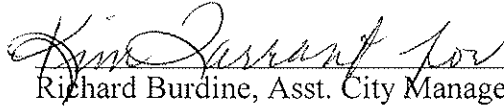


PUBLIC NOTICE

DEVELOPMENT CORPORATION OF ABILENE, INC.

A regular meeting of the Development Corporation of Abilene, Inc. will be held on Tuesday, August 21, 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

August 21, 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 July 31, 2007 meeting.
3. Financial and status reports for July 2007.
4. Presentation and possible approval of report from the *Project Evaluation Committee* on Fiscal Year ("FY") 07 contract performance for:
 - a. Texas Tech Small Business Development Center
 - b. Abilene Industrial Foundation and Chamber of Commerce Military Affairs Committee
 - c. City of Abilene: Airport Business Development
 - d. City of Abilene: Business Services and Property Maintenance divisions of the Department of Economic Development
5. Presentation and possible approval of report from the *Budget & Finance Committee* concerning funding proposals for FY 2008:
 - a. Texas Tech Small Business Development Center
 - b. Abilene Chamber of Commerce – Military Affairs Committee
 - c. Abilene Industrial Foundation, Inc.
 - d. City of Abilene: Business Services and Property Maintenance divisions of the Department of Economic Development
6. Public hearing: funding proposals and proposed budget for FY 2008.
7. Discussion and possible approval of funding requests and proposed budget for FY 2008.
8. Discussion and possible approval of an oral resolution authorizing an expenditure of FY 2007 Abilene Industrial Foundation marketing funds up to \$30,000 for the Abilene branding project.

9. Presentation of annual report by Thelen, Reid, Brown, Raysman & Steiner and Team Concepts.
10. 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.

11. Discussion and possible approval of an oral resolution authorizing a lease or purchase of property for Project JW.
12. Discussion and possible approval of a resolution authorizing a lease for property in the Five Points Business Park.
13. 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
July 31, 2007

MEMBERS PRESENT:	Ray Ferguson Mike Schweikhard	Stan Lambert
MEMBERS ABSENT:	Dee Moore	Joe Crawford
STAFF PRESENT:	Richard Burdine David Wright	Kim Tarrant Dan Santee
GUESTS PRESENT:	Ken Burgess, WCTIC Bryan Clemmer, KTXS-TV Loretta Fulton, AR-N Pam Christoferson, Senior Safe at Home	Jennifer Saucedo, KTXS-TV Monty Lynn, ACU Darcy Deupree, KRBC-TV

- 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 JUNE 26, 2007 MEETING.** Mike Schweikhard made a motion to approve the minutes from the June 26, 2007 meeting. Stan Lambert seconded and the motion carried.
- 3. PRELIMINARY FINANCIAL AND STATUS REPORTS FOR JUNE 2007.** David Wright reviewed the financial reports for June 2007. Total assets as of June 30, 2007 were \$51.9 million, total liabilities were \$2.5 million, and the DCOA had an undesignated fund balance of \$21.7 million. The sales tax rebate for economic development is \$662,492, which is 6.85% above last year for the period October through July.

Due to schedules, it was necessary to proceed with Agenda Items 4, 5, 6 and 7 in the following order:

- 5. PRESENTATION BY DR. MONTY LYNN FROM ACU OF THE SECOND REPORT OF PROGRESS MADE BY THE CENTER FOR BUSINESS & ECONOMIC RESEARCH (CBER) ON THE REGIONAL WEBSITE FOR ECONOMIC DATA & ANALYSIS.** There are 766 pages and files on the CBER web site with 622 downloadable files. In the past year a CBER page or file was visited 107,969 times and 62,202 files were downloaded. Dr. Lynn noted that local economic development publications and county data are being searched. ACU, the West Central Texas Workforce Board (WCTWB), and Develop Abilene have enhanced name recognition, and maps are popular. Fifteen of the 19 counties are included in the top 35 visited pages, which proves there is wide usage across our region. Results from a survey indicated that people who need regional economic information used the CBER web site the most and data customized for our region is the most helpful. Dr. Lynn thanked the

DCOA for funding assistance to help launch CBER. Evidence suggests that it has helped fill a gap of centrally-available information for Abilene and West Central Texas.

- 7. DISCUSSION AND POSSIBLE APPROVAL OF A RESOLUTION AUTHORIZING FUNDING FOR THE WEST TEXAS CENTER FOR INNOVATION AND COMMERCIALIZATION (WTCIC).** The WTCIC is one of eight regional committees that review businesses' applications to the state's multi-million dollar Emerging Technology Fund (ETF) that was established several years ago by the Texas Legislature to encourage commercialization of technology. The WTCIC has the opportunity to receive up to \$400,000 in funding over the next biennium, but in order to receive the funding, it will be necessary to match the amount from within the West Texas region. The WTCIC is asking the Economic Development Corporations that are members of the WTCIC for funding in the amount of \$16,582/year each for two years. Each Small Business Development Center (SBDC) will in turn, receive \$12,500/year for seed money that must be used to promote technology-related economic development, technology commercialization, and technology-related incubation & acceleration processes.

Staff recommends the DCOA authorize participation in the funding of the WTCIC in the amount of \$16,582 per year for two years - for a total of \$33,164.

Stan Lambert moved for approval of Resolution DCOA-2007.21 as presented. Mike Schweikhard seconded and the motion carried.

- 4. APPOINTMENT BY THE PRESIDENT OF 2007 STANDING COMMITTEES AND POSSIBLE BOARD APPROVAL: PROJECT EVALUATION AND BUDGET & FINANCE.** The following were appointed by DCOA President Ray Ferguson to the Budget & Finance Committee and the Project Evaluation Committee: DCOA board members Dee Moore and Joe Crawford (with board member Mike Schweikhard as a backup to either board member in their absence), Paul Cannon, John Stearns, Dani Ramsay, Marelyn Shedd, and Tucker Bridwell.

Mike Schweikhard moved to approve above appointees to said committees. Stan Lambert seconded and the motion carried.

- 6. DISCUSSION AND POSSIBLE APPROVAL OF A RESOLUTION AUTHORIZING ASSISTANCE FOR PROJECT SSH.** Project SSH is a new company developed by an existing Abilene company that combines assistive technology with professional care management services delivered 24/7 from a centralized client service center. The client service center will be located in Abilene and will provide first contact client support as well as professional medical services, technologies, logistics, and operational support to services within the local areas. The Company's mission is to develop, deliver, and maintain an array of remote medical support systems using selected in-home technologies to allow "aging in place".

Staff recommends the DCOA approve a total assistance package of \$402,455 as follows: a \$100,000 forgivable loan for computer hardware and furniture for the call center plus job creation incentives of \$302,455 payable over five years in arrears, for the creation of 17 new jobs in Abilene paying over \$30,000/year (including benefits).

A motion was made by Stan Lambert to approve Resolution No. DCOA-2007.19 as presented. Mike Schweikhard seconded, and the motion carried.

