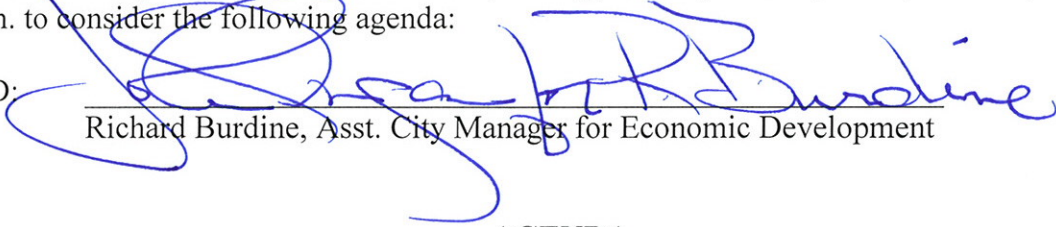


PUBLIC NOTICE

DEVELOPMENT CORPORATION OF ABILENE, INC.

A regular meeting of the Development Corporation of Abilene, Inc. will be held on Tuesday, December 19, 2006, in the Develop Abilene conference room, 174 Cypress St., Abilene, Texas, 3rd floor, commencing at 1:30 p.m. to consider the following agenda:

SIGNED:


Richard Burdine, Asst. City Manager for Economic Development

AGENDA

December 19, 2006
1:30 p.m.

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

1. Call the meeting to order.
2. Approval of minutes from November 21, 2006 meeting.
3. Preliminary financial and status reports for October 2006.
4. Executive Session: Pursuant to Tex. Gov't Code Sec. 551.087, an executive session may be held (1) to discuss or deliberate regarding commercial or financial information that the governmental body has received from a business prospect that the governmental body seeks to have locate, stay, or expand in or near the territory of the governmental body and with which the governmental body is conducting economic development negotiations; or (2) to deliberate the offer of a financial or other incentive to a business prospect described by Subdivision (1). After discussion of the contemplated legal matters in executive session, any action or vote will be taken in public.
5. Discussion and possible approval of a resolution authorizing assistance for Eagle Aviation Services, Inc.
6. Discussion and possible approval of a resolution authorizing assistance for Project KM.
7. Discussion and possible approval of a resolution authorizing assistance for BMWT Leasing.
8. Discussion and possible approval of a resolution authorizing additional assistance for Integrated Clinical Research, LLC (Project DS).
9. Discussion and possible approval of a resolution authorizing the conveyance of .64 acres of land in the Five Points Business Park to Texas Department of Transportation for right-of-way.
10. Discussion and possible approval of a resolution authorizing a contract and funding with Carter & Burgess to design a third speculative industrial shell building in the Five Points Business Park.

11. 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.

12. 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
November 21, 2006

MEMBERS PRESENT:	Ray Ferguson Joe Crawford	Stan Lambert
MEMBERS ABSENT:	Syd Niblo	Dee Moore
STAFF PRESENT:	Richard Burdine John Dugan David Wright	Kim Tarrant David White
GUESTS PRESENT:	Patrick Gallagher Aric Head Ken Davis Sarah Kleiner Varble Ian Munro Bill Ehrie Gary Robinette Mike McMahan	Carter & Burgess “ “ Abilene Reporter-News KTXS News TV Abilene Industrial Foundation “ Abilene Chamber of Commerce

- 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 OCTOBER 17, 2006 MEETING.** Stan Lambert made a motion to approve the minutes from the October 17, 2006 meeting. Joe Crawford seconded and the motion carried.
- 3. PRELIMINARY FINANCIAL AND STATUS REPORTS FOR SEPTEMBER 2006.** David Wright presented the financial reports for September 2006. Total assets as of September 30, 2006 were nearly \$48.3 million, total liabilities were about \$2.7 million, and the DCOA had an undesignated fund balance of \$19.1 million. The sales tax rebate for November was \$743,127.14 for economic development and was 7.04% higher than last year.
- 4. PRESENTATION BY REPRESENTATIVES FROM CARTER & BURGESS, INC. OF CONCEPTUAL PLANS FOR FIVE POINTS BUSINESS PARK.** Aric Head of Carter & Burgess made the presentation. They have developed four different concepts for the Five Points Business Park, along with different site plans for a specific 100,000 to 120,000 square-foot potential spec building. Mr. Head summarized the process of getting familiar with the property where a site analysis is performed to consider circulation, property access, flood planes, utilities, etc.

The first concept plan has a mix of 100,000 square-foot buildings and one 300,000 square-foot building, all served by rail. The total potential build-out for the business park is about 3 million square feet. The second concept plan has the potential for three or more 500,000 square-foot buildings. The third concept plan has a mix of the different buildings from the first two plans. The main difference in the fourth concept plan is with the access roads through the business park. It was pointed out that there is a lot of flexibility in the business park.

Three different sites have been identified for a 100,000 square-foot spec 3 building and several alternative plans have been developed for each of the sites. Discussion ensued about getting the land ready to occupy, time frames involved, approval from FEMA, etc. Mr. Burdine mentioned that all three sites have street frontage plus water and sewer readily available. The goal is to build a third spec building in the 100,000 square-foot range, preferably without a floor – just a shell, similar to what was originally done with the Spec 2 building (currently occupied by PWP Industries).

There was discussion regarding different options for the sites concerning rail service, sizes of prospective buildings, and how Abilene is able to compete with other cities that have business parks. Mr. Burdine explained how having a spec building shell already in place can be a competitive edge in drawing industrial/manufacturing businesses to Abilene because that would save time in having to construct an entire building.

- 5. DISCUSSION AND POSSIBLE APPROVAL OF A RESOLUTION AUTHORIZING ADDITIONAL FUNDING FOR THE INSTALLATION OF A SEWER LINE FOR THE BENEFIT OF COCA-COLA BOTTLING COMPANY OF NORTH TEXAS.** In July 2006 the DCOA authorized \$220,000 in funding to install a new sewer line to be constructed along the new road from the Coke plant to a 12-inch sewer main currently running along Interstate 20. This amount was based on cost estimates at that time. However, actual costs are now \$300,000. Due to the increase in actual costs versus the estimated costs, staff requests the DCOA approve additional funding in the amount of \$80,000.

Joe Crawford moved to approve Resolution No. DCOA- 2007.02 (revised) as presented. Stan Lambert seconded the motion and it carried.

- 6. EXECUTIVE SESSION.** There was no need for an executive session.

- 7. ADJOURNMENT.** The next DCOA meeting will be December 12th. There being no further business, the meeting was adjourned.

Ray Ferguson, President

MEMORANDUM

December 13, 2006

TO: Larry D. Gilley, City Manager
FROM: David M. Wright, Director of Finance
SUBJECT: December Sales Tax

The sales tax rebate for December is \$2,417,652.12, which represents October sales. This is 10.83% above last year. The breakdown of the December rebate is \$1,813,239.09 to the General Fund and \$604,413.03 for economic development. Of this rebate, \$57,236 is from prior periods, audit payments, future payments, and unidentified payments. Based on this rebate, sales tax is 8.98% above last year for the period of October through December. I have requested the detail from the state.

Should you have any questions, please contact me.

DMW:ls

cc: Richard Burdine, Assistant City Manager
David Vela, Assistant City Manager
Lesli Andrews, Assistant City Manager

**CITY OF ABILENE
SALES TAX COMPARISON**

Accounting Period Month	GENERAL FUND Actual 2005-06	ECONOMIC DEVELOPMENT Actual 2005-06	TOTAL 2005-06	GENERAL FUND Actual 2006-07	ECONOMIC DEVELOPMENT Actual 2006-07	TOTAL 2006-07
October	\$1,781,387.54	\$593,795.84	\$2,375,183.38	\$1,951,422.77	\$650,474.25	\$2,601,897.02
November	2,082,826.00	694,275.33	2,777,101.33	2,229,381.42	743,127.14	2,972,508.56
December	1,636,091.34	545,363.78	2,181,455.12	1,813,239.09	604,413.03	2,417,652.12
YTD	\$5,500,304.88	\$1,833,434.95	\$7,333,739.83	\$5,994,043.28	\$1,998,014.42	\$7,992,057.70
January	1,718,563.88	572,854.62	2,291,418.50			
February	2,667,866.52	889,288.84	3,557,155.36			
March	1,730,733.21	576,911.07	2,307,644.28			
April	1,695,786.27	565,262.09	2,261,048.36			
May	2,315,444.39	771,814.80	3,087,259.19			
June	1,781,984.09	593,994.69	2,375,978.78			
July	1,927,034.14	642,344.71	2,569,378.85			
August	2,297,829.76	765,943.25	3,063,773.01			
September	1,911,314.38	637,104.79	2,548,419.17			
FY TOTAL	<u>\$23,546,861.52</u>	<u>\$7,848,953.81</u>	<u>\$31,395,815.33</u>			

NOTE: REPORT REFLECTS THE MONTH SALES TAX IS RECEIVED FROM AUSTIN. REVENUE IS RECORDED ON THIS BASIS FOR BUDGETARY PURPOSES.

