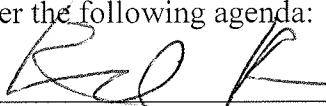


PUBLIC NOTICE

DEVELOPMENT CORPORATION OF ABILENE, INC.

A regular meeting of the Development Corporation of Abilene, Inc. will be held on Tuesday, October 16, 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

October 16, 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 September 25, 2007 meeting.
3. Sales Tax report for October 2007.
4. Discussion and possible approval of a resolution authorizing assistance for Project LF.
5. 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.

6. Discussion and possible approval of a resolution authorizing additional funding for establishment of a research center.

7. Discussion and possible approval of a resolution authorizing purchase of land for construction of a life science accelerator facility.
8. Adjournment

CERTIFICATE

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

Staff requests the board approve total funding in the amount of \$117,100 as follows: \$33,600 for fast track welder weekly incentive payments, \$67,500 for MSSC weekly incentive payments, and \$16,000 for MSSC advertising/marketing.

A motion was made by Mike Schweikhard to approve Resolution No. DCOA-2007.22 as presented. Joe Crawford seconded the motion and it carried.

5. **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 1:48 p.m. the Board went into Executive Session. At 2:45 p.m. the Board reconvened and announced that no vote or action was taken in Executive Session.

6. **DISCUSSION AND POSSIBLE APPROVAL OF A RESOLUTION AUTHORIZING FUNDING TO HIRE AN ARCHITECT TO DESIGN A LIFE SCIENCE ACCELERATOR BUILDING TO PROVIDE LEASE SPACE TO BIOTECH COMPANIES.** Recently Project JW was announced to be Receptor Logic (RL). The company is rapidly staffing their operation and has secured temporary lease space in the School of Pharmacy – Abilene for a 12 to 18 month period. This will allow the DCOA adequate time to meet its commitment to RL to provide suitable lease space for their expansion. RL has agreed to a lease rate of \$25/square foot/year for the space they will occupy in the Accelerator. A thorough review of existing space yielded none readily available either downtown or in close proximity to the School of Pharmacy, the two locations preferred by RL. At the July 2007 meeting of the DCOA Board, staff was

authorized to hire an architecture firm for an initial space planning study. The Tittle-Luther Partnership (TLP) of Abilene was employed. The City, TLP staff, and RL scientists have met to develop the space needs of the tenants and TLP has written the Preliminary Building Program and Preliminary Statement of Estimated Project Costs. The estimated space requirement is a little over 23,000 square feet and the cost estimate ranges from \$3,343,880 (\$2,777,630 for construction alone) to \$3,982,124 (\$3,315,650 for construction alone), including site work and architectural and engineering services. Land cost is not included as a specific site has not been selected.

The National Development Council has made a commitment of New Markets Tax Credits which would offset as much as \$1,500,000 of the project costs. However, the project must move forward quickly to remain eligible for the NDC allocation. Therefore, to maintain the momentum of the project, staff recommends employing an architecture firm quickly for the design and construction phase of the project.

Staff recommends the board authorize a contract with TLP to design a life sciences accelerator building and funding not to exceed \$335,000 as follows: architect/engineering fees of \$325,000 plus \$10,000 for reimbursables/contingency.

Mike Schweikhard moved to approve Resolution No. DCOA-2007.23 as presented. The motion was seconded by Joe Crawford and it passed by unanimous consent.

7. **ADJOURNMENT.** The next meeting will be October 16th. There being no further business, the meeting was adjourned.

