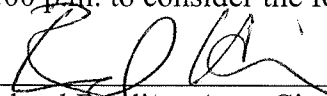


PUBLIC NOTICE

DEVELOPMENT CORPORATION OF ABILENE, INC.

A regular meeting of the Development Corporation of Abilene, Inc. will be held on Tuesday, September 12, 2006, in the Develop Abilene conference room, 174 Cypress St., Abilene, Texas, 3rd floor, commencing at 4:00 p.m. to consider the following agenda:

SIGNED:


Richard Burdine, Asst. City Manager for Economic Development

AGENDA

September 12, 2006
4:00 p.m.

Develop Abilene Conference Room
174 Cypress St., 3rd floor

1. Call the meeting to order.
2. Approval of minutes from August 15, 2006 meeting.
3. Financial and status reports for July 2006.
4. Discussion and possible approval of a resolution authorizing additional funding for the Texas Manufacturing Assistance Center (TMAC).
5. Presentation of report of the status of the SBIR/STTR grant program and possible approval of a resolution authorizing additional funding.
6. Discussion of strategic planning for economic development efforts for FY07 including but not limited to:
 - a) Review of current status of target industries
 - i. Administrative service centers
 - ii. Plastics manufacturers
 - iii. Customer support and service centers
 - iv. Logistics and distribution centers
 - v. Professional services
 - vi. Windmill manufacturing
 - b) Status of industrial building inventory
 - i. DCOA-owned
 - ii. Privately-owned
 - c) Review of workforce development
 - d) Review of the Five Points Business Park master plan
 - e) Review of spec building specifications.

7. Executive Session: Pursuant to Tex. Gov't Code Sec. 551.072, an executive session may be held to discuss the possible exchange, lease, or value of real property associated with a project to be funded by the DCOA since deliberation in open session would have a detrimental effect on the DCOA's negotiations with a third party. After discussion in executive session, any action or vote will be taken in public.

Pursuant to Tex. Gov't Code Sec. 551.071, an executive session may be held to consult with the DCOA attorney regarding pending or contemplated litigation or a settlement offer regarding DCOA funded projects or on a matter in which the duty of the attorney to the governmental body under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with Chapter 551 of the Government Code. After discussion of the contemplated legal matters in executive session, any action or vote will be taken in public.

8. Adjournment.

CERTIFICATE

I hereby certify that the above notice of meeting was posted on the bulletin board at the City Hall of Abilene, Texas, on the _____ day of _____, 2006, at _____.

City Secretary

NOTICE

Persons with disabilities who would like special assistance or need special accommodations to participate in this meeting should contact Department of Economic Development, (325) 676-6390, at least forty-eight (48) hours in advance of this meeting. Telecommunication device for the deaf is (325) 676-6360.

DEVELOPMENT CORPORATION OF ABILENE, INC.
BOARD MEETING MINUTES
August 15, 2006

MEMBERS PRESENT:	Ray Ferguson Dee Moore	Stan Lambert Joe Crawford
MEMBER ABSENT:	Syd Niblo	
STAFF PRESENT:	Richard Burdine John Dugan Dan Santee	Kim Tarrant David Wright
GUESTS PRESENT:	Joe Melson Bill Ehrie Celia Davis Mike Schweikhard Jerry Reed Rich Leidl Jim Casey	Davis Kinard Abilene Industrial Foundation Military Affairs Committee Atmos Energy Abilene Reporter-News Thelen, Reid & Priest Team Concepts

- 1. CALL TO ORDER.** Ray Ferguson called the meeting to order at 1:30 p.m. in the Develop Abilene conference room located at 174 Cypress, 3rd floor, Abilene, TX.
- 2. APPROVAL OF MINUTES FROM JULY 25, 2006 MEETING.** Dee Moore made a motion to approve the minutes from the July 25, 2006 meeting. Stan Lambert seconded and the motion carried.
- 3. PRELIMINARY FINANCIAL AND STATUS REPORTS FOR JUNE 2006.** David Wright presented the preliminary financial reports for June 2006. The sales tax rebate for August is \$765,943.25 which represents June sales and is 6.00% above the same month last year. Total assets as of June 30, 2006 were slightly over \$47 million, total liabilities were just over \$2.5 million, and the DCOA had an undesignated fund balance of \$15.9 million.
- 9. This item was moved up on the agenda and discussed after Item 3. PRESENTATION OF FY05 AUDIT BY A REPRESENTATIVE FROM DAVIS KINARD & CO., PC.** David Wright explained that what is in the board packets is an excerpt (for the DCOA's part) from the full audit of the City of Abilene and that a bound copy of the full audit was available to anyone at their request. Joe Melson from Davis Kinard pointed out that under current assets, cash and investments decreased about \$4.7 million from FY 2004, which was mainly due to a \$3 million note made to Fehr Foods. The DCOA had total assets of \$43.4 million, total liabilities of \$2.6 million, and net assets of \$40.7 million. Of that net asset amount, the largest part is *investment in capital assets* of \$17.3 million and \$8.8 million in funds *restricted for contractual obligations*.

Total revenues were nearly \$8.3 million and total expenses were \$5.2 million, resulting in a change in net assets (increase) of \$3 million. Mr. Melson further explained the difference between the statements on the full-accrual basis versus those on a budget (cash) basis, and the

minor adjustments made to reconcile the budget-based statements to those prepared on the full-accrual basis.

On the Schedule of Obligated Fund Balance-Budget Basis for FY 2005, the DCOA had *total obligated programs* of \$14 million. Of that, \$5.2 million was disbursed in FY 2005 leaving a total balance of \$8.8 million, which equals the \$8.8 million *restricted for contractual obligations* amount from the Statement of Net Assets.

4. **PRESENTATION OF ANNUAL REPORT BY THELEN, REID & PRIEST AND TEAM CONCEPTS.** Rich Leidl with Thelen, Reid & Priest and Jim Casey with Team Concepts presented their annual report to the board. The Air Force will continue use of the C-130H1's and 4 more will be stationed at Dyess as announced in 6/06. The B-1's have performed well in Afghanistan and Iraq and year by year upgrades will continue on the aircraft. Maintenance of the B-1's (about 100 people) is being considered for a move to Tinker AFB, and they are working to keep it here. There is \$120 million coming to Dyess for family housing plus another \$49 million for 199 new units. There is \$18 million slated for a consolidated base support center, and construction should begin in 2008. In addition, \$45 million is slated for an Armed Services Reserve Center, which will consolidate several army reserve units around Abilene into one. The Dyess access road will have \$11 million.

The Airborne Laser Program is getting stretched out and may not get funded; however, Dyess is in a good position to gain that mission if it goes forward. The DoD is currently in a budget crisis. Because of continued use, equipment and aircraft are in need of replacement at a greater cost. The Army will get most of the replacement funding. BRAC '05 didn't result in the number of closures needed to balance the budget, and the Air Force could lose 40-50,000 personnel and be forced to retire aircraft. Dyess has been very proactive and is in position to gain missions from other closures. The next 4-5 years will be difficult for some communities.

5. **PRESENTATION AND POSSIBLE APPROVAL OF REPORT FROM THE *PROJECT EVALUATION COMMITTEE ON FY06 CONTRACT PERFORMANCE FOR TEXAS TECH SMALL BUSINESS DEVELOPMENT CENTER, ABILENE INDUSTRIAL FOUNDATION AND CHAMBER OF COMMERCE MILITARY AFFAIRS COMMITTEE, CITY OF ABILENE AIRPORT BUSINESS DEVELOPMENT, AND CITY OF ABILENE BUSINESS SERVICES AND PROPERTY MAINTENANCE DIVISIONS OF THE DEPARTMENT OF ECONOMIC DEVELOPMENT.*** Ray Ferguson explained that the two standing committees of the DCOA are made up this year of the same individuals that serve in an advisory capacity to staff. The two committees met back to back in an effort to streamline the budget process. Mike Schweikhard was named Chairman and presented the report from the DCOA Project Evaluation Committee on FY06 contract performance for the above-names entities. The Committee recommends renewing all of these contracts for FY07. In the past the Abilene Industrial Foundation and Chamber of Commerce Military Affairs Committee were separate contracts; however the FY06 contracts were combined into one and the Project Evaluation Committee recommends combining them again for FY07.

