

PUBLIC NOTICE

DEVELOPMENT CORPORATION OF ABILENE, INC.

A regular meeting of the Development Corporation of Abilene, Inc. will be held on Tuesday, May 22, 2007, 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

May 22, 2007
1:30 p.m.

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

1. Call the meeting to order.
2. Approval of minutes from April 24, 2007 meeting.
3. Preliminary financial and status reports for April 2007.
4. Presentation of FY06 audit by a representative from Davis Kinard & Co., PC.
5. Discussion and possible approval of a resolution authorizing amended assistance for Eagle Aviation Services, Inc.
6. Discussion and possible approval of a resolution authorizing additional funding to extend the Manufacturing Skills Standards Council (MSSC) certification program.
7. Discussion and possible approval of a resolution authorizing additional funding to again extend the Fast Track Welder training program.
8. 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 in executive session, any action or vote will be taken in public.

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.

9. 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 _____, 2007, 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
April 24, 2007

MEMBERS PRESENT: Ray Ferguson Dee Moore
 Mike Schweikhard Joe Crawford

MEMBER ABSENT: Stan Lambert

STAFF PRESENT: Richard Burdine Kim Tarrant
 Susan Campbell Dan Santee

GUESTS PRESENT: Chris Proctor-Cleveland Abilene Regional Airport
 Don Green " " "
 Judy Wilhelm TTU Small Business Dev. Center
 Bill Ehrie Abilene Industrial Foundation
 Sarah Varble Abilene Reporter-News

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 FEBRUARY 20, 2007 MEETING.** Joe Crawford made a motion to approve the minutes from the February 20, 2007 meeting. Mike Schweikhard seconded and the motion carried.
3. **PRELIMINARY FINANCIAL AND STATUS REPORTS FOR MARCH 2007.** In David Wright's absence, Richard Burdine reviewed the financial reports for March 2007. Total assets as of March 31, 2007 were almost \$50.5 million, total liabilities were \$2.4 million, and the DCOA had an undesignated fund balance of \$19.6 million. The sales tax rebate for April was \$640,760.78 for economic development and was 7.42% above last year. All loans are currently in compliance as reflected in the Quarterly Loan Summary.
4. **PRESENTATION OF SEMI-ANNUAL REPORTS FOR 6 MONTHS ENDED MARCH 31, 2007 BY: ABILENE INDUSTRIAL FOUNDATION, TTU SMALL BUSINESS DEVELOPMENT CENTER, AND CITY OF ABILENE AIRPORT BUSINESS DEVELOPMENT MANAGEMENT PROGRAM.** Bill Ehrie reviewed the semi-annual report from the Abilene Industrial Foundation (AIF). The AIF has spent \$21,532.15 of its FY 2007 \$140,000 marketing budget. With increased use of the electronic newsletter, etc., the AIF has been able to reduce printing and postage costs by almost 50%. From the 43 leads received, the AIF responded to 27 and opened 9 prospect files. With local building inventory being very low, they have been focused on retention and expansion, making 28 retention visits and 17 consultant visits. The AIF plans to extensively update their website this summer, giving it a fresh new look, and has allocated \$10,000 from their FY 2007 budget for this project.

Judy Wilhelm summarized the semi-annual report from the TTU Small Business Development Center (SBDC). For the first half of FY 2007, the SBDC helped a total of 47 businesses open, with 9 of those being minority-owned. They helped create 277 jobs with a total capital

investment of \$9.7 million. Ms. Wilhelm attributed much of the success of these high numbers to their extra full-time and rural counselors, which have enabled the SBDC to help more clients. The SBDC offers a weekly entrepreneurial series to help new and existing businesses.

Chris Proctor-Cleveland introduced Don Green, the new Director of Aviation. She summarized the semi-annual report from the Abilene Airport Business Development Management Program. So far, the Abilene Regional Airport has seen an increase in several areas over last year: a 10.1% increase in passenger enplanements, a 4.9% increase in available seats, a 15.1% increase in parking revenue, and a 22.6% increase in rental car revenue. They are working on developing the West Central Texas Air Service Advisory Council, which will have 32 county delegates to help determine the needs of these outlying counties.

The departure of Allegiant Air was briefly addressed. It was pointed out that Allegiant has publicly announced that their service to/from Abilene and Las Vegas is in suspension – it is not a cessation. Outbound Monday flights from Abilene took a sharp decline once school started last fall. However, airport staff feels strongly that Allegiant Air will return to Abilene, possibly and hopefully this summer. Health issues concerning Allegiant's main contact person have delayed this decision-making process.

- 5. DISCUSSION AND POSSIBLE APPROVAL OF THE DCOA'S SEMI-ANNUAL REPORT OF ACTIVITIES ENDING MARCH 31, 2007.** Richard Burdine echoed what Bill Ehrie touched on earlier about building inventory being down; therefore the DCOA has focused mainly on existing businesses. In the first six months of FY 2007, the DCOA approved assistance for five local companies and one outside company. The DCOA approved total funding of \$2,562,662 to assist companies with growth and retention in Abilene; 83% of which was to local companies. Through this assistance, the DCOA anticipates new employment of 40 jobs (Eagle Aviation) and total retained employment of 109 positions (104 from Abtex Beverages). Progress is being made with Carter & Burgess regarding the Five Points Business Park and the Spec 3 Building. The Welder Training Program has been extended and the MSSC Training Program is underway.

New Airport Aviation Director, Don Green, summarized airport activity. There are many projects and construction in progress which they hope to wrap up within the next four to six weeks. Parking lot construction will probably start in August.

Mike Schweikhard made a motion to approve the report as presented. Joe Crawford seconded the motion and it passed by unanimous consent.

- 6. 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 economic development matters in executive session, any action or vote will be taken in public.

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At 2:30 p.m. the Board went into Executive Session. At 3:40 p.m. the Board reconvened and announced that no vote or action was taken in Executive Session.