Ray Ferguson, President

MEMORANDUM

October 10, 2007

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

The sales tax rebate for October is \$2,705,623.37, which represents August sales. This is 3.99% above last year. The breakdown of the October rebate is \$2,029,217.53 to the General Fund and \$676,405.84 for economic development. Of this rebate, \$81,705 is from prior periods, audit payments, future payments, and unidentified payments. This is the first rebate for our 2007-08 fiscal year. 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 2006-07	Actual 2006-07		Actual 2007-08	Actual 2007-08	
October	\$1,951,422.77	\$650,474.25	\$2,601,897.02	\$2,029,217.53	\$676,405.84	\$2,705,623.37
YTD	\$1,951,422.77	\$650,474.25	\$2,601,897.02	\$2,029,217.53	\$676,405.84	\$2,705,623.37
November	2,229,381.42	743,127.14	2,972,508.56			
December	1,813,239.09	604,413.03	2,417,652.12			
January	1,877,628.47	625,876.16	2,503,504.63			
February	2,710,392.23	903,464.08	3,613,856.31			
March	1,797,210.64	599,070.21	2,396,280.85			
April	1,922,282.36	640,760.78	2,563,043.14			
May	2,554,414.62	851,471.54	3,405,886.16			
June	1,819,065.78	606,355.26	2,425,421.04			
July	1,987,476.01	662,492.00	2,649,968.01			
August	2,348,841.11	782,947.03	3,131,788.14			
September	2,013,292.73	671,097.58	2,684,390.31			
FY TOTAL	<u>\$25,024,647.23</u>	<u>\$8,341,549.06</u>	<u>\$33,366,196.29</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.

3.2

DEVELOPMENT CORPORATION OF ABILENE, INC.
1/2 CENT SALES TAX REVENUE
FY 2008: Monthly and Year-to-Year Comparisons

Accounting Period Month	Actual 2006-07	Actual 2007-08	% Change
October	\$650,474	\$676,406	3.99%
YTD	\$650,474	\$676,406	3.99%
November	743,127		
December	604,413		
January	625,876		
February	903,464		
March	599,070		
April	640,761		
May	851,472		
June	606,355		
July	662,492		
August	782,947		
September	671,098		
FY TOTAL	\$8,341,549		

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 October '07 represents August '07 sales. Approximately
\$20,426 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.

DEVELOPMENT CORPORATION OF ABILENE, INC.

BOARD AGENDA

MEETING DATE: October 16, 2007

PROJECT: Project LF

STAFF: Richard Burdine, CEO

BACKGROUND

Project LF is an existing Abilene manufacturer that packages and sells to leading regional and national companies. Project LF is a leader in its field and has plants in two other states as well.

In 2006, the board approved assistance to establish a plant in Abilene in the amount of \$2,210,500 in exchange for 65 new jobs and \$12,000,000 in capital equipment investment. Also approved was additional assistance should the company desire to expand its operations in Abilene (Phase 2). The company has exceeded its original employment expectations and would like to expand.

THE PROJECT

Revised Phase 1: Project LF currently employs 71 (with 14 positions being recruited) and expects to employ a total of 110 in the current facility, which represents an increase of 45 over the original employment projection of 65. Recent negotiations with the company for a 120,000-130,000 s.f. expansion of their current facility have culminated in a proposed **revised** incentive package for the original phase of operation.

Job Creation Incentive - Shown below is a breakdown of the original employment projection and the new projection under the **Revised** heading. Projected revised job creation incentives for Phase 1 employment are:

Projected New Positions	Pay Scale plus Health Benefits of \$3,000/year	DCOA Assistance per New Job	Total DCOA Assistance-New Jobs	
Original	Revised		Original Revised	
0	0	Under \$15,000/yr	\$ 0K	\$0
25	0	\$15 to \$20,000/yr	\$ 0K	\$0
25	67	\$20 to \$30,000/yr	\$ 0K	\$0
10	30	\$30 to \$40,000/yr	\$10K	\$100,000 300,000
0	8	\$40 to \$50,000/yr	\$12K	\$0 96,000
0	0	\$50 to \$60,000/yr	\$15K	\$0
5	5	Over \$60,000/yr	35%	\$105,000 210,000
65	110	Total	-----	\$205,000 606,000

