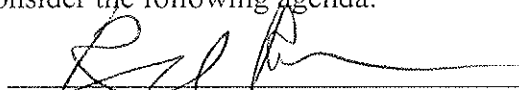


PUBLIC NOTICE

DEVELOPMENT CORPORATION OF ABILENE, INC.

A regular meeting of the Development Corporation of Abilene, Inc. will be held on Tuesday, November 27, 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

November 27, 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 October 16, 2007 meeting.
3. Sales Tax report for November 2007, Preliminary Status report for September 2007.
4. Discussion and possible approval of a resolution ratifying a contract with Tittle Luther Partnership and funding for design of the expansion of the former Spec 2 facility to meet the needs of PWP Industries.
5. Presentation of Annual Reports for Fiscal Year Ended September 30, 2007 by:
 - Abilene Industrial Foundation
 - TTU Small Business Development Center
6. Presentation and possible approval of the DCOA Annual Report of Activities for FY 2007.
7. 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.

8. Discussion and possible approval of an oral resolution authorizing the purchase of land for construction of the life sciences accelerator building.
9. Adjournment

CERTIFICATE

I hereby certify that the above notice of meeting was posted on the bulletin board at the City Hall of Abilene, Texas, on the _____ day of _____, 2007, at _____.

City Secretary

NOTICE

Persons with disabilities who would like special assistance or need special accommodations to participate in this meeting should contact Department of Economic Development, (325) 676-6390, at least forty-eight (48) hours in advance of this meeting. Telecommunication device for the deaf is (325) 676-6360.

DEVELOPMENT CORPORATION OF ABILENE, INC.
BOARD MEETING MINUTES
October 16, 2007

MEMBERS PRESENT: Ray Ferguson Mike Schweikhard
Stan Lambert

MEMBERS ABSENT: Dee Moore Joe Crawford

STAFF PRESENT: Richard Burdine Kim Tarrant
Susan Campbell Dan Santee

GUESTS PRESENT: Bill Ehrie, Abilene Industrial Foundation
Sarah Varble, Abilene Reporter-News

1. CALL TO ORDER. Ray Ferguson called the meeting to order at 1:30 p.m. in the Develop Abilene conference room located at 174 Cypress, 3rd floor, Abilene, TX.

2. APPROVAL OF MINUTES FROM SEPTEMBER 25, 2007 MEETING. Mike Schweikhard made a motion to approve the minutes from the September 25, 2007 meeting. Stan Lambert seconded and the motion carried.

3. SALES TAX REPORT FOR OCTOBER 2007. In David Wright's absence, Richard Burdine reviewed the Sales Tax Report for October 2007. The sales tax rebate for economic development is \$676,405.84, which is about 4% above last October. Total Revenues for FY 07 were \$8.3 million. The financial statements for September 2007 were not available by board meeting date and will be presented at the next DCOA board meeting.

4. DISCUSSION AND POSSIBLE APPROVAL OF A RESOLUTION AUTHORIZING ASSISTANCE FOR PROJECT LF. Project LF is an existing Abilene manufacturer that packages and sells to leading regional and national companies. In 2006, the DCOA approved Phase 1 funding in the amount of \$2,210,500 to establish a plant in Abilene, 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). Project LF has exceeded its original employment expectations and would like to expand. However, they do 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 Project LF's specifications and enter into a new 10-year lease upon completion.

The company has actually invested \$14.8 million in capital equipment compared to the originally projected \$12 million. Revised Phase 1 job creation incentives increased from \$205,000 to \$606,000. Revised Phase 2 incentives consisted of a net decrease of \$861,000 for capital construction investment and job creation incentives. Combined

Phase 1 and Phase 2 jobs total 142 – 22 more than originally projected and staffing is in higher salary ranges. Total incentives for both phases are reduced by \$460,000.

Staff requests the board authorize 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.

A motion was made by Stan Lambert to approve Resolution No. DCOA-2008.01 as presented above. Mike Schweikhard 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.

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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 1:45 p.m. the Board went into Executive Session. At 3:20 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 ADDITIONAL FUNDING FOR ESTABLISHMENT OF A RESEARCH CENTER.** In July the DCOA authorized funding in the amount of \$2,725,000 for capital equipment, disbursed over five years. The proposed program has grown and will have one additional staff position.

Staff recommends the board authorize additional funding of \$275,000 (for a total of \$3,000,000) to leverage an additional funding commitment from other sources to establish a research center program in Abilene.

Mike Schweikhard moved to approve Resolution No. DCOA-2008.02 as presented. The motion was seconded by Stan Lambert and it passed by unanimous consent.

7. **DISCUSSION AND POSSIBLE APPROVAL OF A RESOLUTION AUTHORIZING PURCHASE OF LAND FOR CONSTRUCTION OF A LIFE SCIENCE ACCELERATOR FACILITY.** This item was not discussed.
8. **ADJOURNMENT.** The next meeting will be November 27th. There being no further business, the meeting was adjourned.

Ray Ferguson, President

MEMORANDUM

November 7, 2007

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

The sales tax rebate for November is \$3,058,310.92, which represents September sales. This is 2.89% above last year. The breakdown of the November rebate is \$2,293,733.19 to the General Fund and \$764,577.73 for economic development. Of this rebate, \$44,965 is from prior periods, audit payments, future payments, and unidentified payments. Based on this rebate, sales tax is 3.40% above last year for the period of October through November. 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
Evalin McClain, Assistant City Manager

**CITY OF ABILENE
SALES TAX COMPARISON**

Accounting Period Month	GENERAL FUND Actual 2006-07	ECONOMIC DEVELOPMENT Actual 2006-07	TOTAL 2006-07	GENERAL FUND Actual 2007-08	ECONOMIC DEVELOPMENT Actual 2007-08	TOTAL 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
November	2,229,381.42	743,127.14	2,972,508.56	2,293,733.19	764,577.73	3,058,310.92
YTD	<u>\$4,180,804.19</u>	<u>\$1,393,601.39</u>	<u>\$5,574,405.58</u>	<u>\$4,322,950.72</u>	<u>\$1,440,983.57</u>	<u>\$5,763,934.29</u>
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	<u>2,013,292.73</u>	<u>671,097.58</u>	<u>2,684,390.31</u>			
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.

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%
November	743,127	764,578	2.89%
YTD	\$1,393,601	\$1,440,984	3.40%
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 November '07 represents September '07 sales. Approximately
\$11,241 of the rebate is from prior periods, audit, and future payments.

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

CITY OF ABILENE, TEXAS

PRELIMINARY

DEVELOPMENT CORPORATION OF ABILENE, INC.

Balance Sheet

September 30, 2007

ASSETS:

Cash and Investments	\$18,224,388
Notes receivable	17,085,763
Accounts receivable	4,500
Due from other governments	1,385,606
Prepaid Expense	495
Total Current Assets	<u>36,700,752</u>

OTHER ASSETS:

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

TOTAL ASSETS

\$54,180,292**LIABILITIES:**

Vouchers payable	\$987,586
Deferred revenues	2,344,169
Total Liabilities	<u>\$3,331,755</u>

FUND BALANCES:

Investment in general fixed assets	\$17,479,540
Reserved for contractual obligations(external)	11,286,794
Reserved for obligated programs(internal)	179,051
Reserved for contingent liabilities	0
Undesignated Balance	21,903,152
Total Fund Balance	<u>\$50,848,537</u>

TOTAL LIABILITIES AND FUND BALANCES

\$54,180,292**FIXED ASSETS:**

Buildings and Improvements:	Original Cost	Improvements	Depreciation	Total
2601 Airport Blvd.	\$1,563,210	\$540,632	\$240,431	\$1,863,411
2809 Airport Blvd.	396,519	444,583	276,636	564,466
2841 Airport Blvd.	456,736	62,923	251,868	267,791
4002 Loop 322	1,290,916	2,089,045	1,132,003	2,247,958
515 acres - Five Pts Bus Park	552,287	2,435,432	194,835	2,792,884
6450 Five Points Parkway	5,809,354	0	459,334	5,350,021
Grant Bldg 341 Pine	147,194	405,726	179,653	373,268
303.53 acres Hwy 36 & FM 18	449,238	0	0	449,238
2742 Lance Dr. (EASI Storage)	2,527,408	0	100,930	2,426,478
4109 Vine St	583,524	0	23,341	560,183
4009 Vine St	583,524	0	23,341	560,183
2005 Dodge Caravan	18,011	0	3,602	14,409
Office Equipment: Copier	9,250	0	0	9,250
TOTAL FIXED ASSETS	<u>\$14,387,173</u>	<u>\$5,978,341</u>	<u>\$2,885,974</u>	<u>\$17,479,540</u>

3.4

**DEVELOPMENT CORPORATION OF ABILENE
STATUS OF FUNDS @ SEPTEMBER 30, 2007**

PRELIMINARY

	Beginning I-T-D Revenues	Current Month Revenues	Current FY Revenues	(MARCH, 1990) Ending I-T-D Revenues
REVENUE-TO-DATE				
City Sales Tax (3131)	\$ 94,393,714.78	\$ 666,514.09	\$ 8,292,435.94	\$ 102,686,150.72
Sales Tax Retained (3132)	192,737.03	4,583.49	49,113.12	241,850.15
Other Services Charges (3731)	25.00	-	-	25.00
Princ. - Loans & Assess (3775)	798,899.65	4,199.68	69,751.90	868,651.55
Int. - Loans & Assess (3802)	2,023,963.38	2,932.69	36,952.36	2,060,915.74
Interest (3803)	5,101,474.40	90,373.59	846,615.34	5,948,089.74
Land Lease (3810)	6,404.48	-	1,024.35	7,428.83
Building/Space Rent (3816)	2,421,768.41	40,437.50	528,025.67	2,949,794.08
City Pay Phones (3890)	9,170.58	-	-	9,170.58
Miscellaneous Revenue (3892)	26,770.03	-	3,457.96	30,227.99
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	-	950.65	1,173.04
GASB 22 Restatement	355,634.89	-	-	355,634.89
GASB 34 FY 03 Adjustment	579,426.49	-	-	579,426.49
	<u>\$ 112,078,845.79</u>	<u>\$ 809,041.04</u>	<u>\$ 9,856,656.76</u>	<u>\$ 121,935,502.55</u>