7. **DISCUSSION AND POSSIBLE APPROVAL OF ADDENDUM A TO THE LEASE AGREEMENT WITH AFFILIATED FOOD STORES, INC. FOR THE PROPERTY AT 4109 VINE ST., ABILENE, TEXAS.** Affiliated Food Stores, Inc. (AFS) is an Oklahoma wholesale grocery distributor that sells merchandise to its member-stockholders from its facilities in Abilene, servicing approximately 500 stores in Abilene and the region. The recent influx of major supermarkets in the area has forced many small stores to close, reducing AFS' business. The primary lender forced AFS to file bankruptcy in late 2003. In March 2004, the DCOA approved the purchase of the real estate owned by AFS located at 4109/4009 Vine Street for \$1.2 million. This was the only viable way for the DCOA to assist the business in bankruptcy while protecting its investment if the business were to fail. AFS leases a portion of the property (4109 Vine) from the DCOA for a total of \$14,375 a month, which is one of their largest operating costs.

Staff requests the DCOA Board approve Addendum A to the Lease Agreement reducing the total monthly rent from \$14,375 to \$7,500 beginning April 1, 2007 and continuing through December 31, 2008, to assist the business toward financial stability and preservation of 80 existing jobs. The long-term goal is for AFS to be eligible for long-term financing for repurchase of the building.

Mike Schweikhard moved to approve said addendum as presented. Dee Moore seconded and the motion passed with Ray Ferguson abstaining from voting.

8. **DISCUSSION AND POSSIBLE APPROVAL OF A RESOLUTION AUTHORIZING AN AGREEMENT WITH KEN FORD, PhD. OF THE FLORIDA INSTITUTE FOR HUMAN AND MACHINE COGNITION (IHMC) TO EVALUATE THE FEASIBILITY OF AN ABILENE-BASED RESEARCH INSTITUTE.** Kenneth Ford is Founder and Director of the IHMC, a not-for-profit research institute of the Florida University System that is affiliated with several Florida universities. IHMC is one of the nation's leading research institutes, is located in downtown Pensacola, Florida, and has had a major impact on the

economic viability of the community. Dr. Ford is willing to assist the Abilene community and Texas Tech University to evaluate the feasibility of an Abilene-based research institute.

Staff requests the DCOA authorize a \$25,000 contract with Dr. Kenneth Ford for him to assist Texas Tech University and the community with the initial feasibility analysis of an Abilene-based research institute.

Joe Crawford moved to approve Resolution DCOA-2007.12. Dee Moore seconded the motion and it passed by unanimous consent.

- 9. ADJOURNMENT.** The next regularly scheduled meeting is May 22nd. There being no further business, the meeting was adjourned.

Ray Ferguson, President

MEMORANDUM

May 9, 2007

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

The sales tax rebate for May is \$3,405,886.16, which represents March sales. This is 10.32% above last year. The breakdown of the May rebate is \$2,554,414.62 to the General Fund and \$851,471.54 for economic development. Of this rebate, \$66,998 is from prior periods, audit payments, future payments, and unidentified payments. Based on this rebate, sales tax is 7.85% above last year for the period of October through May. 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

**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
January	1,718,563.88	572,854.62	2,291,418.50	1,877,628.47	625,876.16	2,503,504.63
February	2,667,866.52	889,288.84	3,557,155.36	2,710,392.23	903,464.08	3,613,856.31
March	1,730,733.21	576,911.07	2,307,644.28	1,797,210.64	599,070.21	2,396,280.85
April	1,695,786.27	565,262.09	2,261,048.36	1,922,282.36	640,760.78	2,563,043.14
May	2,315,444.39	771,814.80	3,087,259.19	2,554,414.62	851,471.54	3,405,886.16
YTD	\$15,628,699.15	\$5,209,566.37	\$20,838,265.52	\$16,855,971.60	\$5,618,657.19	\$22,474,628.79
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%
January	572,855	625,876	9.26%
February	889,289	903,464	1.59%
March	576,911	599,070	3.84%
April	565,262	640,761	13.36%
May	771,815	851,472	10.32%
YTD	\$5,209,566	\$5,618,657	7.85%
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 May '07 represents March '07 sales. Approximately
\$16,750 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

DEVELOPMENT CORPORATION OF ABILENE, INC.

Balance Sheet

April 30, 2007

ASSETS:

Cash and Investments	16,724,429.85
Notes receivable	15,368,041
Accounts receivable	9,000
Due from other governments	1,385,606
Prepaid Expense	0
Total Current Assets	<u>33,487,076</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

\$50,957,364

LIABILITIES:

Vouchers payable	\$151,329
Deferred revenues	<u>2,408,250</u>
Total Liabilities	<u>\$2,559,579</u>

FUND BALANCES:

Investment in general fixed assets	\$17,470,288
Reserved for contractual obligations(external)	10,293,820
Reserved for obligated programs(internal)	375,641
Reserved for contingent liabilities	0
Undesignated Balance	<u>20,258,037</u>
Total Fund Balance	<u>\$48,397,786</u>

TOTAL LIABILITIES AND FUND BALANCES

\$50,957,364

FIXED ASSETS:

Buildings and Improvements:	<u>Original Cost</u>	<u>Improvements</u>	<u>Depreciation</u>	<u>Total</u>
2601 Airport Blvd.	1,563,210	540,632	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 @ APRIL 30, 2007

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)	\$ 94,393,714.78	\$ 636,799.97	\$ 4,739,019.38	\$ 99,132,734.16
Sales Tax Retained (3132)	192,737.03	3,825.81	28,166.27	220,903.30
Other Services Charges (3731)	25.00	-	-	25.00
Princ. - Loans & Assess (3775)	798,899.65	-	61,378.67	860,278.32
Int. - Loans & Assess (3802)	2,023,963.38	-	19,088.89	2,043,052.27
Interest (3803)	5,101,474.40	46,555.77	437,690.54	5,539,164.94
Land Lease (3810)	6,404.48	-	530.00	6,934.48
Building/Space Rent (3816)	2,421,768.41	4,500.00	289,130.00	2,710,898.41
City Pay Phones (3890)	9,170.58	-	-	9,170.58
Miscellaneous Revenue (3892)	26,770.03	-	350.00	27,120.03
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	-	28,329.47	1,891,340.41
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
	\$ 112,078,845.79	\$ 691,681.55	\$ 5,603,683.22	\$ 117,682,529.01