- 8. DISCUSSION AND POSSIBLE APPROVAL OF A RESOLUTION AUTHORIZING A CONTRACT WITH CARTER & BURGESS, INC. FOR AN OVERALL MASS GRADING DESIGN FOR LAND IN FIVE POINTS BUSINESS PARK.** Design concepts were developed around a Texas Department of Transportation (TxDOT) project to construct an overpass for FM 3438 over Hwy 84 (Business I-20). The project requires 60,000 cubic yards of earth and a prospective contractor has offered to purchase fill dirt from the Five Points Business Park. The topography of the Park on the west side of Arnold Blvd., north of Five Points Parkway, has some steep grades that prohibit development. Also, on the east side of Arnold Blvd., there are three potential lots available for development but filling in part of the floodplain would make the lots deeper and more useful.

Staff recommends the DCOA authorize a contract with Carter & Burgess to perform an overall mass grading plan for the Five Points Business Park and funding of \$34,000.

Mike Schweikhard moved to approve Resolution No. DCOA-2007.18 as presented. The motion was seconded by Stan Lambert and passed by unanimous consent.

- 9. 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.

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

Pursuant to Tex. Gov't Code Sec. 551.071, an executive session may be held to consult with the DCOA attorney regarding pending or contemplated litigation or a settlement offer regarding DCOA funded projects or on a matter in which the duty of the attorney to

the governmental body under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with Chapter 551 of the Government Code. After discussion of the contemplated legal matters in executive session, any action or vote will be taken in public.

At 2:15 p.m. the Board went into Executive Session. At 3:15 p.m. the Board reconvened and announced that no vote or action was taken in Executive Session.

10. DISCUSSION AND POSSIBLE APPROVAL OF AN ORAL RESOLUTION AUTHORIZING A LEASE OR PURCHASE OF PROPERTY FOR PROJECT JW.

Project JW is a Texas company formed in 2003 to commercialize biotechnology licensed from a Texas university. In June, the DCOA approved funding in an amount not to exceed \$2,000,000 to include general alterations/renovations to an approximately 10,000 sq. ft. facility; construction, outfitting, and commissioning of lab space; common area equipment; and equipment specific to the Company's needs. Mr. Burdine requested the board authorize him to hire an architect to evaluate the different options available to assist Project JW in finding a suitable facility. It may be more feasible to renovate an existing facility or construct a new facility. The architect can help staff determine the most cost and time efficient approach to get Project JW up and running. Staff will return to the board with a report from the architect and possible a request for funding to proceed with the best approach.

Stan Lambert made an oral resolution authorizing the CEO to employ an architect to help evaluate building options for Project JW. Mike Schweikhard seconded the motion and it passed by unanimous consent.

11. DISCUSSION AND POSSIBLE APPROVAL OF A RESOLUTION AUTHORIZING THE CEO TO SOLICIT BIDS FOR THE CONSTRUCTION OF A SPEC 3 BUILDING IN FIVE POINTS BUSINESS PARK.

Previous DCOA Board actions have authorized and funded contracts with Carter & Burgess, Inc. (C&B) to update the master plan for the Five Points Business Park, prepare preliminary drawings for development of the Park, design a third speculative shell building, and conduct site civil engineering work for the new building. C&B has completed drawings for the building.

Staff requests the DCOA authorize the CEO to solicit bids for construction of a 100,000 square-foot Spec 3 shell building to be located in the Five Points Business Park. Staff will return to the board after bids are received for approval of a construction contract and funding.

Mike Schweikhard moved to approve Resolution No. DCOA-2007.17 as presented. Stan Lambert seconded, and the motion carried.

12. DISCUSSION AND POSSIBLE APPROVAL OF A RESOLUTION AUTHORIZING FUNDING FOR ESTABLISHMENT OF A RESEARCH

CENTER. Abilene has the opportunity of becoming the location for a proposed research center that has the potential for state and national recognition and as a magnet for growth of Abilene's technology sector.

Staff recommends the DCOA authorize funding in the amount of \$2,725,000 for capital equipment (disbursed over five years) to help jump-start the research program and position Abilene to receive substantial research grants that will firmly establish Abilene as a hub for technology research.

A motion was made by Stan Lambert to approve Resolution No. DCOA-2007.20 as presented. Mike Schweikhard seconded the motion and it passed by unanimous consent.

13. DISCUSSION AND POSSIBLE APPROVAL OF AN ORAL RESOLUTION AUTHORIZING THE EXPANDED USE OF FUNDS PREVIOUSLY APPROVED TO PURCHASE A THERMOFORMER FOR EAGLE AVIATION SERVICES, INC. (EASI). The DCOA had previously approved \$275,000 in grants for recruitment and equipment (to purchase a thermoformer for use in the new Off-Load Shop). Bids for the thermoformer have come in much lower than expected. EASI's manager has informed staff that additional capital equipment is needed.

Staff recommends the DCOA approve an oral resolution authorizing EASI to purchase other capital equipment items with the remaining equipment grant funds after purchase of the thermoformer.

Stan Lambert made an oral resolution authorizing the use of previously approved funds for EASI for other pieces of capital equipment as needed. Mike Schweikhard seconded and the motion carried.

14. ADJOURNMENT. There being no further business, the meeting was adjourned.

Ray Ferguson, President

MEMORANDUM

August 8, 2007

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

The sales tax rebate for August is \$3,131,788.14, which represents June sales. This is 2.22% above last year. The breakdown of the August rebate is \$2,348,841.11 to the General Fund and \$782,947.03 for economic development. Of this rebate, \$44,070 is from prior periods, audit payments, future payments, and unidentified payments. Based on this rebate, sales tax is 6.36% above last year for the period of October through August. 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	ECONOMIC DEVELOPMENT	TOTAL	GENERAL FUND	ECONOMIC DEVELOPMENT	TOTAL
	Actual 2005-06	Actual 2005-06		Actual 2006-07	Actual 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
June	1,781,984.09	593,994.69	2,375,978.78	1,819,065.78	606,355.26	2,425,421.04
July	1,927,034.14	642,344.71	2,569,378.85	1,987,476.01	662,492.00	2,649,968.01
August	2,297,829.76	765,943.25	3,063,773.01	2,348,841.11	782,947.03	3,131,788.14
YTD	<u>\$21,635,547.14</u>	<u>\$7,211,849.02</u>	<u>\$28,847,396.16</u>	<u>\$23,011,354.50</u>	<u>\$7,670,451.48</u>	<u>\$30,681,805.98</u>
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%
June	593,995	606,355	2.08%
July	642,345	662,492	3.14%
August	765,943	782,947	2.22%
YTD	\$7,211,849	\$7,670,451	6.36%
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 August '07 represents June '07 sales. Approximately
\$11,017 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

July 31, 2007

ASSETS:

Cash and Investments	\$17,012,570
Notes receivable	16,528,586
Accounts receivable	14,071
Due from other governments	1,385,606
Prepaid Expense	0
Total Current Assets	<u>34,940,832</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 **\$52,420,372**

LIABILITIES:

Vouchers payable	\$48,577
Deferred revenues	<u>2,348,369</u>
Total Liabilities	<u>\$2,396,946</u>

FUND BALANCES:

Investment in general fixed assets	\$17,479,540
Reserved for contractual obligations(external)	8,644,853
Reserved for obligated programs(internal)	314,175
Reserved for contingent liabilities	0
Undesignated Balance	<u>23,584,859</u>
Total Fund Balance	<u>\$50,023,427</u>

TOTAL LIABILITIES AND FUND BALANCES **\$52,420,372**

FIXED ASSETS:

<u>Buildings and Improvements:</u>	<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	1,290,916	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	9,250	0	0	9,250
TOTAL FIXED ASSETS	<u><u>\$14,387,173</u></u>	<u><u>\$5,978,341</u></u>	<u><u>\$2,885,974</u></u>	<u><u>\$17,479,540</u></u>

DEVELOPMENT CORPORATION OF ABILENE
STATUS OF FUNDS @ JULY 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	\$ 658,540.12	\$ 6,846,943.63	\$ 101,240,658.41
Sales Tax Retained (3132)	192,737.03	3,951.88	40,560.82	233,297.85
Other Services Charges (3731)	25.00	-	-	25.00
Princ. - Loans & Assess (3775)	798,899.65	-	65,552.22	864,451.87
Int. - Loans & Assess (3802)	2,023,963.38	4,078.99	30,647.37	2,054,610.75
Interest (3803)	5,101,474.40	81,350.05	677,891.17	5,779,365.57
Land Lease (3810)	6,404.48	-	1,024.35	7,428.83
Building/Space Rent (3816)	2,421,768.41	32,187.50	438,700.67	2,860,469.08
City Pay Phones (3890)	9,170.58	-	-	9,170.58
Miscellaneous Revenue (3892)	26,770.03	-	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	\$ 780,108.54	\$ 8,130,010.70	\$ 120,208,856.49	

CONTRACTS ENCUMBERED/ EXPENDITURES-TO-DATE	Beginning I-T-D	Current Month	Current FY	Ending I-T-D	Outstanding
	Expenditures	Expenditures	Expenditures	Expenditures	Contracts
Prior Years Programs	\$ 53,583,326.09	\$ -	\$ -	\$ 53,583,326.09	\$ -
Business Services Division	5,620,415.06	37,538.53	420,131.18	6,040,546.24	13,640.00
DCOA Annual Contracts	1,688,733.46	2,131.98	97,909.70	1,786,643.16	-
Abilene Industrial Foundation (4950)	9,916,868.50	56,698.74	444,381.49	10,361,249.99	268,708.51
Caruth Small Business Dev Cntr (4951)	1,850,621.05	-	158,606.75	2,009,227.80	36,393.25
Chamber Military Affairs (4952)	951,992.00	-	9,690.91	961,682.91	50,309.09
Airport Business Dev Mgr (4953)	225,374.81	4,969.00	89,938.54	315,313.35	83,208.63
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
Rentech 04 5207	300,000.00	-	35,360.00	335,360.00	-
Sunoco Logistics 5208	94,744.00	-	48,800.00	143,544.00	33,456.00
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	-
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	-	31,082.49	280,157.82	-
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	-	2,931.50	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	450.00	450.00	144,172.68	74,463.00
Robinson Fan 5237	-	-	126,482.00	126,482.00	469,394.09
Reg Website 5240	2,654.33	-	1,662.74	4,317.07	682.93
TTU Pharmacy School 5242	-	(150,000.00)	-	-	197,188.00
Lauren Holdings 5245	-	130,382.89	259,770.00	259,770.00	520,822.32
36/18 A/E 5246	23,800.00	-	-	23,800.00	11,200.00
Teleperformance USA 5247	-	-	88,040.00	88,040.00	668,960.00
BCBSTX Reroof Construction 5249	488,183.40	-	292,915.00	781,098.40	49,621.60
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	17,600.28
Genesis Network 5258	-	-	103,800.00	103,800.00	920,700.00
URS Consultants 5259	-	-	-	-	13,752.00
Carter Burgess 5260	-	82,549.52	189,581.80	189,581.80	125,738.20
Fehr Foods 5261	-	-	118,091.53	118,091.53	-
TMAC 5262	-	-	30,000.00	30,000.00	30,000.00
SBIR/STTR 5263	-	10,183.75	37,245.09	37,245.09	234,154.91
EASI 7th Doc 5265	-	19,996.90	19,996.90	19,996.90	255,003.00
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	\$ 83,767,945.44	\$ 194,901.31	\$ 3,897,023.51	\$ 87,664,968.95	\$ 8,644,853.31
TOTAL FUND BALANCE				\$ 32,543,887.54	
UNENCUMBERED FUND BALANCE					\$ 23,899,034.23

3.5

BALANCE OF OBLIGATED PROGRAMS	Amount	Prior	Current	Current	Amount	Balance
	Obligated	Years	Month	Year	Encumbered	
		Disbursed	Disbursed	Disbursed		
Business Services Division	\$ 576,730.00	\$ -	\$ 37,538.53	\$ 420,131.18	\$ 13,640.00	\$ 142,958.82
DCOA Annual Contracts	228,700.00	-	2,131.98	97,909.70	-	130,790.30
Five Pts Sp2 4852	2,518,400.00	2,485,838.50	-	-	-	32,561.50
Abilene Industrial Foundation (4950)	713,090.00	-	56,698.74	444,381.49	268,708.51	-
Caruth Small Business Dev Cntr (4951)	195,000.00	-	-	158,606.75	36,393.25	-
Chamber Military Affairs (4952)	60,000.00	-	-	9,690.91	50,309.09	-
Airport Business Dev Mgr (4953)	173,147.17	-	4,969.00	89,938.54	83,208.63	-
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	-
Rentech 5207	335,360.00	300,000.00	-	35,360.00	-	-
Sunoco Logistics 5208	177,000.00	94,744.00	-	48,800.00	33,456.00	-
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	280,158.00	249,075.33	-	31,082.49	-	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	-	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	450.00	450.00	74,463.00	0.32
Robinson Fan 5237	595,876.00	-	-	126,482.00	469,394.09	(0.09)
Reg Website 5240	5,000.00	2,654.33	-	1,662.74	682.93	-
TTU Pharmacy School 5242	197,188.00	-	(150,000.00)	-	197,188.00	-
Lauren Holdings 5245	780,592.00	-	130,382.89	259,770.00	520,822.32	(0.32)
36/18 A/E 5246	35,000.00	23,800.00	-	-	11,200.00	-
Teleperformance USA 5247	757,000.00	-	-	88,040.00	668,960.00	-
BCBSTX Reroof Construction 5249	830,720.00	488,183.40	-	292,915.00	49,621.60	-
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	17,600.28	6,418.64
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	-	82,549.52	189,581.80	125,738.20	-
Fehr Foods 5261	118,092.00	-	-	118,091.53	-	0.47
TMAC 5262	60,000.00	-	-	30,000.00	30,000.00	-
SBIR/STTR 5263	271,400.00	-	10,183.75	37,245.09	234,154.91	-
EASI 7th Doc 5265	275,000.00	-	19,996.90	19,996.90	255,003.00	0.10
BMWV 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	\$ 25,272,505.03	\$ 12,416,452.97	\$ 194,901.31	\$ 3,897,023.51	\$ 8,644,853.31	\$ 314,175.24

Contingent Liabilities

\$ -

UNDESIGNATED FUND BALANCE

(unencumbered balance less obligated programs and contingent liabilities)

