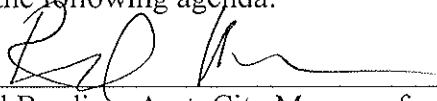


PUBLIC NOTICE

DEVELOPMENT CORPORATION OF ABILENE, INC.

A regular meeting of the Development Corporation of Abilene, Inc. will be held on Tuesday, June 26, 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

June 26, 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 May 22, 2007 meeting.
3. Preliminary financial and status reports for May 2007.
4. Discussion and possible approval of a resolution authorizing an agreement with the Eula Independent School District to mitigate the financial impact of adopting freeport tax exemption.
5. Discussion and possible approval of a resolution authorizing assistance for Project JW.
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 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.

7. 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
May 22, 2007

MEMBERS PRESENT:	Ray Ferguson Joe Crawford	Stan Lambert
MEMBER ABSENT:	Mike Schweikhard	Dee Moore
STAFF PRESENT:	Richard Burdine David Wright	Kim Tarrant Dan Santee
GUESTS PRESENT:	Bill Ehrie Sarah Varble Russell Guthrie	Abilene Industrial Foundation Abilene Reporter-News Davis Kinard & Co.

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 APRIL 24, 2007 MEETING.** Joe Crawford made a motion to approve the minutes from the April 24, 2007 meeting. Stan Lambert seconded and the motion carried.
3. **PRELIMINARY FINANCIAL AND STATUS REPORTS FOR APRIL 2007.** David Wright reviewed the financial reports for April 2007. Total assets as of April 30, 2007 were \$50.9 million, total liabilities were \$2.5 million, and the DCOA had an undesignated fund balance of \$20.2 million. The sales tax rebate for May 2007 was \$851,471.54 for economic development and was 7.85% above last year.
4. **PRESENTATION OF FY06 AUDIT BY A REPRESENTATIVE FROM DAVIS KINARD & CO., P.C.** Russell Guthrie from Davis Kinard & Co. reviewed the FY06 audit applicable to the DCOA. Total Current Assets increased about \$4.9 million (11%) from 2005 with \$3.7 million of that in cash and cash investments. Notes Receivable as of September 30, 2006 was about \$15 million. Richard Burdine pointed out that approximately \$6 million is for Tige Boats and a large portion of the remaining \$9 million is made up of clients earning down the principal on their note, not actual cash payment. The DCOA would foreclose if these businesses were to fail. Sales and use taxes increased 8.5% (\$675,000) from 2005 to 2006, total expenses decreased about \$1 million and net assets as of 9/30/06 were \$46 million based on the full-accrual basis. Mr. Guthrie explained the major differences between calculations on the budget basis versus full-accrual basis are depreciation, sales tax accrual, capitalizations of outlays and gain on sale of assets.
5. **DISCUSSION AND POSSIBLE APPROVAL OF A RESOLUTION AUTHORIZING AMENDED ASSISTANCE FOR EAGLE AVIATION SERVICES, INC.** The DCOA Board previously approved an assistance package of \$550,000 for EASI for a new tail stand, recruitment incentives paid to 40 new mechanics, a full-time recruiter and marketing expenses. American Airlines management has now chosen to split the new dock line equally between

Abilene and Marquette, Michigan, giving Abilene 20 mechanic and two crew chief positions. Local EASI staff stated they can make do with their current facilities and are unwilling to assume additional overhead costs. Nor do they need another tail stand at this time. EASI will also gain an Off-Load Shop with 11 jobs, but these jobs are not included in the total maintenance count of 387, which does include the 22 new maintenance positions mentioned here.

In light of these changes, economic development staff recommends amending the total assistance down from \$550,000 to \$275,000 as follows: a) \$125,000 equipment grant for the purchase and installation of a thermo former, and b) \$150,000 recruitment grant to include expenses associated with advertising/marketing for new mechanic positions, recruitment visit expenses, and to assist with the attraction and hiring of qualified persons to fill newly created jobs.

Joe Crawford made a motion to approve Resolution No. DCOA-2007.06 (Revised), as corrected in this meeting to remove reference to the Off-Load Shop jobs. Stan Lambert seconded the motion and it passed by unanimous consent.