CONTRACTS ENCUMBERED/ EXPENDITURES-TO-DATE	Beginning I-T-D				Outstanding Contracts
	Expenditures	Current Month Expenditures	Current FY Expenditures	Ending I-T-D Expenditures	
Prior Years Programs	\$ 53,939,034.09	\$ -	\$ -	53,939,034.09	\$ -
Business Services Division	5,620,415.06	44,506.86	312,816.01	5,933,231.07	26,000.00
DCOA Annual Contracts	1,688,733.46	952.73	92,473.24	1,781,206.70	-
Abilene Industrial Foundation (4950)	9,916,868.50	37,954.86	291,349.76	10,208,218.26	421,740.24
Caruth Small Business Dev Cntr (4951)	1,850,621.05	16,088.00	100,744.25	1,951,365.30	94,255.75
Chamber Military Affairs (4952)	951,992.00	-	9,690.91	961,682.91	50,309.09
Airport Business Dev Mgr (4953)	225,374.81	39,375.53	80,022.70	305,397.51	93,124.47
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	-	9,987.00	2,440,442.58	84,780.42
Murf Systems 4998	148,200.00	-	3,465.00	151,665.00	-
Bandag Training 5203	516,334.72	-	-	516,334.72	325,885.28
Sunoco Logistics 5208	94,744.00	-	-	94,744.00	57,256.00
EASI 04 5213	717,937.66	-	303,000.00	1,020,937.66	2,252,062.34
EHT 5216	65,900.00	-	-	65,900.00	-
TMAC 5218	40,925.00	-	-	40,925.00	-
Hirschfeld 5219	-	-	-	-	-
Fehr Food 5220	461,520.00	-	60,150.00	521,670.00	-
Research Ins 5221	500.00	-	-	500.00	-
Advanced Trailer 5224	-	-	12,775.00	12,775.00	90,000.00
Transcend Services 5227	249,075.33	25,212.34	25,212.34	274,287.67	1,000,000.00
Bandag Building Improv 5228	-	-	-	-	157,623.92
Glazers Ph III 5229	12,520.00	-	13,760.00	26,280.00	64,720.00
BCBSTX Roof 5230	58,666.48	-	2,000.00	60,666.48	833.52
Highland Campus Health 5231	122,791.66	-	6,000.00	128,791.66	373,466.67
Rentech 5232	48,800.00	-	-	48,800.00	-
Tige Infrastructure 5233	143,722.68	-	-	143,722.68	74,913.00
Robinson Fan 5237	-	36,000.00	126,482.00	126,482.00	712,698.10
Reg Website 5240	2,654.33	-	-	2,654.33	2,345.67
Lauren Holdings 5245	-	-	129,387.11	129,387.11	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	-	192,306.00	680,489.40	150,230.60
Shelter Distribution 5250	-	44,724.96	44,724.96	44,724.96	48,117.04
PWP Industries Ph I 5251	205,463.00	45,530.77	405,530.77	610,993.77	159,506.23
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
Coca Cola 5256	-	-	300,000.00	300,000.00	-
Weider Training Program 5257	-	14,051.00	124,224.08	124,224.08	24,018.92
Genesis Network 5258	-	-	103,800.00	103,800.00	920,700.00
URS Consultants 5259	-	-	-	-	13,752.00
Carter Burgess 5260	-	1,510.18	22,652.11	22,652.11	292,667.89
Fehr Foods 5261	-	-	118,091.53	118,091.53	-
TMAC 5262	-	-	7,500.00	7,500.00	52,500.00
SBIR/STTR 5263	-	183.75	26,693.84	26,693.84	244,706.16
BMWT Leasing 5266	-	-	-	-	10,533.00
MSSC Training 5269	-	-	6,539.08	6,539.08	76,865.92
Miscellaneous Activities 2785	354,189.86	-	-	354,189.86	-
TOTAL ENCUMB. / EXPENDITURES	\$ 83,823,653.44	\$ 306,090.98	\$ 2,931,377.69	\$ 86,755,031.13	\$ 10,293,819.80