The only exception found by the City's Auditor was the requirement for the Economic Development Department's Business Services Division to develop an economic development plan. Richard Burdine explained staff is currently looking into several planning efforts and will conduct a planning session with the board before the end of the year. The Project Evaluation Committee concurs with these findings.

Joe Crawford moved to approve the report from the DCOA Project Evaluation Committee. The motion was seconded by Dee Moore and passed by unanimous consent.

- 6. PRESENTATION AND POSSIBLE APPROVAL OF A REPORT FROM THE *BUDGET & FINANCE COMMITTEE* CONCERNING FUNDING PROPOSALS FOR FY 2007 FOR TEXAS TECH SMALL BUSINESS DEVELOPMENT CENTER, ABILENE CHAMBER OF COMMERCE-MILITARY AFFAIRS COMMITTEE, ABILENE INDUSTRIAL FOUNDATION, CITY OF ABILENE AIRPORT BUSINESS DEVELOPMENT, AND CITY OF ABILENE BUSINESS SERVICES AND PROPERTY MAINTENANCE DIVISIONS OF THE DEPARTMENT OF ECONOMIC DEVELOPMENT.** Mike Schweikhard was also named Chairman of this committee and presented the report from the DCOA Budget & Finance Committee. While there are five contracts (as noted above), there are six funding requests, because the Abilene Industrial Foundation and Military Affairs Committee have separate dollar amounts. The Committee recommends approval of all five requests.

A motion was made by Dee Moore to approve the report from the DCOA Budget & Finance Committee. Stan Lambert seconded the motion, which carried unanimously.

- 7. PUBLIC HEARING: FUNDING PROPOSALS AND PROPOSED BUDGET FOR FY 2007.** DCOA President, Ray Ferguson opened the public hearing. Richard Burdine, DCOA CEO, recommends the FY07 proposed budget be accepted as presented. There were no public speakers, so President Ferguson closed the public hearing.
- 8. DISCUSSION AND POSSIBLE APPROVAL OF FUNDING REQUESTS AND PROPOSED BUDGET FOR FY 2007.** Richard Burdine explained that the bulk of expenditures are not budgeted because amounts are not available until projects are approved. Stan Lambert moved to approve the proposed budget for FY 2007 as presented. Joe Crawford seconded the motion and it passed by unanimous consent.

- 10. DISCUSSION AND POSSIBLE APPROVAL OF A RESOLUTION AUTHORIZING ASSISTANCE FOR GENESIS NETWORKS.** Richard Burdine explained Genesis Networks is an existing company that recently announced the opening of an office in the Enterprise Building to conduct software testing and development for large telecommunications companies. The company expects to employ 143 in Abilene within 2 years, and all of the salaries will exceed \$30,000/year. Genesis would not have a presence in Abilene were it not for a personal relationship that exists with an ACU alumnus and ACU's diligence in pursuing the project. Genesis will provide employment opportunities to college graduates that would otherwise leave Abilene after graduation. Staff proposes an assistance package totaling \$1,929,000 structured as a job creation incentive payable over 3 years, job training grant and a relocation grant.

A motion was made by Dee Moore and seconded by Stan Lambert to approve resolution DCOA-2006.20 authorizing assistance for Genesis Networks, specifying a payout for the job creation incentive of 3 years rather than 5. The motion carried by unanimous consent.

11.DISCUSSION AND POSSIBLE APPROVAL OF A RESOLUTION AUTHORIZING AMENDED ASSISTANCE FOR HIGHLAND CAMPUS HEALTH GROUP. Richard Burdine explained that Highland has negotiated a contract with Catalis, a company with an electronic medical records (EMR) software program that will greatly benefit universities and will compliment the medical billing program offered by Highland. The cost to the universities to purchase equipment and make upgrades to its server in order to accommodate the new software will be prohibitive for some. The existing contract with Highland specifies disbursement in arrears of \$441,000 as a job creation incentive grant for 86 new jobs and currently, \$426,467 remains unfunded. Highland requests immediate access to \$100,000 to be used to purchase the needed equipment to support the new EMR program for upcoming contracts.

Staff proposes a 0% interest loan of \$100,000 for 3 years, secured by a 1st lien on the equipment purchased and earned through job creation. No additional job creation funds will be disbursed until the loan is fully earned. The total amount of the assistance package previously approved does not change. In addition, staff proposes the FTE earnings for new jobs being paid less than \$30,000/year (including benefits) be calculated by totaling the salary and benefits paid over 12 months and dividing that sum by \$25,000. The current minimum salary plus benefits amount for 1 year in order to earn assistance is \$23,720; however, may employees have opted not to participate in the company-sponsored benefits, which keeps their annual salary below the minimum.

A motion was made by Joe Crawford to approve resolution DCOA-2006.17 authorizing amended assistance for Highland Campus Health. Dee Moore seconded and the motion carried by unanimous consent.

DEE MOORE LEFT THE MEETING AFTER VOTING ON ITEM #11.

12.DISCUSSION AND POSSIBLE APPROVAL OF A RESOLUTION AUTHORIZING AMENDED ASSISTANCE FOR FEHR FOODS, INC. Richard Burdine explained that during a prior meeting on 7-25-06, the board approved the conversion of 3 existing loan participations with First Financial Bank (FFB) for Fehr Foods totaling \$1,043,852 to forgivable status and combined with the existing \$3 million forgivable loan. The 4th participation will be sold back to FFB at a discounted rate of \$90,000. Also, \$78,000 in training funds from a prior agreement was reauthorized. The changes were in response to Fehr having taken the 2004 expansion beyond original projections to a total qualified investment of \$12 million and total employment of 326.

As a result of its expansion, Fehr has a need for working capital and requests the DCOA provide a \$1 million loan, which will be paid when FFB completes its restructuring of Fehr's debt, about 6 months. Staff proposes a temporary line of credit to Fehr in the amount of \$1

million in addition to the assistance changes approved in 7/06. The loan will be administered by FFB at the interest rate of WSJ Prime to expire when the loan restructuring by FFB is complete, but no longer than 6 months. When Fehr receives an income tax refund of \$336,528 in 10/06, that amount will be applied to reduce the available line or used as additional security for the loan. Security will be a subordinated lien on inventory and A/R. No funds will be disbursed until an SBA 504 loan application is submitted on Fehr's behalf. The existing participations will not be converted to earnable/forgivable until the L/C is paid in full.

Stan Lambert moved to approved resolution DCOA-2006.14A, which replaces resolution DCOA-2006.14 approved in 7/06, authorizing amended and additional assistance for Fehr Foods. Ray Ferguson seconded and the motion carried. Joe Crawford abstained from voting.

13.DISCUSSION AND POSSIBLE APPROVAL OF A RESOLUTION AUTHORIZING PARTIAL FUNDING FOR A CITY OF ABILENE CONTRACT WITH URS CONSULTING FOR SITE PLANNING WORK PERFORMED FOR THE ABILENE REGIONAL AIRPORT. Richard Burdine explained the current Airport Master Plan for the Abilene Regional Airport was completed in 1999 and some significant changes have occurred since then, resulting in a need to update the plan. The City of Abilene will contract with URS Consulting to perform tasks associated with current and future development at the Airport. Staff proposes the DCOA pay for the portion of the update (Task Order 7) specifically associated with Eagle Aviation Services (EASI), which will consider the need for another hangar. The funding needed is \$13,752, plus \$1,375 contingency for total funding of \$15,127.

Joe Crawford moved to approved resolution DCOA-2006.18 authorizing \$15,127 funding to help pay a City of Abilene contract with URS Consulting for Airport development specifically associated with Eagle Aviation Services. Stan Lambert seconded and the motion passed with unanimous consent.