3.5

**DEVELOPMENT CORPORATION OF ABILENE
STATUS OF FUNDS @ SEPTEMBER 30, 2007**

PRELIMINARY

	Beginning I-T-D Expenditures	Current Month Expenditures	Current FY Expenditures	Ending I-T-D Expenditures	Outstanding Contracts
CONTRACTS ENCUMBERED/ EXPENDITURES-TO-DATE					
Prior Years Programs	\$ 56,985,858.35	\$ -		\$ 56,985,858.35	\$ -
Business Services Division	5,620,415.06	58,038.70	512,504.63	6,132,919.69	1,825.00
DCOA Annual Contracts	1,688,733.46	1,174.68	100,151.15	1,788,884.61	-
Abilene Industrial Foundation (4950)	9,916,868.50	144,871.06	634,066.10	10,550,934.60	79,023.90
Caruth Small Business Dev Cntr (4951)	1,850,621.05	-	195,000.00	2,045,621.05	-
Chamber Military Affairs (4952)	951,992.00	45,985.83	59,984.83	1,011,976.83	-
Airport Business Dev Mgr (4953)	225,374.81	-	93,231.31	318,606.12	79,915.86
EASI Records Const. 4990	2,430,455.58	-	9,987.00	2,440,442.58	65,854.42
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	2,252,000.00
EHT 5216	65,900.00	-	32,400.00	98,300.00	-
Fehr Food 5220	461,520.00	-	60,150.00	521,670.00	-
Research Ins 5221	500.00	-	-	500.00	-
Advanced Trailer 5224	-	16,975.00	29,750.00	29,750.00	-
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	-	675.00	144,397.68	74,238.00
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	-	-	-	-	197,188.00
Lauren Holdings 5245	-	-	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	159,469.23
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	-
Coca Cola 5256	-	-	300,000.00	300,000.00	-
Welder Training Program 5257	-	-	141,824.36	141,824.36	-
Genesis Network 5258	-	-	353,533.33	353,533.33	739,100.00
URS Consultants 5259	-	-	-	-	13,752.00
Carter Burgess 5260	-	26,070.15	222,323.88	222,323.88	126,996.12
Fehr Foods 5261	-	-	118,091.53	118,091.53	-
TMAC 5262	-	-	30,000.00	30,000.00	30,000.00
SBIR/STTR 5263	-	183.75	37,612.59	37,612.59	233,787.41
EASI 7th Doc 5265	-	54,130.30	86,119.14	86,119.14	188,880.76
BMWT Leasing 5266	-	-	-	-	10,533.00
ABTEX Beverage 5267	-	-	-	-	1,599,040.00
MSSC Training 5269	-	-	35,479.08	35,479.08	47,925.92
Receptor Log 5270	-	57,404.62	57,404.62	57,404.62	1,942,595.38
WTCIC 5272	-	16,582.00	16,582.00	16,582.00	16,582.00
Accelerator A/E 5274	-	8,164.39	8,164.39	8,164.39	8,635.61
Miscellaneous Activities 2785	354,189.86	-	-	354,189.86	-
TOTAL ENCUMB. / EXPENDITURES	\$ 83,767,945.44	\$ 429,580.48	\$ 4,798,559.40	\$ 88,566,504.84	\$ 11,286,794.46
TOTAL FUND BALANCE				\$ 33,368,997.71	
UNENCUMBERED FUND BALANCE					\$ 22,082,203.25

3.6

**DEVELOPMENT CORPORATION OF ABILENE
STATUS OF FUNDS @ SEPTEMBER 30, 2007**

PRELIMINARY

	Amount Obligated	Prior Years Disbursed	Current Month Disbursed	Current Year Disbursed	Amount Encumbered	Balance
BALANCE OF OBLIGATED PROGRAMS						
Business Services Division	\$ 565,090.00	\$ -	\$ 58,038.70	\$ 512,504.63	\$ 1,825.00	\$ 50,760.37
DCOA Annual Contracts	227,050.00	-	1,174.68	100,151.15	-	126,898.85
Abilene Industrial Foundation (4950)	713,090.00	-	144,871.06	634,066.10	79,023.90	-
Caruth Small Business Dev Cntr (4951)	195,000.00	-	-	195,000.00	-	-
Chamber Military Affairs (4952)	60,000.00	-	45,985.83	59,984.83	-	15.17
Airport Business Dev Mgr (4953)	173,147.17	-	-	93,231.31	79,915.86	-
EASI Records Const. 4990	2,506,297.00	2,430,455.58	-	9,987.00	65,854.42	(0.00)
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	3,272,938.00	717,937.66	-	303,000.00	2,252,000.00	0.34
EHT 5216	98,300.00	65,900.00	-	32,400.00	-	-
Fehr Food 5220	521,670.00	461,520.00	-	60,150.00	-	-
Research Ins 5221	500.00	500.00	-	-	-	-
Advanced Trailer 5224	29,750.00	-	16,975.00	29,750.00	-	-
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	-	675.00	74,238.00	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	-	-	-	197,188.00	-
Lauren Holdings 5245	780,592.00	-	-	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	770,463.00	205,463.00	-	405,530.77	159,469.23	-
Abilene Internet 5252	59,340.00	59,340.00	-	-	-	-
Integrated Clinic Research 5253	695,502.00	-	-	-	695,502.00	-
SBIR/STTR 5255	23,284.00	23,283.51	-	-	-	0.49
Coca Cola 5256	300,000.00	-	-	300,000.00	-	-
Welder Training Program 5257	141,824.00	-	-	141,824.36	-	(0.36)
Genesis Network 5258	1,092,633.00	-	-	353,533.33	739,100.00	(0.33)
URS Consultants 5259	15,127.00	-	-	-	13,752.00	1,375.00
Carter Burgess 5260	349,320.00	-	26,070.15	222,323.88	126,996.12	-
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	-	183.75	37,612.59	233,787.41	-
EASI 7th Doc 5265	275,000.00	-	54,130.30	86,119.14	188,880.76	0.10
BMWT Leasing 5266	10,533.00	-	-	-	10,533.00	-
ABTEX Beverage 5267	1,599,040.00	-	-	-	1,599,040.00	-
MSSC Training 5269	83,405.00	-	-	35,479.08	47,925.92	-
Receptor Log 5270	2,000,000.00	-	57,404.62	57,404.62	1,942,595.38	-
WTCIC 5272	33,164.00	-	16,582.00	16,582.00	16,582.00	-
Accelerator A/E 5274	16,800.00	-	8,164.39	8,164.39	8,635.61	-
Miscellaneous Activities 2785	354,189.86	354,189.86	-	-	-	-
BALANCE OF OBLIGATED PROGRAMS	\$ 22,792,487.03	\$ 6,528,082.21	\$ 429,580.48	\$ 4,798,559.40	\$ 11,286,794.46	\$ 179,050.96
Contingent Liabilities						\$ -
UNDESIGNATED FUND BALANCE	(unencumbered balance less obligated programs and contingent liabilities)					\$ 21,903,152.29

DCOA Board approved projects waiting for signed contracts	EXPIRATION DATE
Integrated Clinical Research 5253	12/19/2007
MSSC Additional Funding 5269	03/25/2008
Welder Training Additional Funding 5257	03/25/2008
Accelerator A/E 5274	03/25/2008
Project SSH 5271	01/31/2008
Research Center 5273	01/31/2008
3,654,115.00	

3.7

DEVELOPMENT CORPORATION OF ABILENE, INC.
BOARD AGENDA
MEETING DATE: November 27, 2007

PROJECT: Design Contract and Funding for Spec 2 Expansion for PWP

STAFF: Richard Burdine, CEO

BACKGROUND

PWP began leasing Spec 2 in Five Points Business Park in March 2006. The company began manufacturing operations in the facility in September 2006 and has grown more rapidly than expected. The company has exceeded not only its original employment expectations but also its space needs and would like to expand on-site. During the October 2007 meeting, the board approved a reorganization of the assistance package for PWP.

THE PROJECT

Discussions with PWP management indicate a need for approximately 125,000 square feet of additional warehouse space which will allow conversion of the existing building to exclusively manufacturing.

THE REQUEST

Also approved during last month's meeting was authority for the CEO to negotiate with an architectural firm to design the Phase 2 expansion. The firm of Tittle Luther Partnership was retained to perform the design work because they designed the original Spec 2 building. Staff requests the board ratify the contract and approve funding of \$301,875 for basic design services calculated at 5.75% of estimated construction cost for 125,000 sq ft, which is estimated to be \$42/sq ft (or \$5,250,000). Also requested is funding of \$26,250 for other services to include but not be limited to surveying, geotechnical and landscape design calculated at .05% of estimated construction cost. Finally, staff requests the board approve contingency funds of \$49,220 to cover any reimbursable costs and unanticipated expenses calculated at 15% of the total fee for basic and other services.

FISCAL IMPACT

Basic Design Services	\$301,875
Other Services	\$ 26,250
Contingency	<u>\$ 49,220</u>
TOTAL	\$377,345

STAFF RECOMMENDATION

Staff recommends approval of resolution DCOA-2008.03 authorizing funding for the design of Spec 2 expansion to meet the needs of PWP's Phase 2 expansion and ratification of a contract executed with Tittle Luther Partnership for the design work.

ATTACHMENTS

Resolution DCOA-2008.03

RESOLUTION NO. DCOA-2008.03

A RESOLUTION OF THE DEVELOPMENT CORPORATION OF ABILENE, INC. ("DCOA"), ABILENE, TEXAS RATIFYING A CONTRACT WITH TITTLE LUTHER PARTNERSHIP AND FUNDING TO DESIGN AN EXPANSION OF SPEC 2 TO MEET THE NEEDS OF PWP.

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

WHEREAS, PWP established a manufacturing operation in Abilene in 2006 and currently occupies the Spec 2 building located at 6450 Five Points Parkway in the Five Points Business Park and leases the building from the DCOA; and,

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

WHEREAS, during the October 16, 2007, meeting, the DCOA approved an amended assistance package for PWP whereby the company will receive more job creation assistance for higher paying jobs created during Phase 1 of the company's operations in Abilene and less funding for Phase 2; and,

WHEREAS, also during the October 2007 board meeting, the DCOA authorized staff to negotiate with an architectural firm to design the Spec 2 expansion to meet the needs of PWP; and,

WHEREAS, staff negotiated with Tittle Luther Partnership (TLP) and now requests the DCOA ratify a contract with TLP and authorize funding for the contract; 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 ratifies the negotiated contract with Tittle Luther Partnership for the design work for the expansion of Spec 2 to suit the needs of Project LF. The expansion shall include 125,000 sq ft of warehouse space adjoining the existing Spec 2 building. DCOA also authorizes total funding in the amount of Three Hundred Seventy-Seven Thousand Three Hundred Forty-Five and no/100's Dollars (\$377,345) for the following:

- \$301,875 - Basic design services @ 5.75% of anticipated construction cost of \$5,250,000 or \$22/sq ft for 125,000 sq ft.
- \$26,250 – Other services including but not limited to surveying, geotechnical and landscape design.
- \$49,220 – Contingency @ 15% of total Basic and Other Services (\$301,875 +

\$26,250).