TOTAL FUND BALANCE

UNENCUMBERED FUND BALANCE

3.5

\$ 30,927,497.88

\$ 20,633,678.08

	Amount Obligated	Prior Years Disbursed	Current Month Disbursed	Cu Year Disbursed	Amount Encumbered	Balance
BALANCE OF OBLIGATED PROGRAMS						
Business Services Division	\$ 576,784.26	\$ -	\$ 44,506.86	\$ 312,816.01	\$ 26,000.00	\$ 237,968.25
DCOA Annual Contracts	228,700.00	-	952.73	92,473.24	-	136,226.76
Abilene Industrial Foundation (4950)	713,090.00	-	37,954.86	291,349.76	421,740.24	-
Caruth Small Business Dev Cntr (4951)	195,000.00	-	16,088.00	100,744.25	94,255.75	-
Chamber Military Affairs (4952)	60,000.00	-	-	9,690.91	50,309.09	-
Airport Business Dev Mgr (4953)	173,147.17	-	39,375.53	80,022.70	93,124.47	-
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	-	9,987.00	84,780.42	-
Murf Systems 4998	151,665.00	148,200.00	-	3,465.00	-	-
Bandag Training 5203	842,220.00	516,334.72	-	-	325,885.28	-
Sunoco Logistics 5208	152,000.00	94,744.00	-	-	57,256.00	-
EASI 04 5213	3,273,000.00	717,937.66	-	303,000.00	2,252,062.34	-
EHT 5216	65,900.00	65,900.00	-	-	-	-
TMAC 5218	40,925.00	40,925.00	-	-	-	-
Hirschfeld 5219	-	-	-	-	-	-
Fehr Food 5220	521,670.00	461,520.00	-	60,150.00	-	-
Research Ins 5221	500.00	500.00	-	-	-	-
Advanced Trailer 5224	102,775.00	-	-	12,775.00	90,000.00	-
Transcend Services 5227	1,274,288.00	249,075.33	25,212.34	25,212.34	1,000,000.00	0.33
Bandag Building Improv 5228	157,624.00	-	-	-	157,623.92	0.08
Glazers Ph III 5229	91,000.00	12,520.00	-	13,760.00	64,720.00	-
BCBSTX Roof 5230	61,500.00	58,666.48	-	2,000.00	833.52	(0.00)
Highland Campus Health 5231	502,259.00	122,791.66	-	6,000.00	373,466.67	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	839,180.10	-	36,000.00	126,482.00	712,698.10	-
Reg Website 5240	5,000.00	2,654.33	-	-	2,345.67	-
Lauren Holdings 5245	853,098.00	-	-	129,387.11	723,710.89	-
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	-	192,306.00	150,230.60	-
Shelter Distribution 5250	92,842.00	-	44,724.96	44,724.96	48,117.04	-
PWP Industries Ph I 5251	770,500.00	205,463.00	45,530.77	405,530.77	159,506.23	-
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
Coca Cola 5256	300,000.00	-	-	300,000.00	-	-
Welder Training Program 5257	148,243.00	-	14,051.00	124,224.08	24,018.92	-
Genesis Network 5258	1,024,500.00	-	-	103,800.00	920,700.00	-
URS Consultants 5259	15,127.00	-	-	-	13,752.00	1,375.00
Carter Burgess 5260	315,320.00	-	1,510.18	22,652.11	292,667.89	-
Fehr Foods 5261	118,092.00	-	-	118,091.53	-	0.47
TMAC 5262	60,000.00	-	-	7,500.00	52,500.00	-
SBIR/STTR 5263	271,400.00	-	183.75	26,693.84	244,706.16	-
BMWT Leasing 5266	10,533.00	-	-	-	10,533.00	-
MSSC Training 5269	83,405.00	-	-	6,539.08	76,865.92	-
Miscellaneous Activities 2785	354,189.86	354,189.86	-	-	-	-
BALANCE OF OBLIGATED PROGRAMS	\$ 23,231,453.39	\$ 9,630,614.47	\$ 306,090.98	\$ 2,931,377.69	\$ 10,293,819.80	\$ 375,641.43

Contingent Liabilities

\$ -

UNDESIGNATED FUND BALANCE

(unencumbered balance less obligated programs and contingent liabilities)

\$ 20,258,036.65

DCOA Board approved projects waiting for signed contracts

EXPIRATION DATE

Research Ins 5221	2,999,500.00	02/28/2005
TTU Pharmacy School 5242	1,044,622.00	04/17/2007
TTU Pharmacy School 5242	150,000.00	01/05/2006
Incineration Recycling 5254	103,900.00	09/07/2006
Eagle Aviation Services 5265	550,000.00	06/19/2007
Abtex Beverage 5267	1,599,040.00	06/19/2007
Integrated Clinical Research 5253	64,000.00	06/19/2007
Dr. Ford Study 5268	25,000.00	10/24/2007
	<u>6,536,062.00</u>	

3.6

**ECONOMIC DEVELOPMENT DEPARTMENT
SERVICE EVALUATION REPORT**

APRIL 2007

**PERFORMANCE DATA
SERVICE ANALYSIS**

Staff: Richard Burdine-Assistant City Manager for Economic 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 the April meeting, the DCOA board heard 6-month reports from the Abilene Industrial Foundation, Texas Tech University Small Business Development Center, and the Airport Business Development program. The board also approved the Semi-Annual Report of Activities for the DCOA through March 31, 2007. Also approved was Addendum A to the Lease Agreement with Affiliated Food Stores, Inc. to reduce their monthly rental from \$14,375 to \$7,500 beginning 4/07 and lasting through December 2008. The board authorized \$25,000 and an agreement with Dr. Kenneth Ford with the Institute for Human and Machine Cognition (IHMC) to conduct a feasibility analysis for the establishment of an Abilene-based research institute.

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 172 Abilene client sessions were held this month with 21.5% being new clients. Five new businesses opened, and 11 new jobs were reported 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 10 requests for information. Staff visited 6 local companies, one out-of-town company/consultant and hosted 2 visits to Abilene by prospects. The Develop Abilene website experienced 40,894 hits with 1,091 unique visits. Attached is a year-to-date summary of activity for this year and last.

SMALL BUSINESS DEVELOPMENT CENTER
April 2007 UPDATE

Billable Hours:

328.25 Abilene business counseling hours for the month of April

172 Client sessions conducted for the month of April
 37 New clients

6 Workshops
 100 Attendees

Business Created:

5 Month of April
 2 Service
 1 Wholesale Trade
 1 Accommodation/Food Services
 1 Information

44 Year-to-Date
 17 Service
 11 Retail
 2 Manufacturing
 3 Transportation/Warehousing
 1 Health Care/Social Assistance
 4 Accommodation/Food Services
 2 Construction
 1 Arts/Entertainment/Recreation
 2 Wholesale Trade
 1 Information



Jobs Created (Full Time Equivalents):

11 Month of April
 5 Service
 2 Wholesale Trade
 2 Accommodation/Food Service
 2 Information

240	Year-to-Date	
	41	Service
	54	Retail
	45	Manufacturing
	5	Transportation/Warehousing
	25	Health Care/Social Assistance
	48	Accommodation/Food Services
	5	Construction
	2	Arts/Entertainment/Recreation
	10	Administrative/Support
	3	Wholesale Trade
	2	Information

Capital Formation:

\$389,000	Month of April	
	\$180,000	Service
	\$153,000	Wholesale Trade
	\$16,000	Accommodation/Food Services
	\$40,000	Information
\$9,740,332	Year-to-Date	
	\$1,070,900	Service
	\$1,403,000	Retail
	\$2,585,182	Manufacturing
	\$123,750	Transportation/Warehousing
	\$100,000	Health Care/Social Assistance
	\$2,456,000	Accommodation/Food Services
	\$264,500	Construction
	\$5,000	Arts/Entertainment/Recreation
	\$1,054,000	Administrative/Support
	\$638,000	Wholesale Trade
	\$40,000	Information

Abilene Industrial Foundation Summary of Activity

<u>ACTIVITY</u>	<u>Apr 07</u>	<u>Apr 06</u>	<u>YTD*</u> <u>2006/07</u>	<u>YTD*</u> <u>2005/06</u>
Publications in which ads were placed	1	0	5	1
Prospect responses from advertisements	3	3	6	11
Consultant E-Newsletter/Direct Mailouts	0	0	0	3,884
Prospect files opened	0	1	9	43
Site visits to prospects/consultant	1	1	18	35
Prospect visits to Abilene	2	5	17	24
Retention visits	6	7	34	69

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

DEVELOPMENT CORPORATION OF ABILENE

FISCAL YEAR ENDED SEPTEMBER 30, 2006

AUDIT OF FINANCIAL RECORDS

PREPARED BY:

DAVIS-KINARD & CO., P.C.