THE COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR) WILL REFLECT GASB 33 REQUIREMENT IN ADDITION TO THE BUDGET BASIS.

DEVELOPMENT CORPORATION OF ABILENE, INC.
1/2 CENT SALES TAX REVENUE
FY 2006: Monthly and Year-to-Year Comparisons

Accounting Period Month	Actual 2005-06	Actual 2006-07	% Change
October	\$593,796	\$650,474	9.55%
November	694,275	743,127	7.04%
December	545,364	604,413	10.83%
YTD	\$1,833,435	\$1,998,014	8.98%
January	572,855		
February	889,289		
March	576,911		
April	565,262		
May	771,815		
June	593,995		
July	642,345		
August	765,943		
September	637,105		
FY TOTAL	\$7,848,954		

Note: Report reflects the month sales tax is received from Austin.
Revenue is recorded on this basis for budgetary purposes.

The Comprehensive Annual Financial Report (CAFR) will reflect
GASB 33 requirement in addition to the budget basis.

Revenue for December '06 represents October '06 sales. Approximately
\$14,309 of the rebate is from prior periods, audit, and future payments.

Audit Payments: Larger businesses submit sales tax collections to the State
Comptroller every month and smaller ones either quarterly or annually. The
Comptroller audits the books of these businesses on a four year cycle to
determine if sales tax was collected on all taxable sales. Audit collections
represent the sales tax revenue from prior sales and submitted or refunded
subsequent to the audit.

CITY OF ABILENE, TEXAS

PRELIMINARY

DEVELOPMENT CORPORATION OF ABILENE, INC.

Balance Sheet
October 31, 2006

ASSETS:

Cash and Investments	\$14,784,898
Notes receivable	15,161,627
Accounts receivable	4,500
Due from other governments	1,280,626
Prepaid Expense	0
Total Current Assets	<u>31,231,651</u>

OTHER ASSETS:

Fixed assets	\$20,356,263
Accumulated depreciation	<u>(2,885,975)</u>
Total Other Assets	<u>17,470,288</u>

TOTAL ASSETS

\$48,701,939

LIABILITIES:

Vouchers payable	\$221,678
Deferred revenues	<u>2,474,629</u>
Total Liabilities	<u>\$2,696,307</u>

FUND BALANCES:

Investment in general fixed assets	\$17,470,288
Reserved for contractual obligations(external)	10,229,152
Reserved for obligated programs(internal)	716,880
Reserved for contingent liabilities	0
Undesignated Balance	<u>17,589,313</u>
Total Fund Balance	<u>\$46,005,632</u>

TOTAL LIABILITIES AND FUND BALANCES

\$48,701,939

FIXED ASSETS:

Buildings and Improvements:	Original Cost	Improvements	Depreciation	Total
2601 Airport Blvd.	1,563,210	540,632	240,431	1,863,411
2809 Airport Blvd.	396,519	444,583	276,636	564,466
2841 Airport Blvd.	456,736	62,923	251,868	267,791
4002 Loop 322	1,290,915	2,089,045	1,132,004	2,247,956
515 acres - Five Pts Bus Park	552,287	2,435,432	194,835	2,792,884
6450 Five Points Parkway	5,809,354	0	459,334	5,350,021
Grant Bldg 341 Pine	147,194	405,726	179,653	373,268
303.53 acres Hwy 36 & FM 18	449,238	0	0	449,238
2742 Lance Dr. (EASI Storage)	2,527,408	0	100,930	2,426,478
4109 Vine St	583,524	0	23,341	560,183
4009 Vine St	583,524	0	23,341	560,183
2005 Dodge Caravan	18,011	0	3,602	14,409
TOTAL FIXED ASSETS	<u>\$14,377,922</u>	<u>\$5,978,341</u>	<u>\$2,885,975</u>	<u>\$17,470,288</u>

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

PRELIMINARY OCTOBER 06

REVENUE-TO-DATE	Beginning I-T-D	Current Month	Current FY	(MARCH, 1990)
	Revenues	Revenues	Revenues	Ending I-T-D Revenues
City Sales Tax (3131)	\$ 94,288,735.25	\$ 646,365.63	\$ 646,365.63	\$ 94,935,100.88
Sales Tax Retained (3132)	193,057.51	4,108.62	4,108.62	197,166.13
Other Services Charges (3731)	25.00	-	-	25.00
Princ. - Loans & Assess (3775)	798,899.65	-	-	798,899.65
Int. - Loans & Assess (3802)	2,023,963.38	3,266.40	3,266.40	2,027,229.78
Interest (3803)	5,101,474.40	-	-	5,101,474.40
Land Lease (3810)	6,404.48	-	-	6,404.48
Building/Space Rent (3816)	2,421,768.41	61,687.50	61,687.50	2,483,455.91
City Pay Phones (3890)	9,170.58	-	-	9,170.58
Miscellaneous Revenue (3892)	26,770.03	-	-	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)	981,647.87	-	-	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
	\$ 111,974,186.74	\$ 715,428.15	\$ 715,428.15	\$ 112,689,614.89

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	\$ 54,087,234.09	\$ -	\$ -	54,087,234.09	\$ -
Business Services Division	5,620,415.06	61,660.92	61,660.92	5,682,075.98	2,000.00
DCOA Annual Contracts	1,688,733.46	28,336.35	28,336.35	1,717,069.81	-
Abilene Industrial Foundation (4950)	9,916,868.50	6,276.10	6,276.10	9,923,144.60	706,813.90
Caruth Small Business Dev Cntr (4951)	1,850,621.05	19,387.50	19,387.50	1,870,008.55	175,612.50
Chamber Military Affairs (4952)	951,992.00	-	-	951,992.00	60,000.00
Airport Business Dev Mgr (4953)	225,374.81	-	-	225,374.81	179,225.19
TTU Engineering Ops 4975	1,875,000.00	-	-	1,875,000.00	-
TTU BLDG Purchase & A/E 4976	568,119.86	-	-	568,119.86	180,856.62
Five Points Utilities 4978	918,487.40	-	-	918,487.40	49,937.56
EASI Records Const. 4990	2,430,455.58	-	-	2,430,455.58	94,767.42
Bandag Training 5203	516,334.72	-	-	516,334.72	146,870.28
Sunoco Logistics 5208	94,744.00	-	-	94,744.00	57,256.00
EASI 04 5213	717,937.66	-	-	717,937.66	2,555,062.34
EHT 5216	65,900.00	-	-	65,900.00	-
TMAC 5218	40,925.00	-	-	40,925.00	-
Hirschfeld 5219	-	-	-	-	750,000.00
Project SF 5220	461,520.00	-	-	461,520.00	-
Research Ins 5221	500.00	-	-	500.00	-
Advanced Trailer 5224	-	-	-	-	90,000.00
Transcend Services 5227	249,075.33	-	-	249,075.33	1,000,000.00
Bandag Building Improv 5228	-	-	-	-	157,623.92
Glazers Ph III 5229	12,520.00	-	-	12,520.00	78,480.00
BCBSTX Roof 5230	58,666.48	2,000.00	2,000.00	60,666.48	833.52
Highland Campus Health 5231	122,791.66	-	-	122,791.66	379,466.67
Rentech 5232	48,800.00	-	-	48,800.00	-
Tige Infrastructure 5233	143,722.68	-	-	143,722.68	74,913.00
Robinson Fan 5237	-	-	-	-	396,450.00
Reg Website 5240	2,654.33	-	-	2,654.33	2,345.67
Lauren Holdings 5245	-	-	-	-	723,710.89
36/18 A/E 5246	23,800.00	-	-	23,800.00	11,200.00
Teleperformance USA 5247	-	-	-	-	757,000.00
BCBSTX Reroof Construction 5249	488,183.40	106,165.00	106,165.00	594,348.40	236,371.60
PWP Industries Ph I 5251	205,463.00	-	-	205,463.00	205,037.00
Abilene Internet 5252	59,340.00	-	-	59,340.00	-
Integrated Clinic Research 5253	-	-	-	-	695,502.00
SBIR/STTR 5255	23,283.51	-	-	23,283.51	0.50
Welder Training Program 5257	-	56,481.54	56,481.54	56,481.54	70,761.46
URS Consultants 5259	-	-	-	-	13,752.00
Carter Burgess 5260	-	-	-	-	56,120.00
Fehr Foods 5261	-	40,091.53	40,091.53	40,091.53	-
TMAC 5262	-	-	-	-	60,000.00
SBIR/STTR 5263	-	10,217.72	10,217.72	10,217.72	261,182.28
Miscellaneous Activities 2785	354,189.86	-	-	354,189.86	-
TOTAL ENCUMB. / EXPENDITURES	\$ 83,823,653.44	\$ 330,616.66	\$ 330,616.66	\$ 84,154,270.10	\$ 10,229,152.32

