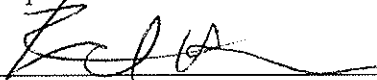


PUBLIC NOTICE

DEVELOPMENT CORPORATION OF ABILENE, INC.

A regular meeting of the Development Corporation of Abilene, Inc. will be held on Monday, April 13, 2009, 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

April 13, 2009
1:30 p.m.

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

1. Call the meeting to order.
2. Approval of minutes from March 30, 2009 meeting.
3. Sales Tax report for April, 2009.
4. Presentation by David Kinard & Co. of Audit Report for FY2008.
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 purchase of 5.6 acres adjacent to the Five Points Business Park.
7. Discussion and possible approval of a resolution authorizing the Development Corporation of Abilene participation in a New Markets Tax Credit transaction for the Life Sciences Accelerator and laboratory space on Pine Street, and execution of all documents required to complete the transaction.
8. Discussion and possible approval of a resolution authorizing funding for lighting upgrades in Hangars 0, 2 and 3 at the Abilene Regional Airport.
9. Discussion and possible approval of a resolution authorizing additional assistance for Coca Cola of North Texas.
10. 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 _____, 2009, 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
MARCH 30, 2009**

MEMBERS PRESENT:	Joe Crawford Marelyn Shedd Scott Senter	Mike Schweikhard Paul Cannon
STAFF PRESENT:	Richard Burdine Dan Santee	Kim Tarrant
GUESTS PRESENT:	Stephanie Dugan Manual Diaz Carl Kieke	Nat'l Development Council KTAB News Abilene Reporter-News

- 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 FEBRUARY 24, 2009 MEETING.** A typographical error was noted on Item #7 of the Feb. 24th minutes. The first word of the last line of the second paragraph should be "must" instead of "much". The minutes were corrected and Paul Cannon made a motion to approve the minutes from the February 24, 2009 meeting as corrected. Mike Schweikhard seconded and the motion carried.
- 3. SALES TAX REPORT FOR MARCH 2009 AND PRELIMINARY STATUS OF FUNDS REPORT FOR FEBRUARY 2009.** The sales tax rebate for economic development for March 2009 was \$602,464.36, which is 5.45% above this same time last year.
- 4. 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 March 30, 2009 and the time is 1:36 p.m. Mr. Crawford then announced the date is still March 30, 2009 and the time is 2:34 p.m. No vote or action was taken in Executive Session.

- 5. DISCUSSION AND POSSIBLE APPROVAL OF AN ORAL RESOLUTION AUTHORIZING THE SECOND ANNUAL SPONSORSHIP OF ACU'S SPRINGBOARD IDEA CHALLENGE.** In 2008, ACU's College of Business proposed a business plan competition entitled "Springboard Idea Challenge", which ended up being a huge success. Survey results from last year's 49 applicants were astounding. Before Springboard 2008, 79% of last year's applicants had never seriously considered starting a business. After the event, 100% of participants claim they intend to own their own business at some point in the future and 60% of those are working to start a business as soon as possible. Also, two Springboard businesses developed in Abilene have been sold/acquired in the past year.

In 2008, the DCOA sponsored the event at the Platinum level of \$5,000 and staff recommends the DCOA sponsor this event in 2009 at the same \$5,000 Platinum level.

A motion was made by Mike Schweikhard to approve by oral resolution staff's recommendation as presented. Paul Cannon seconded and the motion passed by unanimous consent.

6. **BRIEFING OF THE DEVELOPMENT CORPORATION OF ABILENE, INC. PARTICIPATION IN A NEW MARKETS TAX CREDIT TRANSACTION FOR THE LIFE SCIENCES ACCELERATOR AND LABORATORY SPACE ON PINE STREET.** The DCOA has invested millions to provide necessary infrastructure for Abilene's growing biotech research sector. Among these investments was infrastructure assistance for the Texas Tech University Health Sciences Center School of Pharmacy at 1718 Pine.