14.DISCUSSION AND POSSIBLE APPROVAL OF A RESOLUTION AUTHORIZING FUNDING AND A CONTRACT WITH CARTER & BURGESS, INC. TO REVIEW AND EVALUATE THE EXISTING DEVELOPMENT PLAN FOR FIVE POINTS BUSINESS PARK IN LIGHT OF INDUSTRY TRENDS. Richard Burdine explained the Five Points Business Park owned by the DCOA was platted 6 years ago via a master plan developed by Tippet & Gee. The industry trend is leaning toward larger lots and more flexibility. The master plan needs to be updated and staff recommends contracting with Carter & Burgess. Staff met with Carter & Burgess and a scope of services was developed, which includes site analysis, value engineering of existing facilities, update of spec building specifications, updated mater plan, PDD modifications, and cost estimates. The basic services fee amount is \$48,800 and staff requests the board approve 15% more for contingency purposes. Resolution DCOA-2006.19 was handed out to the board members along with a copy of the scope of services prepared by Carter & Burgess.

Stan Lambert moved to approve resolution DCOA-2006.19 authorizing a contract with Carter & Burgess and funding in the amount of \$48,800 plus 7,320 for contingency. Joe Crawford seconded and the motion carried by unanimous consent.

15. EXECUTIVE SESSION: Pursuant to Tex. Gov't Code Sec. 551.072, an executive session may be held to discuss the possible exchange, lease, or value of real property associated with a project to be funded by the DCOA since deliberation in open session would have a detrimental effect on the DCOA's negotiations with a third party. After discussion in executive session, any action or vote will be taken in public.

Pursuant to Tex. Gov't Code Sec. 551.071, an executive session may be held to consult with the DCOA attorney regarding pending or contemplated litigation or a settlement offer regarding DCOA funded projects or on a matter in which the duty of the attorney to the governmental body under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with Chapter 551 of the Government Code. After discussion of the contemplated legal matters in executive session, any action or vote will be taken in public.

At 3:15 p.m. the Board went into Executive Session. At 3:42 p.m. the Board reconvened and announced that no vote or action was taken in Executive Session.

ADJOURNMENT. Richard Burdine proposed to have the September DCOA Board Meeting on the 12th instead of the 19th since he will be out of town in training. After discussion, it was decided to have the meeting on September 12th at 4:00 pm. There being no further business, the meeting was adjourned.

Ray Ferguson, President

CITY OF ABILENE, TEXAS

DEVELOPMENT CORPORATION OF ABILENE, INC.

Balance Sheet

July 31, 2006

ASSETS:

Cash and Investments	\$15,553,279
Notes receivable	14,028,558
Accounts receivable	4,500
Due from other governments	1,141,303
Total Current Assets	<u>30,727,641</u>

OTHER ASSETS:

Fixed assets	\$19,658,920
Accumulated depreciation	<u>(2,565,353)</u>
Total Other Assets	<u>17,093,567</u>

TOTAL ASSETS

\$47,821,208

LIABILITIES:

Vouchers payable	\$143,590
Deferred revenues	2,478,815
Total Liabilities	<u>\$2,622,405</u>

FUND BALANCES:

Investment in general fixed assets	\$17,093,567
Reserved for contractual obligations(external)	10,738,253
Reserved for obligated programs(internal)	173,554
Undesignated Balance	17,193,429
Total Fund Balance	<u>\$45,198,803</u>

TOTAL LIABILITIES AND FUND BALANCES

\$47,821,208

FIXED ASSETS:

Buildings and Improvements:	<u>Original Cost</u>	<u>Improvements</u>	<u>Depreciation</u>	<u>Total</u>
2601 Airport Blvd.	1,563,210	540,633	198,355	1,905,488
2809 Airport Blvd.	396,519	444,583	259,814	581,288
2841 Airport Blvd.	456,736	62,923	241,475	278,184
4002 Loop 322	1,290,915	1,400,000	1,078,186	1,612,729
515 acres - Five Pts Bus Park	552,287	2,435,432	146,126	2,841,593
6450 Five Points Parkway	5,809,355	0	343,147	5,466,208
Grant Bldg 341 Pine	147,194	405,726	224,528	328,392
303.53 acres Hwy 36 & FM 18	449,239	0	0	449,239
2742 Lance Dr. (EASI Storage)	2,519,108	0	50,382	2,468,726
4109 Vine St	583,525	0	11,671	571,855
4009 Vine St	583,524	0	11,670	571,854
2005 Dodge Caravan	18,011	0	0	18,011
TOTAL FIXED ASSETS	<u>\$14,369,623</u>	<u>\$5,289,297</u>	<u>\$2,565,353</u>	<u>\$17,093,567</u>

DEVELOPMENT CORPORATION OF ABILENE
 STATUS OF FUNDS @ JULY 31, 2006

REVENUE-TO-DATE	(MARCH, 1990)			
	Beginning I-T-D Revenues	Current Month Revenues	Current FY Revenues	Ending I-T-D Revenues
City Sales Tax (3131)	\$ 86,348,050.86	\$ 638,010.37	\$ 6,406,453.44	\$ 92,754,504.30
Sales Tax Retained (3132)	145,144.36	4,334.34	39,772.81	184,917.17
Other Services Charges (3731)	25.00	-	-	25.00
Princ. - Loans & Assess (3775)	782,000.41	-	12,713.21	794,713.62
Int. - Loans & Assess (3802)	1,959,569.87	3,051.61	53,346.75	2,012,916.62
Interest (3803)	4,543,822.65	66,387.91	440,110.40	4,983,933.05
Land Lease (3810)	4,880.13	-	1,524.35	6,404.48
Building/Space Rent (3816)	2,049,879.34	18,875.00	287,451.57	2,337,330.91
City Pay Phones (3890)	9,170.58	-	-	9,170.58
Miscellaneous Revenue (3892)	25,656.31	-	1,113.72	26,770.03
EDA Grant (3305)	242,100.00	-	-	242,100.00
Miscellaneous State Grants (3359)	6,500.00	-	-	6,500.00
Miscellaneous Federal (3379)	937,926.00	-	-	937,926.00
Interest on Investments (3800)	176,263.67	-	-	176,263.67
Other Interest (3809)	32,252.85	-	-	32,252.85
Interfund Recovery (3828)	1,534,976.08	-	-	1,534,976.08
Miscellaneous Recovery (3839)	1,863,010.94	-	-	1,863,010.94
Miscellaneous Prior Year (3840)	16,464.88	-	-	16,464.88
DCOA Admin (3847)	7,070.55	-	-	7,070.55
Other Contributions (3860)	96,866.60	-	-	96,866.60
Sale of Land (3870)	273,554.84	-	-	273,554.84
Sale of Buildings (3871)	534,794.80	446,853.07	446,853.07	981,647.87
Miscellaneous Damage Claims (3889)	222.39	-	-	222.39
GASB 22 Restatement	355,634.89	-	-	355,634.89
GASB 34 FY 03 Adjustment	579,426.49	-	-	579,426.49
	<u>\$ 102,525,264.49</u>	<u>\$ 1,177,512.30</u>	<u>\$ 7,689,339.32</u>	<u>\$ 110,214,603.81</u>