Phase 1 Incentives	Original	Revised
Tenant Improvements	\$ 205,500	\$ 205,500 (fully funded)
Capital Construction Investment Incentives	\$ 0	\$ 0
Capital Equipment Investment Incentives	\$1,800,000	\$1,800,000 (fully funded)
Job Creation Incentives	\$ 205,000	\$ 606,000 (partially funded)
Total Incentives Package	\$2,210,500	\$2,611,500

As reflected in the chart above, Staff recommends an increase in job creation incentives, based on higher projected employment levels in the \$30,000 to \$40,000/yr range and higher salaries in the Over \$60,000/yr range. Note that Project LF has actually invested \$14.8 million in capital equipment, \$2.8 million more than originally estimated, but no increase in incentives is proposed in that category.

Building Lease- Project LF signed a 5-year lease on an existing building owned by DCOA for \$2.10/sf/year (\$236,250/yr), triple net with a five-year option at \$2.50/sf/year. The company also has the option to purchase the facility at any time during the 5-year period for a pre-determined dollar amount. The facility will continue to be leased to Project LF.

Revised Phase 2: Funding is also available for Project LF in the amount of \$2,537,000 for an expansion of the facility in exchange for 55 additional jobs and \$10 million in capital equipment investment, contingent upon the company purchasing the facility at \$3.5 million and constructing the expansion with funds loaned by the DCOA.

Job Creation Incentive: The projected employment level for Phase 2 is now 32, down from 55, because many of these projected jobs have been or will be created in Phase 1. Proposed changes in the Phase 2 package are shown under the **Revised** heading in the table below, which reflect a decrease in job creation incentives. Combined Phase 1 & 2 jobs total 142; 22 more than originally projected and staffing is in higher salary ranges Projected revised job creation incentives for Phase 2 employment are:

Projected New Positions		Pay Scale plus Health Benefits of \$3,000/year	DCOA Assistance per New Job	Total DCOA Assistance-New Jobs	
Original	Revised			Original	Revised
0	0	Under \$15,000/yr	\$ 1K	\$0	
20	0	\$15 to \$20,000/yr	\$ 2K	\$ 40,000	0
20	24	\$20 to \$30,000/yr	\$ 4K	\$ 80,000	96,000
12	8	\$30 to \$40,000/yr	\$10K	\$120,000	80,000
1	0	\$40 to \$50,000/yr	\$12K	\$ 12,000	0
1	0	\$50 to \$60,000	\$15K	\$ 14,000	0
1	0	Over \$60,000	35%	\$ 21,000	0
55	32	Total	-----	\$287,000	176,000

Phase 2 Incentives	Original	Revised
Capital Construction Investment Incentives	\$ 750,000	\$ 0
Capital Equipment Investment Incentives	\$1,500,000	\$1,500,000
Job Creation Incentives	\$ 287,000	\$ 176,000
Total Incentives Package	\$2,537,000	\$1,676,000

Construction of Facility Expansion and Extended Building Lease: As reflected in the chart, Staff recommends a decrease in capital construction incentives of \$750,000 because Project LF does not want to purchase the facility and construct the expansion themselves. They prefer to invest their resources in capital equipment and lease the plant. The DCOA will construct the expansion according to the company's specifications and enter into a new 10-year lease upon completion.

The original agreement provides for expansion financing with the following terms – a.) Interim financing for 1 year at 0% interest on up to \$5 million for A/E fees, construction and other costs; b.) Permanent financing for 85% of the interim loan balance at WSJ Prime (currently 7.75%) minus 2% fixed for 15 years; c.) and the remaining 15% (up to \$750,000) forgiven over 5 years as a capital investment incentive.

Recent negotiations have focused on the method by which the lease rate for the expansion will be determined. Project LF has agreed to a rate based on WSJ Prime (currently 7.75%) minus 2.5% fixed in a ten year lease for Phase 2. The lease will remain at the current rate of \$2.10/s.f./year going forward in a new ten year lease covering the original facility and the expansion.

