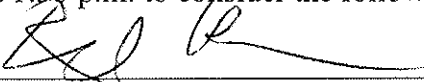


PUBLIC NOTICE

DEVELOPMENT CORPORATION OF ABILENE, INC.

A regular meeting of the Development Corporation of Abilene, Inc. will be held on Tuesday, November 11, 2008, 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 11, 2008
1:30 p.m.

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

1. Call the meeting to order.
2. Approval of minutes from the October 28, 2008 meeting.
3. Presentation of Annual Reports for Fiscal Year Ended September 30, 2008 by:
 - Abilene Industrial Foundation
 - TTU Small Business Development Center
 - City of Abilene Airport Business Development
4. Presentation and possible approval of the DCOA Annual Report of Activities for FY 2008.
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 a construction contract and funding for construction of the Life Sciences Accelerator.
7. Discussion and possible approval of a resolution authorizing assistance for Global Energy Solutions for wind technician training.
8. Discussion and possible approval of a resolution authorizing funding to extend underground electrical utility facilities in the Five Points Business Park in order to provide looped service.
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 _____, 2008, 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 28, 2008

MEMBERS PRESENT:	Joe Crawford Marelyn Shedd	Mike Schweikhard Paul Cannon
MEMBER ABSENT:	Dee Moore	
STAFF PRESENT:	Richard Burdine Stan Smith	Kim Tarrant
GUESTS PRESENT:	Bill Ehrie Al Sammann Doug Myers Monty Lynn	Abilene Industrial Foundation Tx. Manufacturing Asst. Center Abilene Reporter-News ACU College of Business Admin.

- 1. CALL TO ORDER.** Joe Crawford 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 22, 2008 MEETING.** Marelyn Shedd made a motion to approve the minutes from the September 22, 2008 meeting. Mike Schweikhard seconded and the motion carried.
- 3. SALES TAX REPORT FOR OCTOBER 2008 AND STATUS OF FUNDS REPORT FOR AUGUST 2008.** In Mindy Patterson's absence, Richard Burdine reviewed this report. The sales tax rebate for economic development for October 2008 was \$703,442.19, which is 4.00% above this same time last year.
- 4. DISCUSSION & POSSIBLE APPROVAL OF A RESOLUTION AUTHORIZING FUNDING FOR ACU'S CENTER FOR BUSINESS AND ECONOMIC RESEARCH (CBER) WEBSITE TO CONTINUE ENHANCING THE WEBSITE.** In Nov. 2005, ACU's College of Business Administration, led by Dr. Monty Lynn, launched the Center for Business and Economic Research (CBER) website at www.acu.edu/cber. This website is customized for Abilene and the 19-county region and provides information on economic trends, forecasts, and analyses for effective policy, investment and business decisions. In 2005 the DCOA and the West Central Texas Workforce Center (WCTWC) each contributed \$5,000 toward the cost of maintaining the website.

Now that the website has experienced 3 years of successful operation, Dr. Lynn is asking the DCOA and WCTWC for a total of \$8,000 to enhance the website with real time information, which can provide up-to-the-minute data for grant writers, economic developers, educators, business owners and citizens. The WCTWC approved \$4,000 in funding last month and Dr. Lynn requests the other \$4,000 from the DCOA. Of the \$5,000 approved by the DCOA in 2005, \$683 remains unspent and still encumbered. Therefore, staff recommends the DCOA approve funding of \$3,317 to be added to currently encumbered funds.

Paul Cannon moved to approve Resolution No. DCOA-2009.01 as presented. Mike Schweikhard seconded and the motion passed by unanimous consent.

- 5. DISCUSSION & POSSIBLE APPROVAL OF A RESOLUTION AUTHORIZING ADDITIONAL FUNDING FOR THE TEXAS MANUFACTURING ASSISTANCE CENTER (TMAC).** The Texas Manufacturing Assistance Center (TMAC) exists to enhance the competitive position of the state's manufacturing sector. TMAC's manufacturing professionals work with a wide range of individual firms to deliver training, provide technical assistance and implement best business practices, with particular emphasis being placed on small to mid-sized manufacturers. One of the seven partner institutions of TMAC is Texas Tech University (TMAC West Texas) and is associated with the Small Business Development Center (SBDC) system.

The DCOA has previously approved a total of \$120,000 for funding through FY09. Because of the program's success and the continued need to assist local manufacturers, staff recommends the DCOA renew its commitment with TMAC and approve \$60,000 in funding through Sept. 30, 2011-- limited to \$7,500/manufacturer/year, as before.

After some discussion about qualifications for TMAC assistance, Mike Schweikhard moved to approve Resolution No. DCOA-2009.02 as presented. Marelyn Shedd seconded and the motion passed by unanimous consent.

- 6. EXECUTIVE SESSION.** I hereby announce we are going into Executive Session pursuant to Texas Government Code Sections 551.071, .072, and .087 to consult with our legal counsel, discuss real property transactions, and discuss economic development negotiations involving a business prospect, as set forth on the agenda. Any vote or action will be taken in open session.

President Joe Crawford announced the date is October 28, 2008 and the time is 2:13 p.m. Mr. Crawford then announced the date is still October 28, 2008 and the time is 3:26 p.m. Marelyn Shedd left the meeting during Executive Session at 3:20 p.m. No vote or action was taken in Executive Session.

- 7. DISCUSSION & POSSIBLE APPROVAL OF A RESOLUTION AUTHORIZING FUNDING TO UP-SIZE A WATER PUMP BEING INSTALLED BY THE CITY OF MERKEL THAT WILL ALSO SERVICE THE FIVE POINTS BUSINESS PARK IN ORDER TO ACCOMMODATE FUTURE WATER NEEDS OF THE PARK.** The City of Merkel is a wholesale water customer of Abilene and recently received bids to replace its aging pipeline extending from Abilene to Merkel and install a new pump and new water pipelines in the Five Points Business Park to provide adequate flow and pressure at Merkel's relocated Master Meter Vault. Abilene's Water Dept. requested that City Council authorize an amendment to the Merkel Water Supply contract to move the Merkel Delivery Point as well as upsize the new Five Points pump to improve the ability of Abilene's water distribution system to deliver water during structural fires in the vicinity of the Park.

The Water Dept. made some improvements which will improve the available fire flow quantity in the vicinity of PWP and Spec 3. Both projects are being paid by the Water Dept. The upsized Five Points pump working with the Northwest Pump would provide additional pumping capacity to meet extended fire flow demands in the Park and provide some capacity for growth. A booster pump was installed during the Spec 2 expansion construction to assure available fire flow and pressure in the event of a fire. By upsizing the Five Points pump now, the DCOA will likely avoid the cost of installing booster pumps for future development.

Staff recommends the DCOA approve reimbursement to the Abilene Water Dept. of \$50,000 for upsizing the Five Points water pump being installed by the City of Merkel since the upsizing primarily benefits tenants of the Park.

A motion was made by Paul Cannon to approve Resolution No. DCOA-2009.04 as presented. Mike Schweikhard seconded the motion, which passed unanimously.

- 8. DISCUSSION & POSSIBLE APPROVAL OF A RESOLUTION AUTHORIZING ADDITIONAL FINANCIAL ASSISTANCE FOR TOWER TECH SERVICES INC. DBA TEXAS TTSI, INC.** In May 2008 the DCOA approved an assistance package for TTSI that includes \$2 million for capital investment incentives for construction of a new manufacturing plant and equipment purchases, based on 10% of actual capital costs estimated at \$20 million. TTSI is experiencing higher than expected construction costs and now estimates the construction and equipment will cost about \$27 million. Historically, the DCOA has approved additional capital investment incentive funds for projects whose scope increased by the time construction began.

Staff recommends the DCOA approve an additional \$700,000 for capital investment incentives upon receipt by the DCOA of invoices evidencing TTSI's investment in construction and purchase of equipment.

Mike Schweikhard moved to approve Resolution No. DCOA-2009.03 as presented. The motion was seconded by Paul Cannon and it passed by unanimous consent.

- 9. ADJOURNMENT.** The next meeting will be November 11, 2008. There being no further business, the meeting was adjourned.

Joe Crawford, President

DEVELOPMENT CORPORATION OF ABILENE, INC.
BOARD AGENDA
MEETING DATE: November 11, 2008

PROJECT: Annual Reports for FY08

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. 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.

The DCOA began partial funding of the Airport Business Development Management Program in FY02. The Airport Master Plan recommends pursuit of a marketing program that will help the airport build activity within its business segments.

SPECIAL CONSIDERATIONS

The FY08 contracts expired 9-30-08, and the DCOA has approved funding for new FY09 contracts. Attached are reports covering activities during FY08 through 9-30-08.

FUNDING/FISCAL IMPACT

None.

STAFF RECOMMENDATION

Staff recommends the board approve the attached reports.

ATTACHMENT

Abilene Industrial Foundation FY08 Year-End Progress Report, 10/07 through 9/08
Small Business Development Center FY08 Annual Report
Abilene Regional Airport's FY08 End of Year 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



October 30, 2008

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, 2007 to September 30, 2008 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	\$101,929.82

	10/07 thru 3/08	4/08 thru 9/08	10/07 thru 9/08
Leads Received	63	25	88
Leads AIF Responded to	35	17	52
Prospect Files Opened	5	2	7
Retention Visits	57	42	99
Consultant Visits	24	49	73

Additional focus this past year was spent on SPEC 3 advertising and promotion. With the building nearing completion by the end of year, there will be an increased emphasis on SPEC 3 marketing for the coming year. We remained focused on consultant activities and continued to find success in activities such as sporting events and site visits to see consultants. These events continue to be successful in building relationships to foster future leads and prospects. With SPEC 3 not yet complete and scheduling conflicts, we chose not to host a Dove Hunt this year which reflects in the higher amount of marketing funds that remain. We will focus on other events where we can still bring consultants to Abilene to see first-hand what the city offers and will continue to explore relationship building across the spectrum.

