD Actual	YTD Budget	YTD Actual vs Budget
	Actual	Budget	Variance			Variance
REVENUES						
Usage Fees	2,092	2,500	(408)	15,046	17,500	(2,454)
Fiber Optic/Wireless Income	15,622	15,833	(211)	106,920	110,833	(3,914)
Total REVENUES	17,714	18,333	(619)	121,966	128,333	(6,367)
EXPENSES						
Insurance -Property & General Liabilities	748	750	2	5,236	5,250	14
General Office Expenses	314	317	3	2,199	2,217	18
Computer Software & Maintenance	2,941	3,417	476	21,386	23,917	2,531
Internet	1,695	1,833	139	11,863	12,833	970
Building Maintenance & Repairs	0	833	833	5,668	5,833	165
Utilities	6,119	5,142	(978)	35,327	35,992	665
Total EXPENSES	11,816	12,292	475	81,680	86,042	4,362
NIBPSID	5,897	6,042	(144)	40,286	42,292	(2,006)
DEPRECIATION						
Depreciation Expense	(2,550)	(3,500)	950	(17,852)	(24,500)	6,648
Total DEPRECIATION	(2,550)	(3,500)	950	(17,852)	(24,500)	6,648
Increase (Decrease) In Fund Equity	3,347	2,542	806	22,434	17,792	4,643

COMBINED FUNDS

(In Whole Numbers)

	Current Month			YTD Actual vs		
	Current Month	Current Month	Actual vs			
	Actual	Budget	Budget Variance	YTD Actual	YTD Budget	Budget Variance
REVENUES						
Leases	131,026	142,917	(11,891)	1,202,872	1,000,417	202,455
PBT Cam Fees	60,024	60,000	24	420,168	420,000	168
Usage Fees	29,532	23,333	6,199	159,724	163,333	(3,610)
Contract Services	920	1,250	(330)	15,573	8,750	6,823
Utility Franchise Fees	1,626	2,417	(791)	24,707	16,917	7,790
Insurance Proceeds	3,893	0	3,893	154,463	0	154,463
Fiber Optic/Wireless Income	15,622	15,833	(211)	106,920	110,833	(3,914)
Total REVENUES	242,643	245,750	(3,107)	2,084,426	1,720,250	364,176
EXPENSES						
Salaries & Taxes	51,908	64,167	12,258	458,992	449,167	(9,825)
Benefits - Health, Retirement & Wkr's Comp	9,476	10,742	1,266	76,445	75,192	(1,253)
Insurance -Property & General Liabilities	14,950	15,333	383	104,725	107,333	2,608
Administrative Expenses	229	892	663	4,539	8,242	3,702
General Office Expenses	4,232	5,438	1,206	44,043	38,063	(5,981)
Accounting & Auditing Services	84	7,483	7,399	31,536	31,483	(52)
Computer Software & Maintenance	2,941	3,417	476	21,386	23,917	2,531
Internet	1,695	1,833	139	11,863	12,833	970
Legal Services	4,679	4,167	(512)	19,826	29,167	9,341
Network Maintenance Contract	402	667	265	4,139	4,667	528
Training & Travel	139	708	569	1,086	4,958	3,872
Marketing Expenses	2,690	4,250	1,560	31,317	29,750	(1,567)
Operations	39,901	41,250	1,349	297,137	288,750	(8,387)
Building Maintenance & Repairs	0	833	833	5,668	5,833	165
Utilities	16,857	35,558	18,702	161,911	187,908	25,997
Total EXPENSES	149,508	196,737	47,230	1,274,613	1,297,262	22,649
NIBPSID	95,135	49,013	44,122	809,813	422,988	386,825
NON OPERATING REVENUE						
Interest Income	853	542	312	5,918	3,792	2,127
Total NON OPERATING REVENUE	853	542	312	5,918	3,792	2,127
DEPRECIATION						
Depreciation Expense	(47,995)	(50,583)	2,588	(335,968)	(354,083)	18,116
Total DEPRECIATION	(47,995)	(50,583)	2,588	(335,968)	(354,083)	18,116
Increase (Decrease) In Fund Equity	45,993	(1,029)	47,022	479,764	72,696	407,068

MONTHLY & YTD COMPARISONS OF CURRENT & PRIOR YEAR'S ACTUALS

(In Whole Numbers)