CONTRACTS ENCUMBERED/ EXPENDITURES-TO-DATE	Beginning I-T-D	Current Month	Current FY	Ending I-T-D	Outstanding
	Expenditures	Expenditures	Expenditures	Expenditures	Contracts
Prior Years Programs	\$ 52,037,290.24	\$ -	\$ 4,250.02	52,041,540.26	\$ -
Business Services Division	5,078,837.57	44,595.60	445,326.23	5,524,163.80	2,000.00
DCOA Annual Contracts	1,525,434.50	29,602.18	153,173.18	1,678,607.68	-
Abilene Industrial Foundation (4950)	9,425,771.13	27,658.86	343,774.19	9,769,545.32	236,765.81
Caruth Small Business Dev Cntr (4951)	1,655,621.05	14,793.75	155,156.25	1,810,777.30	39,843.75
Chamber Military Affairs (4952)	764,178.65	13,085.49	112,262.23	876,440.88	152,737.77
Airport Business Dev Mgr (4953)	56,475.66	42,776.95	122,732.11	179,207.77	87,792.23
TTU Engineering Ops 4975	1,500,000.00	-	-	1,500,000.00	375,000.00
TTU BLDG Purchase & A/E 4976	563,131.86	-	4,988.00	568,119.86	180,856.62
Orange Plastic 4977	446,735.41	-	-	446,735.41	-
Five Points Utilities 4978	918,487.40	-	-	918,487.40	49,937.56
EASI Records Const. 4990	2,422,155.58	-	8,300.00	2,430,455.58	94,767.42
Murf Systems 4998	148,200.00	-	-	148,200.00	-
Tige Boats 5202	600,000.00	-	-	600,000.00	-
Bandag Training 5203	516,334.72	-	-	516,334.72	146,870.28
Hibbs & Todd 5204	57,150.00	-	1,010.00	58,160.00	1,840.00
Sunoco Logistics 5208	55,000.00	-	39,744.00	94,744.00	57,256.00
EASI 04 5213	680,866.83	-	37,070.83	717,937.66	2,555,062.34
EHT 5216	33,600.00	-	-	33,600.00	-
TMAC 5218	7,475.00	-	33,450.00	40,925.00	19,075.00
Hirschfeld 5219	-	-	-	-	750,000.00
Research Ins 5221	500.00	-	-	500.00	-
Advanced Trailer 5224	-	-	-	-	90,000.00
Transcend Services 5227	150,000.00	-	93,372.48	243,372.48	1,000,000.00
Bandag Building Improv 5228	-	-	-	-	157,623.92
Glazers Ph III 5229	-	-	-	-	91,000.00
BCBSTX Roof 5230	23,955.83	2,000.00	30,710.65	54,666.48	6,833.52
Highland Campus Health 5231	61,000.00	61,791.66	61,791.66	122,791.66	479,466.67
Tige Infrastructure 5233	143,722.68	-	-	143,722.68	74,913.00
Thelen, Reed, & Priest 5234	24,050.11	-	4,300.53	28,350.64	-
Robinson Fan 5237	-	-	-	-	396,450.00
Sears Methodist 5238	-	-	500,000.00	500,000.00	-
Spec II R/E Broker 5239	12,000.00	-	63,787.50	75,787.50	-
Reg Website 5240	-	-	2,654.33	2,654.33	2,345.67
BCBS Parking 5243	-	-	166,151.00	166,151.00	15,090.00
SBIR/STTR 5244	-	-	3,528.28	3,528.28	-
Lauren Holdings 5245	-	-	-	-	723,710.89
36/18 A/E 5246	-	-	23,800.00	23,800.00	11,200.00
Prospect 06 5248	-	-	1,225.00	1,225.00	-
BCBSTX Reroof Construction 5249	-	-	213,803.00	213,803.00	616,917.00
PWP Industries Ph I 5251	-	-	143,586.05	143,586.05	2,066,913.95
Abilene Internet 5252	-	-	59,340.00	59,340.00	-
SBIR/STTR 5255	-	393.51	17,916.01	17,916.01	255,983.99
Miscellaneous Activities 2785	354,189.86	-	-	354,189.86	-
TOTAL ENCUMB. / EXPENDITURES	<u>\$ 79,262,164.08</u>	<u>\$ 236,698.00</u>	<u>\$ 2,847,203.53</u>	<u>\$ 82,109,367.61</u>	<u>\$ 10,738,253.39</u>

TOTAL FUND BALANCE \$ 28,105,236.20
UNENCUMBERED FUND BALANCE \$ 17,366,982.81

3-2

<u>BALANCE OF OBLIGATED PROGRAMS</u>	Amount		Prior	Current	Current	Amount	Balance
	Obligated	Disbursed	Years	Month	Year	Encumbered	
Business Services Division	\$ 551,631.00	\$ -	-	\$ 44,595.60	\$ 445,326.23	\$ 2,000.00	\$ 104,304.77
DCOA Annual Contracts	225,700.00	-	-	29,602.18	153,173.18	-	72,526.82
Abilene Industrial Foundation (4950)	580,540.00	-	-	27,658.86	343,774.19	236,765.81	-
Caruth Small Business Dev Cntr (4951)	195,000.00	-	-	14,793.75	155,156.25	39,843.75	-
Chamber Military Affairs (4952)	265,000.00	-	-	13,085.49	112,262.23	152,737.77	-
Airport Business Dev Mgr (4953)	210,524.34	-	-	42,776.95	122,732.11	87,792.23	-
TTU Engineering Ops 4975	1,875,000.00	1,500,000.00	-	-	-	375,000.00	-
TTU BLDG Purchase & A/E 4976	749,045.00	563,131.86	-	-	4,988.00	180,856.62	68.52
Orange Plastic 4977	446,736.00	446,735.41	-	-	-	-	0.59
Five Points Utilities 4978	968,425.00	918,487.40	-	-	-	49,937.56	0.04
EASI Records Const. 4990	2,525,223.00	2,422,155.58	-	-	8,300.00	94,767.42	-
Murf Systems 4998	148,200.00	148,200.00	-	-	-	-	-
Tige Boats 5202	600,000.00	600,000.00	-	-	-	-	-
Bandag Training5203	663,205.00	516,334.72	-	-	-	146,870.28	-
Hibbs & Todd 5204	60,000.00	57,150.00	-	-	1,010.00	1,840.00	-
Sunoco Logistics 5208	152,000.00	55,000.00	-	-	39,744.00	57,256.00	-
EASI 04 5213	3,273,000.00	680,866.83	-	-	37,070.83	2,555,062.34	-
EHT 5216	33,600.00	33,600.00	-	-	-	-	-
TMAC 5218	60,000.00	7,475.00	-	-	33,450.00	19,075.00	-
Hirschfeld 5219	750,000.00	-	-	-	-	750,000.00	-
Research Ins 5221	500.00	500.00	-	-	-	-	-
Advanced Trailer 5224	90,000.00	-	-	-	-	90,000.00	-
Transcend Services 5227	1,243,373.00	150,000.00	-	-	93,372.48	1,000,000.00	0.52
Bandag Building Improv 5228	157,624.00	-	-	-	-	157,623.92	0.08
Glazers Ph III 5229	91,000.00	-	-	-	-	91,000.00	-
BCBSTX Roof 5230	61,500.00	23,955.83	-	2,000.00	30,710.65	6,833.52	-
Highland Campus Health 5231	602,259.00	61,000.00	-	61,791.66	61,791.66	479,466.67	0.67
Tige Infrastructure 5233	218,636.00	143,722.68	-	-	-	74,913.00	0.32
Thelen, Reed, & Priest 5234	25,000.00	24,050.11	-	-	4,300.53	-	(3,350.64)
Robinson Fan 5237	396,450.00	-	-	-	-	396,450.00	-
Sears Methodist 5238	500,000.00	-	-	-	500,000.00	-	-
Spec II R/E Broker 5239	75,788.00	12,000.00	-	-	63,787.50	-	0.50
Reg Website 5240	5,000.00	-	-	-	2,654.33	2,345.67	-
BCBS Parking 5243	181,241.00	-	-	-	166,151.00	15,090.00	-
SBIR/STTR 5244	3,530.00	-	-	-	3,528.28	-	1.72
Lauren Holdings 5245	723,711.00	-	-	-	-	723,710.89	0.11
36/18 A/E 5246	35,000.00	-	-	-	23,800.00	11,200.00	-
Prospect 06 5248	1,225.00	-	-	-	1,225.00	-	-
BCBSTX Reroof Construction 5249	830,720.00	-	-	-	213,803.00	616,917.00	-
PWP Industries Ph I 5251	2,210,500.00	-	-	-	143,586.05	2,066,913.95	-
Abilene Internet 5252	59,340.00	-	-	-	59,340.00	-	-
SBIR/STTR 5255	273,900.00	-	-	393.51	17,916.01	255,983.99	-
Miscellaneous Activities 2785	354,189.86	354,189.86	-	-	-	-	-
BALANCE OF OBLIGATED PROGRAMS	\$ 22,473,316.20	\$ 8,718,555.28	\$ 236,698.00	\$ 2,842,953.51	\$ 10,738,253.39	\$ 173,554.02	