\$ 23,584,858.99

DCOA Board approved projects waiting for signed contracts EXPIRATION DATE

Abtex Beverage 5267	1,599,040.00	06/19/2007
Integrated Clinical Research 5253	64,000.00	12/19/2007
Dr. Ford Study 5268	25,000.00	10/24/2007
MSSC Additional Funding 5269	6,560.00	11/22/2007
Welder Training Additional Funding 5257	4,000.00	11/22/2007
Project JW 5270	2,000,000.00	12/26/2007
Project SSH 5271	402,455.00	01/31/2008
WTCIC 5272	33,164.00	01/31/2008
Research Center 5273	2,725,000.00	01/31/2008
Accelerator Bldg A/E 5274	16,800.00	01/31/2008
	<u>6,876,019.00</u>	

3.6

**ECONOMIC DEVELOPMENT DEPARTMENT
SERVICE EVALUATION REPORT
JULY 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 July meeting, the DCOA approved appointment of members to two standing committees; Project Evaluation Committee and Budget & Finance Committee. The members are Joe Crawford, Dee Moore (with Mike Schweikhard acting as alternate), Dani Ramsay, John Stearns, Tucker Bridwell, Marelyn Shedd, and Paul Cannon. The board heard the second and final report from Dr. Monty Lynn of ACU's Center for Business & Economic Research on the Regional Website for Economic Data & Analysis. The DCOA board approved funding of \$402,455 for Project SSH to establish a call center in Abilene, creating 17 new jobs. Also approved was \$16,582 for 2 years to help fund operating costs for the West Texas Center for Innovation and Commercialization (WTCIC) and a contract with Carter & Burgess to prepare an overall mass grading plan for Five Points Business Park. The board authorized the CEO to hire an architect to study the options of leasing/renovating or constructing/purchasing property for Project JW to occupy and solicit bids for construction of Spec 3 at the Five Points Business Park. Funding in the amount of \$2,725,000 was approved to establish a research center in Abilene by assisting with the purchase of equipment, and providing match grant funds for other federal research grants as well as employee start-up packages. The DCOA also authorized the use of previously approved funds for the purchase of a thermoformer for Eagle Aviation Services be used to purchase other pieces of equipment.

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 138 Abilene client sessions were held this month with 28% being new clients. Four new businesses opened, and 8 new jobs were reported. 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 15 requests for information. Staff visited 6 local companies, 2 out-of-town companies/consultants and hosted 1 visit to Abilene by a prospect. The Develop Abilene website experienced 42,409 hits with 1,391 unique visits. Attached is a year-to-date summary of activity for this year and last.

SMALL BUSINESS DEVELOPMENT CENTER
July 2007 UPDATE

Billable Hours:

265.50	Abilene business counseling hours for the month of July
138	Client sessions conducted for the month of July
39	New clients
4	Workshops
83	Attendees

Business Created:

4	Month of July
1	Retail
1	Accommodation/Food Services
1	Agriculture/Forestry/Fishing/Hunting
1	Other Services
64	Year-to-Date
17	Service
17	Retail
2	Manufacturing
6	Transportation/Warehousing
1	Health Care/Social Assistance
5	Accommodation/Food Services
4	Construction
1	Arts/Entertainment/Recreation
2	Wholesale Trade
1	Information
1	Professional/Scientific/Technical Services
1	Administrative/Support
1	Agriculture/Forestry/Fishing/Hunting
5	Other Services

Jobs Created (Full Time Equivalents):

8	Month of July
1	Retail
2	Accommodation/Food Services
2	Professional/Scientific/Technical Services
2	Agriculture/Forestry/Fishing/Hunting
1	Other Services

279	Year-to-Date	
	41	Service
	64	Retail
	45	Manufacturing
	11	Transportation/Warehousing
	25	Health Care/Social Assistance
	50	Accommodation/Food Services
	9	Construction
	2	Arts/Entertainment/Recreation
	11	Administrative/Support
	3	Wholesale Trade
	2	Information
	6	Professional/Scientific/Technical Services
	2	Agriculture/Forestry/Fishing/Hunting
	8	Other Services

Capital Formation:

\$715,124	Month of July	
	\$3,000	Retail
	\$6,000	Transportation/Warehousing
	\$614,012	Accommodation/Food Services
	\$84,112	Professional/Scientific/Technical Support
	\$3,000	Agriculture/Forestry/Fishing/Hunting
	\$5,000	Other Services
\$11,087,006	Year-to-Date	
	\$1,070,900	Service
	\$1,486,000	Retail
	\$2,585,182	Manufacturing
	\$341,050	Transportation/Warehousing
	\$100,000	Health Care/Social Assistance
	\$3,070,012	Accommodation/Food Services
	\$336,500	Construction
	\$5,000	Arts/Entertainment/Recreation
	\$1,072,750	Administrative/Support
	\$638,000	Wholesale Trade
	\$40,000	Information
	\$284,112	Professional/Scientific/Technical Services
	\$3,000	Agriculture/Forestry/Fishing/Hunting
	\$54,500	Other Services

Abilene Industrial Foundation Summary of Activity

<u>ACTIVITY</u>	<u>Jul 07</u>	<u>Jul 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	62	0	62	3,884
Prospect files opened	0	0	13	5
Site visits to prospects/consultant	2	1	36	42
Prospect visits to Abilene	1	2	26	30
Retention visits	6	4	58	78

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

DEVELOPMENT CORPORATION OF ABILENE, INC.
BOARD AGENDA
MEETING DATE: August 21, 2007

PROJECT: **Recommendations from Project Evaluation Committee**

FROM: **Richard Burdine, CEO**

GENERAL INFORMATION:

The Project Evaluation Committee of the DCOA met on August 1, 2007, to consider monitoring/audit reports prepared by staff on the agencies currently under contract with the DCOA. Staff visited the Texas Tech Small Business Development Center and the Abilene Industrial Foundation to determine compliance with contract performance objectives. The City's Internal Auditor conducted a review of performance objectives for the City's Department of Economic Development (Business Services Division) as staff to the DCOA and the Airport's Business Development program. A visit to the Chamber to review compliance by the Military Affairs Committee was not conducted because all requests for reimbursement are accompanied by copies of related invoices.

SPECIAL CONSIDERATIONS:

Members of the Project Evaluation Committee that attended the 8-1-07 meeting are Mike Schweikhard, John Stearns, Paul Cannon, Marelyn Shedd, Joe Crawford, and Dani Ramsay. Attached are minutes from the Committee meeting, which include recommendations concerning renewal of existing contracts for Fiscal Year 2008. Paul Cannon was elected Chairman, and he will present the Committee's recommendations to the board during the meeting.

FUNDING/FISCAL IMPACT:

None.

STAFF RECOMMENDATION:

Staff recommends the Board receive the attached minutes from the Project Evaluation Committee, which include recommendations for contract renewals for FY08.

ATTACHMENT:

Minutes of Project Evaluation Committee meeting dated 8-1-07.

DCOA PROJECT EVALUATION COMMITTEE MEETING

August 1, 2007

MEMBERS PRESENT: Paul Cannon
Mike Schweikhard
Marelyn Shedd
Joe Crawford
John Stearns
Dani Ramsay

MEMBERS ABSENT: Tucker Bridwell

STAFF PRESENT: Lee Hagelstein, Internal Auditor
Richard Burdine, Asst. City Mgr.
Kim Tarrant, Contracts Admin.
Don Green, Director of Aviation

GUESTS PRESENT: Judy Wilhelm, SBDC
Bill Ehrie, Abilene Industrial Foundation
Gary Robinett, Abilene Industrial Foundation

Richard Burdine opened the meeting at 10:00 a.m. in the Develop Abilene Conference Room, 174 Cypress, 3rd floor, and Paul Cannon was elected Chairman.