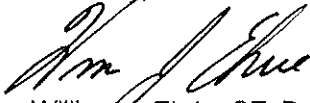
The enclosures are examples of the marketing material produced to date, as well as a sequence of activities conducted.

Mr. Richard Burdine
October 10, 2008

Page Two

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

Sincerely,



William J. Ehrie, CEcD
President
Abilene Industrial Foundation

cc: Kim Tarrant ✓
Gary Robinett, AIF Director of Marketing and Industrial Recruitment

Enclosures

Abilene Industrial Foundation
FY 07-08 Year-End Marketing Summary
April 1, 2008 – September 30, 2008

ADVERTISEMENTS PLACEMENT

- Total advertisement submissions – 4
- Total advertisement placement costs – \$18,742.40

LEAD ACTIVITY

- Leads received from all sources – 25
- Leads AIF responded to – 17

PROSPECT ACTIVITY

- Prospects visits to Abilene – 21
- New prospect files opened – 2

WEBSITE & ELECTRONIC MARKETING

- E-Newsletter distributions – 3,367
- E-Newsletter costs – \$0
- Website/electronic marketing changes & enhancements – \$337.50

TRADE SHOW / CONFERENCE ACTIVITY

- Wind Energy Job Fair – Sweetwater
- CoreNet – San Diego
- West TX Wind Energy Consortium
- TMCN – San Angelo
- TMCN Lawmakers Luncheon
- AWEA Windpower 2008 – Houston
- IEDC - Oklahoma
- TEDC Annual Conference - Austin

CONSULTANT / RETENTION / EXPANSION ACTIVITY

- Visits to Consultant/Prospect – 49
- Consultant Event / Yankees-Rangers Game (8/08)

MARKETING VIDEOS

- 0

EXISTING BUSINESS ACTIVITY

- Retention Visits – 42

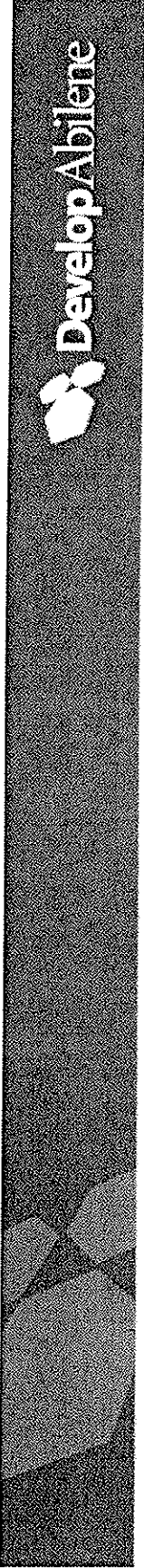
Abilene Industrial Foundation

Marketing & Retention Activities
April 1, 2008 – September 30, 2008

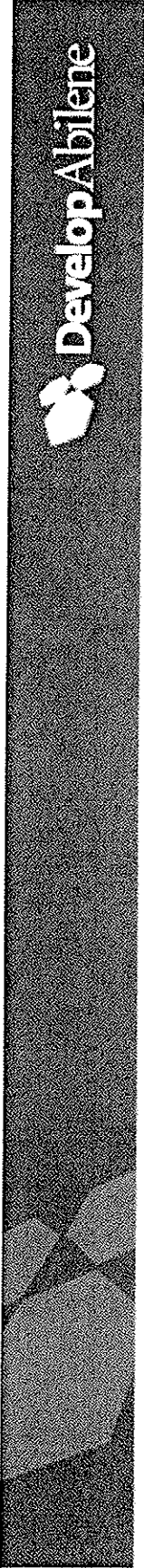
- Ongoing updates to website
- Monthly updates of all printed marketing/informational materials for Fact Book, Abilene File, and Call Center Book including Labor Market Review; Cost of Living; Building Permits; Wage Surveys, Sales & Use Tax, Living Units Available, etc.
- Commercial Property Snapshot – updates
- 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 events
 - Yankees/Rangers Game – Arlington
- Visits to Site Selection Consultants – Dallas/Ft. Worth, Austin
- Trade Show and Conference attendance
 - Wind Energy Job Fair – Sweetwater
 - CoreNet – San Diego
 - West TX Wind Energy Consortium meetings
 - TMCN – San Angelo
 - TMCN Lawmakers Luncheon
 - TMCN Economic Development Alliance meetings
 - AWEA Windpower 2008 – Houston
 - IEDC - Oklahoma
 - TEDC Annual Conference - Austin
- Visits to prospects - 49
- MAC retention activity
 - Air House BBQ
 - Pentagon Visits
- Presentations
 - American Boiler Association
 - Abilene Apartment Assoc.
 - Lions Club
 - Abilene Board of Realtors
 - Leadership Abilene
 - SHRM
 - West TX Wind Energy Con.
 - CPA Group
 - A LOT
 - Board of Realtors

Abilene Industrial Foundation
Marketing Budget
October 2007 through March 2008

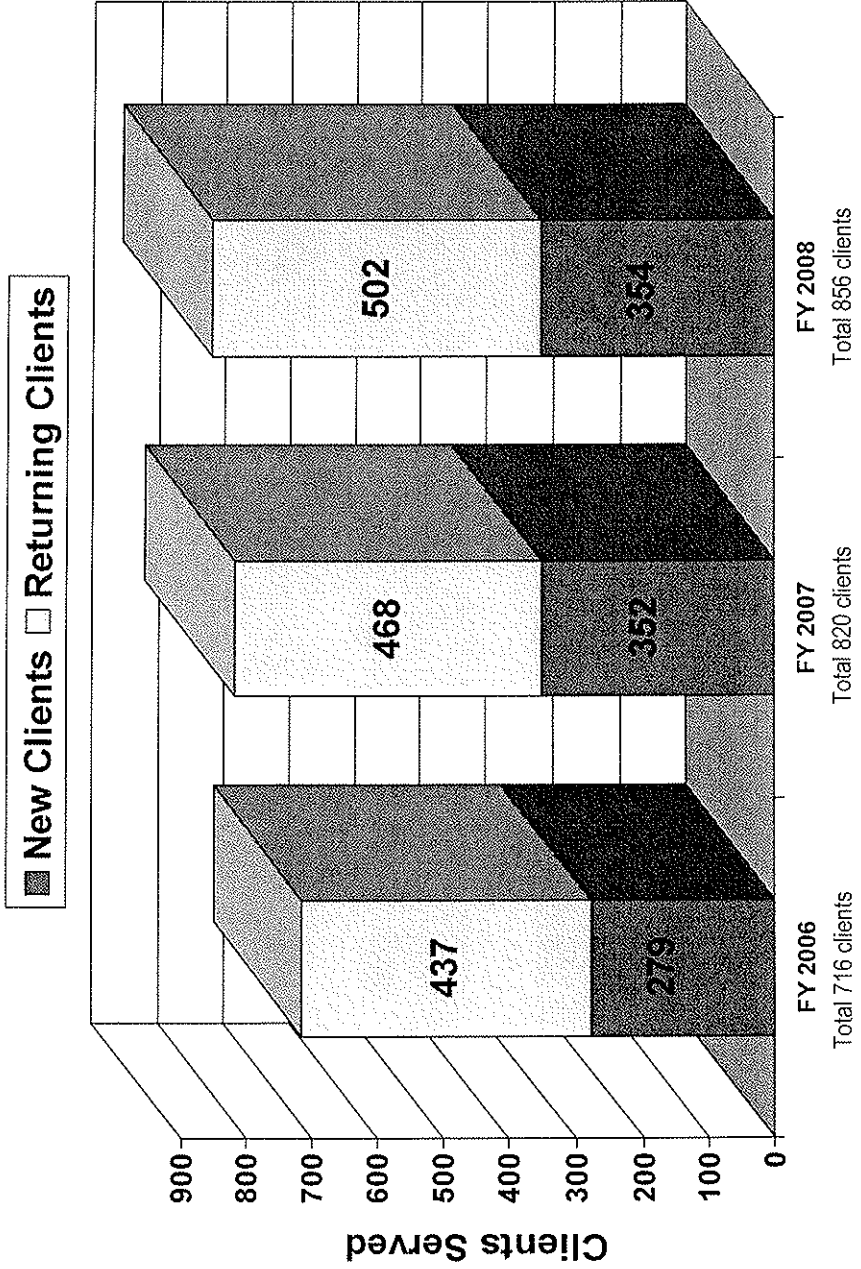
Category	Allocation	10/1/07 to 3/31/08	4/1/08 to 9/30/08	YTD
Advertisements (1)	\$ 15,000.00	\$ 8,156.00	\$ 18,742.40	\$ 26,898.40
Internet (2)	\$ 15,000.00	\$ 13,077.35	\$ 337.50	\$ 13,414.85
Marketing Material (3)	\$ 20,000.00	\$ 9,143.75	\$ 3,541.71	\$ 12,685.46
Trade Show/Conferences (10)	\$ 20,000.00	\$ 6,192.84	\$ 29,094.90	\$ 35,287.74
Site Consultant Activity (12)	\$ 55,000.00	\$ 3,347.02	\$ 6,666.04	\$ 10,013.06
Newsletter Mailings(13)	\$ 2,500.00	\$ -	\$ -	\$ -
Existing Business Activity (14)	\$ 10,000.00	\$ 2,959.81	\$ -	\$ 2,959.81
Unallocated (100)	\$ 2,500.00	\$ -	\$ 670.50	\$ 670.50
Total	\$ 140,000.00	\$ 42,876.77	\$ 59,053.05	\$ 101,929.82