PART 2. 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 27th day of November, 2007.

ATTEST:

Dee Moore
Secretary/Treasurer

Ray Ferguson
President

APPROVED:

T. Daniel Santee, City Attorney

DEVELOPMENT CORPORATION OF ABILENE, INC.
BOARD AGENDA
MEETING DATE: November 27, 2007

PROJECT: Annual Reports for FY07

STAFF: Richard Burdine, CEO

GENERAL INFORMATION

Since 1990, the DCOA has contracted with the Abilene Industrial Foundation (AIF) for promotion and marketing services for Abilene and the immediate vicinity. The AIF administers a marketing program which includes magazine advertisements, E-newsletters, promotional videos, web-site management, trade shows, visits to consultants and/or prospects, retention visits to existing Abilene businesses, and hosting visits to Abilene by consultants and/or prospects. In addition, the AIF contracted separately with Thelen, Reid, Brown, Raysman & Steiner and Team Concepts, consultants in the Washington D.C. area who perform activities in pursuit of retention of the existing level of operations at Dyess Air Force Base and possible expansion of missions.

The Texas Tech University Small Business Development Center (SBDC) has also contracted with the DCOA since 1990, providing business counseling services to clients in a 17-county region, free-of-charge. The DCOA funds the SBDC at the rate of \$75/counseling hour spent with Abilene clients.

SPECIAL CONSIDERATIONS

The FY07 contracts expired 9-30-07, and the DCOA has approved funding for new FY07 contracts. Attached are reports covering activities during FY07 through 9-30-07.

FUNDING/FISCAL IMPACT

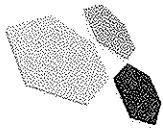
None.

STAFF RECOMMENDATION

Staff recommends the board approve the attached reports.

ATTACHMENT

Abilene Industrial Foundation FY07 Year-End Progress Report, 10/06 through 9/07
Small Business Development Center FY07 Annual Report



Develop Abilene

Abilene Industrial Foundation

Abilene Industrial Foundation, Inc.
P.O. Box 2281, Abilene, Texas 79604
174 Cypress Street, Suite 300
Abilene, Texas 79601
Tel.: 325/673-7349
800/299-0005
Fax: 325/673-9193
Website: www.developabilene.com



November 7, 2007

Mr. Richard Burdine
Assistant City Manager
City of Abilene
P. O. Box 60
Abilene, TX 79604

Dear Richard:

In accordance with the terms of the Development Corporation of Abilene contract with the Abilene Industrial Foundation, the following year-end progress report is submitted for the period of October 1, 2006 to September 30, 2007 inclusive.

This report covers all categories listed in the AIF Marketing Plan. A brief summary of the data is as follows:

Marketing Budget	\$140,000.00
Spent to Date	\$108,270.40

	10/06 thru 3/07	4/07 thru 9/07	10/06 thru 9/07
Leads Received	43	53	96
Leads AIF Responded to	27	31	58
Prospect Files Opened	9	4	13
Retention Visits	28	53	81
Consultant Visits	17	134	151

Much of the focus remained on the Site Selection Consultant. Consultant activities such as sporting events and visits continue to be successful in building relationships to foster future leads and prospects. Additional focus on existing industry and business retention will pay dividends with anticipated expansions of several local industries. Funds expended for print advertising were increased to market SPEC 3.


The enclosures are examples of the marketing material produced to date, as well as a sequence of activities conducted.

Mr. Richard Burdine
November 7, 2007

Page Two

If you have any questions we will address them at the monthly DCOA meeting.

Sincerely,



Gary Robinett
Director of Marketing and Industrial Recruitment
Abilene Industrial Foundation

cc: Kim Tarrant
Bill Ehrie, President, Abilene Industrial Foundation *B/E*

Enclosures

Abilene Industrial Foundation
FY 06-07 Year-End Marketing Summary
April 1, 2007 - September 30, 2007

Publication Advertisements

- New publication ads produced – 4
- Total publication advertisement submissions – 7
- Total publication advertisement production costs – \$692.50
- Total publication/internet advertisement placement costs – \$15,628.00

Lead Activity

- Total received from publications - 3
- Leads received from all sources excluding publications – 50
- Leads AIF responded to (consultants, allies, etc.) – 31
- Total pieces of information given out (General Info Packet, building flyers, etc.) – 89

Prospect Activity

- New prospect files opened – 4
- Prospect visits to Abilene – 33

Website and Electronic Marketing

- E-Newsletter distributions – 786
- E-Newsletter costs – \$1,736.00
- Website/electronic marketing changes & enhancements – \$229.29

Trade Show/Conference Activity - 4

- BEDC Houston – Gary Robinett
- AWEA Wind Power 2007 – Los Angeles, Bill Ehrie/Gary Robinett
- IEDC Annual Conference – Phoenix, Bill Ehrie
- National Manufacturing Week Trade show – Chicago, Gary Robinett

Consultant/Retention/Expansion Activity - 134

- Consultant/Prospect visits – 12
- Manufacturers Luncheon – Nov 06 (42)
- Commercial Realtors Luncheon – April 07 (26)
- Ranger Game – May 07 (18)
- Cowboy Game – August 07 (18)
- Dove Hunt – Sept 07 (18)

Marketing Videos

- 0

Existing Business Activity

- Retention Visits – 53

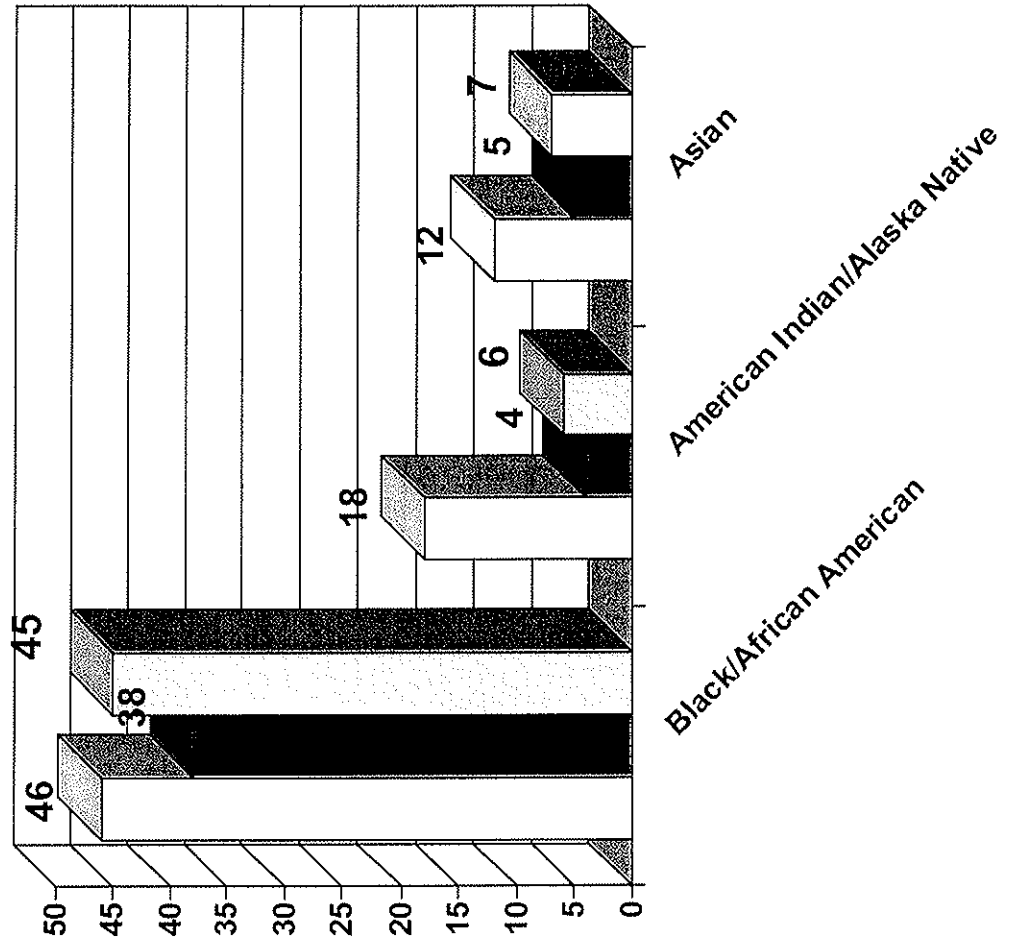
Abilene Industrial Foundation
Marketing & Retention Activities
April 1, 2007 - September 30, 2007

- Monthly updates of all printed marketing/informational materials for Fact Book, Abilene File, and Call Center Book including Labor Market Review; Cost of Living; Building Permits; Wage Surveys, Sales & Use Tax, Living Units Available, etc.
 - Created new General Information Packet – incorporates many of the documents listed above into a more concise format
- Commercial Property Snapshot – updates
- Hosted Manufacturer and Commercial Realtor Luncheons
- Conducted quarterly AACRA Cost of Living Survey
- Development and update of current building inventory materials
- Development and preparation of individual prospect packages
- Hosting of prospect visits to Abilene including tours to specific sites
- Consultant activity
 - Texas Ranger Game – Arlington
 - Dallas Cowboys Game - Irving
 - Annual Dove Hunt - Abilene
- Visits to Site Selection Consultants – Dallas/Ft. Worth
- Trade Show attendance
 - National Manufacturing Week Trade Show – Chicago, Gary Robinett
- Conference attendance
 - BEDC Houston – Gary Robinett
 - AWEA Symposium – San Diego, Bill Ehrie
 - IEDC Annual Conference – Phoenix, Bill Ehrie
- Prospect Visits
 - Los Angeles – Gary Robinett/Bill Ehrie
 - Washington DC – Bill Ehrie