- 6. DISCUSSION AND POSSIBLE APPROVAL OF A RESOLUTION AUTHORIZING ADDITIONAL FUNDING TO EXTEND THE MANUFACTURING SKILLS STANDARDS COUNCIL (MSSC) CERTIFICATION PROGRAM.** The first MSSC training session ended in April 2007 and a second is scheduled to begin in June. Staff at TSTC and the Workforce Center of West Central Texas (WCWCT) are coordinating an application to the state for Skills Development grant funding to continue the program and train up to 82 more workers. If approved, this \$628,000 grant will cover all costs to extend the MSSC training program except drug testing, which is performed twice during the training process at a total cost of \$80 per trainee.

Staff recommends funding in the amount of \$6,560 for drug testing for up to 82 MSSC trainees at \$80 each.

Stan Lambert moved to approve Resolution No. DCOA-2007.13 as presented. Joe Crawford seconded the motion and it carried unanimously.

- 7. DISCUSSION AND POSSIBLE APPROVAL OF A RESOLUTION AUTHORIZING ADDITIONAL FUNDING TO AGAIN EXTEND THE FAST TRACK WELDER TRAINING PROGRAM.** Three training sections for the fast track welder training program have been completed. Section 4 is currently in session and Section 5 will begin in June '07. 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 except drug testing, which is performed twice during the training process at a total cost of \$80 per trainee.

Staff recommends funding in the total amount of \$4,000 as follows: 4 sections of training with 12 trainees in each section (48 total) at a cost of \$3,840 plus a contingency of \$160.

Joe Crawford moved to approve Resolution No. DCOA-2007.14 as presented. Stan Lambert seconded the motion and it carried unanimously.

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

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At 2:03 p.m. the Board went into Executive Session. At 2:33 p.m. the Board reconvened and announced that no vote or action was taken in Executive Session.

- 9. ADJOURNMENT.** The next regularly scheduled meeting is June 26th. 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

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.

3.2

**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.

CITY OF ABILENE, TEXAS

DEVELOPMENT CORPORATION OF ABILENE, INC.

Balance Sheet

May 31, 2007

ASSETS:

Cash and Investments	\$17,517,895
Notes receivable	15,313,608
Accounts receivable	9,000
Due from other governments	1,385,606
Prepaid Expense	0
Total Current Assets	<u>34,226,109</u>

OTHER ASSETS:

Fixed assets	\$20,365,514
Accumulated depreciation	<u>(2,885,974)</u>
Total Other Assets	<u>17,479,540</u>

TOTAL ASSETS

\$51,705,649

LIABILITIES:

Vouchers payable	\$18,934
Deferred revenues	<u>2,408,250</u>
Total Liabilities	<u>\$2,427,184</u>

FUND BALANCES:

Investment in general fixed assets	\$17,479,540
Reserved for contractual obligations(external)	10,184,501
Reserved for obligated programs(internal)	350,372
Reserved for contingent liabilities	0
Undesignated Balance	<u>21,264,053</u>
Total Fund Balance	<u>\$49,278,466</u>

TOTAL LIABILITIES AND FUND BALANCES

\$51,705,649

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	1,290,916	2,089,045	1,132,003	2,247,958
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
Office Equipment: Copier	9250	0		9,250
TOTAL FIXED ASSETS	<u>\$14,387,173</u>	<u>\$5,978,341</u>	<u>\$2,885,974</u>	<u>\$17,479,540</u>

DEVELOPMENT CORPORATION OF ABILENE
STATUS OF FUNDS @ MAY 31, 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	\$ 847,288.59	\$ 5,586,307.97	\$ 99,980,022.75
Sales Tax Retained (3132)	192,737.03	4,182.95	32,349.22	225,086.25
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	4,538.12	23,627.01	2,047,590.39
Interest (3803)	5,101,474.40	79,039.44	516,729.98	5,618,204.38
Land Lease (3810)	6,404.48	494.35	1,024.35	7,428.83
Building/Space Rent (3816)	2,421,768.41	76,375.00	365,505.00	2,787,273.41
City Pay Phones (3890)	9,170.58	-	-	9,170.58
Miscellaneous Revenue (3892)	26,770.03	11.00	361.00	27,131.03
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	\$ 1,011,929.45	\$ 6,615,612.67	\$ 118,694,458.46	