THE REQUEST

Staff requests amending the current financial assistance package for Project LF as outlined above for Phase 1 and Phase 2 of its operations. Staff also requests the DCOA authorize negotiations with an architect to design an expansion of the facility according to specifications required by Project LF. A request for funding will follow at a later board meeting.

In the event Project LF and DCOA enter into a Phase 3 expansion within 5 years of completion of the Phase 2 expansion, the per s.f./year lease rate for the Phase 3 expansion will be based on Wall Street Journal prime minus 2.5% at the time of the expansion multiplied by the Phase 3 actual cost. A new ten year lease will start at the completion of Phase 3 with the lease rates on the facility and the Phase 2 expansion carried forward unchanged. Also, Project LF wants to continue its option to purchase the facility for \$3.5 million plus the Phase 2 & 3 expansions at actual cost for five years from the start of the lease. They would have the right to assign their option only to a third party who will lease the building to Project LF or its successor.

FISCAL IMPACT

In summary, total incentives for both phases are reduced by \$460,000. Job creation is increased in quantity and quality and capital equipment investment remains the same. The DCOA gives up 50 basis points on the interest rate and forgoes an increase in the facility lease rate upon renewal of the current five year lease in exchange for a longer lease term and potential for a Phase 3 expansion.

	<u>Original</u>	<u>Revised</u>
Phase 1 & 2 Construction Incentives	\$ 750,000	\$ 0
Phase 1 & 2 Equipment Incentives	\$3,300,000	\$3,300,000
Phase 1 & 2 Job Creation Incentives	\$ 492,000	\$ 782,000
Phase 1 & 2 Total Incentives Package	\$4,747,500	\$4,287,500

STAFF RECOMMENDATION

Staff recommends approval of resolution DCOA-2008.01 authorizing an amendment to the existing financial assistance agreement with Project LF and reducing the total amount of assistance for Phase 1 and Phase 2 combined by \$460,000. Staff also recommends authorization to negotiate with an architect to design an expansion of the DCOA-owned facility currently occupied by Project LF.

ATTACHMENTS

Resolution DCOA-2008.01

RESOLUTION NO. DCOA-2008.01

A RESOLUTION OF THE DEVELOPMENT CORPORATION OF ABILENE, INC. (DCOA), ABILENE, TEXAS AUTHORIZING AMENDED ASSISTANCE FOR PROJECT LF AND NEGOTIATIONS WITH AN ARCHITECTURAL FIRM TO DESIGN AN EXPANSION OF THE DCOA-OWNED FACILITY CURRENTLY LEASED TO PROJECT LF.

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

WHEREAS, Project LF established a manufacturing operation in Abilene in 2006 and currently occupies a DCOA-owned facility; and,

WHEREAS, the DCOA approved an assistance package for Project LF that includes Phase 1 and Phase 2 funding totaling \$4,747,500 for job creation, equipment investment, tenant improvements, and construction investment in exchange for 65 new jobs in Phase 1 and an additional 55 in Phase 2; and,

WHEREAS, Phase 1 employment is now projected to reach 110 with higher salaries and Phase 2 employment will decrease to 32 for total employment of 142 versus 120 as originally projected; and,

WHEREAS, in the original financial assistance agreement, Project LF agreed to purchase the facility for a set amount before beginning Phase 2 expansion; however, the company no longer wishes to own the facility and requests the DCOA construct the expansion and continue leasing; and,

WHEREAS, Project LF is prepared to pursue Phase 2 expansion in Abilene and continue leasing from the DCOA; and,

WHEREAS, Staff requests the DCOA authorize amended assistance for Phase 1 and 2 to compensate for adjusted employment numbers and salaries, and authorize staff to negotiate with an architectural firm for design of an expansion of the facility; and,