TOTAL FUND BALANCE

\$ 28,535,344.79

UNENCUMBERED FUND BALANCE

\$ 18,306,192.47

	Amount Obligated	Prior Years Disbursed	Current Month Disbursed	Current Year Disbursed	Amount Encumbered	Balance
BALANCE OF OBLIGATED PROGRAMS						
Business Services Division	\$ 578,730.00	\$ -	\$ 61,660.92	\$ 61,660.92	\$ 2,000.00	\$ 515,069.08
DCOA Annual Contracts	228,700.00	-	28,336.35	28,336.35	-	200,363.65
Abilene Industrial Foundation (4950)	713,090.00	-	6,276.10	6,276.10	706,813.90	-
Caruth Small Business Dev Cntr (4951)	195,000.00	-	19,387.50	19,387.50	175,612.50	-
Chamber Military Affairs (4952)	60,000.00	-	-	-	60,000.00	-
Airport Business Dev Mgr (4953)	179,225.19	-	-	-	179,225.19	-
TTU Engineering Ops 4975	1,875,000.00	1,875,000.00	-	-	-	-
TTU BLDG Purchase & A/E 4976	749,045.00	568,119.86	-	-	180,856.62	68.52
Five Points Utilities 4978	968,425.00	918,487.40	-	-	49,937.56	0.04
EASI Records Const. 4990	2,525,223.00	2,430,455.58	-	-	94,767.42	-
Bandag Training5203	663,205.00	516,334.72	-	-	146,870.28	-
Sunoco Logistics 5208	152,000.00	94,744.00	-	-	57,256.00	-
EASI 04 5213	3,273,000.00	717,937.66	-	-	2,555,062.34	-
EHT 5216	65,900.00	65,900.00	-	-	-	-
TMAC 5218	40,925.00	40,925.00	-	-	-	-
Hirschfeld 5219	750,000.00	-	-	-	750,000.00	-
Project SF 5220	461,520.00	461,520.00	-	-	-	-
Research Ins 5221	500.00	500.00	-	-	-	-
Advanced Trailer 5224	90,000.00	-	-	-	90,000.00	-
Transcend Services 5227	1,249,076.00	249,075.33	-	-	1,000,000.00	0.67
Bandag Building Improv 5228	157,624.00	-	-	-	157,623.92	0.08
Glazers Ph III 5229	91,000.00	12,520.00	-	-	78,480.00	-
BCBSTX Roof 5230	61,500.00	58,666.48	2,000.00	2,000.00	833.52	(0.00)
Highland Campus Health 5231	502,259.00	122,791.66	-	-	379,466.67	0.67
Rentech 5232	48,800.00	48,800.00	-	-	-	-
Tige Infrastructure 5233	218,636.00	143,722.68	-	-	74,913.00	0.32
Robinson Fan 5237	396,450.00	-	-	-	396,450.00	-
Reg Website 5240	5,000.00	2,654.33	-	-	2,345.67	-
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	-
Teleperformance USA 5247	757,000.00	-	-	-	757,000.00	-
BCBSTX Reroof Construction 5249	830,720.00	488,183.40	106,165.00	106,165.00	236,371.60	-
PWP Industries Ph I 5251	410,500.00	205,463.00	-	-	205,037.00	-
Abilene Internet 5252	59,340.00	59,340.00	-	-	-	-
Integrated Clinic Research 5253	695,502.00	-	-	-	695,502.00	-
SBIR/STTR 5255	23,285.00	23,283.51	-	-	0.50	0.99
Welder Training Program 5257	127,243.00	-	56,481.54	56,481.54	70,761.46	-
URS Consultants 5259	15,127.00	-	-	-	13,752.00	1,375.00
Carter Burgess 5260	56,120.00	-	-	-	56,120.00	-
Fehr Foods 5261	40,092.00	-	40,091.53	40,091.53	-	0.47
TMAC 5262	60,000.00	-	-	-	60,000.00	-
SBIR/STTR 5263	271,400.00	-	10,217.72	10,217.72	261,182.28	-
Miscellaneous Activities 2785	354,189.86	354,189.86	-	-	-	-
BALANCE OF OBLIGATED PROGRAMS	\$ 20,759,063.05	\$ 9,482,414.47	\$ 330,616.66	\$ 330,616.66	\$ 10,229,152.32	\$ 716,879.60
Contingent Liabilities						\$ -
UNDESIGNATED FUND BALANCE	(unencumbered balance less obligated programs and contingent liabilities)					\$ 17,589,312.87

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
Project AN 5242	1,044,622.00	04/17/2007
Project Enterprise 5242	150,000.00	01/05/2006
Project BP 5250	92,842.00	07/31/2006
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
Genesis Network 5258	1,929,000.00	02/15/2007
	<u>7,201,838.00</u>	

**ECONOMIC DEVELOPMENT DEPARTMENT
SERVICE EVALUATION REPORT**

OCTOBER 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*

DCOA approved a one-year contract with the City of Abilene beginning 10-1-06 in the amount of \$576,730 for operating expenses for the Business Services Division, plus \$175,000 for maintenance expenses for DCOA-owned properties.

During October 2006, the DCOA board heard FY06 reports of activities from the Abilene Industrial Foundation, Texas Tech Small Business Development Center, and the Airport Business Development. In addition, staff presented the FY06 Annual Report of Activities for the DCOA. The board approved a resolution authorizing additional assistance to Hendrick Health System for infrastructure improvements for the Texas Tech School of Pharmacy in the amount of \$194,622, resulting in total infrastructure assistance of \$1,044,622.

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

DCOA approved a one-year contract beginning 10-1-06 in the amount of \$195,000 to reimburse SBDC for counseling services provided to Abilene residents.

A total of 155 Abilene client sessions were held this month with 74% being returning clients. Eight new businesses opened, and 56 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 10-1-06 in the amount of \$773,090: \$418,090 for AIF operating, \$140,000 for AIF marketing, \$155,000 for Dyess AFB retention efforts, and \$60,000 for Military Affairs Committee expenses and staff expenses incurred.

During the month, AIF responded to 1 request for information. Staff visited 1 local company, 0 out-of-town companies/consultants and hosted 2 visits to Abilene by prospects. The Develop Abilene website experienced 41,793 hits with 1,022 unique visits. Attached is a year-to-date summary of activity for this year and last.