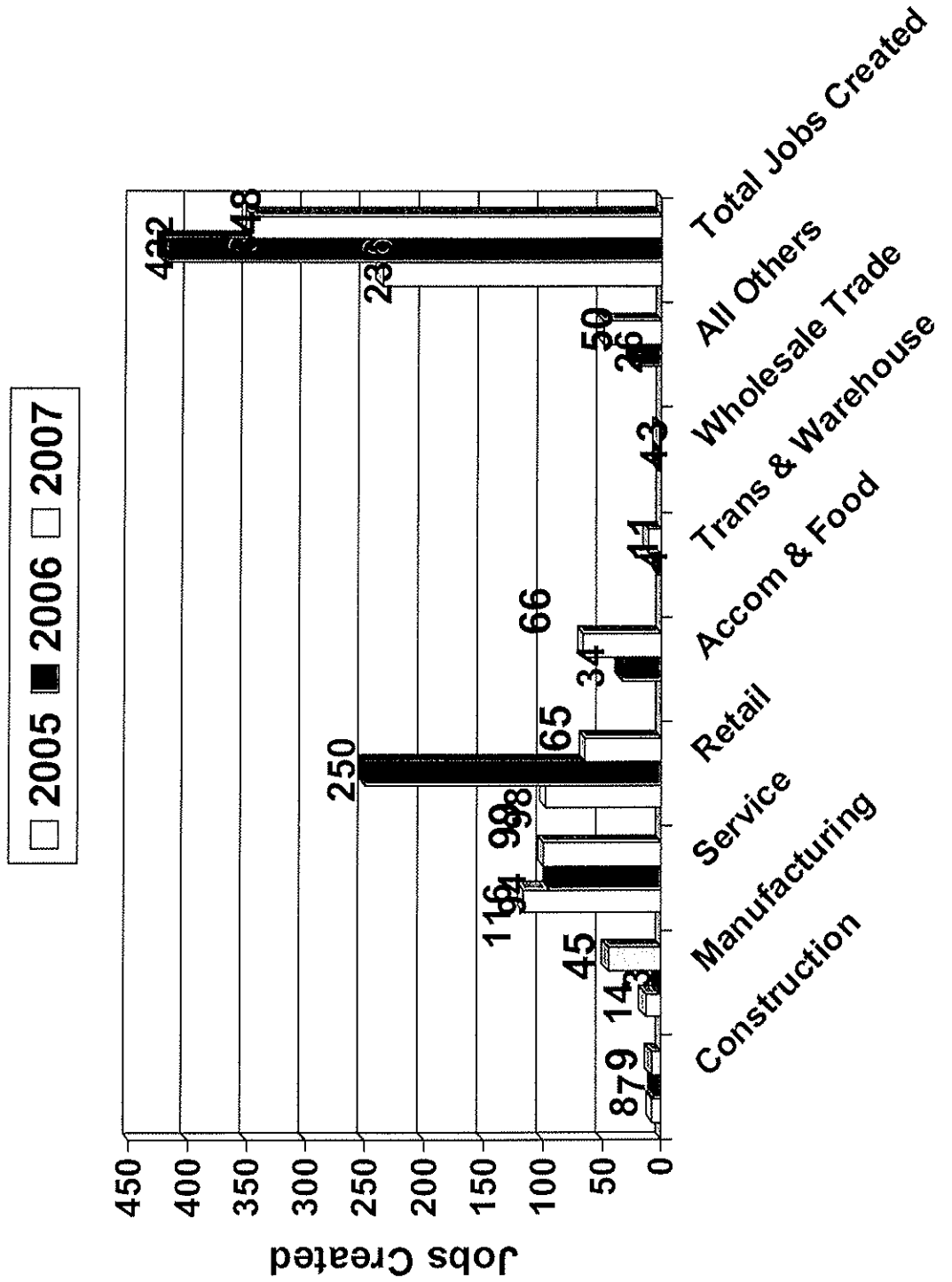
Abilene Industrial Foundation
Marketing Budget
October 2006 through September 2007

Category	Allocation	10/1/06 to 3/31/07	4/1/07 to 9/30/07	YTD
Publications (1)	\$ 10,000.00	\$ 5,150.00	\$ 15,628.00	\$ 20,778.00
Trade Shows (6,10)	\$ 15,000.00	\$ 3,801.53	\$ 13,787.50	\$ 17,589.03
Newsletter (13)	\$ 4,000.00	\$ 1,030.50	\$ 1,736.00	\$ 2,766.50
Dyess/ABL Video Costs (5)		\$ (220.00)		\$ (220.00)
Material Development (3)	\$ 36,000.00	\$ 6,269.33	\$ 692.50	\$ 6,961.83
Internet (2,8)	\$ 10,000.00	\$ 300.00	\$ 229.29	\$ 529.29
Consultant Contacts (12)	\$ 60,000.00	\$ 5,200.79	\$ 44,664.96	\$ 49,865.75
Contingency	\$ 5,000.00		\$ 10,000.00	\$ 10,000.00
Total	\$ 140,000.00	\$ 21,532.15	\$ 86,738.25	\$ 108,270.40