Kim Tarrant-Contracts Administrator and Lee Hagelstein-Internal Auditor for the City of Abilene visited the Small Business Development Center (SBDC) and Abilene Industrial Foundation (AIF) during July 2007.

Lee Hagelstein conducted an audit of the Department of Economic Development Business Services Division and the Abilene Regional Airport Business Development program. A physical audit of records of the Abilene Chamber of Commerce Military Affairs Committee was not conducted because reimbursement is based on actual invoices, which are submitted with each request for reimbursement.

The audits were conducted to determine compliance with contract performance objectives. Based on the reports submitted to the Committee, the AIF, SBDC, Chamber of Commerce for Military Affairs, Airport Business Development, and City of Abilene for Business Services appear to be in substantial compliance with all performance objectives as stated in the respective contracts.

A representative from each of the contracting agencies was available to answer questions.

The Committee reviewed the monitoring reports submitted by Mrs. Tarrant and Mr. Hagelstein. The Committee concurred with the reports that all of the contract agencies are in substantial compliance with the contracts. The Committee also expressed satisfaction with performance under the contracts as follows:

1. TTU Small Business Development Center

Comments: The contract is strictly performance-based in that the DCOA only reimburses for actual counseling hours spent with Abilene-based clients. The DCOA reimburses the SBDC at the rate of \$75/counseling hour. There are currently 4 full-time and 1 part-time counselors on staff, along with 1 administrative coordinator, 1 student-worker, and the Director. Staff is very involved in the Abilene community by serving on councils and boards and by assisting various entities with special project needs (i.e. Taylor County Expo Center, and Mall of Abilene). Staff also conducts EBay workshops, which have become the most popular of the workshops offered. Staff assists with administration of the TMAC, SBIR/STTR, and Emerging Technology Fund programs. The current contract requires the SBCD submit quarterly reports to the DCOA that breakdown Abilene clients by gender and ethnic background; however, the quarterly reports were replaced by annual and semi-annual reports that include the required breakdown. The Committee believes the annual and semi-annual reports are sufficient and the FY08 contract should be adjusted to reflect the change.

Recommendation: Renew contract for one-year period with an adjustment to the FY08 contract regarding the reporting of gender and ethnic background information.

2. Abilene Industrial Foundation/Abilene Chamber of Commerce Military Affairs Committee

Comments: The AIF concentrates its marketing efforts on direct contact with consultants, e-newsletters, website enhancements, and trade show attendance. Staff recently upgraded its server and computers and is working to redesign and upgrade the Develop Abilene website to enable more efficient communication via e-newsletters. Marketing videos have been updated along with other marketing materials. The AIF hosts luncheons twice each year for local commercial realtors and manufacturers. Staff also hosts two sporting events each year in the Dallas area and a dove hunt in Abilene. Prospect activity has changed from last year as evidenced by an increase in the number of prospect files opened, and in the number of visits made to Abilene by out-of-town prospects/consultants. There was a significant decrease in the number of visits made to out-of-town prospects and retention visits made to local businesses.

The military consultants, Thelen, Reid, Brown, Raysman & Steiner and Team Concepts are contracted with each year to ensure Dyess is not overlooked in Federal funding appropriations and other gains. Both consultants will present a report to the DCOA board during the August 21, 2007 meeting.

Again in FY07, the two contracts for Abilene Industrial Foundation and Chamber Military Affairs Committee were combined into one, which will be the case again in FY08. Though combined, the contract stipulates the amount of funding allocated to each agency for specific activities.

For the second year in a row, the Military Affairs Committee was given the opportunity to host a social event on the lawn of the home of the Chief of Staff of the Air Force. The event is dubbed "A West Texas Cowboy Cookin" and is well attended by current and future Air Force leaders. It is likely to become an annual event and a wonderful opportunity for Abilene to become recognized as a friendly and proactive military community.

Recommendation: Renew a combined contract for one-year period.

4. City of Abilene-Airport Business Development

Comments: In FY05, the Airport Business Development program became an annual contract like the other contracts mentioned herein. For FY07, the contract amount is \$132,500 (\$68,000 for operating support and \$64,500 for services provided by SABRE Airline Solutions). The West Central Texas Air Service Advisory Council was established and will send out a questionnaire to the 32-county catchment area for feedback on business and vacation/leisure travel. In 1/07, a contract was executed with SABRE Airline Solutions to conduct a market assessment study in the catchment area to provide an accurate picture of passenger demand when it was served by two carriers as compared to three carriers. The position of Airport Business Development Manager is currently vacant with the resignation of Chris Proctor-Cleveland on 7-2-07. The DCOA's involvement in the Airport's activities is limited to marketing only.

Recommendation: Renew contract for one-year period.

5. City of Abilene for Business Services

Comments: Staff and AIF have been working from the recommendations in the Wadley-Donovan Study (Study) to recruit the types of industries identified as most suitable for Abilene and the region. In 10/06, the DCOA board discussed strategic planning for FY07 along with the status of Abilene's industrial building inventory, workforce development, the Five Points Business Park master plan, and specifications for a third speculative shell building in the Park. The DCOA has also coordinated efforts with the West Central Texas Workforce Development Board and Cisco Junior College and Texas State Technical College to provide two workforce training programs designed to assist local manufacturers find qualified employees: Fast Track Welding and Manufacturing Skills Standards Council.

Recommendation: Renew contract for one-year period.

There being no further business, the meeting was adjourned.



Paul Cannon, Chairman

DEVELOPMENT CORPORATION OF ABILENE, INC.
BOARD AGENDA
MEETING DATE: August 21, 2007

PROJECT: **Recommendations from the Budget & Finance Committee**

FROM: **Richard Burdine, CEO**

GENERAL INFORMATION:

On August 1, 2007, the DCOA's Budget & Finance Committee met to hear funding proposals for the coming fiscal year from the Abilene Industrial Foundation, Inc. (AIF), Texas Tech Small Business Development Center (SBDC), Chamber of Commerce Military Affairs Committee, and City of Abilene Business Services.

SPECIAL CONSIDERATIONS:

Members of the Budget & Finance Committee that attended the 8-1-07 meeting are Mike Schweikhard, John Stearns, Dani Ramsay, Joe Crawford, Marelyn Shedd and Paul Cannon. Attached are minutes from the Committee meeting, which include recommendations concerning funding for Fiscal Year 2008. Paul Cannon was elected chairman, and he will present a report from the Committee to the board during the meeting.

For FY08, Economic Development staff requests the board again authorize \$175,000 for property maintenance issues related to DCOA-owned assets. Also, \$26,630 is needed to pay property insurance premiums for DCOA-owned real estate covered under the City's self-insurance plan. The deductible for each occurrence is \$250,000. These two budget items are standard and are requested each year.