	Current Month	Prior Year		Prior Year	
	Actual	Actual	Variance	YTD Actual	YTD Actual
			Variance		
REVENUES					
Leases	131,026	164,245	(33,219)	1,202,872	1,159,322
PBT Cam Fees	60,024	60,276	(252)	420,168	420,690
Usage Fees	29,532	20,962	8,570	159,724	160,132
Contract Services	920	460	460	15,573	5,683
Utility Franchise Fees	1,626	1,556	70	24,707	20,127
Insurance Proceeds	3,893	0	3,893	154,463	1,425
Other-Miscellaneous	0	17,000	(17,000)	0	17,000
Fiber Optic/Wireless Income	15,622	14,078	1,544	106,920	102,412
Total REVENUES	242,643	278,578	(35,935)	2,084,426	1,886,791
EXPENSES					
Salaries & Taxes	51,908	50,515	1,393	458,992	382,460
Benefits - Health, Retirement & Wkr's	9,476	9,374	102	76,445	70,933
Insurance -Property & General Liabilities	14,950	14,689	261	104,725	102,825
Administrative Expenses	229	274	(45)	4,539	6,149
General Office Expenses	4,232	10,711	(6,479)	44,043	35,794
Accounting & Auditing Services	84	7,006	(6,922)	31,536	37,023
Computer Software & Maintenance	2,941	2,865	76	21,386	21,403
Internet	1,695	2,037	(342)	11,863	20,209
Legal Services	4,004	5,292	(1,288)	19,826	22,374
Network Maintenance Contract	402	531	(129)	4,139	4,340
Training & Travel	139	45	94	1,086	4,487
Marketing Expenses	2,690	2,924	(234)	31,317	34,331
Operations	39,901	39,874	27	297,137	276,813
Building Maintenance & Repairs	0	500	(500)	5,668	8,125
Utilities	16,857	28,593	(11,736)	161,911	164,298
Total EXPENSES	149,508	175,229	(25,721)	1,274,613	1,191,563
NIBPSID	93,135	103,348	(10,213)	809,813	695,228
NON OPERATING REVENUE					
Interest Income	853	834	19	5,918	17,840
Total NON OPERATING REVENUE	853	834	19	5,918	17,840
DEPRECIATION					
Depreciation Expense	(47,995)	(47,841)	(154)	(335,968)	(307,304)
Total DEPRECIATION	(47,995)	(47,841)	(154)	(335,968)	(307,304)
Increase (Decrease) In Fund Equity	45,993	56,341	(10,348)	479,764	405,764

Make Ready Project Reconciliation								2021 APRIL
Lease Date	Estimated Move In Date	Actual Move In Date	Building/Customer	Estimated Cost	Actual Cost to Date	Actual Final Cost	Difference	Comments
3/1/2021	3/15/2021	4/1/2021	HANGAR # 92	\$ 17,000.00	\$ 15,975.92		\$ 1,024.08	This project is complete. One bill for cleaning services is outstanding.

Marketing Events – May 2021

High Grounds of Texas – Spring Meeting

A last-minute cancel made by one of the scheduled vendor presenters for the meeting prompted Don to connect Emanuel Papas and Scott Turner of our newest international customer, Rhodes USA, with Kasey Coker, the Executive Director of High Grounds of Texas. Don provided an introduction for them at the meeting and their presentation was well received with many communities in the region including Plainview and Wolfforth.

Texas ED Connection Partner Meeting

Among the sessions at this meeting was one on social media strategies for economic development, a presentation on the exact type of customer that the initiative is designed to help and the plan for the remainder of the year. The most valuable information, however, came during a roundtable discussion with a panel of site selectors and economic development professionals. One of the site selectors was with AECOM, a current Reese partner. He revealed a whole host of priceless tips for how to respond to RFP's and ways to stand out from the rest of the responses.

MAY 2021 – EVENTS & ACTIVITIES

	DATE	EVENT
MAY	May 6-7, 2021	Texas ED Connection Partner Meeting
	May 13, 2021	High Grounds of Texas Spring Meeting
	May 26, 2021	LRRA Board of Directors Meeting
	May 27, 2021	LRRA Staff Mandatory Cybersecurity Training
	May 31, 2021	LRRA Closed for Memorial Day
LOOKING AHEAD		
JUNE	June 3, 2021	United Supermarkets March of Dimes Fundraiser Cookout
	June 7, 2021	SPC Scholarship Scramble
	June 23, 2021	LRRA Board of Directors Meeting