Contingent Liabilities

\$ -

UNDESIGNATED FUND BALANCE

(unencumbered balance less obligated programs and contingent liabilities)

\$ 17,193,428.79

DCOA Board approved projects waiting for signed contracts EXPIRATION DATE

Bandag Training 5203	211,015.00	06/14/2005
Research Ins 5221	2,999,500.00	02/28/2005
Air Technical Systems 5241	138,100.00	01/05/2006
Project AN 5242	850,000.00	01/05/2006
Project Enterprise 5242	150,000.00	01/05/2006
Project AT 5247	757,000.00	05/01/2006
Project BP 5250	92,842.00	07/31/2006
Project DS 5253	695,502.00	09/07/2006
Project TT 5254	103,900.00	09/07/2006
Robinson Fan 5237	450,959.00	01/25/2007
Coca-Cola 5256	220,000.00	01/25/2007
Fehr Food Training 5261	78,000.00	01/25/2007
Welder Training Program 5257	127,243.00	01/25/2007

5,997,859.00

**ECONOMIC DEVELOPMENT DEPARTMENT
SERVICE EVALUATION REPORT**

JULY 2006

**PERFORMANCE DATA
SERVICE ANALYSIS**

Staff: Richard Burdine-Assistant City Manager for Economic Development; John Dugan-Downtown Manager/Director of Business Development, Kim Tarrant-Contracts Administrator; David White-Construction Project Manager, Susan Campbell-Secretary to Assistant City Manager.

City of Abilene/Business Services - *Funding Sources: DCOA*

During July 2006, the DCOA board heard a progress report from Dr. Monty Lynn of ACU on the Regional Website for Economic Data & Analysis. In addition, the board approved additional assistance for Robinson Fans Abilene, Inc., which replaces the original assistance package approved 4/05, and Robinson projects to double its original capital investment and employment commitments. The board approved \$220,000 funding to install a sanitary sewer line from the existing Coca-Cola plant on Hwy 351 south along a new road to connect with the main line running along I-20. The board authorized amended assistance for Fehr Foods in which 3 existing participations with First Financial Bank Abilene will be converted and combined with the existing \$3 million forgivable/earnable loan. Also, Fehr Foods will have the opportunity to draw down training funds of \$78,000 that had been approved in '98 and never used. The DCOA approved \$127,243 to contract with the Workforce Center to conduct a pilot program for welder training on the campus of CJC, which will fund expenses for 36 trainees.

TTU Small Business Development Center - *Funding Sources: DCOA and Federal Govt. (SBA)*

DCOA approved a one-year contract beginning 10-1-05 in the amount of \$195,000 to reimburse SBDC for counseling services provided to Abilene residents. A total of 126 Abilene client sessions were held this month with 78% being returning clients. Three new businesses opened, and 9 new jobs were created during the month. Attached is a summary of monthly activity.

Abilene Industrial Foundation, Inc./Abilene Chamber of Commerce - *Funding Sources: DCOA and Public Donations*

DCOA approved a one-year contract with AIF/ACOC beginning 10-1-05 in the amount of \$845,540: \$440,540 for AIF operating, \$140,000 for AIF marketing, and \$265,000 for Military Affairs Committee expenses and staff expenses incurred or fees paid to consultants and subcontractors in support of Abilene while pursuing additional missions and improvements for Dyess AFB. During the month, AIF responded to 7 requests for information. Staff visited 4 local companies, 1 out-of-town company/consultant and hosted 2 visits to Abilene by prospects. The Develop Abilene website experienced 47,355 hits with 966 unique visits. Attached is a year-to-date summary of activity for this year and last.

SMALL BUSINESS DEVELOPMENT CENTER
July 2006 UPDATE

STATISTICS:

237.75	Abilene business counseling hours for the month of July
126	Client sessions conducted for the month
	27 New clients
3	Workshops
	27 Attendees

Business Created:

3	Month of July
	3 New Businesses
55	Year-to-Date

Jobs Created:

9	Month of July
	9 New Jobs Created
274	Year-to-Date

Capital Formation:

\$122,000	Month of July
\$5,335,939	Year-to-Date

Abilene Industrial Foundation Summary of Activity

<u>ACTIVITY</u>	<u>Jul 06</u>	<u>Jul 05</u>	<u>YTD*</u> <u>2005/06</u>	<u>YTD*</u> <u>2004/05</u>
Publications in which ads were placed	0	0	1	3
Prospect responses from advertisements	0	0	11	38
Consultant E-Newsletter/Direct Mailouts	0	0	3,884	1,952
Prospect files opened	0	0	5	8
Site visits to prospects/consultant	1	0	42	49
Prospect visits to Abilene	2	26	30	54
Retention visits	4	2	78	32

* FISCAL YEAR-- OCTOBER 1 TO SEPTEMBER 30
Prepared by AIF Staff

** Does not include Manufacturers Luncheon held on 5/9/06
22 companies were present

DEVELOPMENT CORPORATION OF ABILENE, INC.

BOARD AGENDA

MEETING DATE: September 12, 2006

PROJECT: Texas Manufacturing Assistance Center Report and Request for New Funding

STAFF: Richard Burdine, CEO

GENERAL INFORMATION:

The Texas Manufacturing Assistance Center (TMAC) exists to enhance the competitive position of the state's manufacturing sector. TMAC's manufacturing professionals work with a wide range of individual firms, delivering training, providing technical assistance and implementing best business practices. Particular emphasis is placed on the needs of small to mid-sized manufacturers. Focus areas include lean manufacturing and lean office principles, strategic management, quality systems, environmental and safety.

TMAC consists of seven partner institutions delivering services statewide. The Texas partners are: Texas Engineering Extension Service (TEEX), University of Texas at Arlington, University of Texas at El Paso, University of Houston, Southwest Research Institute, Texas Tech University, and University of Texas-Pan American. The TMAC West Texas is located in Lubbock and is affiliated with Texas Tech University. TMAC West Texas reports to the V.P. of Research and Graduate Services and is associated with the Small Business Development Center (SBDC) system.

In June 2004, the board approved total funding of \$60,000 to cost-share for TMAC services with local manufacturers. The funding was to be disbursed in the amount of \$10,000 in FY04, \$25,000 in FY05 and \$25,000 in FY06, and limited to \$7500 per manufacturer per year. None of the funding was disbursed in FY04. In FY05, \$7,475 was disbursed, leaving \$17,525 unused. In 4/06, the board approved the carryover of \$27,525 that was unused in FY04 and FY05 to be used in FY06. The current contract expires 9-30-06 and \$19,075 remains available as of this date. Below is a summary of the companies assisted with DCOA funding:

Company	Amt. of Assistance	TMAC assistance provided
Red's Satellite Service	\$7,475	Training on safety issues as required by OSHA, development of safety manual and procedures
Ab-Tex Beverage	\$7,450	Safety training (i.e. fire protection, fall protection, lifting techniques, good housekeeping, bloodborne pathogens, forklift operating and safety)
Mrs. Baird's Bread	\$7,000	Safety training, forklift operator certification, scissor lift operator, and fall protection.
Hartmann's, Inc.	\$4,000	Enhanced order tracking software and SIO 9000 systems
Union Drilling	\$7,500	Safety training (i.e. fire protection, fall protection, lifting techniques, good housekeeping bloodborne pathogens, forklift operating)
Ringo Drilling	\$7,500	Safety training (i.e. fire protection, fall protection, lifting techniques, good housekeeping bloodborne pathogens, forklift operating)
TOTAL	\$40,925	

THE REQUEST:

Because of the success of the program and the continued need to assist local manufacturers with the issues they face, staff requests the DCOA consider renewing its contract with TMAC and provide funding support of \$60,000 over the next 3 years. Funding will continue to be limited to \$7500/manufacturer/year.