CONTRACTS ENCUMBERED/ EXPENDITURES-TO-DATE	Beginning I-T-D Expenditures	Current Month Expenditures	Current FY Expenditures	Ending I-T-D Expenditures	Outstanding Contracts
Prior Years Programs	\$ 53,939,034.09	\$ -	\$ -	\$ 53,939,034.09	\$ -
Business Services Division	5,620,415.06	35,398.33	348,214.34	5,968,629.40	14,850.00
DCOA Annual Contracts	1,688,733.46	966.71	93,439.95	1,782,173.41	-
Abilene Industrial Foundation (4950)	9,916,868.50	47,805.92	339,155.68	10,256,024.18	373,934.32
Caruth Small Business Dev Cntr (4951)	1,850,621.05	24,618.75	125,363.00	1,975,984.05	69,637.00
Chamber Military Affairs (4952)	951,992.00	-	9,690.91	961,682.91	50,309.09
Airport Business Dev Mgr (4953)	225,374.81	-	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	5,870.15	31,082.49	280,157.82	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	931.50	2,931.50	61,597.98	-
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	-	-	126,482.00	126,482.00	712,698.10
Reg Website 5240	2,654.33	1,662.74	1,662.74	4,317.07	682.93
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	48,117.04
PWP Industries Ph I 5251	205,463.00	-	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	-
Welder Training Program 5257	-	-	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	-	23,063.67	45,715.78	45,715.78	269,604.22
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	26,877.59	26,877.59	244,522.41
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	\$ 140,501.52	\$ 3,071,879.21	\$ 86,895,532.65	\$ 10,184,501.45

TOTAL FUND BALANCE

UNENCUMBERED FUND BALANCE

3.5

\$ 31,798,925.81

\$ 21,614,424.36

BALANCE OF OBLIGATED PROGRAMS	Amount Obligated	Prior Years Disbursed	Current Month Disbursed	Current Year Disbursed	Amount Encumbered	Balance
Business Services Division	\$ 576,730.00	\$ -	\$ 35,398.33	\$ 348,214.34	\$ 14,850.00	\$ 213,665.66
DCOA Annual Contracts	228,700.00	-	966.71	93,439.95	-	135,260.05
Abilene Industrial Foundation (4950)	713,090.00	-	47,805.92	339,155.68	373,934.32	-
Caruth Small Business Dev Cntr (4951)	195,000.00	-	24,618.75	125,363.00	69,637.00	-
Chamber Military Affairs (4952)	60,000.00	-	-	9,690.91	50,309.09	-
Airport Business Dev Mgr (4953)	173,147.17	-	-	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	88.52
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	1,280,158.00	249,075.33	5,870.15	31,082.49	1,000,000.00	0.18
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	61,598.00	58,666.48	931.50	2,931.50	-	0.02
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	-	-	126,482.00	712,698.10	-
Reg Website 5240	5,000.00	2,654.33	1,662.74	1,662.74	682.93	-
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	48,117.04	-
PWP Industries Ph I 5251	770,500.00	205,463.00	-	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	-	-	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	-	23,063.67	45,715.78	269,604.22	-
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	26,877.59	244,522.41	-
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	\$ 23,237,367.13	\$ 9,630,614.47	\$ 140,501.52	\$ 3,071,879.21	\$ 10,184,501.45	\$ 350,372.00

Contingent Liabilities \$ -

UNDESIGNATED FUND BALANCE (unencumbered balance less obligated programs and contingent liabilities) \$ 21,264,052.36

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	275,000.00	10/22/2007
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
MSSC Additional Funding (5269)	6,560.00	10/22/2007
Welder Training Additional Funding (5257)	4,000.00	10/22/2007
	<u>6,271,622.00</u>	

3.6

**ECONOMIC DEVELOPMENT DEPARTMENT
SERVICE EVALUATION REPORT**

MAY 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 May meeting, the DCOA board heard from Russell Guthrie from Davis Kinard, P.C. a report on the audit for FY06. The board approved an agreement with Dr. Kenneth Ford of IHMC and \$25,000 to conduct the initial feasibility analysis for establishment of an Abilene-based research institute. Also approved was \$6,560 additional funding for the MSSC Certification program of the Workforce Center to cover drug testing costs for 82 more trainees. To extend the Fast Track Welder training program, the board approved \$4,000 in additional funding for drug testing for 4 more training sections.