FUNDING/FISCAL IMPACT:

Fiscal Year 2008 Contractual Relationships:

AIF	\$ 731,950
SBDC	\$ 195,000
Military Affairs	\$ 70,000
City-Business Services	\$ 617,070
TOTAL	\$1,614,020

Other:

DCOA Property Maint.	\$175,000
Property Ins. Premium	\$ 26,630
TOTAL	\$201,630

STAFF RECOMMENDATION:

Staff recommends the Board receive the minutes from the Budget & Finance Committee, which include recommendations for FY08 funding.

ATTACHMENT:

Minutes from Budget & Finance Committee meeting on 8-1-07.
Proposed Budget for FY08, including projected revenues.

DCOA BUDGET & FINANCE COMMITTEE MEETING

August 1, 2007

MEMBERS PRESENT: Joe Crawford
Marelyn Shedd
Paul Cannon
Dani Ramsay
Mike Schweikhard
John Stearns

MEMBERS ABSENT: Tucker Bridwell

STAFF PRESENT: Richard Burdine, Eco. Dev.
Kim Tarrant, Eco. Dev.
Don Green, Airport
Lee Hagelstein, Internal Auditor

GUESTS PRESENT: Bill Ehrie– AIF
Gary Robinette-AIF
Judy Wilhelm – SBDC

Paul Cannon opened the meeting at approximately 12:10 p.m. in the Develop Abilene Conference Room at 174 Cypress, 3rd Floor. Paul Cannon was elected Chairman. The following agencies have requested funding for Fiscal Year 2008 beginning 10-1-07 and ending 9-30-08.

1. TEXAS TECH UNIVERSITY SMALL BUSINESS DEVELOPMENT CENTER (counseling reimbursement):

Comments: Judy Wilhelm, Director of the SBDC, explained the basis for a request for funding in the amount of \$195,000 to support operations of the Center in conjunction with state and federal funding. Though the SBDC services a 16-county area, the DCOA reimburses for only those hours spent with Abilene-based clients. Reimbursement is made to the SBDC only after the services have been performed. The new request is for reimbursement at the current rate of \$75/counseling hour.

Recommendation: The committee **recommends approval** of funding in the amount of \$195,000 for FY 2008.

2. ABILENE INDUSTRIAL FOUNDATION (operations, marketing and Dyess consultants)

Comments: Bill Ehrie, President of the Abilene Industrial Foundation (AIF), explained the budget for FY08. The final funding amount being requested is still unknown. There are two items still being negotiated: 1) replacement of the current student worker that will leave in August, and 2) the Dyess consultant contracts are still being discussed. The operating request is increased by \$3,360 from FY07 to cover increased personnel costs. The marketing ad campaign request remains at the current rate of \$140,000 to implement a marketing plan. The request for Dyess marketing (Military Consultants) is

proposed to increase by \$10,000 to \$165,000.

NOTE: As of 8-16-07, the final budget request for Dyess marketing (Military Consultants) is \$170,500, an increase of \$15,500 over FY06.

During the August 21, 2007 DCOA Board meeting, Thelen, Reid, Brown, Raysman & Steiner and Team Concepts will present a progress report.

The budget request for FY08 in the amount of \$731,950 includes \$421,450 for operating expenses, \$140,000 for marketing and \$170,500 for subcontracts with Thelen, Reid, Brown, Raysman & Steiner and Team Concepts.

Recommendation: The Committee **recommends approval** of funding for FY08 in the amount of \$731,950.

3. MILITARY AFFAIRS COMMITTEE (reimbursement for actual expenses)

Comments: Bill Ehrie, Abilene Industrial Foundation, gave a brief overview of the Committee's activities, which includes travel to various locations to visit with Pentagon, Congressional, and Air Force officials. The funds provided by the DCOA allowed the Committee to participate for the second year in a row in a unique opportunity to host the *West Texas Cowboy Cookin'* at the home of the Air Force Chief of Staff for all DC-based General Officers and many DoD civilian leaders. The event was again a huge success and it appears Abilene will be invited to host the event on an annual basis. The FY07 contract also includes reimbursement for some day-to-day operating expenses, including local mileage, meals and copies.

The Chamber is requesting an increase in funding from \$60,000 to \$70,000 for FY08 in order to fully support the 3rd event to occur in 2008, anticipating increased attendance and food costs.

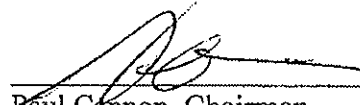
Recommendation: The committee **recommends approval** of funding in the amount of \$70,000 for FY 2008.

4. CITY OF ABILENE - BUSINESS SERVICES

Comments: Richard Burdine explained the proposed FY08 budget amount for the Business Services division (2760) of the City of Abilene in the total amount of \$617,070 represents an increase of \$40,340 over the budget for FY07 due to increased personnel costs. The DCOA contracts with the City of Abilene to provide staff support and other services, (i.e. legal, financial, administrative). Each year, staff requests funding of \$175,000 to maintain the DCOA's properties and another \$26,630 to insure those properties under the City's self-insurance program.

Recommendation: The Committee **recommends approval** of funding in the amount of \$617,070 for FY08 operating expenses of the Business Services Division of the City of Abilene. Also recommended is \$175,000 to maintain the DCOA's properties and \$26,630 to insure those properties.

There being no further business, the meeting was adjourned.



Paul Cannon, Chairman

**DEVELOPMENT CORPORATION OF ABILENE, INC.
PROPOSED BUDGET FOR FY 2008**

CASH & INVESTMENTS BALANCE at 6-30-07		\$17,878,251
PLUS: Projected Revenue (remainder '07)		
1/2 Cent Sales Tax	\$2,016,388	
Investment Pool Revenue-earnings on cash invested	188,459	
Interest Income-outstanding loans	5,652	
Principal Recovery-outstanding loans	6,448	
Building/Land Rental-DCOA properties	120,482	
Misc. Income	200	
TOTAL		2,337,629
LESS: Estimated Expenditures (remainder '07)		
Current Encumbrances @ 50%	4,682,213	
Projects Pending Contracts @ 50%	986,800	
Contractual Relationships/Prop. Mgmt	859,907	
TOTAL		6,528,920
UNENCUMBERED CASH BALANCE at 10-1-07 (est.):		\$13,686,960
Projected Revenue FY08		
1/2 Cent Sales Tax	8,488,640	
Investment Pool Revenue-earnings on cash invested	800,000	
Interest Income-outstanding loans	25,000	
Principal Recovery-outstanding loans	70,500	
Building Rental-DCOA owned properties	485,250	
Land Leases-Ag. lease on DCOA-owned land	1,520	
Misc. Income	200	
TOTAL REVENUE		\$9,871,110
Projected expenditures FY08		
Property Mgmt. Exp.-DCOA properties	175,000	
Property Damage Ins. Prem.-DCOA properties	26,630	
Obligations - Current projects @ 50%	4,682,213	
Projects Pending Contracts @ 50%	986,800	
TOTAL		5,870,643
Contractual Relationships FY08		
City of Abilene - Business Services	617,070	
** Abilene Industrial Foundation-ops., mrktg., contracts	731,950	
Small Business Development Cntr-Abilene hours	195,000	
Chamber Military Affairs Committee-travel expenses	70,000	
Airport Business Development Mgmt	0	
TOTAL		1,614,020
TOTAL EXPENDITURES		\$7,484,663
PROJECTED UNOBLIGATED CASH BALANCE AT 9-30-08		\$16,073,407

DEVELOPMENT CORPORATION OF ABILENE, INC.
BOARD AGENDA
MEETING DATE: August 21, 2007

PROJECT: **Allocation of Unexpended FY07 Abilene Industrial Foundation Marketing Funds of \$30,000 for the Abilene Branding Project**

FROM: **Richard Burdine, CEO**

GENERAL INFORMATION: The Abilene Branding Project is explained in the attached brochure. We anticipate that the products of the branding project will be utilized by the AIF and many other organizations in marketing Abilene to prospective residents, tourists and businesses. This type of work fits under the heading of marketing and is an eligible expenditure of DCOA funds allocated to the Abilene Industrial Foundation (AIF).