FUNDING/FISCAL IMPACT:

\$60,000 through 9-30-09

STAFF RECOMMENDATION:

Staff recommends approval of Resolution DCOA-2006.21 authorizing funding in the amount of \$60,000 to continue supporting TMAC in assisting Abilene manufacturers.

ATTACHMENT:

Resolution DCOA-2006.21

RESOLUTION NO. DCOA-2006.21

A RESOLUTION OF THE DEVELOPMENT CORPORATION OF ABILENE, INC. (DCOA), ABILENE, TEXAS AUTHORIZING A RENEWAL CONTRACT AND FUNDING FOR THE TEXAS MANUFACTURING ASSISTANCE CENTER (TMAC).

WHEREAS, the purpose of the DCOA is to expand employment opportunities for the citizens of Abilene; and,

WHEREAS, TMAC has provided services designed to enhance the competitive position of the state's manufacturing sector since 1995; and,

WHEREAS, TMAC places emphasis on small to mid-sized manufacturers and works with a wide range of individuals firms delivering training, providing technical assistance and implementing best business practices; and,

WHEREAS, in June 2004, the DCOA approved resolution DCOA-2004.24 which authorized funding in the total amount of \$60,000 to be spread out over FY04, FY05 and FY06 to cost share for TMAC services with local manufacturers, and a contract effective 7-1-05 was executed; and,

WHEREAS, in 4/06, the DCOA approved Addendum A to the contract, authorizing the carryover of funding unused from FY04 and FY05 in the total amount of \$17,525 to be used in FY06; and,

WHEREAS, because of the success of the TMAC program in Abilene, staff proposes renewing the contract for another 3 years and new funding.

NOW THEREFORE, BE IT RESOLVED BY THE DEVELOPMENT CORPORATION OF ABILENE, INC., ABILENE, TEXAS, THAT:

- PART 1.** DCOA authorizes a renewal contract for three additional years and funding for cost-sharing services provided by TMAC to local manufacturers in the amount of Sixty Thousand and No/100's Dollars (\$60,000). Disbursements over the three-year period will be limited to \$7500 per local manufacturing customer during any fiscal year.
- PART 2.** Funding under this resolution is contingent upon execution of all necessary agreements. The funding commitment authorized under this resolution shall expire without notice 180 days from the date of adoption of same unless all required documents and agreements are executed prior to that expiration date or the commitment herein is extended in writing by the DCOA.
- PART 3.** The Chief Executive Officer of the Development Corporation of Abilene, Inc. is hereby authorized to negotiate, enter into and execute any contract and all other related documents on behalf of the DCOA.

ADOPTED this the 12th day of September, 2006.

ATTEST:

Dee Moore
Secretary/Treasurer

Ray Ferguson
President

APPROVED:

T. Daniel Santee, First Asst. City Attorney

DEVELOPMENT CORPORATION OF ABILENE, INC.

BOARD AGENDA

MEETING DATE: September 12, 2006

PROJECT: SBIR/STTR Program Support

STAFF: Richard Burdine, CEO

THE REQUEST

One of the recommendations of the Wadley-Donovan Study was to “reinvent” our local and regional economy by encouraging growth of research and development (R&D). The largest source of venture capital funds is the federal government through the Small Business Innovation Research (SBIR) and the Small Business Technology Transfer (STTR) programs described in detail below. Over \$2 billion is available each year. Funding is granted in phases in response to Requests for Proposals (RFP) from each agency for research projects they expect to fund, as follows:

- Phase I – up to \$100,000 for proof of concept
- Phase II – up to \$750,000 for progress toward commercialization

In March the Board approved a “framework” of support for the following phases of the SBIR/STTR process. The figures in **bold** are the actual expenditures this fiscal year.

- Pre-application Phase
 - Encourage dialog among scientists/inventors and with investors at monthly roundtables hosted by the SBDC (maximum 2006 expenditure of \$900 - **\$750.00 estimated**).
 - Offer through the SBDC counseling and software tools to develop SBIR grant applications (maximum 2006 expenditure of \$25,000 for software, hardware and training for counselors - **\$0.00 actual**).
 - Provide low cost legal help to evaluate intellectual property for clients referred by the SBDC (maximum 2006 expenditure of \$5,000 - **\$0.00 actual**).
 - Build capacity in local accounting firms to assist with federal project budget/finance issues through capacity building grants of up to \$2,000. Commitment letters may be issued by the CEO for up to 4 grants in 2006 (maximum expenditure of \$8,000 – **2 grants totaling \$2,522.50 actual**).
 - Provide assistance with Phase 1 application preparation cost of \$5,000/application submitted for research to be conducted in Abilene. Commitment letters may be issued by the CEO for up to 8 grants in 2006 (maximum expenditure of \$40,000 – **4 grants totaling \$20,000 actual**).
- Phase 1 Application
 - Matching grants of 10% of Phase 1 grant awards, not to exceed \$7,500 for research to be conducted in Abilene. Commitment letters may be issued by the CEO for up to 6 grants in 2006 (maximum expenditure of \$45,000 - **\$0.00**). DCOA participation is an indicator of market potential and provides a competitive edge in the grant application rating process.
- Phase 2 Application
 - Matching grants of 10% of Phase 2 grant awards, not to exceed \$75,000, for research to be conducted in Abilene. Commitment letters may be issued by the CEO with concurrence of the Board President for up to 2 grants in 2006 (maximum expenditure of

\$150,000 - **\$0.00**). DCOA participation is an indicator of market potential and provides a competitive edge in the grant application rating process.

- Post-Phase 2 Production Start-up
 - Nurture businesses growing out of Phase 2 with job creation and capital investment incentives per DCOA guidelines for existing businesses.

Maximum 2006 expenditure of \$273,900 - **\$23,272.50 estimated and actual.**

We had planned to report to the Board no later than the regular January 2007 board meeting. However, we would like to move the funding to a fiscal year timetable. Also, we anticipated “fine-tuning” of the program as we gained experience and propose the following changes, as reflected in the attached resolution DCOA 2006.22:

- Pre-application Phase
 - Increase the refreshments budget for the monthly ReInvent Abilene Networking events to \$200/event or \$2,400/year.
 - Reduce the capacity-building grants to local accounting firms to \$4,000/year.
- Phase 1 Application
 - Change the maximum grant to \$10,000 as some agencies award up to \$100,000. No change in funding amount.
- Phase 2 Application
 - No changes.

FISCAL IMPACT

Maximum expenditure of **\$271,400** through FY07.

STAFF RECOMMENDATION

The long lead times required in the SBIR/STTR funding process resulted in only Pre-application Phase activity in 2006. Now that 4 Phase 1 grant applications are “in the pipeline” there is more potential for Phase 1 & 2 Application activity in 2007. Below is background information provided by Randy Barnett, Innovation Partners, about Phase 1 Applications submitted to federal agencies to date and some general observations.

Staff recommends the DCOA Board approve resolution DCOA 2006.22, replacing the prior resolution DCOA-2006.11 and authorizing funding of \$271,400 to support the program through FY 2007.