**SMALL BUSINESS DEVELOPMENT CENTER
October 2006 UPDATE**

Billable Hours:

258.50	Abilene business counseling hours for the month of October
155	Client sessions conducted for the month
40	New clients
4	Workshops
97	Attendees

Business Created:

8	Month of October
3	Service
3	Retail
1	Manufacturing
1	Transportation/Warehousing
8	Year-to-Date
3	Service
3	Retail
1	Manufacturing
1	Transportation/Warehousing

Jobs Created (Full Time Equivalents):

56	Month of October
12	Service
4	Retail
39	Manufacturing
1	Transportation/Warehousing
56	Year-to-Date
12	Service
4	Retail
39	Manufacturing
1	Transportation/Warehousing



Capital Formation:

\$2,744,690	Month of October	
	\$225,000	Service
	\$46,000	Retail
	\$2,468,690	Manufacturing
	\$5,000	Transportation/Warehousing

\$2,744,690	Year-to-Date	
	\$225,000	Service
	\$46,000	Retail
	\$2,468,690	Manufacturing
	\$5,000	Transportation/Warehousing

Abilene Industrial Foundation Summary of Activity

<u>ACTIVITY</u>	<u>Oct 06</u>	<u>Oct 05</u>	<u>YTD*</u> <u>2005/06</u>	<u>YTD*</u> <u>2004/05</u>
Publications in which ads were placed	0	0	2	3
Prospect responses from advertisements	0	0	26	38
Consultant E-Newsletter/Direct Mailouts	0	0	3,884	3,902
Prospect files opened	0	0	5	8
Site visits to prospects/consultant	0	1	55	76
Prospect visits to Abilene	2	1	38	50
Retention visits	1	9	87	47

* 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: December 19, 2006

PROJECT: Eagle Aviation Services, Inc. – 7th Dock Line

STAFF: Richard Burdine, CEO

THE COMPANY

Eagle Aviation Services, Inc. (“EASI”) is a headquartered in Dallas/Fort Worth, and is a wholly owned subsidiary of AMR, the holding company that owns all the shares of American Airlines and its subsidiaries. EASI was formed to provide maintenance support services to the regional aircraft section of AMR. The Abilene facility is a heavy maintenance center for SAAB turbo-prop aircraft and EMB-145 regional jets and operates 4 dock lines. A second maintenance facility is located in Marquette, MI, where 2 dock lines are operated. In addition, Abilene has an American Eagle records storage facility.

BACKGROUND

The DCOA has historically and does currently view the operations of EASI as an integral part of the overall success of air service to Abilene. The company has received incentives in various forms to support facilities, upgrades, equipment purchases, training, job creation, and storage. The Abilene facility was recently chosen as the site for the addition of a 7th dock line and 40 new employees. In order to accomplish this expansion, the company will need additional space, equipment, and help with recruiting qualified personnel with Airframe and Power-plant licenses. EASI is currently understaffed due to lack of qualified applicants. They will need 55 A&P mechanics, 6 Crew Chiefs, 2 supervisors, 2 painters, and 16 cleaners in order to fully staff for existing needs and the additional expansion. The Abilene Industrial Foundation, Economic Development Department, Texas Workforce Development Board, Dyess AFB, and various educational groups have worked together to formulate a recruitment plan for the Abilene plant.

THE REQUEST

Staff proposes total assistance of \$550,000 as follows:

Equipment Needs – Eagle has expressed the opinion that a 7th dock line can be operated in the available space at the airport on a temporary basis. However, the DCOA will need to consider options for additional hangar space in the near future. EASI will need another tail stand to operate a 7th dock line in Abilene with a cost of approximately \$250,000.

Recruitment Assistance –

- a.) Recruitment assistance of up to \$200,000 paid at \$5,000 per new maintenance position created (up to 40 positions). These funds can be used by EASI to help attract qualified individuals to the Abilene program with additional compensation. The goal is to provide the resources to make the EASI recruiting effort very successful;
- b.) Provide \$50,000 to allow EASI to hire a top notch mechanic recruiter immediately; and,
- c.) Provide \$50,000 for marketing, which includes advertisements and recruitment visit expenses.

FISCAL IMPACT

- Tail Stand: \$250,000
- Recruitment Assistance: \$300,000
- Total: \$550,000

STAFF RECOMMENDATION

Staff recommends DCOA approval of resolution DCOA-2007.06 authorizing total assistance of \$550,000 to assist EASI in its recruiting efforts and facility needs for the addition of another dock line.

ATTACHMENTS

Resolution No. DCOA-2007.06

S:\DCOAMeeting Memos\FY 2007\EASI 7th dock line\206.DOC

RESOLUTION NO. DCOA-2007.06

A RESOLUTION OF THE DEVELOPMENT CORPORATION OF ABILENE, INC. ("DCOA"), ABILENE, TEXAS AUTHORIZING FINANCIAL ASSISTANCE FOR EAGLE AVIATION SERVICES, INC. ("EAGLE") FOR THE ADDITION OF ANOTHER DOCK LINE IN ABILENE.

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

WHEREAS, Eagle has been in Abilene since 1994 and currently occupies four industrial hangars and a records/part storage facility at the Abilene Regional Airport to provide heavy maintenance services on regional jets and propeller aircraft for American Eagle Airlines; and,

WHEREAS, Eagle operates 4 dock lines in Abilene and operates a second heavy maintenance facility in Marquette, MI, which services 2 dock lines for a total of 6 dock lines between the two facilities; and,

WHEREAS, Eagle was recently chosen as the site for the addition of a 7th dock line and 40 new employees and in order to accomplish this expansion, the Eagle will need additional space, equipment, and help with recruiting qualified personnel with Airframe and Power-plant licenses; and,

WHEREAS, the Abilene Industrial Foundation, Economic Development Department, Texas Workforce Development Board, Dyess AFB, and various educational groups have worked together to formulate a recruitment plan for the Abilene plant; and,

WHEREAS, Staff proposes the DCOA provide funding to assist Eagle with equipment needs and workforce recruitment efforts to accommodate the new dock line; and,

WHEREAS, the DCOA is authorized by the Development Corporation Act of 1979, as amended, to provide financial assistance to private corporations in order to facilitate the creation, retention or expansion of primary employment.

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

PART 1. DCOA authorizes funding to assist Eagle with the addition of a dock line in Abilene in an amount not to exceed Five Hundred Fifty Thousand and No/100's Dollars (\$550,000). Eagle will maintain its current authorized employment level of 365 and add 40 new maintenance jobs to operate the additional dock line for total employment of 405. The funds will be disbursed as follows:

- A. **Equipment Grant** - \$250,000 for the purchase and installation of a tail stand, based on Eagle's specifications, to be used in association with the 7th dock line. Payment shall be made based on actual invoice.
- B. **Recruitment Grant** - \$300,000 allocated as follows:

- **\$50,000** to supplement Eagle's personnel budget for the purpose of hiring a mechanic recruiter. Fifty percent of the funds (\$25,000) will be disbursed when the recruiter is hired and the remaining 50% (\$25,000) will be disbursed 6 months later upon certification by Eagle that the new recruiter position is active and filled.
- **\$50,000** for expenses associated with advertising/marketing for new mechanic positions and recruitment visit expenses for prospective hires. The funds shall be disbursed at the rate of \$1,000/prospective hire upon proof of actual recruitment visit expenses to include, but not be limited to airfare, meals, and lodging. Disbursements may also be made upon receipt by the DCOA of invoices evidencing actual advertising/marketing costs associated with the recruitment effort.
- **\$200,000** to assist with the attraction and hiring of qualified individuals to fill newly created jobs. Payment will be limited to \$5,000/person hired in conjunction with the 7th dock line and shall be used to pay items that include, but are not limited to, signing bonuses and relocation expenses.

PART 2. The DCOA shall take steps to raise awareness of Eagle among potential mechanic employees and trainees to ensure an adequate employment pool for Eagle's needs. DCOA shall also takes steps to coordinate contact with out-placement offices of technical schools throughout the Southwest with an airframe & power plant training program to assist with Eagle's recruitment efforts.

PART 3. 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 4. 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 19th day of December, 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: December 19, 2006

PROJECT: Project KM

STAFF: Richard Burdine, CEO

THE COMPANY

Project KM is a closely-held, family-owned Abilene business established in 1938, with additional facilities in other areas of Texas. The current local employment for the company is 285 with 104 full-time production jobs. Project KM currently produces and delivers 2 major lines of products. Significant changes as dictated by clients are expected in the production and warehousing of the products. To insure the continued production, they must position themselves to serve the needs of the client at a reasonable rate or face the possibility of becoming only a distribution center.