At the June 12, 2007 meeting of the AIF membership, the branding project was discussed as reflected in the draft minutes – Page 2, “**BRANDING:** Chris Proctor-Cleveland from the Abilene Regional Airport made a presentation on the issue of developing a brand for the City of Abilene. There were numerous questions and comments made amongst the Board. Mr. Cannon asked for a vote on whether or not the Board wanted to support the concept of a new brand for the City. Jimmy Tittle made a motion to accept and Viane Robinson seconded the motion. All were in favor, motion passed.”

This week AIF President Bill Ehrie informed me that he anticipates spending only \$90,000 of the \$140,000 budgeted for marketing in FY2007. Bill does not object to using \$30,000 of the remaining funds for the Abilene Branding Project but would like approval from the DCOA Board because the expenditure was not part of his original FY 2007 Marketing Plan.

FUNDING/FISCAL IMPACT:
\$30,000.

STAFF RECOMMENDATION:
Staff recommends the Board approve by oral resolution the use of funds approved for FY07 AIF marketing in the amount of \$30,000 for the Abilene branding project.

ATTACHMENT:
Abilene Branding Project Brochure.

What do residents,
visitors and prospective
businesses say about

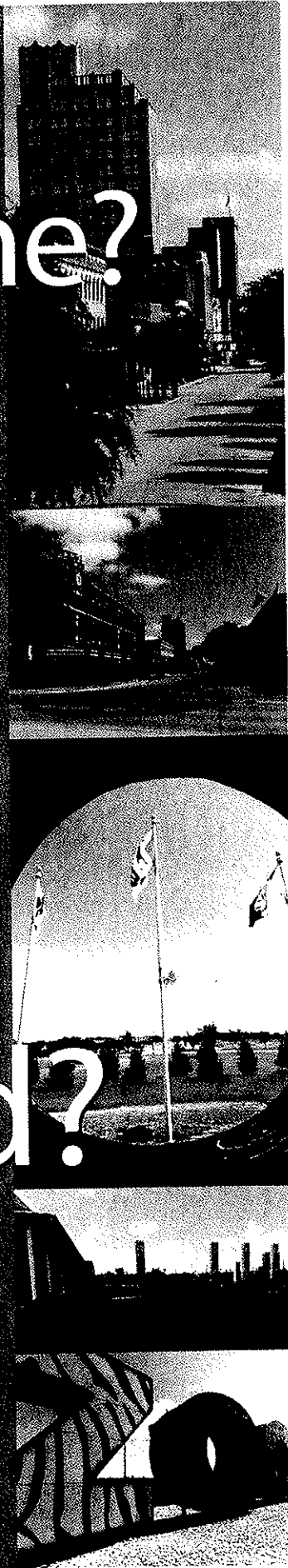
Abilene?

What

are we known for?

In other words...
What is our

Brand?



What is destination branding?

A destination brand conjures an image at the mere mention of the city's name. Its goal is clear: to appeal to and to entice visitors, residents, the creative class, economic development, the arts, a better education system—everything that makes a city sustainable and desirable.

A brand is not a campaign theme, tag line, or slogan. It's an expression of a compelling, unique experience (tangible or intangible) that our city offers potential visitors, future residents, prospective businesses. It manifests through a message or promise that is seen and heard through multiple channels of communications and direct sales. Ultimately, a destination brand concentrates on the experience in our city, and our ability to deliver on that promise.

There are seven key principles to developing a destination brand:

1. **Front-load total buy-in.** Foremost, community leaders and stakeholders must believe wholeheartedly and enthusiastically in the approach, or the destination brand will fall short of its anticipated goals.
2. **It is NOT about advertising.** A distinctive, one-of-a-kind destination brand wins the hearts and minds of visitors by applying an integrated strategic approach in its development. Brands are more than names, symbols or slogans. A brand is "the internalized sum of all impressions received by visitors and prospective visitors, resulting in a distinctive position in their 'mind's eye' based on perceived emotion and functional behavior." Advertising and promotion are important but only after the distinctive promise is developed. Remember, a destination brand is all about the EXPERIENCE.
3. **Adhere to a set of principles.** Establish a set of brand values and principles to guide behavior.
4. **Stand out to stand apart.** Build the destination brand platform on a set of attributes and factors that distinguish the city from its competitors from the perspectives of visitors, influencers and stakeholders.
5. **Brand evangelists are critical.** To ensure total commitment and support, everyone throughout the community – from top leaders to those in community service – must become an evangelist for the brand. No one person alone can champion the cause. It takes the team to ensure that all messages are aligned with the promise.
6. **Consistency, consistency, consistency.** Stay true to the course by policing the actions and messages as each conveys the destination brand.
7. **Live the promise.** A destination brand is a pact with visitors and business. A successful brand keeps its commitment with visitors and enthusiastically delivers on its promise.

Branding is not a one-size-fits-all process. Our city needs to entice tourists, the creative class and new business. Branding is more than a buzz word, more than a tagline or ad campaign. A strong brand conveys the best of our city and is a revenue-producing asset designed to compete and win.

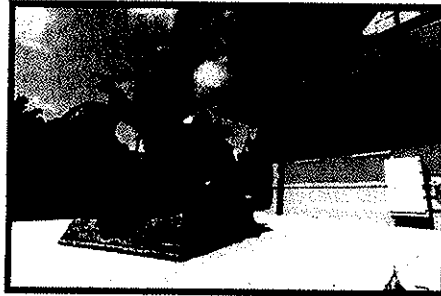
Destination branding is about delivering on a promise.

Why is destination branding important?

Proactive, competitive communities must brand themselves to be distinctive.

Communities and regions are taking a page from the private sector in developing effective branding to stand out in the minds of prospective employers and residents. Unfortunately, many who start with lofty branding goals end up settling for a slogan and visual identity that falls short of becoming a true brand.

Figuratively, it's like having a picture of ice cream but not the satisfying experience of the ice cream itself. Is it possible to have a deeper brand experience that makes your community a magnet for economic development? When our communicated message is backed by the real life experience, we will tap into the powerful force of economic development.



This is integrated branding – the ability to communicate and keep a branding promise. An effective integrated brand contributes to a stronger economic base, higher property values, diverse and sustainable employers and citizen retention.