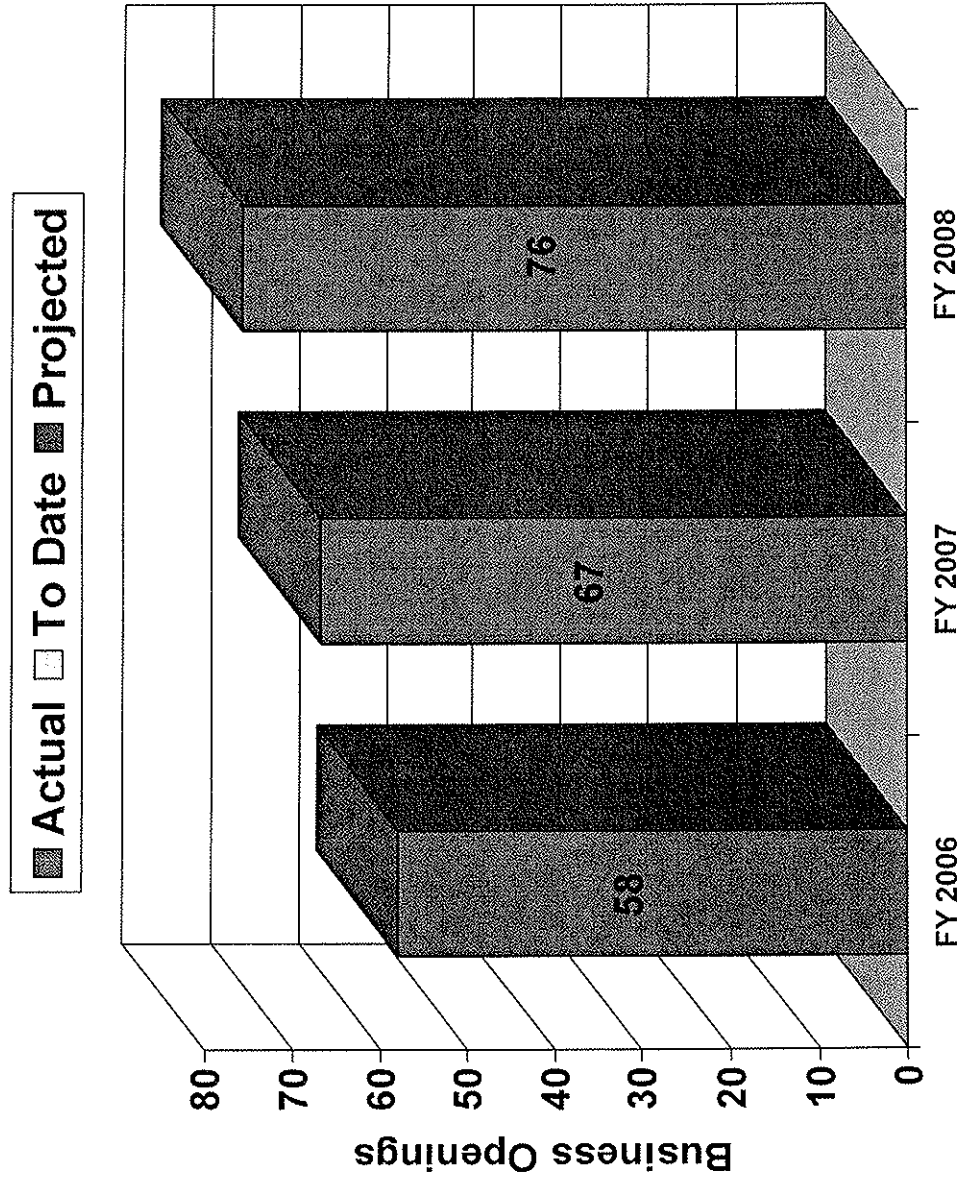
**Texas Tech
Small Business Development Center
Abilene
Fiscal Year 2008
Annual Report Updated
All Actual Data**