THE PROJECT/REQUEST

Project KM has the opportunity to position itself for future growth by acquiring an additional building on adjoining property. This will allow for additional production and warehouse space, positioning the business to accommodate new programs believed to be forthcoming from their largest corporate client. This growth potential will be mandatory to insure the company will continue production in Abilene. The new facility will house additional storage, production lines, and office space for the group. The project will include the retention of 104 production jobs and an up-front capital investment of approximately \$4,760,000 from the company, with partial reimbursement in arrears by the DCOA.

Staff recommends a financial assistance package totaling \$1,599,040 broken out as follows:

1. \$714,000 – Real Estate Upgrades/Equipment Purchase Grant: DCOA will reimburse 3% of total actual capital costs per year (maximum of \$142,800/year) for 5 years in arrears. Company will have 36 months from the execution date of the Agreement for Financial Assistance to purchase and upgrade the building, and purchase and install new equipment.
2. \$885,040 – Job Creation/Retention Payment: DCOA will provide \$177,008 (or \$1,702/FTE) at the end of each year based on the retention of 104 production FTEs for a period of five years. If the company does not retain the full 104 production FTEs in any given year, DCOA will prorate the annual performance payment based on the total number of production FTEs retained.

FISCAL IMPACT

Real Estate/Equipment Grant	\$ 714,000
Job Creation/Retention Grant	\$ 885,040
TOTAL	\$1,599,040

STAFF RECOMMENDATION

Staff recommends approval of resolution no. DCOA-2007.04 authorizing assistance to Project KM over 5 years in the total amount of \$1,559,040 in exchange for the retention of 104 production jobs.

ATTACHMENTS

DCOA Resolution No. DCOA-2007.04

RESOLUTION NO. DCOA-2007.04

A RESOLUTION OF THE DEVELOPMENT CORPORATION OF ABILENE, INC. ("DCOA"), ABILENE, TEXAS, AUTHORIZING ASSISTANCE FOR PROJECT KM.

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

WHEREAS, Project KM is a family-owned business established in Abilene in 1938 and has additional facilities in Texas; and,

WHEREAS, Project KM currently employs 285 with 104 of those being in production; and,

WHEREAS, Project KM is considering expanding into an adjoining facility in order to position itself for the future needs of its existing clients; and,

WHEREAS, Staff requests the DCOA consider an assistance package for Project KM, all paid in arrears, to assist the company with its investment in real estate and equipment in exchange for the retention of 104 production jobs in Abilene.

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

PART 1. DCOA authorizes assistance for Project KM in the total amount of One Million Five Hundred Ninety-Nine Thousand Forty and no/100's Dollars (\$1,599,040). Project KM will retain its existing 104 production jobs for at least the next 5 years. The funding will be disbursed as follows:

- a. \$714,000 – **Real Estate/Equipment Purchase Grant**: DCOA will reimburse 3% of total actual capital costs per year (maximum of \$142,800/year) for 5 years upon certification by company of its capital investment made during the previous 12 months. The first reimbursement will occur 12 months after the effective date of the executed Agreement for Financial Assistance and will continue for the next four years thereafter. Company will have 36 months from the execution date of the Agreement for Financial Assistance to purchase and upgrade the new building, and purchase and install new equipment. Costs eligible for reimbursement shall include purchase of real estate including closing costs, improvements made to the new building, purchase of new or used equipment relocated to Abilene and installed in the new building, including shipping costs, and purchase of office furniture and equipment for the new building.
- b. \$885,040 – **Job Creation/Retention Payment**: DCOA will provide up to \$177,008 per year for 5 years based on the retention of 104 production FTEs. Disbursements will be made at the rate of \$1,702/production FTE retained during the previous 12 months; however, no annual payment shall exceed \$177,008. Company will be required to submit a certification of total FTE's retained during the previous 12 months in order to receive payment. Should the non-production FTE's fall below

150 in any given year, the annual payment will be reduced to \$1,275/FTE for the production FTE's.

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 19th day of December, 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: December 19, 2006

PROJECT: Texas Metals and Recycling (BMWT Leasing)

STAFF: Richard Burdine, CEO

THE COMPANY

Texas Metals and Recycling (Texas Metals) has been in business since 1909 and gathers recyclable metals to sell to area mills, and also sells new metals on a retail basis. Wayne and Terri Lanham purchased the company from Ben Cohen and Associates in 1991. They are located at 2989 Pine Street in a facility built in 2002 with help from the DCOA. The Lanhams also own BMWT Leasing, Inc. (BMWT) and RWL Recycling, Inc. (RWL). BMWT is an entity that was established for the purpose of owning the hard assets that are leased to the other two companies. RWL was established in 1987 for the purpose of gathering, baling, and selling recyclable paper products and higher value metals. They are located at 2989 Pine Street.

The DCOA approved funding of \$15,000 in 12/01 for A/E fees associated with the new construction, which is earned back through the retention of 7 jobs for 5 years. The DCOA currently holds a shared 1st lien on the Pine Street property plus personal guaranty's from Wayne and Terri Lanham under a participation loan housed at First Financial Bank. The total loan for \$460,000 originated in 2002 with a \$184,000 commitment from the DCOA on a 15 year amortization. The loan renewed in 2005 for 3 years to mature 8-30-08 and has a current interest rate of 5%. The current balance of DCOA's participation is \$143,287 with monthly payments of \$1,443. Payment history has been good with the company fulfilling all requirements. Current employment is 7.

THE REQUEST

Due to a marked increase in the demand for metal, and the diversification of the business, TM&R needs additional space for operations. In order to increase capacity and expand the business, Mr. Lanham is considering the purchase of the property located at 3125 Pine to relocate RWL (paper recycling). This facility will allow RWL the needed space to accommodate the growing needs from the City of Abilene and surrounding communities for solid waste reduction through waste paper recycling. It will also allow Texas Metals much needed storage for trucks, trailers, and containers currently taking up yard space. Texas Metals plans to move its outdoor new steel storage racks and inventory into the vacated RWL building, allowing for the increased space needed to accommodate the demand for new steel.

The Company has requested help with the costs associated with the improvements to the property located at 3125 Pine Street as follows:

Staff proposes the funds totaling \$75,000 as follows:

1. Real Estate Purchase – Up to \$60,000 disbursed to BMWT at the rate of 15% of the actual purchase price, including closing costs.

2. Real Improvements – Up to \$15,000 disbursed to BMWT at the rate of 15% of actual cost of improvements and repairs to the real estate purchased, including but not limited to fencing, rolling steel doors, engineering fees, and utility upgrades.

The funding will be structured as a forgivable loan at 0% interest secured by certain pieces of new equipment to be purchased for the expanded operation. Principal reductions will be applied annually at the rate of 1/3 of the outstanding principal balance (up to \$25,000/year) for 3 years, as long as the company continues its operations at the Abilene location.

FISCAL IMPACT

- Purchase: \$400,000 Incentive: 15%=\$60,000
- Improvements: \$100,000 Incentive: 15%=\$15,000
- Total: \$500,000 BMWT \$75,000 DCOA

STAFF RECOMMENDATION

Staff recommends DCOA approved resolution DCOA-2007.08 authorizing assistance for BMWT Leasing in the total amount of \$75,000 to assist with the purchase and improvements of real estate.

ATTACHMENTS

DCOA Resolution No. DCOA-2007.08

RESOLUTION NO. DCOA-2007.08

A RESOLUTION OF THE DEVELOPMENT CORPORATION OF ABILENE, INC. (DCOA), ABILENE, TEXAS AUTHORIZING FINANCIAL ASSISTANCE FOR BMW T LEASING ("BMW T").