(Excerpt from City of Abilene Audit for FY06)

CITY OF ABILENE, TEXAS

DEVELOPMENT CORPORATION OF ABILENE
STATEMENT OF NET ASSETS

September 30, 2006

With Comparative Totals for September 30, 2005

	<u>2006</u>	<u>2005</u>
CURRENT ASSETS:		
Cash and cash investments	\$ 10,133,768	\$ 6,974,671
Investments	4,076,214	3,468,120
Accounts receivable	9,000	4,152
Prepaid items and other assets		600
Due from other governments	<u>1,385,606</u>	<u>1,280,626</u>
Total Current Assets	<u>15,604,588</u>	<u>11,728,169</u>
NONCURRENT ASSETS:		
Capital assets	20,365,514	20,299,916
Accumulated depreciation	<u>(2,885,974)</u>	<u>(2,932,910)</u>
Total capital assets, net	17,479,540	17,367,006
Notes receivable	<u>15,316,655</u>	<u>14,355,898</u>
Total Noncurrent Assets	<u>32,796,195</u>	<u>31,722,904</u>
TOTAL ASSETS	<u>48,400,783</u>	<u>43,451,073</u>
LIABILITIES:		
Current:		
Vouchers payable	189,423	178,216
Other deposits	<u>2,000</u>	<u>2,000</u>
Total Current Liabilities	<u>191,423</u>	<u>180,216</u>
Noncurrent:		
Unearned revenues	<u>2,182,143</u>	<u>2,502,528</u>
Total Liabilities	<u>2,373,566</u>	<u>2,682,744</u>
NET ASSETS:		
Investment in capital assets	17,479,540	17,367,006
Restricted for contractual obligations	8,998,541	8,802,462
Unrestricted, designated for purposes of trust	<u>19,549,136</u>	<u>14,598,861</u>
TOTAL NET ASSETS	<u>\$ 46,027,217</u>	<u>\$ 40,768,329</u>

CITY OF ABILENE, TEXAS

DEVELOPMENT CORPORATION OF ABILENE
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

Year Ended September 30, 2006

With Comparative Totals for the Year Ended September 30, 2005

	<u>2006</u>	<u>2005</u>
REVENUES:		
Sales and use taxes	\$ 7,953,933	\$ 7,326,785
Investment income	622,045	447,208
Gain on sale of capital assets	183,029	
Miscellaneous	<u>445,135</u>	<u>520,440</u>
Total Revenues	<u>9,204,142</u>	<u>8,294,433</u>
EXPENSES:		
Current:		
Trust	<u>4,182,032</u>	<u>5,261,142</u>
Total Expenses	<u>4,182,032</u>	<u>5,261,142</u>
CHANGE IN NET ASSETS	5,022,110	3,033,291
NET ASSETS AT BEGINNING OF YEAR	40,768,329	38,112,289
PRIOR PERIOD ADJUSTMENT	<u>236,778</u>	<u>(377,251)</u>
NET ASSETS AT END OF YEAR	<u>\$ 46,027,217</u>	<u>\$ 40,768,329</u>

CITY OF ABILENE

DEVELOPMENT CORPORATION OF ABILENE
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET BASIS

Year Ended September 30, 2006

	Year Ended September 30, 2006	Inception To-Date
REVENUES:		
Sales and use taxes	\$ 7,849,274	\$ 94,342,470
Other services and charges		25
Principal on loans and assessments	72,607	854,607
Interest on loans and assessments	64,394	2,023,964
Interest on investments		176,264
Interest	557,652	5,101,475
Land lease	1,524	6,404
Other interest		32,253
Sale of land and buildings	446,853	1,257,203
Building/space rent	371,889	2,421,767
Miscellaneous recovery		1,863,011
City pay phones		9,171
Miscellaneous revenue	1,114	26,770
Miscellaneous prior year		16,465
EDA grant		1,180,026
Miscellaneous state grants		6,500
Miscellaneous damage claims		222
Interfund recovery		1,534,976
GASB 22 restatement		355,635
GASB 34 restatement		579,426
DCOA administration		7,071
Other contributions		96,866
Total Revenues	<u>9,365,307</u>	<u>111,892,571</u>

EXPENDITURES:

Current:

Prior year programs	4,250	51,915,289
Business Services Division	541,577	5,620,415
DCOA Annual Contracts	163,299	1,688,733
Abilene Industrial Foundation	491,097	9,916,869
Caruth Small Business Development Center	195,000	1,850,621
Chamber Military Affairs	187,813	951,992
Orange Plastic		446,735
Airport Business Development MGR	168,899	351,624
TTU Engineering Ops	375,000	1,875,000
TTU Bldg Purchase & A/E	4,988	568,120
Five Points Utilities		918,488
EASI Records Const	8,300	2,430,455
Murf Systems		148,200
Tige Boats		600,000
Hibbs & Todd	2,850	60,000
Sunoco	39,744	94,744
EASI 04	37,071	717,938
EHT	32,300	65,900
TMAC	33,450	40,925
Research Ins		500
Fehr Foods	461,520	461,520
Bandag Training		516,335