Client Race Background



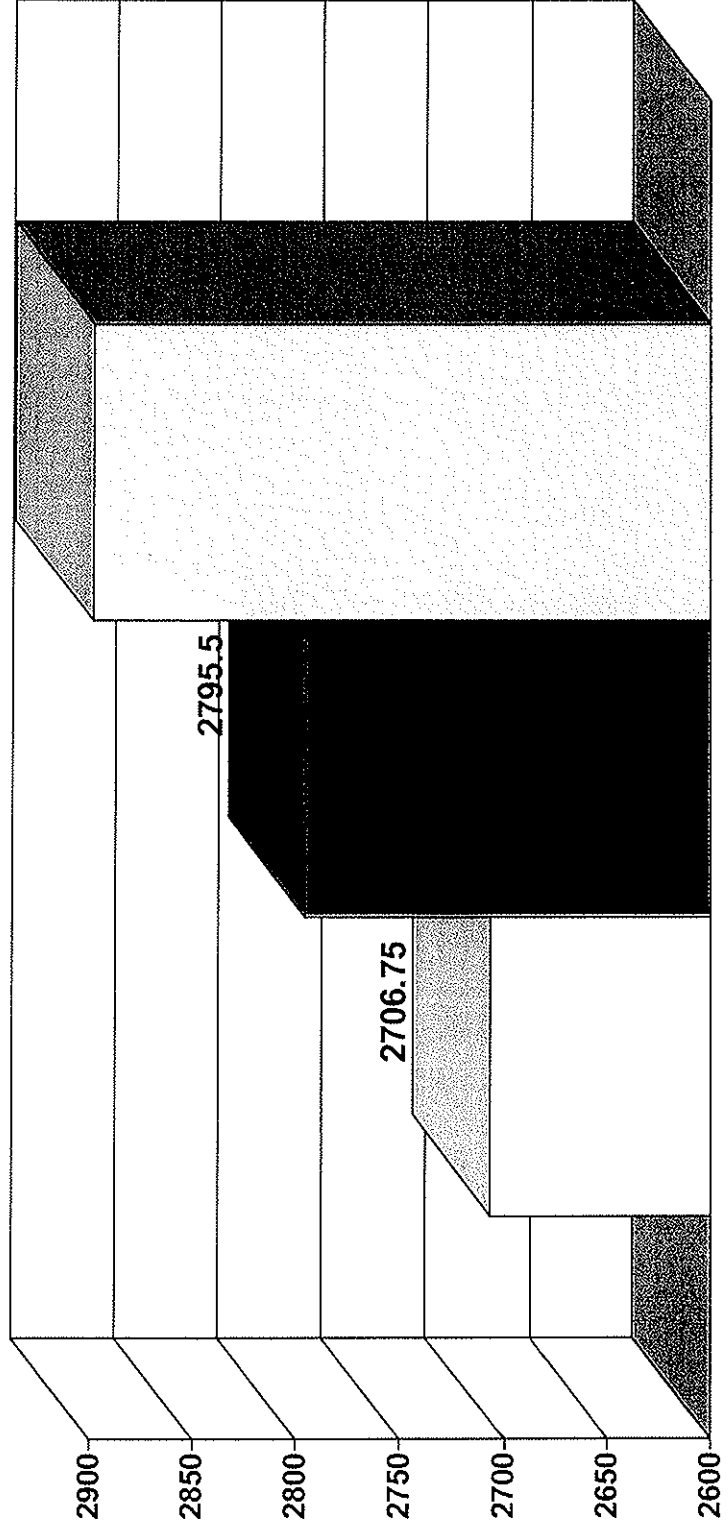
SBDC-Assisted Jobs Created



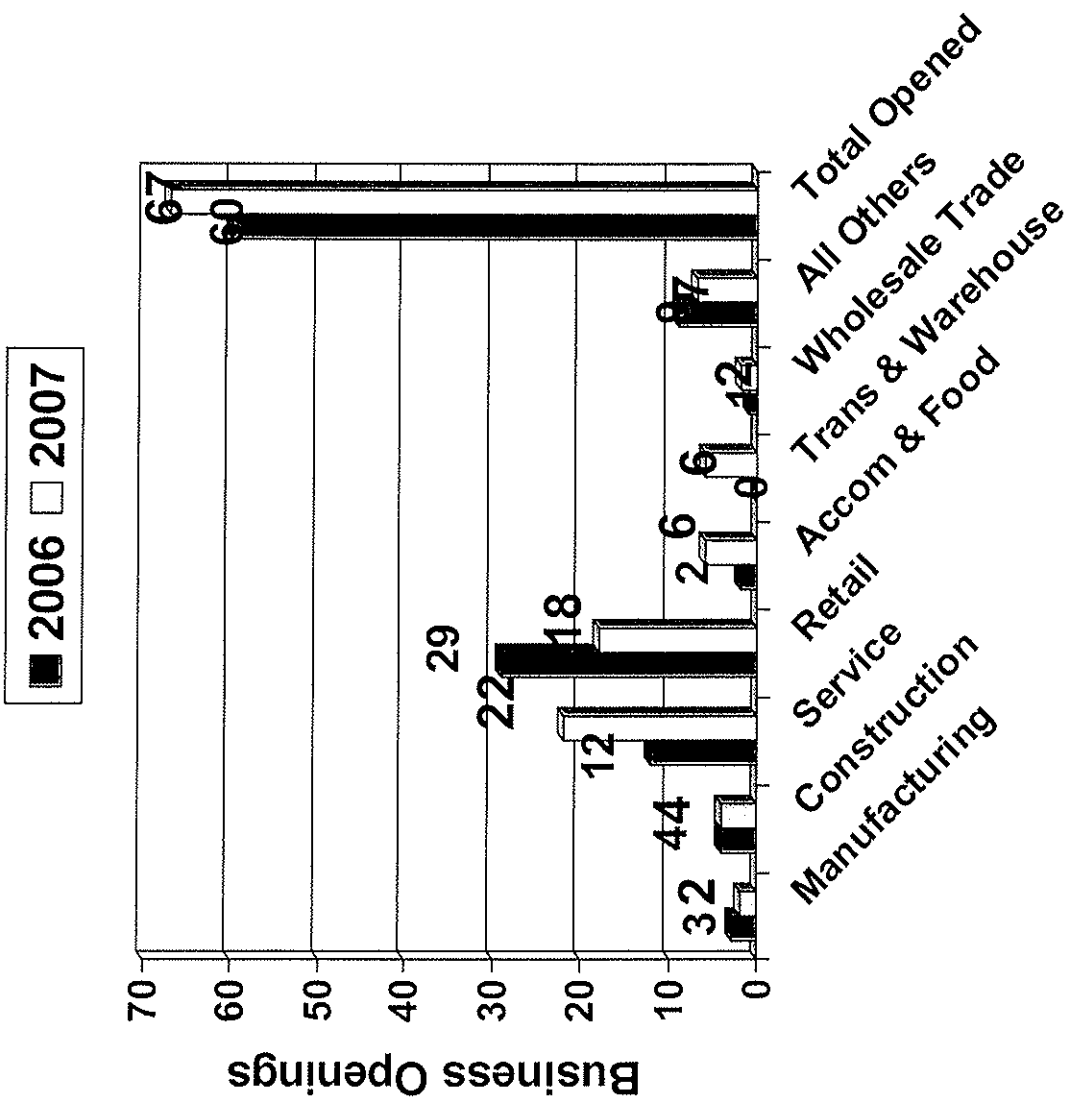
SBDC Billable Hours

2005
 2006
 2007

2898.75

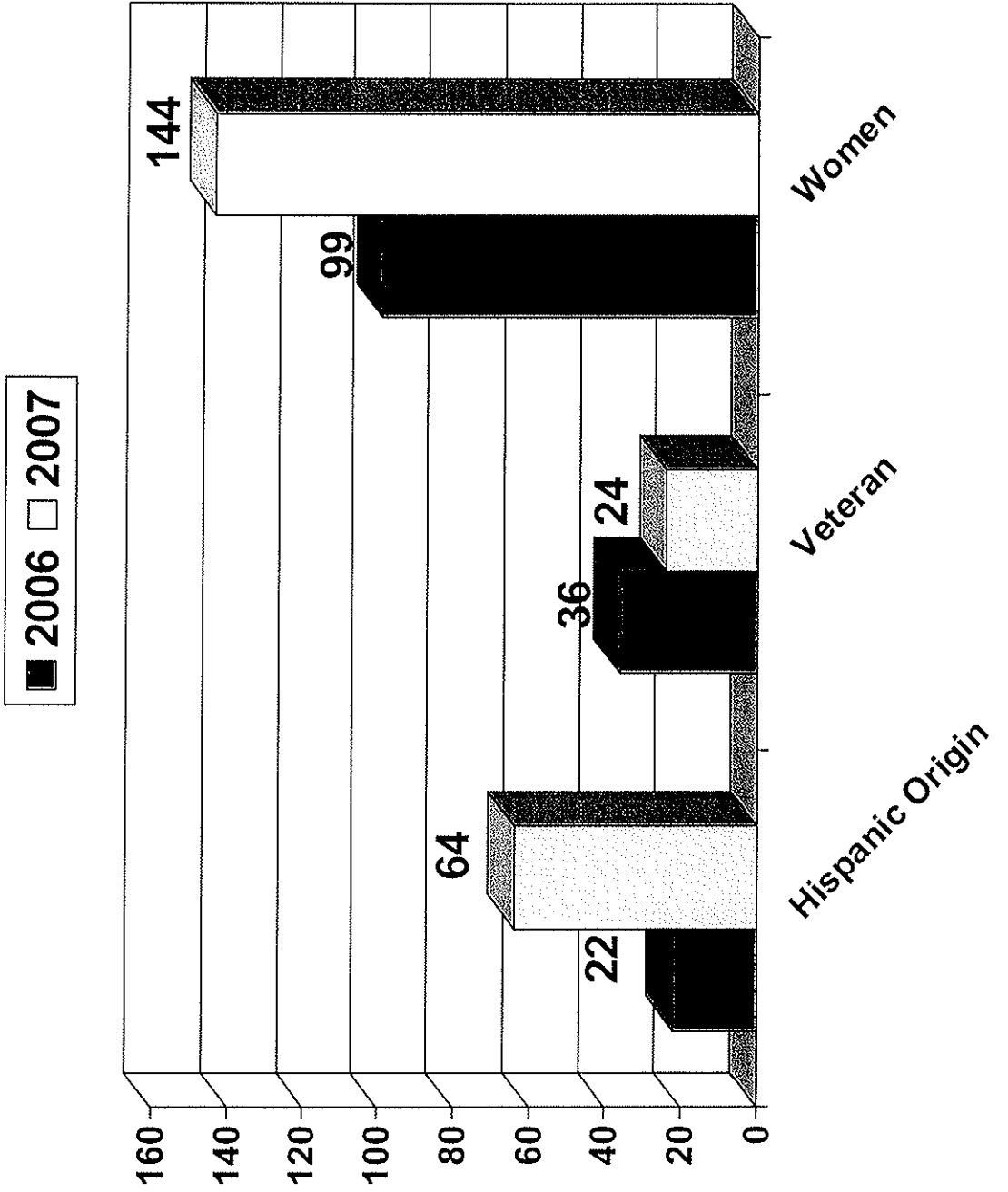


SBDC-Assisted Business Openings



5.10

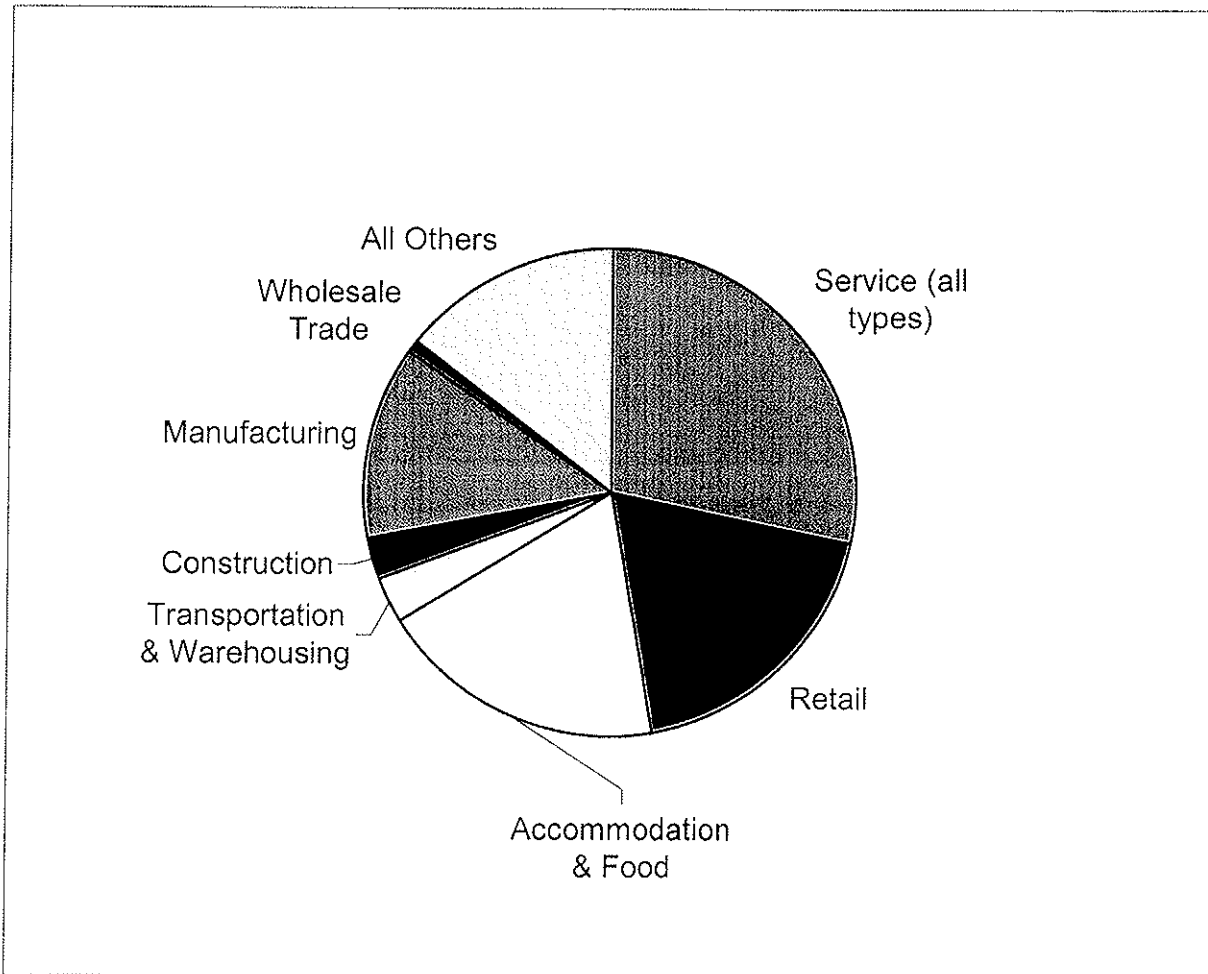
Hispanic, Veteran, & Women Clients Served