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

WHEREAS, BMW T is an entity that was established for the purpose of owning the hard assets that are leased to Texas Metals and Recycling (metals) and RWL Recycling (paper), which are located at 2989 Pine St.; and,

WHEREAS, DCOA approved funding of \$15,000 in 12/01 for A/E fees associated with the construction of its Pine Street facility, which is being earned back through the retention of 7 jobs for 5 years; and,

WHEREAS, DCOA also participates in a loan from First Financial Bank in an original participation amount of \$184,000, which is secured by a shared 1st lien on the Pine Street property plus personal guaranty's from Wayne and Terri Lanham; and,

WHEREAS, due to a marked increase in the demand for metal, and the diversification of the business, Texas Metals & Recycling needs additional space for operations, and the Lanhams are considering the purchase of property at 3125 Pine to accommodate growth needs; and,

WHEREAS, BMW T has requested help with the costs associated with the purchase and improvements to the property located at 3125 Pine Street; and,

WHEREAS, Staff proposes the DCOA provide funding to assist with BMW T's growth; and,

WHEREAS, the DCOA is authorized by the Development Corporation Act of 1979, as amended, to provide financial assistance to private corporations in order to facilitate the creation, retention or expansion of primary employment.

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

PART 1. DCOA authorizes assistance for BMW T in an amount not to exceed Seventy-Five Thousand and no/100's Dollars (\$75,000) to assist with the purchase of 3125 Pine Street and improvements/repairs. The funding shall be as follows:

- Real Estate Purchase – Up to \$60,000 disbursed to BMW T at the rate of 15% of the actual purchase price, including closing costs.
- Real Improvements – Up to \$15,000 disbursed to BMW T at the rate of 15% of actual cost of improvements and repairs to the real estate purchased, including but not limited to fencing, rolling steel doors, engineering fees, and utility upgrades.

The funding will be structured as a forgivable loan at 0% interest secured by certain

pieces of new equipment to be purchased for the expanded operation. Principal reductions will be applied annually at the rate of 1/3 of the outstanding principal balance (up to \$25,000/year) for 3 years, as long as the company continues its operations at the Abilene location.

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 19th day of December, 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: December 19, 2006

PROJECT: Integrated Clinical Research Additional Funding

STAFF: Richard Burdine, CEO

THE COMPANY

Integrated Clinical Research (ICR) is an existing successful business involved in retina research to preserve the vision of individuals with potential visual loss. Drug trials are outsourced by drug companies after the initial testing is completed and the drug has proven potential. ICR conducts ongoing clinical drug trials, which require an average of 11 patients per trial to complete. The Company's goal is to reach 65 trials involving 715 patients by 2010. ICR will create employment and increase the tax base with capital investment, while providing drug therapies to patients not available elsewhere in the country. The new facility is also planned to provide an opportunity for local doctors to participate in drug trials in their designated fields, utilizing an existing facility and staff familiar with the procedures and requirements of the drug companies.

BACKGROUND

The DCOA approved funding totaling \$695,502 on 3-7-06 to assist the company (Project DS) with an expansion of the business, which will include the construction of a 7,151 sq ft building on Health Center Drive to house the research and equipment (\$298,000), as well as an incentive for job creation (\$397,502). The original estimated cost of the building was \$1.3 million, and the actual cost is now \$1,746,029. ICR has requested additional funding based on the actual cost. The original incentive package for the building was based on 15% of estimated cost, totaling an approved amount of \$198,000. Based on the actual costs of the new construction, using the same 15% structure, the incentive amount would increase by \$64,000 to a total of \$262,000. The incentives for equipment and job creation would remain unchanged and employment remains at 33 new jobs.

THE REQUEST

A proposed range of DCOA job creation incentives is as follows:

Projected New Positions	Pay Scale plus Health Benefits of \$4,000/year	DCOA Assistance per New Job	Total DCOA Assistance-New Jobs
0	\$15 to \$20,000/yr	\$ 2K	\$0
1	\$20 to \$30,000/yr	\$ 4K	\$ 4,000
11	\$30 to \$40,000/yr	\$10K	\$110,000
16	\$40 to \$50,000/yr	\$12K	\$192,000
3	\$50 to \$60,000	\$15K	\$ 45,000
2	Over \$60,000	35%	\$ 46,502
Total 33			\$397,502

Staff recommends approval of an amendment to the incentive package of \$64,000 increasing the total incentive to \$759,502 as follows:

- Capital Investment Incentive – Funding up to \$362,000 reimbursed to Company as follows:

- \$100,000 for equipment purchases reimbursed at the rate of 10% of ICR's invoice for new equipment purchased; and,
- \$262,000 for construction expenses reimbursed at 15% of invoices documenting actual costs.

Funding will be in the form of a forgivable loan at 0% interest for 5 years with annual reductions of 1/5 of the balance made each year. Security for the loan will be a personal guaranty from Sunil S. Patel, M.D. and a 2nd lien on the new facility and the equipment purchased. Reimbursement for construction costs and equipment purchase costs shall occur only after receipt by DCOA of a written certification from First Financial Bank (primary lender) that all first lien loan funds have been disbursed and upon receipt of copies of invoices for expenses including architectural, engineering, and other professional fees and equipment purchases not previously funded by FFB.

- Job creation incentive – Funding up to \$397,502 payable in arrears over 5 years at a rate of 1/5th of the *DCOA Assistance per New Job amount* in the table above upon annual certification of the jobs created and/or retained during the previous 12 months.

FISCAL IMPACT

Capital Investment Incentive	\$362,000
Job Creation Incentive	<u>\$397,502</u>
TOTAL	\$759,502

STAFF RECOMMENDATION

Staff recommends approval of resolution DCOA-2007.07 authorizing additional assistance to Integrated Clinical Research in the amount of \$64,000.

ATTACHMENTS

Resolution DCOA-2007.07

RESOLUTION NO. DCOA-2007.07

A RESOLUTION OF THE DEVELOPMENT CORPORATION OF ABILENE, INC. (DCOA), ABILENE, TEXAS AUTHORIZING ADDITIONAL FINANCIAL ASSISTANCE FOR INTEGRATED CLINICAL RESEARCH, LLC (“ICR”).

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

WHEREAS, ICR is an existing business involved in retina research to preserve the vision of individuals with potential visual loss that is expanding into drug research, including clinical drug trials; and,

WHEREAS, ICR will create employment and increase the tax base with capital investment, while providing drug therapies to patients not available elsewhere in the country; and,

WHEREAS, the DCOA approved resolution DCOA-2006.09 authorizing financial assistance for Project DS (ICR) in the total amount of \$695,502 for the construction of a new facility, purchase of equipment; and a job creation incentive; and,

WHEREAS, the original assistance package was based on an estimated construction cost of \$1.3 million, which has increased to \$1,746,029; and,

WHEREAS, Staff proposes the DCOA increase its assistance to ICR by \$64,000 to accommodate the increased construction cost; and,

WHEREAS, this resolution supersedes and replaces resolution DCOA-2006.09, previously approved for ICR; and,

WHEREAS, the DCOA is authorized by the Development Corporation Act of 1979, as amended, to provide financial assistance to private corporations in order to facilitate the creation, retention or expansion of primary employment.

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

PART 1. DCOA authorizes assistance for Project DS in an amount not to exceed Seven Hundred Fifty-Ninety Thousand Five Hundred Two and no/100's Dollars (\$759,502) in exchange for the creation of 33 new jobs and capital investment of \$2.3 million with the assistance structured as follows:

- Capital Investment Incentive – Funding up to \$362,000 reimbursed to Company as follows:
 - \$100,000 for equipment purchases reimbursed at the rate of 10% of ICR's invoice for new equipment purchased; and,
 - \$262,000 for construction expenses reimbursed at 15% of invoices documenting actual costs.

Funding will be in the form of a forgivable loan at 0% interest for 5 years with annual reductions of 1/5 of the balance made each year. Security for the loan will be a personal guaranty from Sunil S. Patel, M.D. and a 2nd lien on the new facility and the equipment purchased. Reimbursement for construction costs and equipment purchase costs shall occur only after receipt by DCOA of a written certification from First Financial Bank (primary lender) that all first lien loan funds have been disbursed and upon receipt of copies of invoices for expenses including architectural, engineering, and other professional fees and equipment purchases not previously funded by FFB

- Job creation incentive – Funding up to Three Hundred Ninety-Seven Thousand Five Hundred Two and no/100’s Dollars (\$397,502) payable in arrears over 5 years at a rate of 1/5th of the *DCOA Assistance per New Job amount* in the table below upon annual certification of the jobs created and/or retained during the previous 12 months.