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 11.6% being new clients. Seven new businesses opened, and 16 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 40 requests for information. Staff visited 7 local companies, 11 out-of-town companies/consultants and hosted 6 visits to Abilene by prospects. The Develop Abilene website experienced 34,682 hits with 951 unique visits. Attached is a year-to-date summary of activity for this year and last.

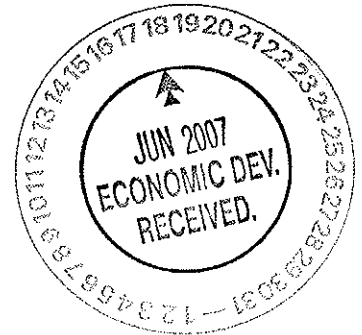
**SMALL BUSINESS DEVELOPMENT CENTER
May 2007 UPDATE**

Billable Hours:

189.75	Abilene business counseling hours for the month of May
129	Client sessions conducted for the month of May
15	New clients
4	Workshops
105	Attendees

Business Created:

7	Month of May
2	Retail
1	Transportation/Warehousing
1	Construction
1	Professional/Scientific/Technical Services
2	Other Services
51	Year-to-Date
17	Service
13	Retail
2	Manufacturing
4	Transportation/Warehousing
1	Health Care/Social Assistance
4	Accommodation/Food Services
3	Construction
1	Arts/Entertainment/Recreation
2	Wholesale Trade
1	Information
1	Professional/Scientific/Technical Services
2	Other Services



Jobs Created (Full Time Equivalents):

16	Month of May
4	Retail
3	Transportation/Warehousing
3	Construction
4	Professional/Scientific/Technical Services
2	Other Services

256	Year-to-Date	
	41	Service
	58	Retail
	45	Manufacturing
	8	Transportation/Warehousing
	25	Health Care/Social Assistance
	48	Accommodation/Food Services
	8	Construction
	2	Arts/Entertainment/Recreation
	10	Administrative/Support
	3	Wholesale Trade
	2	Information
	4	Professional/Scientific/Technical Services
	2	Other Services

Capital Formation:

\$418,500	Month of May	
	\$35,000	Retail
	\$150,000	Transportation/Warehousing
	\$10,000	Construction
	\$200,000	Professional/Scientific/Technical Services
	\$23,500	Other Services
\$10,158,832	Year-to-Date	
	\$1,070,900	Service
	\$1,438,000	Retail
	\$2,585,182	Manufacturing
	\$273,750	Transportation/Warehousing
	\$100,000	Health Care/Social Assistance
	\$2,456,000	Accommodation/Food Services
	\$274,500	Construction
	\$5,000	Arts/Entertainment/Recreation
	\$1,054,000	Administrative/Support
	\$638,000	Wholesale Trade
	\$40,000	Information
	\$200,000	Professional/Scientific/Technical Services
	\$23,500	Other Services

Abilene Industrial Foundation Summary of Activity

<u>ACTIVITY</u>	<u>May 07</u>	<u>May 06</u>	<u>YTD*</u> <u>2006/07</u>	<u>YTD*</u> <u>2005/06</u>
Publications in which ads were placed	0	0	5	1
Prospect responses from advertisements	0	0	6	11
Consultant E-Newsletter/Direct Mailouts	0	0	0	3,884
Prospect files opened	3	1	12	44
Site visits to prospects/consultant	11	6	29	41
Prospect visits to Abilene	6	3	23	27
Retention visits	7	1	41	70

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

DEVELOPMENT CORPORATION OF ABILENE, INC.
BOARD AGENDA
MEETING DATE: June 26, 2007

PROJECT: Eula ISD Freeport Tax Exemption Agreement

STAFF: Richard Burdine, CEO

BACKGROUND

A constitutional amendment adopted in 1989 authorizes an exemption from ad valorem taxes on items classified as "Freeport property." Freeport property includes various types of goods that are detained in Texas for a short period of time (175 days or less for storage, processing and the like). This exemption was proposed to enhance the ability to attract warehouse/distribution centers to the state by offering a special property tax exemption for the goods they typically handle. If all three taxing entities (city, county and school district) adopt the Freeport Tax Exemption (Freeport), it is called "Triple Freeport," making the area very attractive to warehouse/distribution and other companies that maintain large inventories.