New/Returning Clients: All Races/Ethnicity

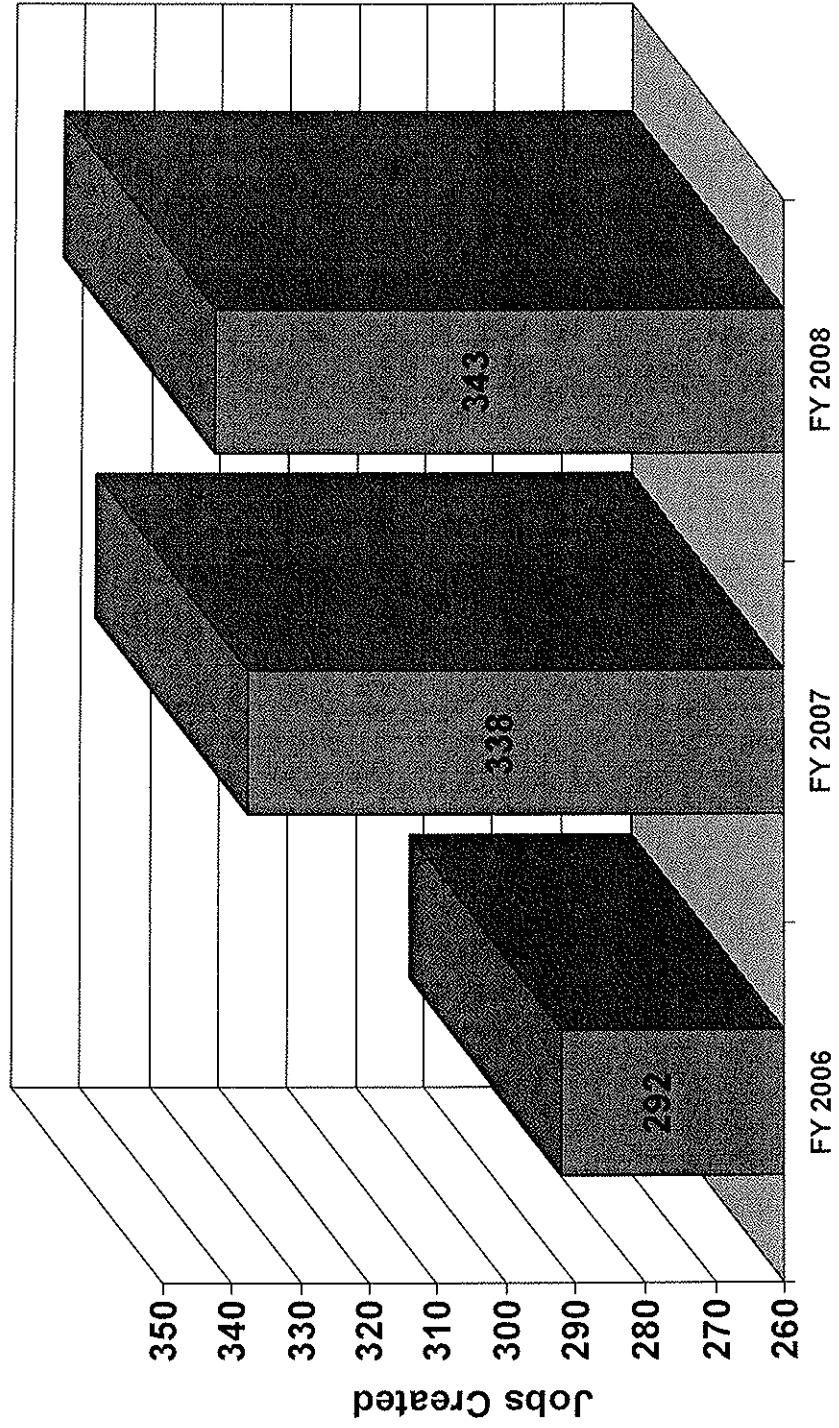


SBDC-Assisted Business Openings



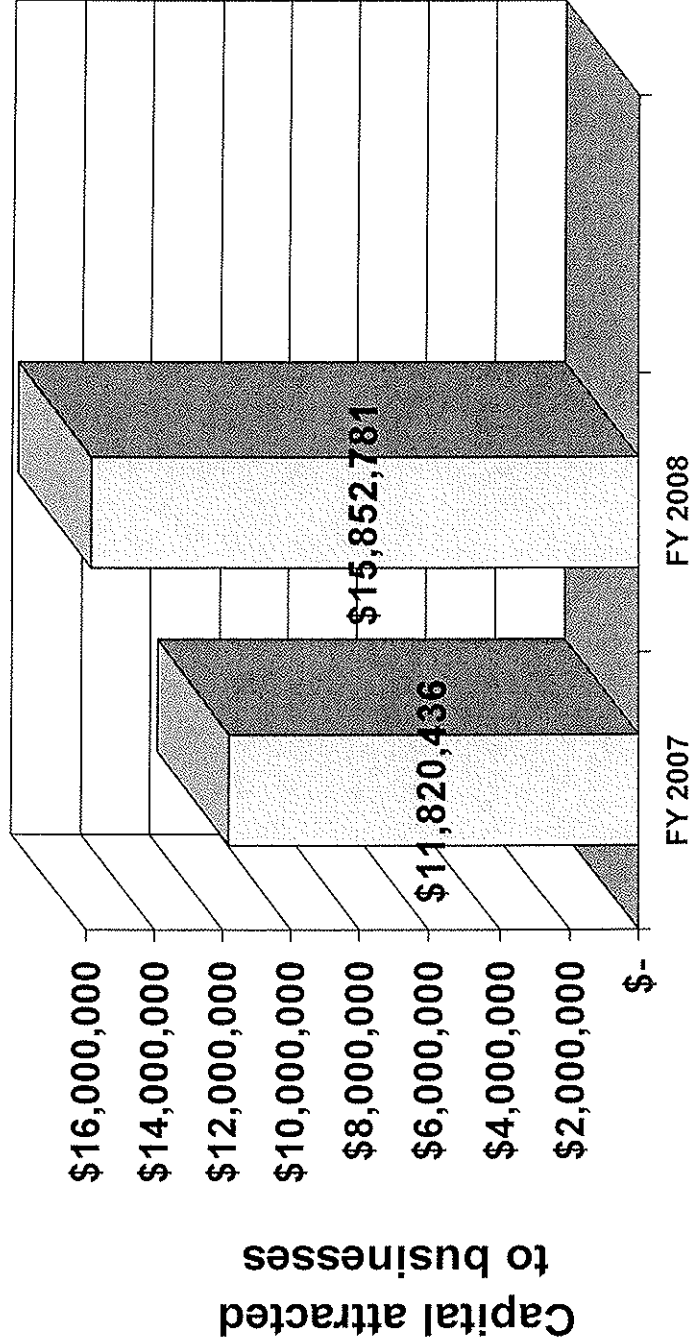
SBDC-Assisted Jobs Created

■ Actual □ To Date □ Projected



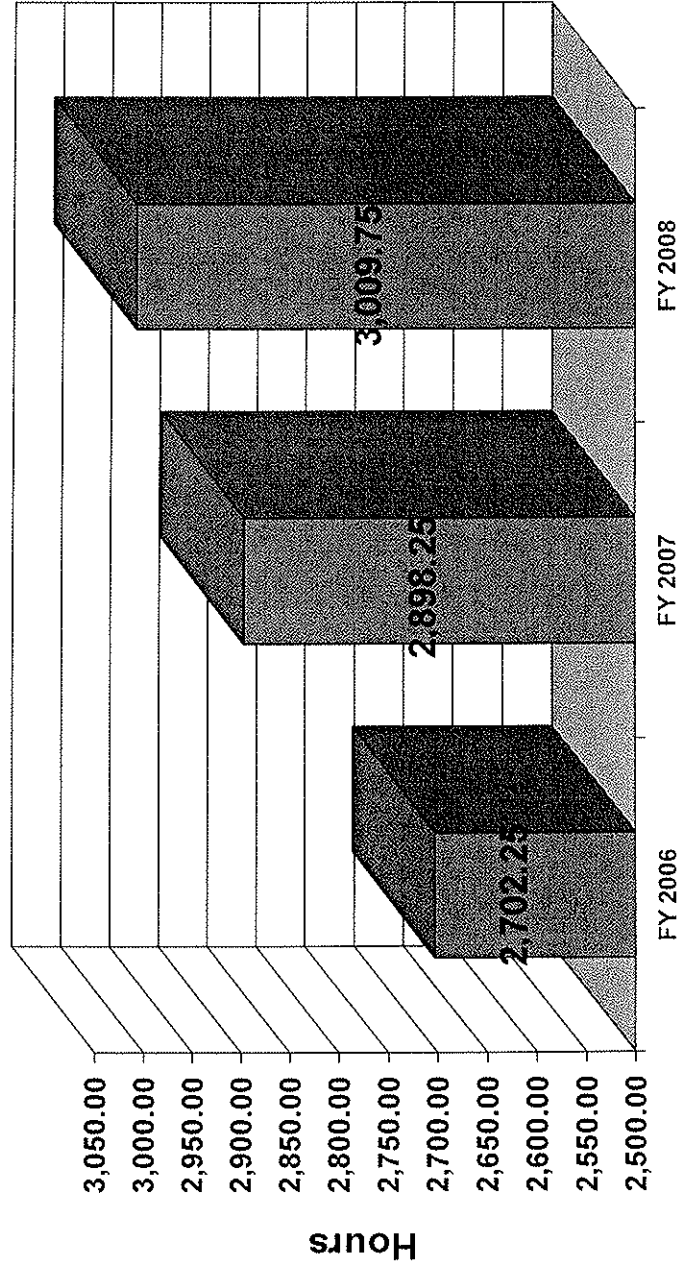
Capital Formation

□ Total Fiscal Year



SBDC Hours Charged to City

Actual
 To Date
 Projected



Demographic Analysis of City-of-Abilene-Only Clients

**Texas Tech Small Business Development Center
Abilene, Texas**

Client Count Based on First Visit Only

Number of Clients: 6,137

Percentages may not total 100.0% because of rounding.

Male	3,578	58.3%
Female	2,559	41.7%
Male/Female	category no longer used (previous *male/female* clients allocated evenly above)	
Total	6,137	100.0%

Asian	108	1.8%
Black or AfricanAmer	521	8.5%
NatAm or AlaskaNat	130	2.1%
NatHawaii or PacificIs	2	0.0%
White	5,350	87.2%
Not Stated	26	0.4%
Total	6,137	100.0%

Hispanic	756	12.3%
Non-Hispanic	5,294	86.3%
Not Stated	87	1.4%
Total	6,137	100.0%

		Actual Count						
		Asian	Black	NatAm	PacificIs	White	NotStated	Total
Male		59	320	82	1	3,097	19	3,578
Female		49	201	48	1	2,253	7	2,559
Total		108	521	130	2	5,350	26	6,137

		Asian	Black	NatAm	PacificIs	White	NotStated	Total
Male		54.6%	61.4%	63.1%	50.0%	57.9%	73.1%	58.3%
Female		45.4%	38.6%	36.9%	50.0%	42.1%	26.9%	41.7%
Total		100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

		Actual Count				
		Non-Hispanic	Hispanic	NotStated	Total	
Male		466	3,054	58	3,578	
Female		290	2,240	29	2,559	
Total		756	5,294	87	6,137	

		Non-Hispanic	Hispanic	NotStated	Total
Male		61.6%	57.7%	66.7%	58.3%
Female		38.4%	42.3%	33.3%	41.7%
Total		100.0%	100.0%	100.0%	100.0%

Clients by Military Status

Veteran	1,063	17.3%
Disabled Veteran	133	2.2%
Total Veterans	1,196	19.5%
Non-Veteran	4,866	79.3%
Not Stated	75	1.2%
Total	6,137	100.0%

		Jun 1990- Sep 2000	Fiscal Yr 2001	Fiscal Yr 2002	Fiscal Yr 2003	Fiscal Yr 2004	Fiscal Yr 2005	Fiscal Yr 2006	Fiscal Yr 2007	Fiscal Yr 2008	Total
Actual Count	Asian	61	4	5	6	4	8	6	6	8	108
	Black or AfricanAmer	234	35	19	29	35	28	38	48	55	521
	NatAm or AlaskaNat	78	4	8	8	5	6	4	8	9	130
	NatHawaii or PacificIs	0	0	0	0	0	0	0	1	1	2
	White	3,239	273	232	275	273	294	228	275	261	5,350
	Not Stated	0	0	0	0	0	0	3	3	20	26
	Total	3,612	316	264	318	317	336	279	341	354	6,137
Comp %s	Asian	1.7%	1.3%	1.9%	1.9%	1.3%	2.4%	2.2%	1.8%	2.3%	1.8%
	Black or AfricanAmer	6.5%	11.1%	7.2%	9.1%	11.0%	8.3%	13.6%	14.1%	15.5%	8.5%
	NatAm or AlaskaNat	2.2%	1.3%	3.0%	2.5%	1.6%	1.8%	1.4%	2.3%	2.5%	2.1%
	NatHawaii or PacificIs	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.3%	0.3%	0.0%
	White	89.7%	86.4%	87.9%	86.5%	86.1%	87.5%	81.7%	80.6%	73.7%	87.2%
	Not Stated	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	1.1%	0.9%	5.6%	0.4%
	Total	100.1%	100.1%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	99.9%	100.0%

		Jun 1990- Sep 2000	Fiscal Yr 2001	Fiscal Yr 2002	Fiscal Yr 2003	Fiscal Yr 2004	Fiscal Yr 2005	Fiscal Yr 2006	Fiscal Yr 2007	Fiscal Yr 2008	Total
Actual Count	Hispanic	364	59	41	40	48	57	29	65	53	756
	Non-Hispanic	3,248	257	223	278	269	279	231	252	257	5,294
	Not Stated	0	0	0	0	0	0	19	24	44	87
	Total	3,612	316	264	318	317	336	279	341	354	6,137
Comp %s	Hispanic	10.1%	18.7%	15.5%	12.6%	15.1%	17.0%	10.4%	19.1%	15.0%	12.3%
	Non-Hispanic	89.9%	81.3%	84.5%	87.4%	84.9%	83.0%	82.8%	73.9%	72.6%	86.3%
	Not Stated	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	6.8%	7.0%	12.4%	1.4%
	Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Hispanic Percentage Based on Number of Clients Who Stated Ethnicity:							17.0%	11.2%	20.5%	17.1%	16.7%

3.13

**Abilene Regional Airport's
FY 08 End of Year Report
To
Development Corporation of Abilene**

The Business Development Management program has been successful in identifying a need for air service to the Western U.S. through the market analysis and other related market research done by SABRE Airline Consultants. We will continue to work to create a Request for Proposals to solicit additional airline service from targeted airlines that we believe would offer the service needed for our market. Abilene Regional Airport appreciates the continued assistance received from DCOA, supporting our goal of improving air service and growing our customer base. This year's support from DCOA on the Continental Airlines issue was invaluable. DCOA's willingness to provide the match for the Small Community Air Service Development (SCASD) Grant if the grant had been amended to allow its use for retaining Continental showed that airline the community was sincere in its efforts to keep them. While the grant amendment was not successful, the efforts were well-received by Continental and we hope will draw them back to the market at the earliest possible opportunity.

FY08 Business Development Activity:

Business Development activities have made and will continue to make community outreach through speaking engagements to various civic organizations a priority, focusing on the advantages of flying from Abilene versus driving to another airport. Presentations made during these engagements highlight the operations of the airport, construction updates, air service needs and fare comparisons.

Presentations made this year include:

Feb.1 Abilene Kiwanis
Feb. 7 Sweetwater Community Forum
Mar. 5 Abilene Rotary
Apr. 17 Greater Abilene Kiwanis
June 20 Brownwood Chamber of Commerce
July 16 Abilene Kiwanis
Sept. 17 TMCN Meeting

March 26 we participated in the Business Expo with Abilene Chamber of Commerce.

The West Central Texas Air Service Advisory Council met in May and in August. Council members will continue to work with the airport staff to connect us to key people in order to schedule speaking engagements in their counties.

Marketing the Airport

Television & Radio

In November we started a new marketing campaign, running testimonial commercials with Nancy Liles and Roy Juarez on KRBC, KTAB and KTXS television stations weekly and on FOX TV Superbowl Sunday. The audio from these testimonials ran on KEAN 105 and KULL 92.5 "The Mix" November and December 2007.