Projected New Positions	Pay Scale plus Health Benefits of \$4,000/year	DCOA Assistance per New Job	Total DCOA Assistance-New Jobs
0	\$15 to \$20,000/yr	\$ 2K	\$0
1	\$20 to \$30,000/yr	\$ 4K	\$ 4,000
11	\$30 to \$40,000/yr	\$10K	\$110,000
16	\$40 to \$50,000/yr	\$12K	\$192,000
3	\$50 to \$60,000	\$15K	\$ 45,000
2	Over \$60,000	35%	\$ 46,502
Total 33			\$397,502

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 19th day of December, 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: December 19, 2006

PROJECT: Conveyance of ROW land in Five Points Business Park to TxDOT

STAFF: Richard Burdine, CEO

THE COMPANY / BACKGROUND

The Five Points Business Park was purchase by the DCOA on 12-15-95, and currently consists of approximately 515 acres. North/south access to the Park is gained via FM 3438 (Arnold Blvd) which dissects the Park, or Fulwiller Rd, which runs along the western border. The DCOA has invested approximately \$14 million in improvements to the Park, including roads, utilities and signage. Carter & Burgess presented new development concepts for the Park to the board during the November meeting. The design concepts were developed around a Texas Department of Transportation (TxDOT) project to construct an overpass for FM 3438 over Hwy 84 (Business I-20). TxDOT plans to begin the project in July 2007. The overpass will allow for better traffic flow into and out of the Park and will eliminate the need to cross railroad tracks to enter the Park from Hwy 84. The Park sign located at the southwest corner of FM 3438 and Five Points Parkway was constructed with the pending TxDOT project in mind. As Spec 2 and the signage were being constructed, a detention pond was constructed at the southwest corner of FM 3438 and Five Points Parkway and consists of 29.162 acres. The pond was later conveyed to the City of Abilene for maintenance purposes.

THE REQUEST

Before plans can proceed, TxDOT must have ownership of all of the land necessary to widen FM 3438 and allow for rights-of-way. The amount of land needed for the right-of-way on both sides of FM 3438 is 1.11 acres. On the west side, the DCOA owns .08 of the needed acres (see Parcel No. 2 on the attached survey). On the east side, the DCOA owns all of the required acreage (see Parcel No. 3) totaling .56 acres. Total acreage needed from the DCOA for the ROW is .64, and all of it is in the flood plane.

Staff requests the board consider conveying the needed acreage at no cost to TxDOT because of the benefit to the Park and because the affected land is in the flood plane, and therefore not usable for development in its current state.

FISCAL IMPACT

Minimal

STAFF RECOMMENDATION

Staff recommends approval of resolution no. DCOA-2007.05 authorizing the conveyance of .64 acres of land in the Five Points Business Park to TxDOT for use in widening FM 3438 and construction of an overpass.

ATTACHMENTS

Resolution DCOA-2007.05
Survey of ROW land

RESOLUTION NO. DCOA-2007.05

A RESOLUTION OF THE DEVELOPMENT CORPORATION OF ABILENE, INC. ("DCOA"), ABILENE, TEXAS, AUTHORIZING CONVEYANCE OF .64 ACRES OF LAND IN THE FIVE POINTS BUSINESS PARK ON FM 3439 TO TEXAS DEPARTMENT OF TRANSPORTATION ("TxDOT") FOR USE AS RIGHT OF WAY.

WHEREAS, the DCOA owns land in west Abilene dissected by FM 3438 (Arnold Blvd) know as the Five Points Business Park ("Park"); and,

WHEREAS, TxDOT is in the planning stages for the construction of an overpass on FM 3438 running north and south over West Hwy 80 (Business I-20) and the Union Pacific railroad tracks; and,

WHEREAS, the DCOA owns .64 acres of raw land located in the Park that is needed to complete the right of way acquisition for the project; and,

WHEREAS, the right of way acquisition must be completed before construction of the project may begin, and the project is scheduled to begin in July 2007; and

WHEREAS, Staff requests the DCOA consider conveying .64 acres of land to TxDOT at no charge to TxDOT for use as right of way for the project.

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

- PART 1.** DCOA authorizes conveyance of .64 acres of land identified on Plans of Proposed Right of Way Project, U.S. Hwy 84 (F.M. Highway 3438), Taylor County, Texas, CSJ No. 0006-18-049 (2270-1). The conveyance is needed to initiate a project by TxDOT to widen a portion of FM 3438 and construct an overpass and will not require compensation on the part of TxDOT

- PART 2.** The conveyance 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 19th day of December, 2006.

ATTEST:

Dee Moore
Secretary/Treasurer

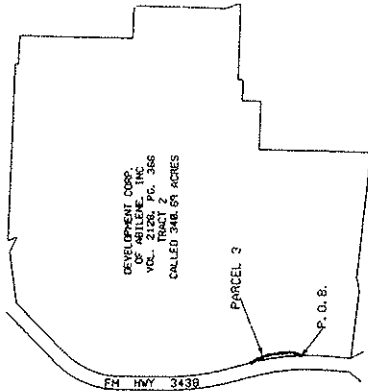
Ray Ferguson
President

APPROVED:

T. Daniel Santee
First Asst. City Attorney

POINT NO. 1
 NORTHING 5850894.6228 1555051.8490
 EASTING 6552823.6826 1555239.6552
 SURFACE ADJUSTED VALUES
 NORTHING 5850894.6226 1555051.8490
 EASTING 6552823.6826 1555239.6552
 DESCRIPTION
 SET 1/2" RBR/CAP

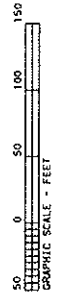
**T. & P. RAILROAD
 COMPANY SURVEY
 BLOCK NO. 16
 SECTION 33**



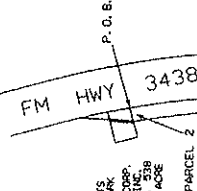
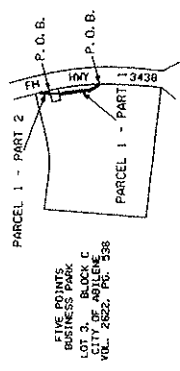
LEGEND

- EXIST. ROW LINE
- PROP. ROW LINE
- PROPERTY LINE
- COUNTY LINE
- SURVEY LINE
- FENCE
- CITY LIMITS
- RAILROAD
- CREEK OR STREAM
- TYPE I R.O.W. MARKER
- TYPE II R.O.W. MARKER
- IRON PIPE RECOVERED
- IRON ROD RECOVERED
- SET IRON PIPE
- SET RBR/ALUM CAP
- BACK PROPERTY CORNER
- PARCEL NUMBER

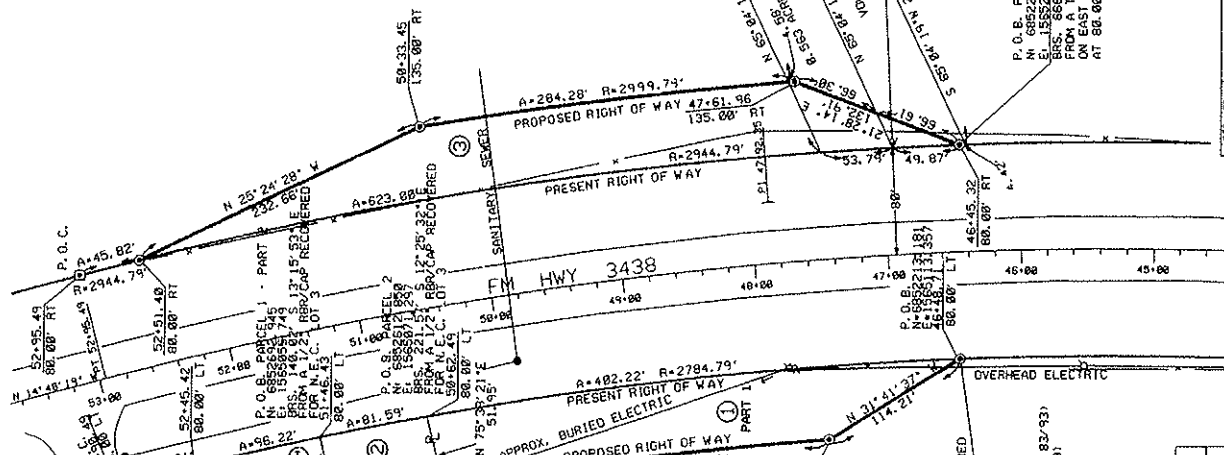
SHEPPARD SURVEYING CO., INC.
 1013 ENERGY DR.
 ABILENE, TEXAS 79602
 PHONE: (915) 695-6277
 W. O. # 06-1060