A taxing unit is free to choose to exempt Freeport property in order to promote economic development, but once the governing body votes for Freeport, the exemption is permanent. Freeport applies throughout the taxing entity's jurisdiction. Therefore, taxing entities that adopt Freeport may see an initial drop in taxable value caused by existing businesses applying for the exemption until business expansion and attraction can overcome the loss. However, it is important to note that in certain cases, granting Freeport has little or no effect on state funding to a school district. The Abilene ISD voted to adopt Freeport during a meeting in 05/07 to be effective in the 2007 tax year.

THE REQUEST

I met with the Eula ISD school board on June 11, 2007, to discuss possible adoption of the Freeport Tax Exemption because some key industrial properties lie within that ISD (i.e. Tigé Boats, Bandag, Mueller, Martin Sprocket & Gear and DCOA-owned property known as the 18/36 Business Park on FM 18). The Eula ISD administration is concerned that the financial impact of adoption will have an adverse affect on the funding they receive from the state. Their business manager projected an initial loss of \$8,400/year.

Staff proposes the DCOA Board consider entering into a 10-year agreement with Eula ISD whereby Eula ISD will adopt the Freeport Tax Exemption and the DCOA will make up their net reduction in tax revenues collected up to \$10,000 per year for 10 years, beginning with the 2007 tax year. The Eula ISD Business Manager must certify annually (in a mutually agreed upon format) the financial impact of Freeport in order to receive a payment from the DCOA.

FISCAL IMPACT

Up to \$100,000 over 10 years

STAFF RECOMMENDATION

Staff recommends approval of resolution no. DCOA-2007.15 authorizing an agreement with Eula ISD whereby the DCOA will provide funding of up to \$10,000 per year for 10 years

(\$100,000 maximum) to mitigate the financial impact of Eula ISD's adoption of the Freeport Tax Exemption.

ATTACHMENTS

Resolution DCOA-2007.15

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RESOLUTION NO. DCOA-2007.15

A RESOLUTION OF THE DEVELOPMENT CORPORATION OF ABILENE, INC. (DCOA), ABILENE, TEXAS AUTHORIZING AN AGREEMENT AND FUNDING WITH THE EULA INDEPENDENT SCHOOL DISTRICT (“EISD”) TO MITIGATE THE FINANCIAL IMPACT OF ADOPTING FREEPORT TAX EXEMPTION (“FREEPORT”).

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

WHEREAS, Freeport property tax exemption is an option available to taxing entities as an economic development tool and applies to goods, wares, merchandise, ores and certain aircraft and aircraft parts that are detained in Texas for a short period of time (175 days or less); and,

WHEREAS, once adopted, Freeport tax exemption may not be repealed, and qualifying companies must re-apply each year for the exemption; and,

WHEREAS, Freeport exemption may affect the amount of state aid school districts may qualify for because of the reduction in personal property taxable value, making it difficult to convince school districts to adopt; and,

WHEREAS, the Abilene Independent School District adopted Freeport during the 5/07 meeting, to become effective with the 2007 tax year; and

WHEREAS, the Abilene City Council and Taylor County Commissioners are currently considering adoption; and,

WHEREAS, EISD is concerned the financial impact of adoption will have an adverse affect on the funding they receive from the state; and,

WHEREAS, staff requests the DCOA consider entering into a 10-year agreement with EISD whereby EISD will adopt Freeport and the DCOA will pay EISD up to \$10,000/year to offset any reduction in tax revenue.

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

PART 1. DCOA authorizes an agreement with the Eula Independent School District whereby Eula ISD will adopt Freeport Tax Exemption and the DCOA will provide funding up to \$10,000/year for 10 years in a total amount not to exceed One Hundred Thousand and no/100's Dollars (\$100,000) to offset any reduction in tax revenue resulting from adoption. The Business Manager for Eula ISD must certify annually (in a mutually agreed upon format) the financial impact of Freeport in order to receive a payment from the DCOA.

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 26th day of June, 2007.