The DCOA was recently approved by the National Development Council (NDC) for a 2009 New Markets Tax Credit (NMTC) allocation of \$10 million (\$3.9 million in actual tax credits) that will net an additional \$2 million for reinvestment in the project. A new entity was formed to facilitate the NMTC process called the Abilene Life Sciences Foundation, Inc. (ALSF). Stephanie Dugan with the National Development Council was present to answer any questions about the transaction.

There was no action taken on this item.

7. **DISCUSSION & POSSIBLE APPROVAL OF A RESOLUTION AUTHORIZING A SUB-LEASE OF THE 1ST FLOOR OF THE GRANT BUILDING (302 PINE) TO THE ABILENE INDEPENDENT SCHOOL DISTRICT.** In December 2008, the Texas Education Agency (TEA) awarded a STEM grant (science, technology, engineering, math) to the Abilene Independent School District (AISD) to fund an academy of students from grades 9 through 12 studying engineering and computer science. The AISD will partner with Abilene Christian University (ACU) who has agreed to provide facilities for the academy.

Class room space at ACU won't be available until Fall 2010. In the interim, AISD Administration has requested to sublease the first floor of the Grant Building (302 Pine) for the first school year. The second and third floors are occupied by Texas Tech University. Any costs resulting from AISD's occupancy of the 1st floor will be absorbed by AISD and/or Texas Tech University.

Staff recommends approval of an oral resolution authorizing the CEO to negotiate a one-year sublease with the Abilene Independent School District to establish a Science, Technology, Engineering, Math (STEM) High School.

Scott Senter moved to approve by oral resolution staff's recommendation as presented above. Marelyn Shedd seconded and the motion carried.

- 8. DISCUSSION AND POSSIBLE APPROVAL OF AN ORAL RESOLUTION AUTHORIZING ENGAGEMENT OF A GRANT WRITER TO PURSUE FUNDING OPPORTUNITIES IN THE AMERICAN RECOVERY AND REINVESTMENT ACT AND EXPENDITURES NOT TO EXCEED \$8,000 FOR SUCH SERVICES.** The American Recovery and Reinvestment Act provides billions of dollars to federal agencies for disbursement to states and cities through allocation formulas and competitive grants. The National Institute of Health has several opportunities for funding to further develop infrastructure in support of the DCOA's biotech sector initiative. However, staff does not have the time necessary to research and develop successful grant applications, plus several of the programs have very short application deadlines.

Staff recommends approval of an oral resolution authorizing engagement of a grant writer to pursue funding opportunities in the American Recovery and Reinvestment Act and expenditures not to exceed \$8,000.

Marelyn Shedd made a motion to approve, by oral resolution, staff's recommendation as presented above. The motion was seconded by Paul Cannon and it passed by unanimous consent.

- 9. DISCUSSION & POSSIBLE APPROVAL OF A RESOLUTION AUTHORIZING FUNDING FOR IMPROVEMENTS TO HANGARS AT THE ABILENE REGIONAL AIRPORT CURRENTLY OCCUPIED BY EAGLE AVIATION SERVICES TO IMPROVE ENERGY EFFICIENCY AND BIRD NUISANCE PROBLEMS.** Richard Burdine explained the hangars at the Abilene Regional Airport occupied by Eagle Aviation Services, Inc. (EASI) have experienced bird infestation problems, which has led to damage to the exposed ceiling insulation. Staff obtained bids to repair insulation in Hangars 0, 1, 2 and 3, and install bird netting in Hangars 0 and 1. The low bidder is Hawk Portable Buildings at \$125,723.

Also discussed was the City of Abilene's contract with TAC for energy efficiency upgrades in City structures. Hangar 1, which is City-owned, is on schedule for lighting upgrades under the contract to begin soon. TAC also provided bids to upgrade lighting in Hangars 0, 2 and 3, which are DCOA-owned, however, DCOA will have to provide the funding for the upgrades. The upgrades are intended to increase energy efficiency and reduce EASI's operating costs at a cost to the DCOA of \$136,583.