As of April 21, we aired a new commercial spot which focuses on the cost to drive to DFW versus flying from Abilene Regional Airport. This commercial has continued to air on KRBC, KTAB and FOX TV throughout the summer.

We have made efforts to connect with the community and increase top of mind awareness by sponsoring various events:

Center for Contemporary Arts – September Art Walk Sponsor

The Grace Museum – Exhibit Sponsor

Buffalo Gap Historic Village – Erinshire Festival Sponsor

Abilene Philharmonic Association – Program Sponsor

Coming up:

March of Dimes – Signature Chef Event Sponsor

Abilene Zoo – Boo at the Zoo Sponsor

Internet

Our website is being updated and now offers a fare watcher which constantly features real-time discount fares from Abilene to various destinations. We are also advertising on bigcountryhomepage.com and reporternews.com, each featuring a landing page with a link to our website, the airlines' websites and a new Construction Progress video just produced by the city communications department.

ABI-VIP, the new passenger rewards program is being developed for implementation January 1, 2009. Rewards are donated by local businesses and will be mailed to passengers after flying out of Abilene Regional Airport 2 times. City IT Department is developing a new web page for the program and will install a computer kiosk in the gate area for passengers to log their flight information. Promotional advertising for the program will begin in October.

Enplanements:

Enplanements are down slightly FY08 was 93,267 and FY07 was 94,773.

FY 08 Revenues:

Major revenue sources to the airport are the car rental concessions and the parking lot.

Car Rental fees paid were (Total not finalized, but will be reported at the meeting)

Parking Lot Revenue is up from FY07 327,954 to FY08 338,974.

3.15

Business Development Outlook:

With the loss of Continental Airlines service October 1, we are focusing regional marketing efforts on getting those former Continental passengers to fly American Eagle from here. We are about to kick-off a passenger rewards program – ABI VIP – that will allow passengers to earn points toward gifts when they fly out of here. The program's objectives are to grow customer loyalty and develop a database of passengers.

The effects of a slowing national economy and high fuel prices are going to contribute to an expected reduction in airline passenger enplanements in Abilene and across the country. We are projecting a downturn in enplanements in Abilene probably through the spring of 2009. The overall economic situation will make expanding air service difficult, but not impossible. While airlines have spent much of 2008 cutting service, they are still looking for opportunities for future growth. We want to be positioned to take advantage of that opportunity when it comes.

We are looking at the most effective use of the Small Community Air Service Development Grant to attract new service to the west from Abilene Regional Airport and we will conduct a formal search for a new air service consultant to assist with our efforts.

The airport is within weeks of opening the much-anticipated new parking lot and, with the recent terminal improvements, we will offer one of the finest and most convenient regional airports in the country. Within the next 12 months, the airport will have completed all construction work around the terminal that affects passenger and air carrier aircraft access. We will be ready to meet the demands of a renewed growing economy.

DEVELOPMENT CORPORATION OF ABILENE, INC.
BOARD AGENDA
MEETING DATE: November 11, 2008

PROJECT: DCOA Annual Report of Activities for FY08

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 FY08 Annual Report covers activities for the period ended 9-30-08 and is the nineteenth annual report submitted by DCOA since its inception. The City Council will consider the report in December 2008.

FISCAL IMPACT:

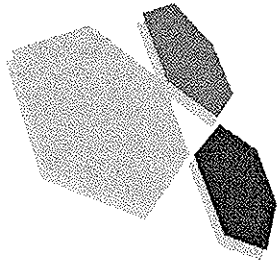
None.

STAFF RECOMMENDATION:

Staff recommends the Board approve the DCOA's FY08 Annual Report.

ATTACHMENT:

DCOA's FY08 Annual Report of Activities



Develop Abilene

Development Corporation of Abilene

**ANNUAL REPORT
OF ACTIVITIES**

SEPTEMBER 2008

DEVELOPMENT CORPORATION OF ABILENE, INC.
ANNUAL REPORT OF ACTIVITIES
OCTOBER 2007 – SEPTEMBER 2008

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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:

Joe Crawford

Vice President:

Mike Schweikhard

Secretary/Treasurer:

Dee Moore

Members:

Marelyn Shedd

Paul Cannon

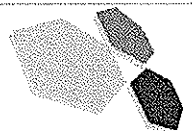
Goals:

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 approved additional funding for the Center for Immunotherapeutic Research to encourage growth of the new bio-tech sector. Construction of Spec 3 in the Five Points Business Park will attract more industry, and the board appointed an ad hoc committee to work with local developers to establish a policy for assisting with construction of buildings to suit the needs of the wind energy service and maintenance industry. The DCOA continues to work toward competitiveness with other communities by funding the marketing efforts of the Abilene Industrial Foundation.

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. Four are local companies: PWP Industries, Bimbo Bakeries, Genesis Networks Solutions and BMWV Leasing (Texas Metals & Recycling). A total of 435 jobs are to be retained and 440 jobs created. A substantial expansion of the Spec 2 building occupied by PWP Industries was also approved to accommodate growth.

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

The DCOA approved \$75,000 to extend the Fast Track Welder Training Program to benefit Texas Tower Tech Systems, Inc. and also approved \$8,000 to train two new employees for Texas Metals & Recycling.

4. To strengthen and revitalize downtown Abilene.

The DCOA approved funds to purchase land on Pine Street to construct the Life Sciences Accelerator, which is an area near downtown that is very blighted. Also approved by the DCOA was additional assistance for Genesis Networks Solutions, located at 500 Chestnut St. to accommodate growth, funding to establish a research institute proposed to be located near downtown (Project DC), and funding to renovate a building on Pine Street to provide laboratory space for Receptor Logic.

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 counseling services provided free of charge to Abilene residents and businesses. The DCOA approved an extension of funding through FY09 originally approved to support the SBIR/STTR federal grant program geared toward research and technology transfer development efforts. The DCOA approved a sponsorship of ACU's Springboard Idea Challenge competition designed to promote entrepreneurial drive and spirit in Abilene.



6. To effectively administer the sales tax revenue.

During the report period (10-01-07 through 09-30-08), the DCOA approved \$12,629,500.00 to assist companies with growth and retention in Abilene, anticipating new employment of 440 jobs and retained employment of 435 positions. Also approved was \$13.8 million to construct Spec 3, expand Spec 2 and purchase land for the Life Sciences Accelerator, which help keep the construction industry in Abilene busy.

Project Summaries

PWP Industries (Project LF)

Packaging With Perfection (PWP) Industries, a division of HPC Industries, produces PET packaging and sells to leading regional and national companies in the bakery, snack food, grocery store, produce, food service and confectionery industries. In February of 2006, the DCOA approved assistance in the amount of \$2,210,500 for PWP's Phase 1 operation, which included a lease for the Spec 2 building in the Five Points Business Park. PWP began producing in September of 2006 and has exceeded its original employment projection of 65 new jobs and capital investment projection of \$12 million. Phase 1 projections are now 110 jobs and approximately \$15 million in capital investment.

The Company announced plans to expand its operations in Abilene and needs additional warehouse space for Phase 2. New employment for Phase 2 will be 32, and the DCOA agreed to construct a 125,700 s.f. expansion to Spec 2. In October 2007, the DCOA authorized amended assistance for PWP Phase 2, which included \$1,676,000 in job creation and capital equipment investment incentives, plus a new ten year lease for the expansion area at a lease rate of WSJ Prime minus 2.5%. The lease rate for the original Spec 2 building will remain at \$2.10/sf/year going forward in the new 10-year lease.

In November 2007, the DCOA ratified a contract with the Tittle Luther Partnership and \$377,345 for design of the expansion. In December 2007, the board approved \$6 million and authorized the CEO to negotiate a construction contract with Rose Builders based on cost plus 4.25%. As the scope of the project became clearer, the DCOA approved additional funding in February 2008 of \$1,045,900 for a total project budget of \$7,045,900, including contingency funds. Construction was completed in September 2008 and came in under budget by approximately \$380,000.

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.*

Center for Immunotherapeutic Research

Arthur Nelson, Dean of the Texas Tech University Health Sciences Center (TTUHSC) School of Pharmacy (SOP), sees a lot of promise in Dr. Jon Weidanz's



research; so much so that he established the Center for Immunopharmaceutical Research (now known as the Center for Immunotherapeutic Research, "Center") at the Abilene SOP Campus led by Dr. Weidanz. As stated in a letter from Dean Nelson, "The establishment of the Center for Immunopharmaceutical Research has the potential for state and national recognition in cancer immunotherapy and as a magnet for growth of biotechnology in Abilene."

The DCOA authorized funding in July of 2007 in the amount of \$2,725,000 for laboratory start-up costs and capital equipment, disbursed over five years to leverage an investment of approximately \$6.9 million by TTUHSC. The proposed program has grown and will have three additional staff positions. In October 2007, the DCOA authorized additional funding of \$275,000 (for a total of \$3,000,000) to leverage an additional \$550,000 commitment from other sources to establish the Center in Abilene.

Goals addressed: *1. To make Abilene Competitive in the attraction of business and industry in order to create new, sustainable jobs, and 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.*

Bimbo Bakeries USA (Project CF)

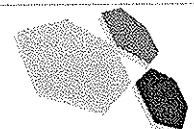
Headquartered in Ft. Worth, Bimbo Bakeries (Mrs. Baird's Bread) is an affiliate of Bimbo Bakeries USA, an international leader in the baking industry with a presence in over 14 countries. For over a year, staff has worked with local and corporate management from Mrs. Baird's to add a local shipping dock expansion to their capital improvements program for 2008. This expansion will cost approximately \$2.5 million and includes the purchase of additional capital equipment, resulting in the automation of some operations and increased profits.

