

# Cox Machine Amendment

*Office of Economic  
Development/Public Works &  
Utilities*



*February 11, 2020*



# Cox Machine

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- Founded in 1954
- Manufacturing and assembly of aircraft and aerospace parts
- Located at 5338 W. 21<sup>st</sup> St. N.  
(near 21<sup>st</sup> and Zoo Boulevard)



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- November 9, 2016, Cox acquired 5 acres from the City across from existing facility
- Development Agreement Plan: build 100,000 sf (2 phases) & add 100 employees. Initial 50,000 built in 2017
- Option to purchase another 5 acres (6.5 year option)

# Existing Option



# Existing Option

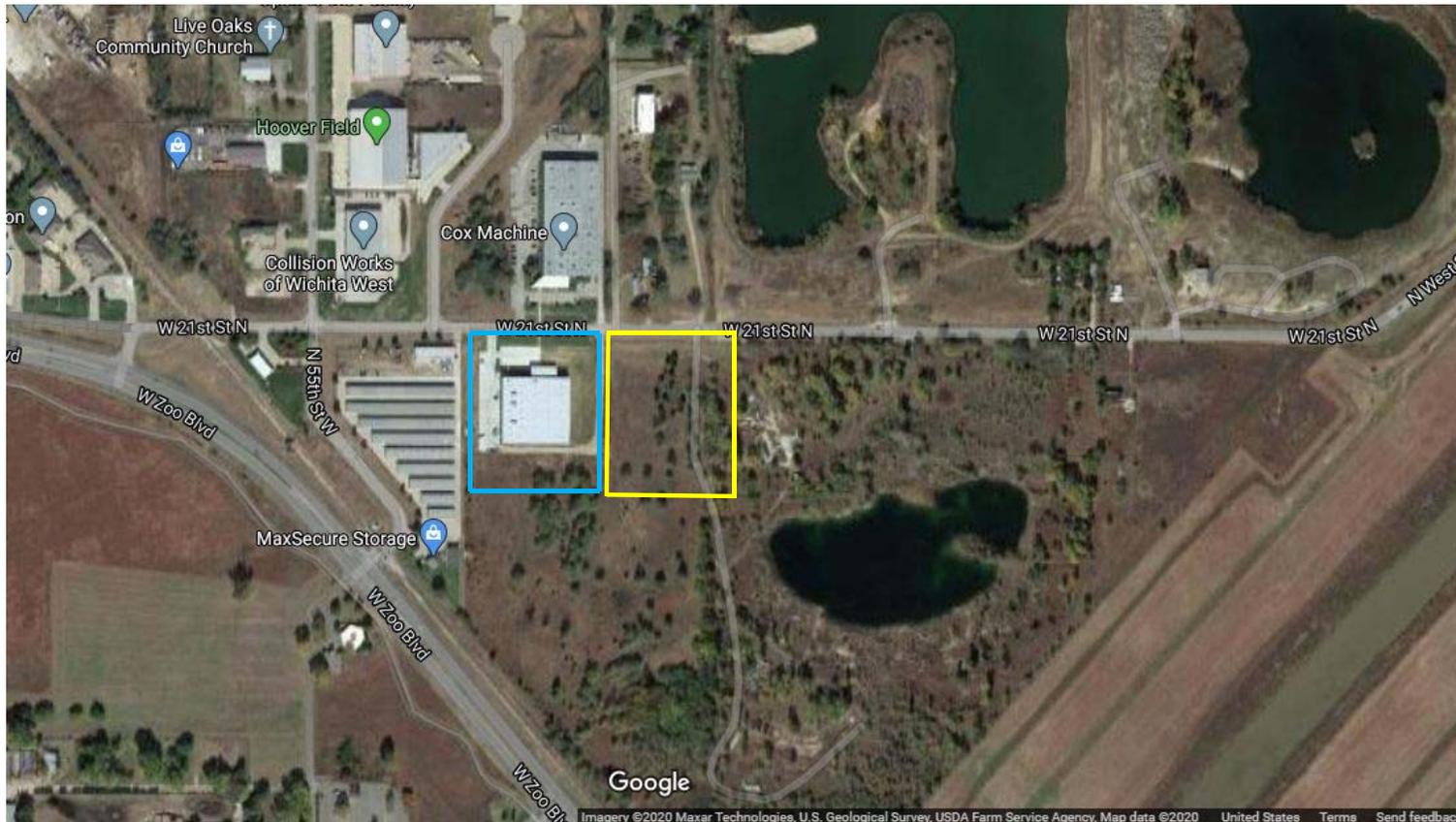
5



# Water Treatment Plant Design <sup>6</sup>

- Changing option alignment to the east would save Public Works & Utilities \$6,000,000 based on current design

# East/West Option



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- Cox's building and production line expansions are currently designed to build to the south
- If Cox reaches benchmarks and exercises its option for the second 5 acres for approximately \$330,000, Public Works & Utilities would compensate Cox from Water Utility Fund to realign their building expansion to the east = \$766,000 (estimate from contractor). Cost impact to City is \$430,000
- Cox would still be required to build 50,000 sf within 18 months of option acquisition
- Overall water treatment plant net savings to the City for realignment is approximately \$5,500,000

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- Cox has requested an additional 2.5 years to reach benchmarks due to Boeing 737 production stoppage
- If Cox does not meet the benchmarks outlined in the Development Agreement, including any Amendments, or otherwise does not exercise its option to purchase the second 5 acres, no compensation will be due

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- It is recommended that the City Council approve the Amendment to the Development Agreement and authorize the necessary signatures.

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