BACKGROUND

1. **U.S. Dept. of Energy**, Proposal title: **Innovative Research on Resistive Plate Chamber Technology**, leading to a wide range of potential commercial applications, including medical diagnostic imaging, homeland security, and landmine detection, the proposed research will investigate the feasibility of employing commercially available polymers as innovative, lower cost, reliable, persistent alternatives to the unreliable, expensive, single foreign source material currently used to construct high energy nuclear physics sensors. **Principal Investigator: Dr. Donald Isenhower, Physicist at ACU.** Proposed Phase 1 Budget: \$108,170. **Status** - this proposal was initially rejected, but when ACU physicists found critical errors made by DoE peer reviewers, the DoE requested a formal rebuttal of the reviews. On August 15th DoE informed us that while they regret the errors, it's too late to award a grant this year. They recommended a re-submission this fall.

2. U.S. Dept. of Defense – Office of Secretary of Defense – OSD/ARMY, STTR in conjunction with Texas Tech. Proposal title: **Software System Reliability Analysis**. Recent advances point the way towards more accurate software reliability models; models which can provide a more objective assessment of software reliability and give software developers a much higher confidence that their software is suitable for use in safety and mission critical environments. Unfortunately, research efforts in this area have been hampered by a lack of adequate tools. This convergence of interest between the theoretical and practical provides a unique opportunity to produce a software product which can advance the current state of the art and be immediately commercially viable. **Principal Investigator: Dr. Jason Denton, Computer Scientist at Texas Tech Abilene Campus.** Proposed Phase 1 Budget: \$73,657. **Status** – Pending.

3. U.S. Environmental Protection Agency, Proposal title: Water Treatment Using Insoluble Antimicrobial Polymer Materials, seeks to investigate the feasibility of a novel, alternative water treatment methodology utilizing a cost effective, easily installable water insoluble antimicrobial polymer. If successful, it could significantly reduce the amount of chlorine and other antimicrobial additives needed to treat water, reduce the costs of water treatment, provide better tasting water and lead to the development of more compact, decentralized and portable water treatment systems. **Principal Investigator: Dr. Brian Cavitt, Chemist at ACU.** Proposed Phase 1 Budget: \$67,412. **Status:** Pending.

4. U.S. Dept. of Defense – Special Operations Command, Topic No. SOCOM06-012 – Automated Feature Extraction Capabilities for the Development of High-Resolution GEOINT Feature Data and Constructing Correlated Databases. The, did his PhD work in this field. The proposed research would develop an automated model-based system to identify man made features in aerial and satellite imagery; work currently done by humans. Once tested and refined in the DoD environment, this type of software would be marketable to other governmental entities for planning, zoning, and taxation work. Other potential markets are real estate related. **Principal Investigator: Dr. Jason Denton, Computer Scientist at Texas Tech Abilene Campus.** Proposed Phase 1 Budget: \$80,883.04. **Status** – Pending.

Additional proposals are currently under consideration in the areas of computational physics, modelling and simulation, high energy nuclear physics, biological remediation of hazardous wastes and ballistic materials development, among others. With the experience gained this year future proposals will improve.

Progress Assessment: A year ago we really didn't know if there were scientists in Abilene that were capable and willing to pursue federal SBIR/STTR R&D work. We now know that there are at least 25-30 scientists, inventors and technologists in our area that are extremely capable and excited about the potential of doing R&D. We have also identified key support components that encourage, foster and nourish R&D activity and have taken initial steps to build those components. Establishing relationships with experienced professionals like John Davis of the SBIR Resource Center and David Berglund, Executive Director of the State Science & Technology Institute has been important. Steps taken toward organizing an R&D community in Abilene where none previously existed has been vital, and must be continuously sustained with efforts such as the Re-Invent Abilene networking events, the database of interested scientists, and the systematic digging through and distributing of the federal RFPs as they come out. Lots of progress has been made, but there is a lot more to do:

One piece of the R&D puzzle that we lack in this area is the ability to do prototyping and creative machining of newer materials. There are at least two inventors here that need help right now in this area. Prototyping is a collaborative exercise and difficult to do at a distance.

The biggest hurdle we face in building our R&D sector is growing our capacity. While we have now identified and energized dozens of local professors that would love to do R&D, the time they have to devote to R&D is limited. We have to find ways to free up time for them to focus on R&D. Developing the support systems will help and some sort of "R&D incubator" initiative is needed. There are also ways to "buy-out" a course or two for a semester that would allow a Prof to do R&D work. We've got the brains here and the federal R&D budget of \$134 Billion dollars per year is an accessible and desirable target market. With sustained efforts, we can re-invent Abilene through R&D.

ATTACHMENTS

Resolution DCOA-2006.22

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RESOLUTION NO. DCOA-2006.22

A RESOLUTION OF THE DEVELOPMENT CORPORATION OF ABILENE, INC. (DCOA), ABILENE, TEXAS AUTHORIZING FY07 FUNDING SUPPORT FOR LOCAL RESEARCHERS AND ENTREPRENEURS WISHING TO APPLY FOR RESEARCH AND DEVELOPMENT GRANT MONEY FROM THE SMALL BUSINESS INNOVATION RESEARCH AND SMALL BUSINESS TECHNOLOGY TRANSFER PROGRAMS (SBIR/STTR) OF THE U.S. SMALL BUSINESS ADMINISTRATION (SBA).

WHEREAS, the purpose of the DCOA is to expand employment opportunities for the citizens of Abilene; and

WHEREAS, the Wadley-Donovan Study recommends the local and regional economy be “reinvented” by encouraging growth of research and development (R&D); and,

WHEREAS, the DCOA approved Resolution DCOA-2004.27 on 8-31-04, authorizing \$3 million for the purchase of facilities and equipment and salary support of the proposed Abilene Research Institute as a catalyst to attract highly skilled labor to Abilene to attend school and work; and,

WHEREAS, as a result of attempts by staff and Innovation Partners, a local investment group, to organize Abilene’s resources, the three local universities voiced support of the concept of matching local faculty with entrepreneurs in pursuit of federal venture capital funds for local R&D efforts; and,

WHEREAS, the DCOA approved Resolution DCOA-2005.26 in 9/05 authorizing up to \$4,000 to co-sponsor with the Texas Tech Small Business Development Center a workshop on the SBA programs know as SBIR/STTR, which was held on September 30, 2005 and October 1, 2005, and was well attended; and,

WHEREAS, as a result of the workshop, Innovation Partners teamed with 3 scientists and submitted a Phase 1 application to the Department of Energy in 2005 and submitted additional applications in FY06; and,

WHEREAS, the DCOA approved Resolution DCOA-2006.11 on 3-7-06 which authorized FY06 funding in the total amount of \$273,900, split among the categories Pre-Application Phase (\$78,900), Phase 1 Application (\$45,000), and Phase 2 Application (\$150,000); and,

WHEREAS, the only funding disbursed in FY06 is estimated to total \$23,275 used for the Pre-Application Phase, and the unfunded balance of the FY06 authorization will no longer be available after 9-30-06; and,

WHEREAS, staff requests the DCOA authorize new funding to continue supporting the program through FY07.

NOW THEREFORE, BE IT RESOLVED BY THE DEVELOPMENT CORPORATION OF ABILENE, INC., ABILENE, TEXAS, THAT:

PART 1. DCOA authorizes new funding for FY07 in an amount not to exceed Two Hundred

Seventy-One Thousand Four Hundred and no/00's Dollars (\$271,400) to continue support that assists local researchers and entrepreneurs with the pre-application and application process of applying for federal funding through the SBIR/STTR programs. The funding is available from 10/06 through 9/07. The Texas Tech Small Business Development Center (SBDC) will screen applicants to determine eligibility in the programs. Funding is as follows:

Pre-application Phase – up to \$76,400 for items below:

- Encourage dialog among scientists/inventors and with investors by hosting monthly Reinvent Abilene events, which are co-hosted by the SBDC @ \$200/event beginning 10/06 through 9/07 (maximum expenditure of \$2,400).
- Offer through the SBDC counseling and software tools to develop SBIR grant applications (maximum FY07 expenditure of \$25,000 for software, hardware and training for counselors).
- Provide low cost legal help to evaluate intellectual property for clients referred by the SBDC (maximum FY07 expenditure of \$5,000).
- Build capacity in local accounting firms to assist with federal project budget/finance issues through capacity building grants of up to \$2,000. Commitment letters may be issued by the CEO for up to 2 grants in FY07 (maximum expenditure of \$4,000).
- Provide assistance with Phase 1 application preparation cost of \$5,000/application submitted for research to be conducted in Abilene. Commitment letters may be issued by the CEO for up to 8 grants in FY07 (maximum expenditure of \$40,000).