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

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

PART 1. DCOA authorizes a new Agreement for Financial Assistance with Project LF for Phases 1 and 2 that supersedes the existing agreement. Total funding authorized in the existing agreement for Phases 1 and 2 is \$4,747,400. The amended assistance will decrease by \$460,000 to a total amount of Four Million Two Hundred Eighty-Seven Thousand Five Hundred and no/100's Dollars (\$4,287,500) in exchange for the creation of 110 new jobs in Phase 1 and 32 jobs in Phase 2, for total new

employment of 142 as compared to 120 in the existing agreement. The amended assistance shall be as follows:

PHASE 1 (revised)

1. Building Lease – The existing five-year, triple net lease for a DCOA-owned building will remain in place at a lease rate of \$2.10/s.f./year triple net (\$236,250/year).

The DCOA provided \$205,500 to finish and paint the walls of the manufacturing area totaling \$55,500 and reimbursed Project LF \$150,000 for painting the floor. **This assistance is fully funded.**

2. Capital Investment Incentive (no change from original agreement) - The DCOA reimbursed Project LF \$1.8 million for capital equipment purchases at 15% of cost which is being earned over the first 5 years. The company signed a Promissory Note whereby the principal is forgiven over 5 years with a Letter of Credit as collateral. **This assistance is fully funded.**

3. Job Creation Incentive – The DCOA will provide job creation incentives up to \$606,000 as described in the table below in the **Revised** column. Payment shall be advanced to the company at the rate of 1/5 the DCOA Assistance per New Job amount over 5 years upon receipt of an annual job certification provided by the company. **A total of \$45,531 has been funded.**

Projected New Positions		Pay Scale plus Health Benefits of \$3,000/year	DCOA Assistance per New Job	Total DCOA Assistance-New Jobs	
Original	Revised			Original	Revised
0	0	Under \$15,000/yr	\$ 0K	\$0	
25	0	\$15 to \$20,000/yr	\$ 0K	\$0	
25	67	\$20 to \$30,000/yr	\$ 0K	\$0	
10	30	\$30 to \$40,000/yr	\$10K	\$100,000	300,000
0	8	\$40 to \$50,000/yr	\$12K	\$0	96,000
0	0	\$50 to \$60,000/yr	\$15K	\$0	
5	5	Over \$60,000/yr	35%	\$105,000	210,000
65	110	Total	-----	\$205,000	606,000

TOTAL PHASE 1 FUNDING:

Tenant Improvements Grant	\$ 205,500 (fully funded)
Capital Investment Incentive	\$1,800,000 (fully funded)
Job Creation Incentive	<u>\$ 606,000</u> (partially funded)
TOTAL	\$2,611,500

New Job Creation 110 (revised)

PART 2. PHASE 2 (revised)

1. Construction of Facility Expansion and Extended Building Lease – The DCOA will contract for construction of an expansion of the facility currently leased to Project LF according to specifications provided by the company. Upon completion

4.5

of construction the DCOA will enter into a new lease agreement with the company which will supersede the existing lease. For the expansion, Project LF will pay an annual lease rate based on WSJ Prime (currently 7.75%) minus 2.5% fixed multiplied by the actual cost of the expansion, beginning with the completion of construction. The lease for the original facility will remain at the current rate of \$2.10/s.f./year going forward in a new ten year lease covering the original facility and the expansion.

2. Capital Equipment Investment Incentive (no change from original agreement) - The DCOA will pay capital equipment investment incentives based on 15% of purchase and installation costs of \$5MM to \$10MM to be earned over the first 5 years the equipment is in the building; the upper limit of incentives is \$1.5MM. These incentives may be paid as costs are incurred as a loan to be forgiven over 5 years subject to adequate collateralization, or paid in arrears 1/5th per year for 5 years.