NOTE: BEARINGS ARE GRID VALUES BASED UPON TEXAS NORTH CENTRAL ZONE 4202 (NAD 83/93) AND DERIVED FROM GPS OPUS SOLUTION ON IPT 1. GRID N=6590804.6462, E=1555051.8491. DISTANCES ARE SURFACE DERIVED FROM TADOT CGS OF 1:8000. VERTICAL DATUM IS NAVD 83 BASED ON DIFFERENTIAL LEVEL LOOPS RUN FROM LOSS BR Y-917 1945 ELEV. 1721.14'



- PROP. EAST R.O.W.
 - P1 = 45'-23.82'
 - Q = 5'-29'-47" (LT)
 - R = 1'-42'-28"
 - L = 284'-28"
 - C = 284'-28"
 - CB = N 61° 58' 59" W
- PROP. EAST R.O.W.
 - P1 = 49'-06'-70"
 - Q = 7'-28'-21" (LT)
 - Y = 528'-31"
 - L = 1045'-58"
 - C = 744'-23"
 - CB = N 41° 38' 04" W
- PARTER CENTERLINE
 - P1 = 74'-32'-35"
 - Q = 2'-07'-08" (LT)
 - D = 513'-96"
 - L = 2027'-10"
 - C = 1811'-76"
 - CB = N 4° 38' 84" W
- PROP. WEST R.O.W.
 - A = 5'-57'-54" (LT)
 - D = 2'-06'-56" (LT)
 - I = 27'-63"
 - R = 2229'-79"
 - C = 278'-51"
 - CB = N 8° 52' 52" W
- PROP. WEST R.O.W.
 - P1 = 47'-57'-78"
 - Q = 26'-20'-31" (LT)
 - D = 4'-03'-27"
 - L = 988'-78"
 - R = 2784'-79"
 - C = 278'-51"
 - CB = N 4° 38' 84" W



FED. PROJ. NO.	6	FEDERAL AID PROJECT NO.		SHEET NO.	2
DIV. NO.					
STATE	TEXAS	COUNTY	TAYLOR		
DIST.	08				
COM.	0006	JOB	049	INFORM. NO.	
		SECTION	18		

CITY OF ABILENE	29.4 ACRES
ORIGINAL PART 1	0.03 ACRES
PARCEL 1 PART 2	0.03 ACRES
TOTAL TAKING	0.47 ACRES
TOTAL REMAINDER	28.93 ACRES

PARCEL NO.	DEED ACREAGE	PROPERTY OWNER	TYPE OF CONV.	CONVEYANCE		TAKING STATIONS		TAKING ACRES		REMAINDER	
				VOLUME	PAGE	FROM	TO	LEFT	RIGHT		
1	29.4	CITY OF ABILENE		46+48.71		50+50.51	50+50.51	0.44	28.93		
2	0.212	DEVELOPMENT CORP. OF ABILENE, INC.		50+58.51		51+45.08	51+45.08	0.06	0.132		
3	29.4	CITY OF ABILENE		51+45.08		52+45.42	52+45.42	0.03	28.93		
3	340.69	DEVELOPMENT CORP. OF ABILENE, INC.		46+45.32		52+51.40	52+51.40	0.51	340.13		

9.4

DEVELOPMENT CORPORATION OF ABILENE, INC.

BOARD AGENDA

MEETING DATE: December 19, 2006

PROJECT: A/E Services for Speculative Bldg #3 - Five Points Business Park

STAFF: Richard Burdine, CEO

THE COMPANY / BACKGROUND

The Five Points Business Park (fka Greater Abilene Industrial District) was purchase by the DCOA on 12-15-95 from the Dodgeco, Inc., who purchased it in 1988 from the Abilene Industrial Foundation. The AIF purchased the land in 1983 from W.B., Inc. When purchased by DCOA the Park consisted of 613.082 total acres. There have been total improvement costs for the Park of approximately \$14MM to date. The last master plan developed for the Park was commissioned in 1999. Since then, the trend in industrial development has shifted toward larger lots and more flexibility to accommodate changing needs.

In 8/06, the DCOA approved resolution DCOA-2006.19 authorizing a contract with Carter & Burgess (C&B) to review and update the existing master plan for the Five Points Business Park with funding in the amount of \$48,800, plus \$7,320 for reimbursable expenses for total funding of \$56,120. C&B completed preliminary drawings for development and presented them to the Board during the November 21, 2006, meeting.

C&B began in 1939 as a two-man partnership providing landscape architecture and civil engineering services and is now a dynamic, full-services consulting firm with locations in 20 states. C&B offers architectural, engineering, management, planning and technology services in areas such as aviation, distribution and warehousing, transportation, educational facilities, environmental, land development, telecommunications, and healthcare facilities.

THE REQUEST

With the Spec 2 building no longer available to lease or market and the lack of other available industrial properties in Abilene, staff recommends the DCOA consider the construction of another speculative building in the Park. The new building will be constructed to meet the current demands of prospective tenants with the capability of being easily retrofitted to meet specific manufacturing needs. The benefits of having a shell building constructed and ready for finish-out in the Park are critical to companies looking for quick turn-around, accessibility to I-20, and large lots. The Park is ripe for further development with the presence of PWP Industries and new retail development on I-20.

C&B is experienced in the design, construction and marketing of such buildings and is already familiar with the Park and Abilene. Staff requests the Board to approve an addition of \$108,000 to the contract with C&B to design a third speculative building.

FISCAL IMPACT

A/E fees for Spec 3	\$ 90,000
Reimbursables/Contingency	\$ 18,000
TOTAL	\$108,000

STAFF RECOMMENDATION

Staff recommends approval of resolution no. DCOA-2007.03 authorizing a contract with C&B to design a third speculative building in Five Points Business Park and funding of \$108,000.

ATTACHMENTS

Resolution DCOA-2007.03

S:\DCOA\Meeting Memos\FY 2007\Spec 3 AE 121906.doc

RESOLUTION NO. DCOA-2007.03

A RESOLUTION OF THE DEVELOPMENT CORPORATION OF ABILENE, INC. ("DCOA"), ABILENE, TEXAS AUTHORIZING A CONTRACT AND FUNDING WITH CARTER & BURGESS, INC. ("CBI") TO DESIGN A THIRD SPECULATIVE BUILDING IN THE FIVE POINTS BUSINESS PARK ("PARK").

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

WHEREAS, The Five Points Business Park (fka Greater Abilene Industrial District) was purchased by the DCOA in 1995 and a master plan for development was completed in 1999; and,

WHEREAS, the DCOA has invested upwards of \$14 million in development of the Park for installation of infrastructure, construction of 2 industrial buildings and incentives for tenants of the buildings; and,

WHEREAS, a portion of the Park has been platted in accordance with the master plan into lots varying in size from 9 to 41 acres; and,

WHEREAS, the needs of industry have changed since the master plan was developed, resulting in the need to review the plan and propose improvements in order to make the Park better suited for today's industrial needs; and,

WHEREAS, the DCOA approved resolution DCOA-2006.19 on 8-15-06 authorizing a contract with Carter & Burgess, Inc. to review and update the existing master plan for the Five Points Business Park plus funding in the amount of \$48,800, and \$7,320 for reimbursable expenses for total funding of \$56,120; and,

WHEREAS, the new master plan is complete and recommends larger lots for further development in the Park as well as the construction of another speculative industrial building because of the lack of such buildings in Abilene.

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

- PART 1.** DCOA authorizes a contract with Carter & Burgess, Inc. to design a speculative industrial building in the Five Points Business Park and funding in the amount of \$90,000 plus \$18,000 for reimbursable expenses for total funding of \$108,000.
- 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 19th day of December, 2006.

ATTEST:

Dee Moore
Secretary/Treasurer

Ray Ferguson
President

APPROVED:

T. Daniel Santee
First Asst. City Attorney