After discussion, the board decided to go forward with funding for insulation repair and bird netting in the hangars as outlined above. Funding for the lighting upgrades was not approved pending additional information.

Scott Senter made a motion to approve resolution DCOA-2009.11 amended to eliminate funding for lighting upgrades in the amount of \$136,583. Funding approved is \$138,295 for insulation repair, bird netting and contingency. Paul Cannon seconded and it passed by unanimous consent.

10. ADJOURNMENT. The next board meeting will be Monday, April 13, 2009. There being no further business, the meeting was adjourned.

Joe Crawford, President

S:\DCOA\Minutes\FY 2009\2009-03-30.doc

MEMORANDUM

April 8, 2009

TO: Larry D. Gilley, City Manager
Evalin E. McClain, Assistant City Manager

FROM: Mindy Patterson, Director of Finance

SUBJECT: April Sales Tax

The sales tax rebate for April is \$2,466,240.17, which represents February sales. This is 3.08% above last year. The breakdown of the April rebate is \$1,849,680.13 to the General Fund and \$616,560.04 for economic development. Of this rebate, \$93,989 is from prior periods, audit payments, future payments, and unidentified payments. Based on this rebate, sales tax is 5.16% above last year for the period of October through April. I have requested the detail from the state.

Should you have any questions, please contact me.

MP:ls

cc: Richard Burdine, Assistant City Manager
David Vela, Assistant City Manager

**CITY OF ABILENE
SALES TAX COMPARISION**

Accounting Period Month	GENERAL FUND	ECONOMIC DEVELOPMENT	TOTAL 2007-08	GENERAL FUND	ECONOMIC DEVELOPMENT	TOTAL 2008-09
	Actual 2007-08	Actual 2007-08		Actual 2008-09	Actual 2008-09	
October	\$2,029,217.53	\$676,405.84	\$2,705,623.37	\$2,110,326.56	\$703,442.19	\$2,813,768.75
November	2,293,733.19	764,577.73	3,058,310.92	2,680,326.85	893,442.28	3,573,769.13
December	1,934,180.44	644,726.81	2,578,907.25	2,122,016.60	707,338.86	2,829,355.46
January	1,880,105.59	626,701.86	2,506,807.45	1,981,869.70	660,623.23	2,642,492.93
February	2,932,831.13	977,610.37	3,910,441.50	2,867,665.67	955,888.56	3,823,554.23
March	1,798,311.71	599,437.23	2,397,748.94	1,807,393.10	602,464.36	2,409,857.46
April	1,794,413.90	598,137.96	2,392,551.86	1,849,680.13	616,560.04	2,466,240.17
YTD	<u>\$14,662,793.49</u>	<u>\$4,887,597.80</u>	<u>\$19,550,391.29</u>	<u>\$15,419,278.61</u>	<u>\$5,139,759.52</u>	<u>\$20,559,038.13</u>
May	2,472,581.86	824,193.95	3,296,775.81			
June	1,970,650.71	656,883.57	2,627,534.28			
July	2,054,110.32	684,703.44	2,738,813.76			
August	2,592,932.85	864,310.95	3,457,243.80			
September	2,171,258.39	723,752.80	2,895,011.19			
FY TOTAL	<u>\$25,924,327.62</u>	<u>\$8,641,442.51</u>	<u>\$34,565,770.13</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 2007-08	Actual 2008-09	% Change
October	\$676,406	\$703,442	4.00%
November	764,578	893,442	16.85%
December	644,727	707,339	9.71%
January	626,702	660,623	5.41%
February	977,610	955,889	-2.22%
March	599,437	602,464	0.50%
April	598,138	616,560	3.08%
YTD	\$4,887,598	\$5,139,760	5.16%
May	824,194		
June	656,884		
July	684,703		
August	864,311		
September	723,753		
FY TOTAL	\$8,641,443		

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 April '09 represents February '09 sales. Approximately
\$23,497 of the rebate is from prior periods, audit, and future payments.