Texas Tech University Small Business Development Center Abilene

Jobs Created Summary Fiscal Year 2007

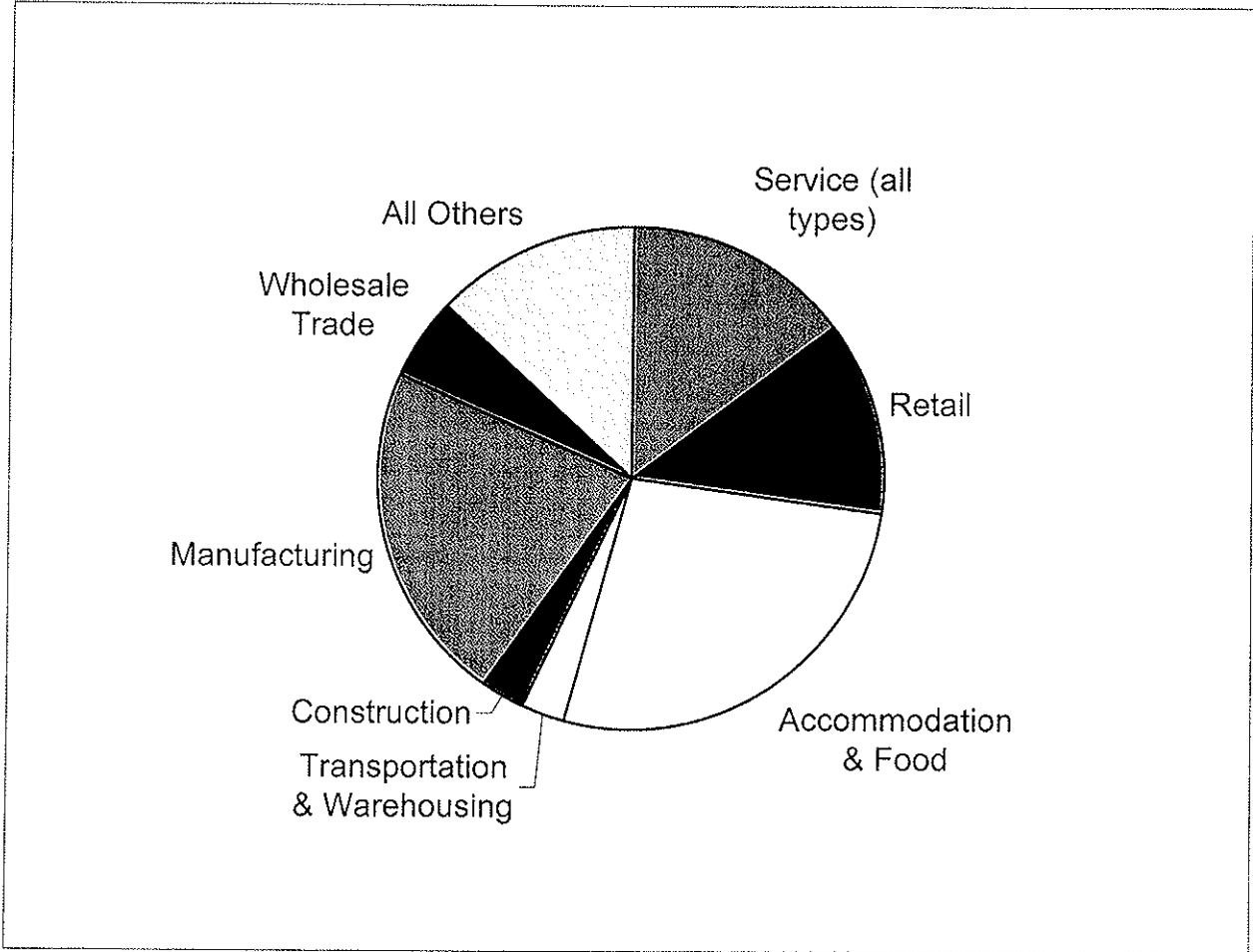
Service (all types)	99	28.4%
Retail	65	18.7%
Accommodation & Food	66	19.0%
Transportation & Warehousing	11	3.2%
Construction	9	2.6%
Manufacturing	45	12.9%
Wholesale Trade	3	0.9%
All Others	50	14.3%
Totals	<u>348</u>	<u>100.0%</u>



Texas Tech University Small Business Development Center Abilene

Capital Formation Summary Fiscal Year 2007

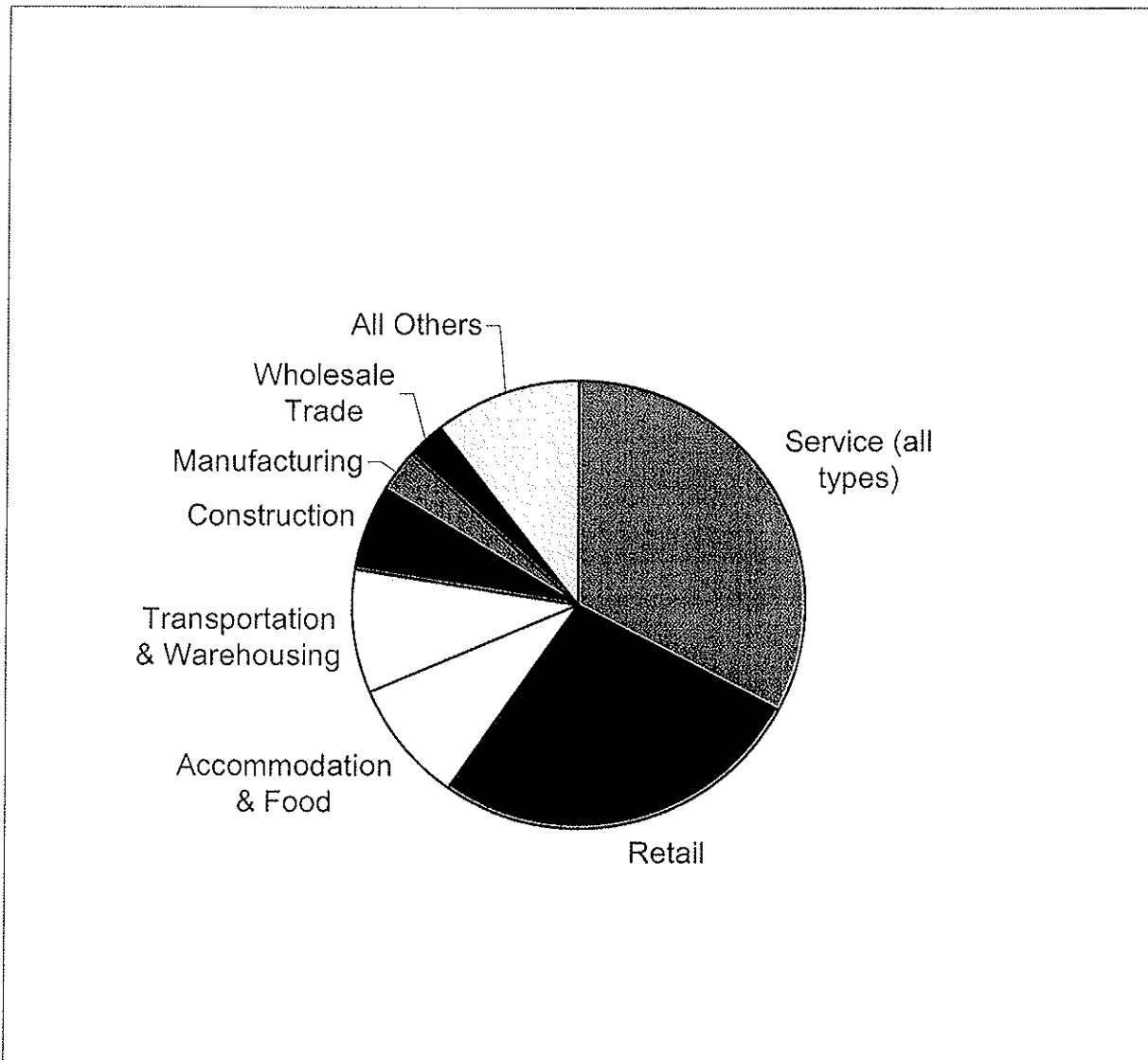
Service (all types)	\$ 1,733,330	14.7%
Retail	\$ 1,486,500	12.6%
Accommodation & Food	\$ 3,170,012	26.8%
Transportation & Warehousing	\$ 341,050	2.9%
Construction	\$ 336,500	2.8%
Manufacturing	\$ 2,585,182	21.9%
Wholesale Trade	\$ 638,000	5.4%
All Others	\$ 1,529,862	12.9%
Totals	\$ 11,820,436	100.0%



Texas Tech University Small Business Development Center Abilene

Businesses Opened Summary Fiscal Year 2007

Service (all types)	22	32.8%
Retail	18	26.9%
Accommodation & Food	6	9.0%
Transportation & Warehousing	6	9.0%
Construction	4	6.0%
Manufacturing	2	3.0%
Wholesale Trade	2	3.0%
All Others	7	10.3%
Totals	<u>67</u>	<u>100.0%</u>



DEVELOPMENT CORPORATION OF ABILENE, INC.
BOARD AGENDA
MEETING DATE: November 27, 2007

PROJECT: DCOA Annual Report of Activities for FY07

STAFF: Richard Burdine, CEO

GENERAL INFORMATION:

The By-laws of the DCOA require an annual status report be submitted to the City Council.

SPECIAL CONSIDERATIONS:

The DCOA's FY07 Annual Report covers activities for the period ended 9-30-07 and is the eighteenth annual report submitted by DCOA since its inception. The City Council will consider the report in December 2007.

FISCAL IMPACT:

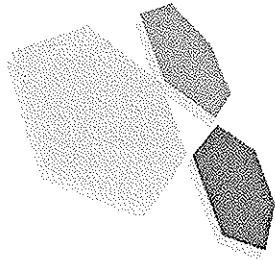
None.

STAFF RECOMMENDATION:

Staff recommends the Board approve the DCOA's FY07 Annual Report.

ATTACHMENT:

DCOA's FY07 Annual Report of Activities in Draft form. The final report will be presented during the meeting.



Develop Abilene

Development Corporation of Abilene

**ANNUAL REPORT
OF ACTIVITIES**

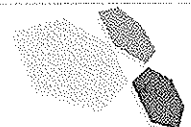
SEPTEMBER 2007

DEVELOPMENT CORPORATION OF ABILENE, INC.

ANNUAL REPORT OF ACTIVITIES
OCTOBER 2006 – SEPTEMBER 2007

Table of Contents

Mission Statement	3
Board of Directors	3
Goals	3
Organization	3
Progress Made Toward Goals	4
Project Summaries:	
Texas Tech University School of Pharmacy	5
Coca-Cola Bottling Company	5
Eagle Aviation Services, Inc.	6
Ab-Tex Beverage	6
BMW Leasing (RWL Recycling)	7
Integrated Clinical Research	7
Receptor Logic (Project JW)	7
Senior Safe At Home	8
Research Center	9
Summary Table of Projects	9
Administrative / Other:	
Five Points Business Park – Carter & Burgess Contract	9
Five Points Business Park – Conveyance of Right-of-Way to TxDot	10
Five Points Business Park – Oil Leases	10
Fast Track Welder Training Program	10
Manufacturers Skills Standards Council (MSSC) Training Program	10
DCOA Board Meeting Date	11
Affiliated Foods	11
Florida Institute for Human and Machine Cognition (IHMC)	11
West Texas Center for Innovation and Commercialization (WTCIC)	12
Staff	12
Contact Information	12



DEVELOPMENT CORPORATION OF ABILENE, INC.

Mission Statement:

The mission of the Development Corporation of Abilene, Inc. is to use sales tax revenue to effectively stimulate Abilene's economic growth. This is done by assessing the community's economic development needs, developing a plan to meet those needs, coordinating community economic development efforts, and supporting targeted activities that enhance the quality of life in the community and maximize the public's return on invested tax dollars.