CITY OF ABILENE, TEXAS

DEVELOPMENT CORPORATION OF ABILENE
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET BASIS

Year Ended September 30, 2006

EXPENDITURES - continued:	Year Ended September 30, 2006	Inception To-Date
Current - continued:		
Transcend Services	\$ 99,075	\$ 249,075
Glazer Phase III	12,520	12,520
BCBSTX - roof	34,711	58,667
Highland Campus Health	61,792	122,792
Rentech	48,800	48,800
Tige Infrastructure		143,723
Thelen, Reed, & Priest	4,301	28,351
Land L	15,716	15,716
Sears Methodist	500,000	500,000
Spec II R/E Broker	63,788	75,788
Reg Website	2,654	2,654
BCBS Parking	166,151	166,151
SBIR/STTR	3,528	3,528
36/18 A/E	23,800	23,800
Prospect 06	1,225	1,225
BCBSTX Reroof Construction	488,183	488,183
PWP Industries	205,463	205,463
Abilene Internet	59,340	59,340
SBIR/STTR	23,284	23,284
Miscellaneous Activities		354,190
	<hr/>	<hr/>
Total Expenditures	4,561,489	83,823,653
	<hr/>	<hr/>
EXCESS OF REVENUES OVER EXPENDITURES - BUDGET BASIS	4,803,818	\$ 28,068,918
		<hr/>
Add: Sales Tax Revenue Accrual	105,759	
Less: Gain on Sale of Assets	(263,825)	
Less: Depreciation	(330,237)	
Add: Fixed Assets Capitalized	706,595	
	<hr/>	
CHANGE IN NET ASSETS - GAAP BASIS	\$ 5,022,110	
	<hr/>	

CITY OF ABILENE, TEXAS

DEVELOPMENT CORPORATION OF ABILENE
SCHEDULE OF OBLIGATED FUND BALANCE - BUDGET BASIS
 Year Ended September 30, 2006

	FY 2006 Obligated	FY 2006 Amount Disbursed	Balance
OBLIGATED PROGRAMS:			
Business Services Division	\$ 544,195	\$ 541,577	\$ 2,618
DCOA Annual Contracts	163,306	163,299	7
Abilene Industrial Foundation	491,098	491,097	1
Caruth Small Business Development Center	195,000	195,000	
Chamber Military Affairs	193,765	187,813	5,952
Airport Business Development MGR	210,524	168,899	41,625
TTU Engineering Ops	375,000	375,000	
TTU Bldg Purchase & A/E	185,913	4,988	180,925
Five Points Utilities	49,938		49,938
EASI Records Const	103,067	8,300	94,767
Bandag Training	146,870		146,870
EHT	32,300	32,300	
Fehr Foods	461,520	461,520	
TMAC	33,450	33,450	
Rentech	48,800	48,800	
Hibbs & Todd	2,850	2,850	
Tige Infrastructure	74,913		74,913
Highland Campus Health	441,259	61,792	379,467
Sunoco Logistics	97,000	39,744	57,256
EASI 04	2,592,133	37,071	2,555,062
BCBSTX Roof	37,545	34,711	2,834
Transcend Services	1,099,076	99,075	1,000,001
Glazer's Ph III	91,000	12,520	78,480
Hirschfield	750,000		750,000
Advance Trailer	90,000		90,000
Bandag Building Improv	157,624		157,624
Thelen, Reed & Priest	4,301	4,301	
Robinson Fan	396,450		396,450
Spec II RE Broker	63,788	63,788	
BCBS Parking	166,142	166,151	(9)
Land L	15,716	15,716	
Sears Methodist	500,000	500,000	
Reg Website	5,000	2,654	2,346
SBIR/STTR	3,530	3,528	2
Lauren Holdings	723,711		723,711
36/18 A/E	35,000	23,800	11,200
Teleperformance	757,000		757,000
Prospect 06	1,225	1,225	
BCBSTX Reroof Construction	830,720	488,183	342,537
PWP Industries	410,500	205,463	205,037
Abilene Internet	59,340	59,340	
Integrated Clinic Research	695,502		695,502
SBIR/STTR	23,285	23,284	1
Welder Training Program	127,243		127,243
URS Consulting	15,127		15,127
Carter Burgess	56,120		56,120
Total Obligated Programs	\$ 13,557,846	\$ 4,557,239	\$ 9,000,607

CITY OF ABILENE, TEXAS

DEVELOPMENT CORPORATION OF ABILENE

SCHEDULE OF CAPITAL ASSETS

September 30, 2006

Land, Buildings and Improvements:	Land	Buildings	Improvements	Equipment and Vehicles	Total
2601 Airport Blvd.	\$	\$ 1,563,210	\$ 540,633	\$	\$ 2,103,843
2809 Airport Blvd.		396,519	444,583		841,102
2841 Airport Blvd.		456,736	62,923		519,659
4002 Loop 322		2,690,915	689,045		3,379,960
515 acres-Five Points Business Park	552,287		2,435,432		2,987,719
Five Points Spec Bldg #2		5,809,354			5,809,354
341 Pine - Grant Bldg		147,194	405,726		552,920
4009/4109 Vine Street		1,167,049			1,167,049
303.53 Acres Hwy 36 & FM 18	449,239				449,239
EASI Storage Building		2,527,408			2,527,408
Copier, scanner				9,250	9,250
2005 Dodge Caravan				18,011	18,011
TOTAL CAPITAL ASSETS	\$ 1,001,526	\$ 14,758,385	\$ 4,578,342	\$ 27,261	\$ 20,365,514

DEVELOPMENT CORPORATION OF ABILENE, INC.

BOARD AGENDA

MEETING DATE: May 22, 2007

PROJECT: Eagle Aviation Services, Inc. – 7th Dock Line and Off-Load Shop

STAFF: Richard Burdine, CEO

THE COMPANY

Eagle Aviation Services, Inc. (“EASI”) is headquartered in Dallas/Fort Worth, and is a wholly owned subsidiary of AMR, the holding company that owns 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

In addition to being a high-quality employer, 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. Late last year the Abilene facility was chosen as the site for the addition of a 7th dock line with 40 new mechanics and 4 crew chiefs promoted from within. In support, the DCOA Board approved an assistance package of \$550,000 (\$250,000 for a tail stand, \$200,000 for recruitment incentives paid to new mechanics, \$50,000 for EASI to hire a full-time recruiter and \$50,000 for marketing, which includes advertisements and recruitment visit expenses).