The Company currently employs about 200 people and will retain at least 170 of those positions for at least five years. In March 2008, the DCOA approved total funding of \$250,000 (10% of \$2.5 million) to be disbursed at the rate of \$50,000/year over five years after review of actual receipts. **The expansion project has been put on hold; therefore the funding for this project is not encumbered. When the project is reactivated, staff will return to the board for separate funding action.**

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.*

Energy Maintenance Service (Project SME)

Energy Maintenance Service (EMS) is a wind energy industry full-service provider with employees working throughout the U.S. The company offers engineering and construction, training, wind facility management, and repair and retrofit services. EMS recently opened a regional maintenance and training center and a remanufacturing plant in Abilene in the former Lockheed plant on Wall St.



EMS expects to create 89 jobs within two years, with 76 of those paying \$30,000 or more a year. EMS also expects to invest approximately \$5.7 million in capital improvements. In March 2008, the DCOA authorized total assistance of \$1,418,000 payable over five years.

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.

Genesis Networks Solutions

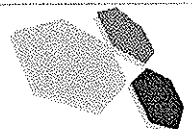
In Sept. 2006, Genesis Networks Solutions (GNS) was established in Abilene. Its primary business is software testing and quality assurance with clientele that includes AT&T and Amdocs, Ltd. GNS has experienced rapid growth and is ready to substantially expand their operation and create an additional 150 jobs, with 60% of new hires anticipated to move to Abilene. In April 2008, the DCOA approved total assistance of up to \$2,088,000 for Phase 2 expansion in exchange for the creation of 150 new jobs, all paying in excess of \$35,000/year in salary and non-mandatory benefits, e.g., health insurance.

Goals addressed: 2. To create new jobs and retain existing jobs by providing assistance to existing and emerging businesses; 4. To strengthen and revitalize downtown Abilene and 6. To effectively administer the sales tax revenue.

Tower Tech Systems, Inc. (Project PS-TT)

Tower Tech Systems was acquired last year by Broadwind Energy, a wind energy conglomerate, and plans to expand quickly. The Company intends to invest at least \$20 million to construct and equip a manufacturing plant in the Five Points Business Park on a 40+ acre site located north of PWP Industries. Tower Tech needs rail service to the site plus entry-level welders, which will make up the majority of its total projected workforce of 150. Seventy percent of the jobs are expected to pay \$40,000 to \$50,000 per year.

In May 2008, the DCOA approved a direct incentive package totaling \$3,816,250 to be paid in arrears over five years to assist with construction and equipment purchases and for job creation. Also approved were indirect incentives totaling \$911,250 to extend the Fast Track Welding Program (\$75,000) to help fill positions and extend rail service to the south property line (\$236,250), along with conveyance of 40+ acres of land in the Five Points Business Park valued at \$600,000. Construction is expected to be completed in early Spring 2009, and Fast Track Welding training began in early November 2008, which has been adjusted to meet Tower Tech's specifications. A total of 41.6 acres was conveyed by the DCOA, and the rail spur will be constructed with a switch and lines extending north to the south boundary via a small portion of land along the western boundary of the current PWP leased lot.



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.

Project DC

Project DC is intended to establish a research institute in Abilene. Ongoing negotiations preclude disclosure of the company name, location and type of research conducted at this time. In June 2008, the DCOA approved total funding of \$1,365,000 in exchange for the creation of 14 research jobs and the attraction of substantial external research funding to Abilene as follows: maximum funding of \$750,000 paid over five years to leverage about \$3 million in company expenditures on research personnel and overhead in the same time period; and maximum funding of \$615,000 over five years to leverage approximately \$4.1 million in external funding (brought in by Project DC) for research to be conducted in Abilene.

Goals addressed: 2. To create new jobs and retain existing jobs by providing assistance to existing and emerging businesses; 4. To strengthen and revitalize downtown Abilene and 6. To effectively administer the sales tax revenue.

BMWT Leasing (Texas Metals & Recycling)

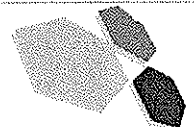
In December 2001, the DCOA approved funding of \$184,000 to participate in a loan from First Financial Bank to BMWT Leasing to construct the facility at 2989 Pine Street occupied by Texas Metals & Recycling. As of August 1, 2008, this loan had an outstanding balance of \$125,788, at which time the DCOA approved total assistance of \$168,000 to help with the installation of a scrap processing shear and a new rail spur, as well as training funds for two additional employees. The assistance will be structured as a loan forgiven over three years and includes the conversion of the outstanding \$125,788 balance in with the forgivable loan.

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.

Project DG

In September 2008 the DCOA Board approved \$200,000 to Project DG for marketing purposes. However, shortly after the assistance package was approved, Project DG announced it was closing its Abilene operations, despite local efforts to retain the Company's employees in Abilene.

Summary of Projects – FY 2008			
Company	Assistance Amount	Committed Job Retention	Committed Job Creation
PWP Industries- Phase 2	\$2,077,000.00	110	32
Center for Immunotherapeutic Research	\$ 275,000.00	0	3



Bimbo Bakeries (Mrs. Baird's Bread)	\$ 250,000.00	170	0
Energy Maintenance Services	\$1,418,000.00	0	89
Genesis Networks Solutions-Ph. 2	\$2,349,000.00	143	150
Tower Tech Systems, Inc.	\$4,727,500.00	0	150
Project DC	\$1,365,000.00	0	14
BMWT Leasing (Texas Metals & Recycling)	\$ 168,000.00	12	2
TOTAL	\$12,629,500.00	435	440
% to Abilene companies	38.4%		
(names in bold)			

Administrative / Other

DCOA Board

In January 2008, the following officers were elected: President – Joe Crawford, Vice President – Mike Schweikhard and Secretary/Treasurer – Dee Moore.

In February 2008, the DCOA appointed an Ad Hoc Committee comprised of Stan Lambert and Joe Crawford to meet with local developer Bruce Bixby, staff and other interested developers to discuss the request made by Mr. Bixby for the DCOA to consider teaming with him to construct a 20,000 square foot structure that would meet the needs of the wind energy service and maintenance industry.

Five Points Business Park – Spec 3 Building

The DCOA had previously approved a contract with Jacob Carter & Burgess to review and update the master plan for the Five Points Business Park (Park), and to design a third speculative shell building (Spec 3) in the Park. Two bids were received and reviewed in December 2007. In January 2008, the DCOA awarded a bid for construction of the Spec 3 building to Bulldog Constructors of Texas, along with total funding in the amount of \$5,736,500. Construction is expected to be completed on the shell building in late Winter 2009.

Five Points Business Park – Venture Dr. Infrastructure

Previously, the DCOA authorized the CEO to negotiate a contract for construction of the expansion of the Spec 2 Building occupied by PWP Industries. In order to accommodate this expansion, Venture Drive needed to be installed, along with some utilities, a length of about 800 feet westward from Arnold Blvd., ending in a cul-de-sac. In January 2008, the DCOA authorized the CEO to negotiate a contract for design and staking services for installation of Venture Drive as described above, along with total funding of \$213,960.

Recently the CEO informed the Board that Venture Drive is no longer needed to provide access to the lot occupied by PWP Industries. With the construction of Tower Tech's plant on the lot immediately north of PWP, the existing drive approach onto Arnold Blvd. will be used as driveway access to serve both lots. Therefore, the Venture



Drive right-of-way between Arnold Boulevard and Polaris Drive (unconstructed) was abandoned, and the driveway construction was included in the Spec 2 expansion performed by Rose Builders.

ACU Springboard Idea Challenge

ACU's College of Business Administration staff developed the ACU Springboard Idea Challenge, a business plan competition, as an effort to increase the entrepreneurial drive and spirit not only on ACU's campus, but across Abilene. Such competitions are used across the nation to promote entrepreneurship and identify potential business ideas. ACU opened it up to students and faculty at all local universities, including Texas Tech University. Participants competed for monetary prizes and winners were recognized at an awards banquet. Sponsorship levels are Platinum (\$5,000), Gold (\$3,000) and Silver (\$1,000). In January 2008, the DCOA authorized sponsorship of the Springboard Idea Challenge at the Platinum level of \$5,000.

Life Sciences Accelerator Land

In February 2008, the DCOA authorized funding of \$335,000 toward the purchase of four properties on Pine Street between N. 13th and N. 15th from the Abilene Improvement Corporation for the purpose of constructing the Life Sciences Accelerator. Also approved was funding to purchase two lots from Earl Zimmerle on Walnut Street backing up to the Pine lots to be used as a parking lot for the Accelerator. All structures on the four lots were demolished, making way for the anticipated construction to begin.

SBIR/STTR Program

One of the recommendations of the Wadley-Donovan Study was to "reinvent" our local and regional economy by encouraging growth of research and development. The largest source of venture capital funds is the federal government through the Small Business Innovation Research (SBIR) and the Small Business Technology Transfer (STTR) programs. Since March 2006, the DCOA has provided funding support for this program and the monthly Reinvent Abilene events held in the TTU Center for Excellence. The Abilene center was recently recognized by the U.S. Small Business Administration as the best SBDC in the country, in part because of their long-standing partnership with the DCOA. In February 2008, the DCOA authorized a reallocation and extension of funding support previously approved for FY07 for the SBIR/STTR programs. Leftover funding of \$220,848 will be extended through FY09.

Affiliated Foods Roof Repair

The DCOA owns the property located at 4109 Vine Street and leases it to Affiliated Food Stores (AFS). For more than a year the roof on the property has leaked in various places. The amount of rain received in 2007 forced AFS to vacate the southern portion of the property, resulting in a loss of about 24,000 sq. ft. of warehouse and office space, yet they continue paying expenses on the unused space.



At the April 2008 meeting, the DCOA Board approved a resolution to fund a total of \$544,550 for engineering services, a steel roof structure, interior repairs caused by water damage, and a 5% repair contingency. Since then, economic development staff asked the consulting engineer and contractors to explore ways to reduce the cost of the steel roof. They came back with an alternative construction method and a \$100,000 price reduction. Staff also asked the two asphalt roof bidders to refresh their bids for repairing the roof using standard materials and alternative materials with a long life. The best and lowest bid came from Lydick-Hooks using alternative materials in the amount of \$166,100. At their May 20, 2008 meeting, the DCOA Board rescinded the previous approval of \$544,550 and instead approved total funding of \$180,855 to repair the roof and make interior repairs.