Tourism is an economic engine for cities, counties, and regions. As more communities awaken to this fact, the competition for "mind share" and "wallet share" is growing more intense. Mobility is king, and travelers are time-programmed and pressured like never before. More long weekends and fewer extended vacations are the trend; and a "been there, done that" attitude



is spurring the need for convention and visitors bureaus (CVBs) and local tourism marketing partnerships to differentiate – brand – their communities in the sea of pick-up brochures, ads, media stories, and internet portals. Budgets to accomplish this are even more critical; and with little money available for marketing or communications, marketers must ensure that every dollar works twice as hard.

Who will lead the destination brand strategy?

The brand strategy will be led by a committee made up of the following:

Economic Development Dept. City of Abilene
Abilene Industrial Foundation
Tax Increment Financing District
Abilene Chamber of Commerce
Abilene Convention & Visitors Bureau
Abilene Cultural Affairs Council
Abilene's Various Business Sectors



Phase 1: Clarification of Key Messages

1. Clarification of key messages of the community that build from strengths of the past and present and which also provide a compelling and unifying platform for actions to shape our future.
2. The identification and clarification of a consistent image, look, identity or brand for Abilene that would strengthen and unify current and future presentation efforts.

Phase 2: Creation of a Platform for the Community to be Intentional in Building a Worthwhile and Compelling Future Story about Abilene

1. Creation of a platform (connecting our past and present) for the community to be intentional in building a worthwhile and compelling future story about Abilene.
2. Instill a common and actionable sense of identity and aspiration with existing residents, businesses and community groups.
3. A consistent and compelling theme to support efforts to create additional interest in Abilene as a destination and to attract visitors and key events to Abilene, Texas.
4. A focused message to support our local businesses and to build on current and future targeted efforts to spur our economic development efforts in order to grow the local economy.
5. A connectedness in presentation and message between all key community organizations including civic, education, business, tourism and cultural groups.
6. A community web infrastructure with consistent items in look, feel and message while still preserving individual identities and missions.
7. Project a welcoming community where people of many different backgrounds and interests can find a place they are proud to call home.

Input from the community will also be gathered with online surveys and "man on the street" interviews.



Who will have input into the process?

Everyone!

This project will be developed utilizing input from all key organizations within the Abilene community. This includes entities that represent health care, education, tourism, heritage, arts, culture, economic development, and businesses of all sizes. The BrandPrint program will gather community stakeholders to participate in focus groups. The process will include one-on-one interviews with key community leaders and with people on the street as well as community vision surveys that will be available both written and online to everyone. This participation level from everyone is what makes the project successful.

Once the final Abilene BrandPrint report is presented, we will all have a fresh community brand that is distinct and positions us to generate more economic growth for all involved.

Why North Star Destination Strategies?

North Star has successfully proven to incorporate both economic development and tourism development marketing into a single, unified brand initiative. North Star specializes in developing destination brands for small-to-mid-sized cities like Abilene. A sampling of communities North Star has branded include:

Augusta, Georgia
Lansing, Michigan
Williamsburg, Virginia
Seward, Alaska
Jackson, Mississippi
Overland Park, Kansas
Dayton, Ohio
Santa Rosa, California
Columbus, Georgia
Greeley, Colorado
Mesquite, Texas
McKinney, Texas
Plano, Texas
Uvalde, Texas

The screenshot shows the North Star website. At the top left is the 'NORTH STAR' logo. Below it is a banner for 'BLACK HILLS' with a photo of a smiling man. To the right of the banner is a testimonial: "Inquiries received during 1st quarter 2009 surpassed total inquiries from the entire year in 2008." Below this is the name "John Heiser, President/CIO Cape Girardeau Chamber of Commerce". Below the testimonial is a section titled "North Star Brands Communities" with a list of services: "Just as the North Star has guided individuals for centuries, we help communities guide visitors, businesses and residents to their destinations. We provide complete, research-based community branding. This is the only reason we're in business. We have a proven approach that we call Community BrandPrint™. It combines research, strategic planning and creative implementation to assist cities and counties in receiving the greatest possible return for their investment. We are the only company to combine research, strategy and creative work specifically for branding communities. North Star Destination Strategies assists communities in discovering their optimum brand positioning, and then in engaging their equity in that brand through communications and strategic initiatives." Below this section are two buttons: "CASE HISTORIES" and "SCHEDULE YOUR ONLINE PRESENTATION". At the bottom left is the text "North Star Press | Speaking Information | Contact Us" and at the bottom right is the "NORTH STAR" logo.

How will North Star develop the brand?

North Star Destination Strategies combines research, strategy and creative work to develop a unique community brand. They will help us discover our optimum brand positioning, and then leverage their equity in that brand through a strategic communications and community initiatives plan. They call this proven approach Community BrandPrint™.

Community BrandPrint™

1. **Understanding: Where the brand has been and why**

This phase addresses the current brand positioning of the community. Vital organizations and leaders are invited to share their perceptions to help coordinate activities to market the community as a whole. The evaluation compiles information about the environment, community attitudes, current communications, and perceptions of target audiences and their influencers.

2. **Insights: Where the brand should be**

The goals for the community may involve many elements: gross receipts, population, education registrations, overnight guests, and bed-tax collections. Branding influences these goals by affecting expectations and attitudes, and ultimately behavior and usage.

The most successful brands establish an emotional – not just intellectual – connection. Insights come from asking several thought-provoking questions. What emotional attachments can the brand hold? How does the brand fit into his or her lifestyle? It is from these insights that North Star determines the overall positioning of the brand.

3. **Imagination: What will get us there**

North Star considers all methods of communication to be created or changed that influence responses and behavior toward the brand. Brand-shaping issues are often confronted: overall positioning, synergy within the community, packaging, budget allocation, stakeholder participation, sponsorship association, co-operative efforts, and advertising and promotion. Business-building ideas are generated. Positioning lines and logos are created and tested. Foundation creative is developed.

4. **Evaluation: How the brand is performing**

Evaluation provides new information that may lead to a new planning cycle. Information gathered from concept pre-testing, campaign impact in the marketplace, and tracking studies will help measure the brand's performance over time.

Ideally, two basic questions must be answered:

- Have responses to the brand among target audiences changed in the way the Community BrandPrint™ intended?
- Have these changes resulted in action that will achieve the desired objectives of the brand? Turnkey or do-it-yourself programs are recommended depending on the needs of the community.

When will Abilene develop and launch a brand?

BRAND DEVELOPMENT

October 2007 - April 2008

Research

- Marketing audit
- Vision scope
- FAM tour
- Economic Development Data
- Travel research competitive report
- Hospitality development index
- Vision survey
- Inquiry mapping analysis
- Origin mapping analysis
- Who-What-Where report (Who are visitors/residents)
- Target audience perception interviews
- Perception of materials from non-users report



Strategy

- Community situation brief
- Blue sky meeting
- Community strategic branding brief

Creative

- Business building Ideas
- Positioning lines
- Copy testing
- Foundation creative

Follow-Up

- Accountability measures
- 3-year annual branding check-up

ROLL-OUT

Spring 2008

The roll-out process is a time of implementation – when all key players are exposed, indoctrinated and trained in the finely tuned beliefs, behaviors and ways of a destination brand. This phase will raise the level of brand awareness with a view toward improving the ability to "live the promise."

Total commitment and support is critical. All levels of government, hospitality, economic development, and community service become spokespersons for the brand. A team effort is required to ensure that all messages are aligned with the promise.

Information for Items #11 and #12 will be available during the board meeting.