We recently learned that American Airlines management chose instead to split the new positions between Abilene and the Marquette, MI maintenance depot. Harley Hall, manager of both maintenance facilities, informed me that EASI can make do with their current facilities and is unwilling to take on additional overhead costs at this time, specifically rent and property taxes on a new hangar. Also, they do not need another tail stand. However, EASI has developed what they call an Off-Load Shop, which refurbishes the interior of airplanes. New employment related to the Off-Load Shop includes 7 cleaners, 2 painters, and 2 crew chiefs. After consultation with Harley, EASI requests that the incentive package be revised.

THE REQUEST

Staff recommends total assistance of \$275,000 as follows:

Equipment Grant - \$125,000 for the purchase and installation of a thermoformer for use in the new Off-Load Shop, based on Eagle’s specifications. Payment shall be made based on actual invoice. This equipment, along with all other equipment purchased with DCOA funds, will remain in Abilene should Eagle cease operations in Abilene.

Recruitment Grant - \$150,000 allocated as follows:

- **\$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.

- **\$100,000** to assist with the attraction and hiring of qualified individuals to fill newly created jobs. Payment will be limited to \$5,000/person hired for new mechanic positions and shall be used to pay items including, but not limited to, signing bonuses and relocation expenses.

FISCAL IMPACT

- Equipment: \$125,000
- Recruitment Assistance: \$100,000
- Total: \$275,000

STAFF RECOMMENDATION

Staff recommends DCOA approval of resolution DCOA-2007.06 (Revised) authorizing total assistance of \$275,000 to assist EASI as detailed above.

ATTACHMENTS

Resolution No. DCOA-2007.06 (Revised)

RESOLUTION NO. DCOA-2007.06 (Revised)

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 A 5TH 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/parts 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 will soon install a new dock line with one-half going to the Abilene site, with 22 new maintenance-related jobs, and the other one-half going to Marquette. Abilene will also gain an Off-Load Shop with 11 new jobs for total new employment of 33; and,

WHEREAS, DCOA approved resolution DCOA-2007.06 on 12-19-06, whereby funding of \$550,000 was approved to assist Eagle with the addition of a full dock line in Abilene and 40 new maintenance-related positions under the assumption the Abilene site would gain full benefit of the additional dock line; and,

WHEREAS, because the new dock line is now being split between the two maintenance sites, the DCOA's funding amount can be reduced; and,

WHEREAS, Staff proposes the DCOA provide amended assistance for Eagle for purchase of equipment and workforce recruitment efforts to accommodate the expansion and this resolution supersedes and replaces resolution DCOA-2007.06 approved on 12-19-06; 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 one-half of a dock line in Abilene (Abilene's 5th) in an amount not to exceed Two Hundred Seventy-Five Thousand and No/100's Dollars (\$275,000). Eagle will maintain its current authorized employment level of 365 and add 20 new maintenance-related jobs plus 2 crew chief positions, and 11 new Off-Load Shop jobs for total employment of 398. The funds will be disbursed as follows:

- A. **Equipment Grant** - \$125,000 for the purchase and installation of a thermoformer for use in the new Off Load Shop, based on Eagle's specifications. Payment shall be made based on actual invoice. New employment related to the Off-Load Shop will include 7 cleaners, 2 painters, and 2 crew chiefs.
- B. **Recruitment Grant** - \$150,000 allocated as follows:
- **\$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.
 - **\$100,000** 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 Abilene's 5th 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 22nd day of May, 2007.

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: May 22, 2007

PROJECT: Manufacturing Skills Standards Council Certification (MSSC) Training

STAFF: Richard Burdine, CEO

BACKGROUND

The Manufacturing Skills Standards Council (MSSC) certification process addresses skills deficiencies by: 1) assessing and certifying individuals on their abilities in math, science, reading, listening, communicating, computer technology, analysis, problem solving, teamwork and basic technical skills, all in a manufacturing context; and 2) certifying individuals who are equipped with foundational skills needed to fill a wide variety of occupations for a rapidly changing manufacturing environment.

The following manufacturers have partnered with the TSTC and the Workforce Center of West Central Texas (WCWCT) to conduct a pilot MSSC training program: Bandag, Abtex Beverages, Coca-Cola, Tige' Boats, Martin Sprocket & Gear, Hirschfeld Steel, Fehr Foods, Peerless Manufacturing, Rentech Boiler Services, Micrometals, Inc. PWP Industries, and Zoltek. These local manufacturers are committed to providing employment opportunities and hiring preference to MSSC-certified Manufacturing Production Technicians. Cumulatively, local manufacturers are requesting MSSC training for 88 incumbent workers as well.

The first MSSC training session ended in April 2007 and a second is scheduled to begin in June. Staff at TSTC and WCWCT are coordinating an application to the state for Skills Development grant funding to continue the program and train up to 82 more workers.

THE REQUEST

If approved, the Skills Development grant of \$628,000 will cover all costs to extend the MSSC training program, with the exception of the drug testing. Drug testing is performed on two separate occasions during the training process at a cost of \$40/each, or \$80 per trainee. The funding request to the DCOA of \$6,560 will cover the drug testing only for up to 82 trainees at \$80/each.

FISCAL IMPACT

\$6,560 for drug testing for up to 82 MSSC trainees @ \$80/each.

STAFF RECOMMENDATION

Staff recommends approval of resolution no. DCOA-2007.13 authorizing an addendum to the existing contract for MSSC training to add funding up to \$6,560 to perform 2 drug tests each for 82 new MSSC students during the training period for the extended MSSC program.