Receptor Logic Laboratory Space

Receptor Logic, Inc. (RLI) moved to Abilene in the fall of 2007 from Amarillo because of an assistance package provided by the DCOA totaling \$2 million, plus the promise of wet lab lease space into which the company would move with room to expand. RLI is currently located in the Texas Tech School of Pharmacy and has experienced tremendous growth over the last year and is in immediate need for more space. Construction of the Life Sciences Accelerator is expected to begin in late October or early November. The building is expected to take a year to construct which does not help RLI with its immediate needs. A donor has offered a 6,000 sq.ft. building located on Pine Street to the DCOA to meet RLI's immediate need for space. The building can be converted into laboratory space at an estimated cost of \$1.2 million (including contingency) while the Accelerator is being constructed. RLI will be the first tenant in this building.

In September 2008, the Board authorized the CEO to negotiate a construction contract to renovate the 6,000 sq. ft. building to meet RLI's needs and approved total funding of \$942,750 for A/E fees and construction.

STAFF:

Chief Executive Officer	Richard Burdine
Contracts Administrator	Kim Tarrant
Construction Project Mgr.	Pat McGinnis
Sec. to Assist. City Mgr.	Susan Campbell

FOR MORE INFORMATION CONTACT:

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174 Cypress, Suite 301
P.O. Box 60
Abilene, Texas 79604-0060
325.676.6390
Fax 325.676.6377
www.developabilene.com



DEVELOPMENT CORPORATION OF ABILENE, INC.
BOARD AGENDA
MEETING DATE: November 11, 2008

**PROJECT: Life Sciences Accelerator Construction Budget
Authorization**

STAFF: Richard Burdine, CEO

THE PROJECT/REQUEST

Establishing a Biotech Sector in Abilene and the Region - The Life Sciences Accelerator (Accelerator) is a 20,000+ square foot building that will contain leased office space and wet laboratory facilities and research equipment to be “time-shared” by biotech company tenants. The Accelerator is part of a much larger biotech initiative designed to diversify the regional economy through attraction of high-paying research jobs.

Abilene, Texas is well-established as a medical services hub for the West Central Texas region but medical research has been limited to a few doctors conducting clinical trials. Three years ago the Abilene community embarked on an aggressive effort to create a biotech sector in the regional economy. Community benefactors donated over \$13 million toward establishment of a branch of the Texas Tech University Health Sciences Center (TTUHSC) School of Pharmacy in Abilene (SOP-Abilene). In August 2008, the second class of 40 students began their four-year Doctor of Pharmacology program and total enrollment will reach 160 students by Fall 2010.

The DCOA initiated discussions with the Dean of the School of Pharmacy, seeking to expand the number of pharmaceutical research faculty employed at SOP-Abilene. Discussions culminated in an agreement to establish the Center for Immunotherapeutic Research (Center) within the SOP-Abilene. In October 2007, the DCOA allocated \$3 million over five years to provide laboratory start-up funding and major capital equipment. TTUHSC SOP matched the DCOA funding with a five-year commitment of \$4.5 million to provide salaries for the Center director, five research faculty positions, and two pharmaceutical practice research positions—each earning in excess of \$90,000 per year. Support for staff and graduate student salaries is also included, along with \$600,000 for capital equipment and related maintenance contracts.

The Center Director, Jon Weidanz, M.P.H., PhD, is recruiting faculty to the SOP-Abilene with experience in translational research, in other words, taking discoveries from “bench to bedside” through commercialization. Some faculty recruits may bring biotech companies with them. However, properly outfitted lease space is needed to accommodate private sector companies that license these discoveries (intellectual property) from TTUHSC and elsewhere for commercialization.

The Life Sciences Accelerator Project - Consequently, the DCOA took responsibility for construction of a 20,000+ square foot building that will provide lease space for six to eight biotech companies. Once these companies are well-established they will “graduate” into off-site lease space for product manufacturing and continuation of their research. In July 2007, the

DCOA Board awarded a \$15,000 architectural contract for preliminary planning and site evaluation. After evaluation of several buildings, new construction was recommended as the most cost-effective way to create modern wet laboratory space. In September 2007, the DCOA Board allocated \$335,000 for architectural design of the building, which is complete.

In February 2008, the board authorized \$325,000 toward the purchase of 4 properties on the east side of Pine St. between N. 13th and N. 15th Streets from the Abilene Improvement Corporation to construct the Accelerator. The funding also included purchase of 2 additional properties on Walnut St. backing up to the Pine St. lots to be used for parking. Almost all of the properties required environmental surveys and removal of some asbestos, and one lot required the removal of 3 large underground storage tanks. When all was said and done, the structures were properly demolished and the lots are cleared and ready for construction; however, the cost to accomplish that objective exceeded the budget of \$325,000 by \$2,260.

Additionally, the DCOA Board approved funding of over \$1,500,000 to purchase major pieces of capital equipment essential to the research of biotech companies. The equipment the DCOA plans to purchase is far beyond the budgets of most biotech start-ups. Therefore, having access to the equipment in lease space designed specifically for biotech research will be very attractive to prospective companies.

Benefits to the Community - Last year Receptor Logic, a 5-year old biotech company, committed to the DCOA to invest \$2 to \$3 million of private funds in Abilene for commercialization of intellectual property licensed from the TTUHSC. Operating temporarily from leased lab space in the SOP-Abilene, Receptor Logic has agreed to a lease with the DCOA for a minimum of 2,500 square feet in the Accelerator. Receptor Logic will create 40 research jobs in two to four years with an average annual salary of \$70,000 and has an immediate need to use the proposed equipment in their research. Additional future tenants of the lease space are expected to generate 100 to 150 more research positions, ultimately creating a total payroll of \$9 to \$13 million per year. Several other biotech companies have already expressed interest in establishing a presence in Abilene once the Accelerator is completed and equipped.

Contractor proposals for construction of the Life Sciences Accelerator were received November 6, 2008. Additional negotiations with the contractor having the lowest Guaranteed Maximum Price (GMP) will occur before the contract is executed. If negotiations do not result in execution of a mutually agreeable contract, staff will begin negotiations with the contractor having the 2nd lowest GMP. Therefore, disclosure of all contractors' GMP will not be made until a contract is executed. The building is expected to take 9 to 13 calendar months to construct, depending on which contractor is selected.

The Board is requested to authorize the CEO to negotiate a contract for construction of the Life Sciences Accelerator at 1401 Pine Street for an amount not to exceed \$5,345,000, including contingency. Also included in the construction budget is the overage of \$2,260 mentioned above for purchase and cleanup of the lots necessary for construction.

FISCAL IMPACT

Construction Budget, including contingency	\$5,345,000
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STAFF RECOMMENDATION

Staff recommends approval of resolution DCOA-2009.06 authorizing the CEO to negotiate a contract for construction of the Life Sciences Accelerator in the 1300 block of Pine Street for an amount not to exceed \$5,345,000, including contingency.

ATTACHMENTS

DCOA Resolution No. DCOA-2009.06.

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RESOLUTION NO. DCOA-2009.06

A RESOLUTION OF THE DEVELOPMENT CORPORATION OF ABILENE, INC. (DCOA), ABILENE, TEXAS AUTHORIZING FUNDING TO CONSTRUCT THE LIFE SCIENCES ACCELERATOR FACILITY AT 1401 PINE ST. TO BE LEASED IN PART TO RECEPTOR LOGIC, INC. (RLI) AND OTHER BIOTECH COMPANIES AND GRANTING THE CEO AUTHORITY TO NEGOTIATE A FINAL CONSTRUCTION CONTRACT WITH THE MOST RESPONSIVE BIDDER.

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

WHEREAS, in June 2007, the DCOA approved resolution DCOA-2007.16 authorizing \$2 million for Receptor Logic, Inc. to relocate the company to Abilene from Amarillo by funding renovation costs, common area equipment and furniture, and furniture and equipment for use by RLI; and,

WHEREAS, in July 2007, the DCOA authorized by oral resolution the CEO to hire an architect to study the options of leasing/renovating or constructing/purchasing property for RLI., and Tittle Luther Partnership was hired; and,

WHEREAS, in September 2007, after hearing from Tittle Luther that new construction was the most cost-effective approach for creation of the Accelerator, the DCOA approved resolution DCOA-2007.23 authorizing a contract with Tittle Luther Partnership and funding of \$335,000 to design the Life Sciences Accelerator to be leased in part to RLI and other biotech companies; and,

WHEREAS, in February 2008, the DCOA approved resolution DCOA-2008.07 authorizing funding of \$325,000 toward the purchase of 4 properties on Pine St. between N. 13th and N. 15th Streets from the Abilene Improvement Corp. for construction of the Life Sciences Accelerator. The funding also provided for the purchase of 2 lots on Walnut St. backing up to the Pine St. properties to be used as a parking lot the Life Sciences Accelerator; and,

WHEREAS, on October 3, 2008, Tittle-Luther Partnership extended to local general contractors a Request for Proposals with a deadline of November 6, 2008, which included a Guaranteed Maximum Price , a cost-plus percentage, and a construction timetable; and,

WHEREAS, staff received Proposals from Contractors on November 6, 2008; and,

WHEREAS, Staff requests the DCOA Board authorize funding of a construction budget of \$5,345,000, including contingency, based on the proposals received and grant authority to the CEO to negotiate a final construction 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 authorizes total funding in the amount of Five Million Three Hundred Forty Five Thousand and no/100's Dollars (\$5,345,000), including contingency, for construction of the Life Sciences Accelerator. Also included in the construction budget is an overage of \$2,260 of the original land purchase budget of \$325,000 for purchase and cleanup of the lots necessary for construction.
- 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 a final construction contract and all other related documents on behalf of the DCOA.