ATTEST:

Dee Moore
Secretary/Treasurer

Ray Ferguson
President

APPROVED:

T. Daniel Santee, City Attorney

DEVELOPMENT CORPORATION OF ABILENE, INC.
BOARD AGENDA
MEETING DATE: June 26, 2007

PROJECT: Project JW

STAFF: Richard Burdine, CEO

THE COMPANY

Project JW is a Texas company formed in 2003 to commercialize biotechnology licensed from a Texas university. This technology was invented by a faculty member at the institution whose invention is a new class of antibodies that have the “selectivity” to seek out and destroy “targeted” diseased or infected cells. The Company has already begun to attract industry partners to purchase their products and co-develop new products using their special antibodies and assays. In addition, the Company is in the process of raising private investment with a target of \$3,000,000 for its expansion. Obtaining this private investment is a condition of DCOA assistance.

In order to grow its operations in Abilene, the Company must move into a facility which will have an appropriate floor plan and be suitably equipped and furnished so it can successfully continue its current projects and aggressively pursue and carry out new ones, such as increasing production quickly to fulfill existing sales/orders. To accommodate this growth and the inventor’s academic obligations, the Company should move now, but it cannot move until the space and capital equipment are in place. DCOA funding will greatly impact the company’s long-term viability and potential for growth in Abilene by:

- Enabling world class bioscience to be developed in Abilene
- Having ~40 highly paid scientists and technicians on the payroll by 2013
- Payroll increasing from \$0.3mm to \$2.8mm in five years (average \$50-60,000 per employee)
- Providing summer internships for undergraduates
- Recruiting scientific personnel who grew up in Abilene, left, and now would be able to come home to continue a career in biotechnology
- Building more collaborations with pharmaceutical companies
- Attracting world class researchers to relocate to Abilene’s universities and help retain current faculty

THE PROJECT/REQUEST

As we have learned with the manufacturing sector, to attract quality companies to Abilene we need to have quality infrastructure in place. For the biotech sector, providing quality infrastructure (a Medical Research Center) goes beyond the building to include expensive research equipment that is not in the budget of fledgling biotech companies but is essential to their success. Our competition for the Company, and others like it, typically provide low-cost laboratory space and access to essential equipment. The Company will sublease space from the DCOA at a gross rate of \$25 per square foot per year.

The recommended DCOA investment necessary to attract the Company and other biotech endeavors is \$2.5 million initially (possibly higher if the DCOA Board later elects to purchase rather than lease a building). The DCOA will retain ownership of all equipment purchased with DCOA funds. Funding will be as follows however the CEO will have authority to move funds among categories with concurrence of the DCOA Board President if necessary:

General alterations/renovations to 10,000 sq ft facility	\$ 275,000
Construction, outfitting, and commissioning of lab space	\$ 100,000
Common area equipment	\$1,325,000
Company equipment (3,000 sq ft)	\$ 300,000
<u>Building lease payments</u>	<u>\$ 500,000</u>
TOTAL	\$2,500,000

Below is the projected growth in Project JW headcount through 2013.

Item	Existing Headcount	2008	2009	2010	2011	2012	2013
Manufacturing	0	4	8	10	13	16	20
Administrative	0	1	1	2	3	4	5
Research	4	6	8	10	10	10	10
Product Development					1	2	2
Sales & Marketing					1	2	2
Consultants	1	1	1	1	1	1	1
Total Head Count	5	12	18	23	29	35	40

Abilene Salaries (\$K)	\$0.3 M	\$0.6M	\$1.0M	\$1.3M	\$1.6M	\$2.2M	\$2.8M

Instead of the typical incentive structure calculated on a per job basis, this incentive structure is based on the Company locating virtually all of the jobs (regardless of how many that may be) in Abilene to the extent the Company controls where the jobs are located.

DCOA will protect its infrastructure investment in biotech through a \$3 million Relocation Clawback, which will be “triggered” if more than 10% of Company's employees in the core businesses of Research & Development and manufacture of non-FDA-regulated materials are located outside Abilene.

The Company will also make best efforts to locate activities in Abilene conducted with co-development partners, understanding the location decision is made jointly with the partner. Co-development activities, once located in Abilene, will fall under the Relocation Clawback as well. Marketing and sales activities are exempt from the relocation clawback.

The Relocation Clawback amount will be reduced over time, subject to the Company achieving specific annual Abilene payroll targets based on salaries and non-mandatory benefits. Annual payrolls of other companies having a substantial nexus to the “Medical Research Center” during the term of the Relocation Clawback will also be counted toward reduction in the Relocation Clawback amount.