Phase 1 Application - up to \$45,000 as follows:

- Matching grants of 10% of Phase 1 grant awards, not to exceed \$10,000 for research to be conducted in Abilene. Commitment letters may be issued by the CEO for up to 6 grants in FY07 (maximum expenditure of \$45,000). DCOA participation is an indicator of market potential and provides a competitive edge in the grant application rating process.

Phase 2 Application – up to \$150,000 as follows:

- Matching grants of 10% of Phase 2 grant awards, not to exceed \$75,000, for research to be conducted in Abilene. Commitment letters may be issued by the CEO with concurrence of the Board President for up to 2 grants in FY07 (maximum expenditure of \$150,000). DCOA participation is an indicator of market potential and provides a competitive edge in the grant application rating process.

Post-Phase 2 Production Start-up – funding to be determined at a later time.

- Nurture businesses growing out of Phase 2 with job creation and capital investment incentives per DCOA guidelines for existing businesses.

PART 2.

Funding under this resolution is contingent upon execution of all necessary agreements. The funding commitment authorized under this resolution shall expire without notice 180 days from the date of adoption of same unless all required documents and agreements are executed prior to that expiration date or the commitment herein is extended in writing by the DCOA.

PART 3. The Chief Executive Officer of the Development Corporation of Abilene, Inc. is hereby authorized to negotiate, enter into and execute any contract and all other related documents on behalf of the DCOA.

ADOPTED this the 12th day of September, 2006.

ATTEST:

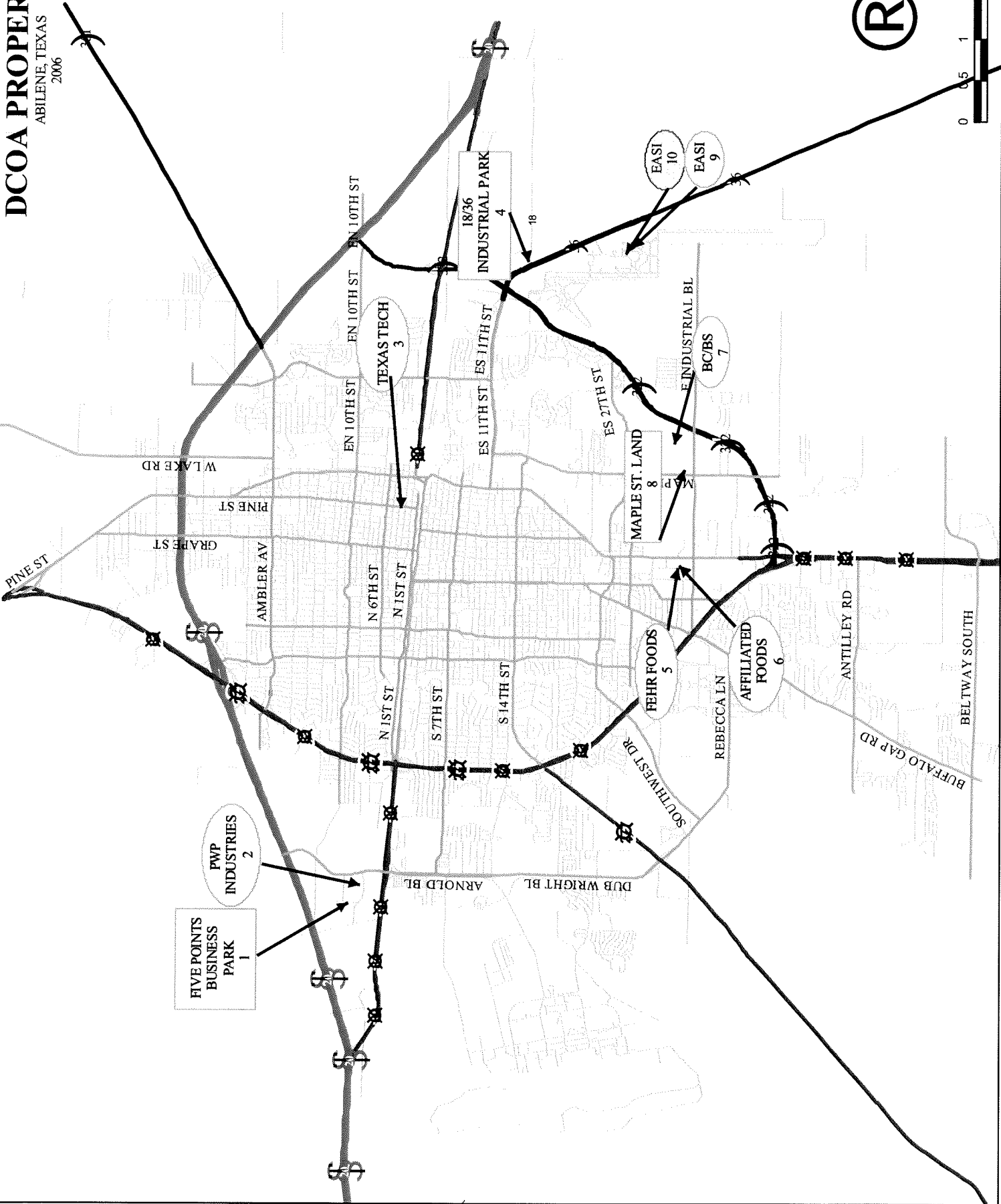
Dee Moore
Secretary/Treasurer

Ray Ferguson
President

APPROVED:

T. Daniel Santee
First Asst. City Attorney

DCOA PROPERTIES
ABILENE, TEXAS
2006



6-1

DCOA PROPERTIES MAP - 2006

KEY



Oval indicates properties fully utilized



Rectangle indicates available property

Yellow - Owned by DCOA

Pink - Controlled by DCOA

	Property	Key	Year Built	Square Footage/Acreage	Property Address
1	Five Points Business Park		NA	515 Acres	West Hwy 80 & Arnold Blvd
2	PWP Industries – Five Points Business Park		2002	112,500 Sq Ft 24.9 Acres	6450 Five Points Parkway
3	Texas Tech University – Center for Excellence		1932	20,484 Sq Ft 7,000 Sq Ft Lot	304 Pine St
4	18/36 Industrial Park		NA	303.5 Acres	FM 18 & Hwy 36
5	Vine St. Warehouse – leased to Fehr Foods		1992	70,000 Sq Ft 2.3 Acres	4009 Vine St.
6	Affiliated Food Stores (AFS) warehouse and offices		1968, 1974 & 1977	120,520 Sq Ft 4.17 Acres	4109 Vine St.
7	BlueCross BlueShield of Texas		1973	157,500 Sq Ft 31 Acres	4002 Loop 322
8	Maple St. Land – 47 acres ag land (currently under ag lease)		NA	47 Acres	Maple St & Industrial Blvd
9	Eagle Aviation Services Inc. (EASI) – Hangar 0		1999 & 2004	34,460 Sq Ft	2601 Airport Blvd
9	Eagle Aviation Services Inc. (EASI) – Hangar 2		1982 & 1997	47,090 Sq Ft	2809 Airport Blvd
9	Eagle Aviation Services Inc. (EASI) – Hangar 3		1980 & 1997	30,505 Sq Ft	2841 Airport Blvd
9	Eagle Aviation Services Inc. (EASI) – Records/Parts		2003	53,460 Sq Ft	2742 Lance Dr
10	Eagle Aviation Services Inc. (EASI) – Hangar 1		1982	31,314 Sq Ft	2751 Airport Blvd (Owned by City of Abilene)

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