ATTACHMENTS

Resolution DCOA-2007.13

RESOLUTION NO. DCOA-2007.13

A RESOLUTION OF THE DEVELOPMENT CORPORATION OF ABILENE, INC. (DCOA), ABILENE, TEXAS AUTHORIZING AN ADDENDUM TO THE AGREEMENT WITH WORKFORCE CENTER OF WEST CENTRAL TEXAS ("WCWCT") PROVIDING ADDITIONAL FUNDING TO EXTEND THE MANUFACTURERS SKILLS STANDARDS COUNCIL ("MSSC") CERTIFIED MANUFACTURING PRODUCTION TECHNICIANS TRAINING PROGRAM.

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

WHEREAS, many workers demonstrate deficiencies in basic skills and the MSSC certification process addresses those skills deficiencies; and,

WHEREAS, based on proof of need and commitment from local manufacturers, the West Central Texas Workforce Board committed funding toward the development of a pilot project to train and assess local workers as MSSC-Certified Manufacturing Production Technicians; and

WHEREAS, DCOA approved resolution DCOA-2007.10 on January 16, 2007 authorizing funding of \$83,405 to assist with the administration of the pilot program to train 30 individuals in two separate training sessions in Spring 2007; and,

WHEREAS, staff requests the DCOA consider amending the current agreement with WCTWC adding funding of up to \$6,560 to help train 82 more individuals to become MSSC-Certified Manufacturing Production Technicians; and,

WHEREAS, the DCOA is authorized by the Development Corporation Act of 1979, as amended, to provide financial assistance 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 Addendum A to the contract with the Workforce Center of West Central Texas effective 2-1-07, whereby the DCOA is providing \$83,405 help to administer a pilot program to train up to 30 individuals in two separate sessions to become MSSC-Certified Manufacturing Production Technicians. Additional funding of up to Six Thousand Five Hundred Sixty and no/100's Dollars (\$6,560) is hereby authorized via Addendum A to extend the MSSC program to provide training for 82 more individuals. The Addendum A funds will be used only to cover the cost of two drug tests per trainee at a cost of \$40/each or \$80 per trainee.

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 22nd day of May, 2007.

ATTEST:

Dee Moore
Secretary/Treasurer

Ray Ferguson
President

APPROVED:

T. Daniel Santee, Interim City Attorney

DEVELOPMENT CORPORATION OF ABILENE, INC.
BOARD AGENDA
MEETING DATE: May 22, 2007

PROJECT: Fast Track Welder Training Extended Again

STAFF: Richard Burdine, CEO

BACKGROUND

In July of 2006, the DCOA approved \$127,243 for the development of a pilot program for intensive welder training. The DCOA partnered with Cisco Junior College and Texas Workforce Development Center to produce a 5-week training program with class sizes limited to 14. In week one, applicants are screened then tested (both skills and drug), and trained in "soft" skills (making a job application, interviewing, etc.). In weeks 2-5, the participants undergo 120 hours of training. The curriculum was developed in line with state criteria and American Welding Society (AWS) standards.

To continue the training, DCOA staff applied for and received in 1/07 a grant for \$50,000 from the West Central Texas Workforce Development Board's Workforce Investment Fund, in partnership with and on behalf of Hirschfeld Steel, Lauren Engineers & Constructors, Rentech Boiler Services, Robinson Fans Abilene, and Cisco Junior College. Also in 1/07 the DCOA approved \$26,000 as a match to the \$50,000 grant to extend the program and administer two more training sections (sections 4 & 5), with up to 14 students in each section. Section 4 is currently in session, and Section 5 will begin in 6/07.

THE REQUEST

In order to extend the program even further (sections 6 through 9), Workforce Center staff is preparing to apply for a state Skills Development grant of \$144,504, which will fund all expenses with the exception of the drug testing. Staff requests the board approve funding needed to cover the drug testing costs. The trainees are tested twice during the training process at a cost of \$40/test, or \$80/trainee. For 4 sections of training and 12 trainees in each section (48 total), the cost is \$3,840, plus a contingency of \$160, for total funding of \$4,000.

FISCAL IMPACT

Up to \$4,000 for drug testing during section 6 through 9, Fast Track Welding

STAFF RECOMMENDATION

Staff recommends approval of resolution no. DCOA-2007.14 authorizing funding in an amount up to \$4,000 to cover drug testing costs to extend the welder training program by 4 more sections.

ATTACHMENTS

Resolution DCOA-2007.14

RESOLUTION NO. DCOA-2007.14

A RESOLUTION OF THE DEVELOPMENT CORPORATION OF ABILENE, INC. (DCOA), ABILENE, TEXAS AUTHORIZING FUNDING TO COVER DRUG TESTING COSTS FOR EXTENDING THE FAST TRACK WELDER TRAINING PROGRAM FOUR ADDITIONAL SECTIONS.

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

WHEREAS, Abilene and surrounding area are experiencing a shortage of qualified welders due to growth of the manufacturing and oil industries; and,

WHEREAS, in 7/06, the DCOA approved funding of \$127,243 and a contract with WCWCT to administer the Fast Track Welder training pilot program on the campus of CJC, which included 3 sections of 4 weeks each; and

WHEREAS, in 1/07, the DCOA approved resolution DCOA-2007.09 authorizing funding of \$26,000 to match a Workforce Investment Fund grant to extend the Fast Track Welder training program two additional sections (sections 4 & 5); and,

WHEREAS, Workforce Center staff is preparing to apply for a state Skills Development grant of \$144,504, which will fund all expenses to extend the program four more sections (sections 6 through 9), with the exception of the drug testing; and,

WHEREAS, staff requests the DCOA consider funding up to \$4,000 to cover the drug testing costs; and,

WHEREAS, the DCOA is authorized by the Development Corporation Act of 1979, as amended, to provide financial assistance 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 up to Four Thousand and no/100's Dollars (\$4,000) to cover the cost of drug testing to extend the Fast Track Welder training program four more sections (sections 6 through 9). The trainees are tested twice during the training process at a cost of \$40/test, or \$80/trainee. For 4 sections of training and 12 trainees in each section (48 total), the cost is \$3,840, plus a contingency of \$160, for total funding of \$4,000.

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 22nd day of May, 2007.

ATTEST:

Dee Moore
Secretary/Treasurer

Ray Ferguson
President

APPROVED:

T. Daniel Santee, Interim City Attorney