If total Abilene payroll exceeds \$2 million by the end of the fifth contract year or thereafter, the relocation clawback will be reduced from \$3 million to \$2 million. If total Abilene payroll exceeds \$3 million by the end of the seventh contract year or thereafter, the Relocation Clawback will be reduced from \$3 million to \$1 million. The Relocation Clawback expires at the end of the 10th contract year.

FISCAL IMPACT

Up to \$2.5 million.

STAFF RECOMMENDATION

Staff recommends approval of resolution DCOA-2007.16 authorizing assistance for Project JW in an amount not to exceed \$2.5 million.

ATTACHMENTS

DCOA Resolution No. DCOA-2007.16.

RESOLUTION NO. DCOA-2007.16

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

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

WHEREAS, Project JW is involved in biotechnology research & development and production, employing researchers and is ready to move into production phase of its diagnostic and therapeutic products; and,

WHEREAS, Project JW wishes to relocate its operation to Abilene and is in need of an appropriate floor plan that is suitably equipped and furnished to successfully continue its current projects and aggressively pursue and carry out new ones; and,

WHEREAS, for the biotech sector, providing quality infrastructure goes beyond the building to include expensive research equipment that is not in the budget of fledgling biotech companies, but is essential to their success; and,

WHEREAS, staff requests the DCOA assist Project JW relocate its operation to Abilene and facilitate its growth in commercially-viable research and production; 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 an agreement with Project JW in an amount not to exceed Two Million Five Hundred Thousand and no/100's Dollars (\$2,500,000) to relocate the Company to Abilene and expand its operations in the biotechnology research & development and production fields. Funding shall be disbursed from the following categories:

1. **Building lease payments** – up to \$500,000 for DCOA to lease suitable space and sublease to Project JW at a gross rate of \$25/sq.ft./year.
2. **General alterations/renovations** – up to \$275,000 for general improvements to an approximately. 10,000 sq.ft. Facility.
3. **Vivarium construction, equipment and commissioning** – up to \$100,000 for construction of a vivarium at the Facility plus purchase of furniture, fixtures and equipment to outfit the vivarium and costs associated with commissioning the vivarium.

4. **Common area equipment** – up to \$1,325,000 for purchase of equipment used in areas of the Facility that are common to Company and other entities occupying space in the Facility.
5. **Equipment specific to Company** – up to \$300,000 for purchase of furniture, fixtures and equipment (i.e. benches, case work, freezers, hoods, incubators, cabinets, furniture, and misc. lab equipment) necessary to conduct operations.

The DCOA's investment in Project JW will be protected through a \$3 million Relocation Clawback, which will be "triggered" if more than 10% of Company's employees in the core businesses of research & development and manufacture of non-FDA regulated materials are located outside Abilene.

Project JW will also make best efforts to locate activities in Abilene conducted with co-development partners, understanding the location decision is made jointly with the partner. Co-development activities, once located to Abilene, will fall under the Relocation Clawback as well. Marketing and sales activities are exempt from the clawback.

The Relocation Clawback amount will be reduced over time, subject to the Company achieving specific annual Abilene payroll targets based on salaries and non-mandatory benefits paid. Annual payrolls of other companies having a substantial nexus to the "Medical Research Center" during the term of the Relocation Clawback will also be counted toward reduction in the Relocation Clawback amount.

If total Abilene payroll exceeds \$2 million by the end of the fifth contract year or thereafter, the relocation clawback will be reduced from \$3 million to \$2 million. If total Abilene payroll exceeds \$3 million by the end of the seventh contract year or thereafter, the Relocation Clawback will be reduced from \$3 million to \$1 million. The Relocation Clawback expires at the end of the 10th contract year.

PART 2. Funding under this resolution is contingent upon execution of all necessary agreements. The funding commitment authorized under this resolution shall expire without notice 180 days from the date of adoption of same unless all required documents and agreements are executed prior to that expiration date or the commitment herein is extended in writing by the DCOA.

PART 3. The Chief Executive Officer (CEO) 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 and to move funds among the five categories above with concurrence of the DCOA Board President.

ADOPTED this the 26th day of June, 2007.

ATTEST:

Dee Moore
Secretary/Treasurer

Ray Ferguson
President

APPROVED:

T. Daniel Santee, City Attorney