Board of Directors:

President:

Ray Ferguson

Vice President:

Joe Crawford

Secretary/Treasurer:

Dee Moore

Members:

Stan Lambert

Mike Schweikhard

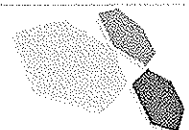
Goals:

The Board has identified six key goals in the City's economic development efforts.

1. To make Abilene competitive in the attraction of business and industry in order to create new, sustainable jobs.
 2. To create new jobs and retain existing jobs by providing assistance to existing and emerging businesses.
 3. To strengthen and expand the skills of the Abilene labor force.
 4. To strengthen and revitalize downtown Abilene.
 5. To increase the number and size of minority-owned, woman-owned, small and entrepreneurial businesses in Abilene.
 6. To effectively administer the sales tax revenue.
-

Organization:

The DCOA is a non-profit corporation established under Section 4A of the Development Corporation Act of 1979, as amended. The DCOA consists of a five-member board, which is appointed by the Mayor and City Council, with terms of three years each. The fiscal year for the DCOA begins October 1st and ends September 30th.



Progress Made Toward Goals

1. To make Abilene competitive in the attraction of business and industry in order to create new, sustainable jobs.

The DCOA continues to work toward competitiveness with other communities by funding the marketing efforts of the Abilene Industrial Foundation. The DCOA approved contracts with Carter & Burgess to update the master plan for the Five Points Business Park and to design a third speculative building.

2. To create new jobs and retain existing jobs by providing assistance to existing and emerging businesses.

The DCOA approved assistance for nine different companies. Six of them are local companies: Coca-Cola Bottling Company, Eagle Aviation Services, Inc., Ab-Tex Beverage, BMWT Leasing (RWL Recycling), Integrated Clinical Research, and Senior Safe At Home. A total of 109 jobs are to be retained and 86 jobs created.

3. To strengthen and expand the skills of the Abilene labor force.

The DCOA approved \$63,600 to extend the Fast Track Welder Training Program, which has proved to be quite successful after the first two training sessions graduated 26 students and helped place 22 of these with local businesses. The DCOA also approved \$173,465 to help fund a pilot program to train and assess local workers as Manufacturers Skills Standard Training Council (MSSC) Certified Manufacturing Production Technicians. The DCOA approved \$194,622 in additional assistance for the Texas Tech University School of Pharmacy located near the campus of Hendrick Health System.

4. To strengthen and revitalize downtown Abilene.

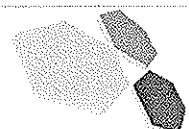
During the report period (10-01-06 through 09-30-07), none of the projects approved specifically address or will directly benefit downtown.

5. To increase the number and size of minority-owned, woman-owned, small and entrepreneurial businesses in Abilene.

The DCOA provides \$195,000 annually to the Small Business Development Center (SBDC) for services to Abilene residents and businesses. The SBDC provides business counseling free of charge to clients in a 16-county area surrounding Abilene. In addition, the SBDC can assist businesses desiring to sell products or services to any level of government. Integrated Clinical Research, BMWT Leasing (RWL Recycling), Receptor Logic, and Senior Safe At Home are small, entrepreneurial businesses approved for assistance by the DCOA.

6. To effectively administer the sales tax revenue.

During the report period (10-01-06 through 09-30-07), the DCOA approved \$7,415,117 in funding to assist companies with growth and retention in Abilene, anticipating new employment of 86 jobs and retained employment of 109 positions. In addition, \$237,065 was approved to help train residents for employment with local manufacturers.



Project Summaries

Texas Tech University School of Pharmacy

The Texas Tech School of Pharmacy (SOP) offers an extensive training program that will create job-marketable pharmacists for a growing industry in need of professionals as a result of the aging population. Construction was completed in the summer of 2007 on a 35,000 sq. ft. facility located on Pine Street near the campus of Hendrick Health System at a cost of \$6.8 million to accommodate up to 160 students and employment of 43. Classes began in August with 40 students. There is limited competition in this market and Texas Tech expanded its SOP program into Abilene to fill an existing shortage of trained pharmacists on local, regional and national levels.

Under Section 4a of the Development Corporation Act, eligible infrastructure improvement expenditures are limited to streets and roads, water, sewer, electric and gas utilities, drainage, site improvements and related improvements, telecommunications and internet improvements. In July 2005, the DCOA approved assistance to Project AN in the form of a forgivable loan for infrastructure improvements of up to \$850,000, earnable through operation of the SOP and 100% forgiven at the end of 7 years of operation. The SOP expects to create 39 jobs paying in excess of \$30,000/year with an annual payroll of \$2.4 million.

At the same time, the DCOA approved assistance under the name Project Enterprise in the form of a \$150,000 forgivable loan for research and training with principal reductions calculated at 7% of salaries expended for research each year for the first 10 years of the project. The research operation is expected to create four high-wage jobs with a payroll of over \$350,000 per year and will be housed with the SOP.

The estimated qualified infrastructure expenditures increased from \$850,000 to \$1,044,622. In October 2006, the DCOA approved additional funding of \$194,622 to make up for the increased costs.

Goals addressed: *2. To create new jobs and retain existing jobs by providing assistance to existing and emerging businesses, 3. To strengthen and expand the skills of the Abilene labor force, and 6. To effectively administer the sales tax revenue.*

Coca-Cola Bottling Company

Coca-Cola Bottling Company of North Texas (Coke) is an established employer for Abilene. The plant has been in operation on Highway 351 for many years and currently employs 221 people. Recent development in the Wal-Mart Super Center area on I-20 at Hwy 351, near the Coke plant, has triggered an increase in traffic that is expected to grow with further development, causing concerns about Coke trucks safely crossing Hwy 351.

In order to alleviate some of the congestion and to assist in additional development of the area, Coke participated in plans to establish a new road to connect Highway 351 to I-20 through property owned by Coke and Horne Properties, Inc., developers of a shopping center at the northwest corner of the I-20 service road and Musgrave Boulevard. Development of the road created an opportunity to remedy a long-standing sewer capacity problem at the Coke plant.



The former sewer line near the plant did not have sufficient capacity to receive the periodic surges of effluent water generated by the manufacturing process.

In July 2006, the DCOA authorized \$220,000 in funding to install a new sewer line to be constructed along the new road from the Coke plant to a 12-inch sewer main currently running along I-20. This amount was based on cost estimates at that time; however, actual costs are now \$300,000. In November 2006, the DCOA approved additional funding in the amount of \$80,000 to cover the increased cost.

Goals addressed: *2. To create new jobs and retain existing jobs by providing assistance to existing and emerging businesses and 6. To effectively administer the sales tax revenue.*

Eagle Aviation Services Inc. (EASI)

The DCOA Board previously approved an assistance package of \$550,000 for EASI for a new tail stand, recruitment incentives paid to 40 new mechanics, a full-time recruiter and marketing expenses. American Airlines management chose to split the new dock line equally between Abilene and Marquette, Michigan, giving Abilene 20 mechanic and two crew chief positions. Local EASI staff decided they can make do with their current facilities and are unwilling to assume additional overhead costs associated with an additional hangar. Nor do they need another tail stand at this time. EASI will also gain an Off-Load Shop with 11 jobs, but these jobs are not included in the total maintenance count of 387, which does include the 22 new maintenance positions mentioned here.

In light of these changes, in May 2007, the DCOA approved amended assistance down from \$550,000 to \$275,000 as follows: a) \$125,000 equipment grant for the purchase and installation of a thermo former, and b) \$150,000 recruitment grant to include expenses associated with advertising/marketing for new mechanic positions, recruitment visit expenses, and to assist with the attraction and hiring of qualified persons to fill newly created jobs. Cost for the thermo former was far below estimate, so in July 2007, the DCOA authorized funds previously approved for the purchase of the thermo former (\$125,000) be used to also purchase other pieces of needed equipment.

Goals addressed: *2. To create new jobs and retain existing jobs by providing assistance to existing and emerging businesses and 6. To effectively administer the sales tax revenue.*

Ab-Tex Beverage

Ab-Tex Beverage currently employs 285 people including 104 full-time production jobs and produces and delivers two major lines of products: Pepsi and Dr. Pepper. In order to serve the changing needs of its clients, Ab-Tex was faced with the decision to either make a capital investment in the adjacent former Crown Cork & Seal building for production and/or warehousing, or possibly become solely a distribution center. The company purchased the former Crown Cork building and is also in the process of purchasing over \$3 million in new equipment. In December 2006, the DCOA approved total funding of \$1,599,040 to assist with real estate upgrades, equipment purchases and a job retention incentive for its existing 104 production jobs.



Goals addressed: 2. To create new jobs and retain existing jobs by providing assistance to existing and emerging businesses and 6. To effectively administer the sales tax revenue.

BMWT Leasing (RWL Recycling)

BMWT Leasing (BMWT) and RWL Recycling (RWL) are wholly owned companies of Texas Metals and Recycling (TM&R). All three companies are located at 2989 Pine Street. In an effort to keep up with increased demand for recycled metals and recycled paper, the owners purchased the property located at 3125 Pine and are relocating RWL to that site. This will, in turn, give TM&R much-needed storage space for trucks, trailers, and containers, currently taking up yard space. In December 2006, the DCOA approved total funding of \$75,000 to assist with the real estate purchase and real improvements, as long as the company continues its operations at the Abilene location. Seven jobs will be retained by RWL Recycling.

Goals addressed: 2. To create new jobs and retain existing jobs by providing assistance to existing and emerging businesses, 5. To increase the number and size of minority-owned, woman-owned, small and entrepreneurial businesses in Abilene, and 6. To effectively administer the sales tax revenue.

Integrated Clinical Research, LLC

Integrated Clinical Research (ICR) is an existing successful business involved in retina research to preserve the vision of individuals with potential visual loss. The DCOA approved funding on March 7, 2006 to assist the company (formerly known as Project DS) with an expansion of the business, including the construction of a 7,151 sq. ft. building on Health Center Drive to house the research and equipment. Also approved was funding as an incentive for job creation. Actual construction costs have exceeded the estimated cost of the building by \$426,029. The original capital investment incentive package for the building was based on 15% of estimated cost. In keeping with the 15% structure, the DCOA approved additional financing of \$64,000 in December 2006 to reflect the increase in the actual cost of the building.

Circumstances have changed for ICR and the new construction is on hold until further notice. The research program is pressing on and is currently co-located with another medically-related business on Health Center Drive.