3. Job Creation Incentive - The projected employment level for Phase 2 is now 32, down from 55, because many of these projected jobs have been or will be created in Phase 1. Proposed changes in the Phase 2 package are shown under the **Revised** heading in the table below, which reflect a decrease in job creation incentives. Combined Phase 1 & 2 jobs total 142; 22 more than originally projected and staffing is in higher salary ranges Projected revised job creation incentives for Phase 2 employment are:

Projected New Positions		Pay Scale plus Health Benefits of \$3,000/year	DCOA Assistance per New Job	Total DCOA Assistance-New Jobs	
Original	Revised			Original	Revised
0	0	Under \$15,000/yr	\$ 1K	\$0	
20	0	\$15 to \$20,000/yr	\$ 2K	\$ 40,000	0
20	24	\$20 to \$30,000/yr	\$ 4K	\$ 80,000	96,000
12	8	\$30 to \$40,000/yr	\$10K	\$120,000	80,000
1	0	\$40 to \$50,000/yr	\$12K	\$ 12,000	0
1	0	\$50 to \$60,000	\$15K	\$ 14,000	0
1	0	Over \$60,000	35%	\$ 21,000	0
55	32	Total	-----	\$287,000	176,000

TOTAL PHASE 2 FUNDING (Revised):

Capital Equipment Investment Incentive	\$1,500,000
Job Creation Incentive	<u>\$ 176,000</u>
TOTAL	\$1,676,000

New Job Creation	32
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PART 3. DCOA authorizes staff to negotiate with an architectural firm to design the expansion of the facility currently occupied by Project LF to meet the needs of Project LF's expanding operations. A funding request and contract will be presented to the board at a later time.

PART 4. 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 5. 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 16th day of October, 2007.

ATTEST:

Dee Moore
Secretary/Treasurer

Ray Ferguson
President

APPROVED:

T. Daniel Santee, City Attorney

RESOLUTION NO. DCOA-2008.02

A RESOLUTION OF THE DEVELOPMENT CORPORATION OF ABILENE, INC. (DCOA), ABILENE, TEXAS AUTHORIZING ADDITIONAL FUNDING TO ESTABLISH A RESEARCH CENTER IN ABILENE.

WHEREAS, the purpose of the DCOA is to make Abilene competitive in the attraction of business and industry in order to create new, sustainable jobs, and strengthen and expand the skills of the Abilene labor force; and

WHEREAS, 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; and,

WHEREAS, in July 2007, the DCOA approved resolution DCOA-2007.20 authorizing a 5-year plan and \$2.725 million 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; and,

WHEREAS, the proposed program has grown since the DCOA approved the funding and will have one additional staff position; and,

WHEREAS, Staff requests the board consider approving additional funding of \$275,000 to leverage an additional funding commitment from other sources to establish a research center program in Abilene.

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

PART 1. DCOA authorizes funding in the amount of Two Hundred Seventy-Five Thousand and no/100's Dollars (\$275,000) in addition to the \$2,725,000 previously approved via resolution DCOA-2007.20 for total funding of \$3,000,000 to establish a research center in Abilene. DCOA funding will be disbursed over a 5-year period as follows:

<u>Use of DCOA Funds</u>	<u>07/31/07</u>	<u>10/16/07</u>
Laboratory Start-up Packages (4), now 5	\$ 870,000	\$1,200,000
Communication Equipment	\$ 30,000	\$ 30,000
Lab Eqmt and Research Infrastructure	\$ 600,000	\$ 500,000
Research grants @ 15% match	\$ 600,000	\$ 600,000
Pharmacy Practice Research	\$ 225,000	\$ 270,000
<u>Additional capital equipment</u>	<u>\$ 400,000</u>	<u>\$ 400,000</u>
TOTAL	\$2,725,000	\$3,000,000

The CEO will have authority to move funds among categories if necessary, with concurrence of the DCOA Board President and an executive with the research center.

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 and to move funds among the six categories above with concurrence of the DCOA Board President.

ADOPTED this the 16th day of October, 2008.

ATTEST:

Dee Moore
Secretary/Treasurer

Ray Ferguson
President

APPROVED:

T. Daniel Santee, City Attorney