ADOPTED this the 11th day of November, 2008.

ATTEST:

Dee Moore
Secretary/Treasurer

Joe Crawford
President

APPROVED:

T. Daniel Santee, City Attorney

DEVELOPMENT CORPORATION OF ABILENE, INC.

BOARD AGENDA

MEETING DATE: November 11, 2008

PROJECT: Global Energy Services Wind Tech Training

STAFF: Richard Burdine, CEO

BACKGROUND

Global Energy Services (GES) is an independent, multivendor, worldwide service provider for the energy sector, leader in renewable energies. GES was founded in Spain in 1985 as part of the giant Gamesa Technology Corporation. Gamesa generates electricity from renewable sources and supplies advanced products to the renewable energy sector. During Gamesa's ownership, GES began to develop an international presence, with operations in Germany, Italy and Portugal, where the development and implementation of wind energy is already well-established. 3i's acquisition of GES in April 2006 is helping the business to accelerate its international expansion in a world-wide market that has been growing at almost 30% a year. The company's experienced management team remained with GES through the change of ownership and is playing a key role in helping the business fulfill its global potential.

GES currently operates in more than 17 countries with one each point-of-contact in Europe, North America and north Africa. The company is focused on enhancing its presence in Europe and North America because of the recent development of the wind industry in those places. Because of the difficulty experienced by GES in finding specific training for wind farm maintenance, the company set up its own Renewable Energy Training Institute in Gijon in 2001. The company now hopes to use the same training model in the U.S.

GES USA was established in 2006 as the operational arm of GES in North America, and maintains headquarters in Conshohocken, Pennsylvania. GES USA has grown to more than 200 employees. The company specializes in "turnkey" projects providing engineering, site preparation, electro-mechanical installation, substation construction, evacuation line construction and operation and maintenance service. Wind turbine technicians currently employed earn wages that range between \$16 and \$30/hour.

The wind industry is growing so rapidly that there is an increasing demand for skilled operators/technicians. GES USA plans to train 60 students and of those trained, GES USA will commit to hiring 50%. The remaining will be referred to other companies in the industry through the Workforce Center. The company proposes a basic training program which emphasizes 3 segments: safety, mechanical & electrical. Training will be conducted in a class room with each segment being 40 hours with videos, pictures, manuals and hands-on operations whenever required.

THE REQUEST

GES USA applied for and received a Workforce Investment Fund grant in the amount of \$25,000 to conduct two Front Door Wind Tech pilot training courses through TSTC, CJC and the Workforce Center. The company has been encouraged to apply again for an additional grant for sessions 3 and 4. The training will be similar in format to the successful Fast Track Welding training. Staff proposes the board authorize \$25,000 to help defray costs including advertising and marketing. Also requested is authorization for an additional \$25,000 for sessions 3 and 4, contingent on GES USA receiving another WIF grant of \$25,000. GES USA plans to hire 30 of the 60 trained individuals

FISCAL IMPACT

Pilot Front Door Wind Tech training sessions 1 and 2	\$25,000
Sessions 3 and 4	<u>\$25,000</u>
TOTAL	\$50,000

STAFF RECOMMENDATION

Staff recommends approval of resolution no. DCOA-2009.07 authorizing funding in an amount up to \$50,000 to assist with the Front Door Wind Tech pilot training program sessions 1 through 4.

ATTACHMENTS

Resolution DCOA-2009.07

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RESOLUTION NO. DCOA-2009.07

A RESOLUTION OF THE DEVELOPMENT CORPORATION OF ABILENE, INC. (DCOA), ABILENE, TEXAS AUTHORIZING FUNDING FOR GLOBAL ENERGY SOLUTIONS (“GES”) FOR A PILOT TRAINING PROGRAM FOR WIND TURBINE TECHNICIANS.

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

WHEREAS, GES specializes in “turnkey” projects providing engineering, site preparation, electro-mechanical installation, substation construction, evacuation line construction and operation and maintenance service for the wind industry; and,

WHEREAS, GES USA with headquarters in Pennsylvania, plans to train 60 students in wind turbine technician skills and employ 50% of those trained; and,

WHEREAS, GES applied for and received a Workforce Investment Fund grant in the amount of \$25,000 to conduct sessions 1 and 2 of the pilot training program with assistance from the Workforce Center, TSTC and CJC and will likely apply for a second \$25,000 grant to extend the program two more sessions; and,

WHEREAS, staff proposes the DCOA assist with funding of \$25,000 for sessions 1 and 2 and another \$25,000 for sessions 3 and 4, contingent on GES receiving another WIF grant.

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

PART 1. DCOA authorizes total funding to Global Energy Solutions for sessions 1 and 2 of the Front Door Wind Tech pilot training program in the amount of Twenty-Five Thousand and no/100’s Dollars (\$25,000), including marketing and advertising. Contingent on GES receiving additional WIF grant fund to extend the pilot program another two sessions, the DCOA authorizes an additional Twenty-Five Thousand and no/100’s Dollars (\$25,000) for sessions 3 and 4.

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

PART 3. The Chief Executive Officer of the Development Corporation of Abilene, Inc. is hereby authorized to negotiate, enter into and execute any contract and all other related documents on behalf of the DCOA.

ADOPTED this the 11th day of November, 2008.

ATTEST:

Dee Moore
Secretary/Treasurer

Joe Crawford
President

APPROVED:

T. Daniel Santee, City Attorney

DEVELOPMENT CORPORATION OF ABILENE, INC.
BOARD AGENDA
MEETING DATE: November 11, 2008

PROJECT: Underground Electrical Loop for Five Points Business Park

STAFF: Richard Burdine, CEO

GENERAL INFORMATION:

The Five Points Business Park is currently served for electrical use via the substation located at the north end of the Park on Marigold St. This summer AEP had a difficult time coordinating with PWP Industries to install a new junction box and transformer for Spec 3 because PWP had to shut down operations completely. By extending electrical service from another substation into the Park electrical services could be restored via a manual switch in the case of an outage at the current substation. This would also allow AEP to isolate and de-energize sections of underground line in the Park to add more junction boxes and transformers as the Park develops and perform scheduled maintenance without requiring a clearance from Park tenants.

THE PROJECT:

AEP proposes to extend the existing underground 12470 volt electrical system from the last junction box near Spec 3 south to the overhead electrical line which parallels the Union Pacific railroad. This will tie a circuit from the current substation on Marigold St. to a circuit out of the Elm Creek substation near McCoy's Lumber. The proposal requires funding from the DCOA of \$115,000 as follows:

Contribution-in-aid-to-construction (CIAC) paid to AEP	\$ 78,870
Conduit, junction boxes, ditching, boring & backfill	<u>\$ 36,130</u>
Total	\$115,000

The DCOA will contract directly to open the ditch, place conduit and junction boxes, bore under Five Points Parkway and then backfill. The project requires about 4,550' of ditching/backfill and parallel 6" pvc systems with 2 junctions boxes. AEP will install and connect all of the electrical cables along with any pad-mounted equipment in order to complete a looped system. The project should take about 2 weeks to complete.

FUNDING/FISCAL IMPACT:

\$115,000 to install looped electrical service.

STAFF RECOMMENDATION:

Staff recommends the DCOA approve Resolution No. DCOA-2009.05 authorizing funding of \$115,000 to complete the electrical looping project in the Five Points Business Park as outlined above.

ATTACHMENT:

Resolution DCOA-2009.05

RESOLUTION NO. DCOA-2009.05

A RESOLUTION OF THE DEVELOPMENT CORPORATION OF ABILENE, INC. (DCOA), ABILENE, TEXAS AUTHORIZING FUNDING TO EXTEND THE EXISTING UNDERGROUND ELECTRICAL SERVICE AND TIE INTO A SECOND ELECTRICAL SUBSTATION TO PROVIDE LOOPED SERVICE IN THE FIVE POINTS BUSINESS PARK ("PARK").

WHEREAS, the Five Points Business Park is served by the AIP electrical substation located at the north end of the Park on Marigold St.; and,

WHEREAS, AEP Texas proposes to extend the existing underground electrical system and tie into a circuit from the Elm Creek substation near McCoy's on Clack St. in order to provide looped service to Park tenants; and,

WHEREAS, the project will allow for restored service via a manual switch in the case of an outage at the AIP substation and will allow AEP Texas to isolate and de-energize sections of underground line to add more junction boxes and transformers as the Park develops and perform scheduled maintenance without service interruption; and,

WHEREAS, AEP requires the DCOA fund a contribution-in-aid-to-construction plus provide the necessary ditching, backfilling, conduit, pvc piping and junction boxes while AEP Texas provides installation and connections along with any pad-mounted equipment; and,

WHEREAS, Staff proposes the DCOA authorize funding to complete the electrical looping project in the Park as presented.

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

PART 1. DCOA authorizes funding in the amount of One Hundred Fifteen Thousand and no/100's Dollars (\$115,000) to extend the existing underground 12470 volt electrical system from the last junction box near Spec 3 south to the overhead electrical line which parallels the Union Pacific railroad. DCOA is responsible for ditching/backfill of approximately 4550', parallel 6" pvc piping, boring under Five Points Parkway, and 2 junction boxes. AEP Texas will install and connect all electrical cables along with any pad-mounted equipment necessary to complete a looped system. Funding will be as follows:

Contribution-in-aid-to-construction (CIAC) paid to AEP	\$ 78,870
Conduit, junction boxes, ditching, boring & backfill	<u>\$ 36,130</u>
Total	\$115,000

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

PART 3. The Chief Executive Officer of the Development Corporation of Abilene, Inc. is hereby authorized to negotiate, enter into and execute any contract and all other related documents on behalf of the DCOA.

ADOPTED this the 11th day of November, 2008.

ATTEST:

Dee Moore
Secretary/Treasurer

Joe Crawford
President

APPROVED:

T. Daniel Santee
City Attorney