Goals addressed: 2. To create new jobs and retain existing jobs by providing assistance to existing and emerging businesses, 5. To increase the number and size of minority-owned, woman-owned, small and entrepreneurial businesses in Abilene, and 6. To effectively administer the sales tax revenue.

Receptor Logic (Project JW)

With the opening of the Texas Tech University School of Pharmacy and funding provided by the DCOA, Abilene is quickly becoming a center for biomedical and immunopharmaceutical research. Receptor Logic, Ltd. was formed to commercialize biotechnology licensed from the TTU School of Pharmacy in Amarillo. The technology is a new class of antibodies that have the "selectivity" to seek out and destroy "targeted" diseased or infected cells. The company needed to expand and is in the process of relocating to Abilene to work in conjunction with the School of Pharmacy (SOP) here. The company is setting up operations in available space in the new



SOP facility while plans are being made by the DCOA to construct a life sciences accelerator facility to house the company and other life science companies.

Instead of the typical incentive structure calculated on a per job basis, this incentive structure is based on RL locating virtually all of the jobs (regardless of how many that may be) in Abilene to the extent it controls where the jobs are located. In June 2007, the DCOA approved funding in an amount not to exceed \$2,000,000 to include general alterations/renovations to an approximately 23,000 sq ft facility; construction, outfitting, and commissioning of lab space; common area equipment; and equipment specific to the Company's needs. DCOA funding will greatly impact the company's long-term viability and potential for growth of a biotech sector in Abilene.

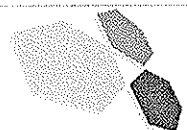
RL is rapidly staffing its operation and has secured temporary lease space in the SOP building for a 12 to 18 month period. This will allow the DCOA adequate time to meet its commitment to RL to provide suitable lease space for their expansion. In July 2007, the DCOA authorized economic development staff to hire an architecture firm for an initial space planning study. The Tittle Luther Partnership (TLP) of Abilene was employed. The estimated space requirement is now estimated at 23,000 square feet (up from the original 10,000 square-foot space estimate), 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 design services. Land cost is not included as a specific site has not been selected. RL has agreed to a lease rate of \$25/square foot/year for the space they will occupy in the Accelerator.

The National Development Council (NDC) 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, in September 2007, in order to maintain the momentum of the project, the DCOA authorized 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.

Goals addressed: 2. To create new jobs and retain existing jobs by providing assistance to existing and emerging businesses; 5. To increase the number and size of minority-owned, woman-owned, small and entrepreneurial businesses in Abilene; and 6. To effectively administer the sales tax revenue.

Senior Safe At Home (Project SSH)

Senior Safe At Home is a new company developed by Sears Methodist Retirement Center 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". In July 2007, the DCOA approved 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 for the creation of 17 new jobs in Abilene paying over \$30,000/year (including benefits).



Goals addressed: 2. To create new jobs and retain existing jobs by providing assistance to existing and emerging businesses, 5. To increase the number and size of minority-owned, woman-owned, small and entrepreneurial businesses in Abilene, and 6. To effectively administer the sales tax revenue.

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. In July 2007, the DCOA authorized funding in the amount of \$2,725,000 for capital equipment (disbursed over five years), to be matched by outside funding of approximately \$3,300,000, to jump-start the research program in Abilene.

Goals addressed: 2. To create new jobs and retain existing jobs by providing assistance to existing and emerging businesses and 6. To effectively administer the sales tax revenue.

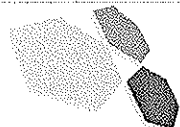
Summary of Projects – FY 2007			
Company	Assistance Amount	Committed Job Retention/ Job Creation	Actual to Date Job Retention/ Job Creation
TTU School of Pharmacy	\$194,622	n/a	n/a
Coca-Cola Bottling Co.	\$80,000	n/a	n/a
Eagle Aviation Services	\$275,000	00/20	00/10
Abtex Beverages	\$1,599,040	104/00	104/00
TX Metals & Recycling (BMWT)	\$75,000	05/00	05/00
Integrated Clinical Research	\$64,000	n/a	n/a
Receptor Logic (Project JW)	\$2,000,000	00/40	00/04
Senior Safe At Home (Project SSH)	\$402,455	0/17	00/03
Project Research Center	\$2,725,000	0/9	0/0
TOTAL	\$7,415,117	109/86	109/17
% to Abilene companies (names in bold)	34%		

Administrative / Other

Five Points Business Park - Carter & Burgess Contract

In August 2006, the DCOA authorized a contract with Carter & Burgess (C&B) to review and update the existing master plan for the Five Points Business Park (Park). C&B completed preliminary drawings for development of the Park plus potential sites for a Spec 3 building and presented them to the Board during the November meeting. In December 2006, the DCOA approved an addition of \$108,000 to the contract with C&B to design a third speculative building in the Park. In February 2007, the DCOA chose Site 3 in the Park (west side of Spec 2, north side of Five Points Parkway) as the site for construction of the Spec 3 building, plus authorized a contract with Carter & Burgess and funding of \$151,200 to conduct site civil engineering work for Spec 3. Staff anticipates at least 35% of the work on Spec 3 will be sub-contracted to local firms.

6.10



In July 2007, the DCOA authorized a contract with Carter & Burgess to prepare an overall mass grading plan for the Park and total funding of \$34,000. That same month, the DCOA authorized the CEO to solicit bids for the construction of the Spec 3 Building in the Park. No funding was approved at that time.

Five Points Business Park - Conveyance of Right-of-Way to TxDOT

North and south access to the Five Points Business Park is gained via FM 3438 (Arnold Blvd) which bisects the Park, or Fulwiler Rd, which runs along the western border. Part of the Carter & Burgess design concepts were developed around a Texas Dept. of Transportation (TxDOT) project to construct an overpass for FM 3438 over Hwy 84 (Business I-20), with plans to begin in July 2007. Before plans can proceed, TxDOT must have ownership of all the land necessary to widen FM 3438 and allow for rights-of-way (ROW). TxDOT needs a total of .64 acres from the DCOA and all of it is in the flood plane. In December 2006, the DCOA approved the conveyance of the needed acreage to TxDOT at no cost to TxDOT because of the benefit to the Park and because the affected land is in the flood plane, and therefore not usable for development in its current state.

Five Points Business Park – Oil Leases

In August 2007, the DCOA authorized the CEO to enter into negotiations regarding oil leases in the Five Points Business Park with David Lundgren Company and Tahoe Exploration, subject to review by the City Attorney's office and the consulting engineer (Carter & Burgess) to ensure that the Five Points Business Park is not negatively affected. No leases have been executed as of September 30, 2007.

Fast Track Welder Training Program

The first two training sessions were completed in the fall of 2006 and graduated 26 students, 22 of which are currently working for local businesses. Because the program has been so successful, the entities involved are extending the program to include two more four-week sessions. To continue the training, economic development staff applied for and was awarded a \$50,000 grant from the West Central Texas Workforce Development Board in partnership with four local companies that employ welders. In January 2007, the DCOA approved additional funding of \$26,000 to extend the welder training program. In May 2007, the DCOA authorized \$4,000 for drug testing costs to extend the program four additional sections (sections 6-9) and in September 2007, the DCOA authorized \$33,600 for the weekly incentives paid for up to 56 trainees at \$150/week for four weeks.

Manufacturers Skills Standard Council (MSSC) Training Program

Nation-wide industry surveys have revealed that many workers demonstrate deficiencies in basic skills. The Manufacturing Skills Standards Council (MSSC) certification process addresses skills deficiencies by assessing and certifying individuals on their abilities in math, science, reading, listening, communicating, computer technology, analysis, problem solving, teamwork and basic technical skills, all in a manufacturing context.

The West Central Texas Workforce (WCTW) Board has committed funding toward the development of a pilot project to train and assess local workers as MSSC-Certified Manufacturing Production Technicians. In January 2007, the DCOA authorized funding of



\$83,405 to cover all training-related costs, including TSTC instructor wages, tuition and fees, pre-screening, assessments, and student incentives.

The first MSSC training session ended in April 2007 and a second session began in June. Staff at TSTC and the Workforce Center of West Central Texas (WCWCT) have coordinated an application to the state for Skills Development grant funding to continue the program and train up to 82 more workers with all costs covered with the exception of drug testing and weekly incentive. In May 2007, the DCOA authorized an additional \$6,560 in funding for drug testing and in September 2007, the DCOA authorized total funding of \$83,500 for the MSSC program as follows: \$67,500 MSSC weekly incentives for up to 75 trainees at \$150/week for six weeks and \$16,000 MSSC advertising/marketing to promote the training program.

DCOA Board Meeting Date

Due to the schedules of some DCOA board members, they agreed in February 2007 to change the DCOA regularly scheduled monthly meetings to the fourth Tuesday of each month, effective in March.

Affiliated Food Stores

Affiliated Food Stores, Inc. (AFS) is an Oklahoma wholesale grocery distributor that sells merchandise to its member-stockholders from its facilities in Abilene, servicing approximately 500 stores in Abilene and the region. The recent influx of major supermarkets in the area has forced many small stores to close, reducing AFS' business. The primary lender forced AFS to file bankruptcy in late 2003. In March 2004, the DCOA approved the purchase of the real estate owned by AFS located at 4109/4009 Vine Street for \$1.2 million, assisting the business in bankruptcy while protecting its investment if the business were to fail. AFS leases a portion of the property (4109 Vine) from the DCOA for a total of \$14,375 a month, which is one of their largest operating costs.

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

Florida Institute for Human and Machine Cognition (IHMC)

Kenneth Ford is Founder and Director of the IHMC, a not-for-profit research institute of the Florida University System that is affiliated with several Florida universities. IHMC is one of the nation's leading research institutes, is located in downtown Pensacola, Florida, and has had a major impact on the economic viability of the community. Dr. Ford is willing to assist the Abilene community and Texas Tech University to evaluate the feasibility of an Abilene-based research institute. In April 2007, the DCOA authorized an agreement with Dr. Kenneth Ford of IHMC to conduct the initial feasibility analysis for the establishment of an Abilene-based research institute, along with \$25,000 in funding.



West Texas Center for Innovation and Commercialization (WTCIC)

The WTCIC is one of 8 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 is necessary to match the amount from within the West Texas region. The WTCIC has asked 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. In July 2007, the DCOA approved funding in the total amount of \$33,164 (\$16,582/year for 2 years) with \$37,500 coming back to the Texas Tech Small Business Development Center in the same time frame to promote technology-based economic development.

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Contracts Administrator	Kim Tarrant
Construction Project Mgr.	David White
Sec. to Assist. City Mgr.	Susan Campbell

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