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

DEVELOPMENT CORPORATION OF ABILENE, INC.

Board Agenda

Meeting Date: April 13, 2009

PROJECT: UPS Acreage West of Five Points Business Park

STAFF: Richard Burdine, CEO

THE PROJECT

UPS has a parcel distribution center at 365 Fulwiler Rd., south of Five Points Parkway which contains a total of 13.56 acres. Currently 5.6 acres is vacant and not used by UPS. The CEO executed a Purchase and Sale Agreement with BT-OH, LLC (Owner) in November 2008 to purchase the excess 5.6 acres and re-plat the land into the Five Points Business Park. An appraisal performed in July 2008 indicated a value of \$62,000 for the acreage and the purchase price is \$65,000 (\$11,607/acre).

With the sale of 41.6 acres in the Park to Tower Tech and construction of Spec 3 on another 18 acres, developable space is becoming scarce and we need to plan for expansion. By purchasing the excess 5.6 acres, we are able to re-plat that acreage and the surrounding DCOA-owned acreage into a lot of 39.22 acres.

THE REQUEST

The cost of the appraisal was \$1,600, the survey cost \$2,430, and staff paid \$6,500 in earnest money at the time the Purchase and Sale Agreement was signed. Closing can occur shortly after funding is approved. On Monday, April 13th, the preliminary re-plat application will go to the P&Z Committee, with the final due to be approved on April 30th. Staff requests funding of \$71,000 (some funding being affirmed) to purchase and re-plat the 5.6 acre tract.

FISCAL IMPACT

Appraisal	\$ 1,600
Survey	\$ 2,430
Purchase	\$65,000
Contingency	\$ 1,970
TOTAL	\$71,000

STAFF RECOMMENDATION

Staff recommends approval of resolution DCOA-2009.12 authorizing the purchase of 5.6 acres adjacent to the Five Points Business Park from BT-OH, LLC (UPS) for \$65,000, plus closing costs, appraisal cost, and survey cost for a total allocation of \$71,000.

ATTACHMENTS

Resolution DCOA-2009.12

Survey drawing indicating land ownership as it exists now.

Drawing indicating newly re-platted lots, if approved.

RESOLUTION NO. DCOA-2009.12

A RESOLUTION OF THE DEVELOPMENT CORPORATION OF ABILENE, INC. ("DCOA"), ABILENE, TEXAS AUTHORIZING THE PURCHASE OF 5.6 ACRES OF UNDEVELOPED LAND LOCATED ADJACENT TO THE WEST OF THE FIVE POINTS BUSINESS PARK AND RE-PLAT OF THE ACREAGE WITH EXISTING DCOA-OWNED LAND INTO ONE LARGE LOT.

WHEREAS, UPS has a parcel distribution center at 365 Fulwiler Rd., south of Five Points Parkway which contains a total of 13.56 acres; and,

WHEREAS, 5.6 acres is vacant and not used by UPS and staff approached the owner, BT-OH, LLC about purchasing the land; and,

WHEREAS, a Purchase and Sale Agreement was executed in November 2008 whereby the DCOA has the option to purchase the land for \$65,000; and,

WHEREAS, the acreage will be re-platted with DCOA-owned land into one large lot; and,

WHEREAS, Staff proposes the DCOA authorize the purchase of 5.6 acres of undeveloped land to add to the Five Points Business Park for industrial development.

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

PART 1. DCOA authorizes the purchase of 5.6 acres of undeveloped land from BT-OH, LLC located west of and adjacent to the Five Points Business Park and for Sixty-Five Thousand and no/100's Dollars (\$65,000), plus other funding as described below for total funding of Seventy-one Thousand and no/100's Dollars (\$71,000):

Appraisal	\$ 1,600 (already spent)
Survey	\$ 2,430 (already spent)
Purchase	\$65,000
Contingency	<u>\$ 1,970</u>
TOTAL	\$71,000

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 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.

ATTEST:

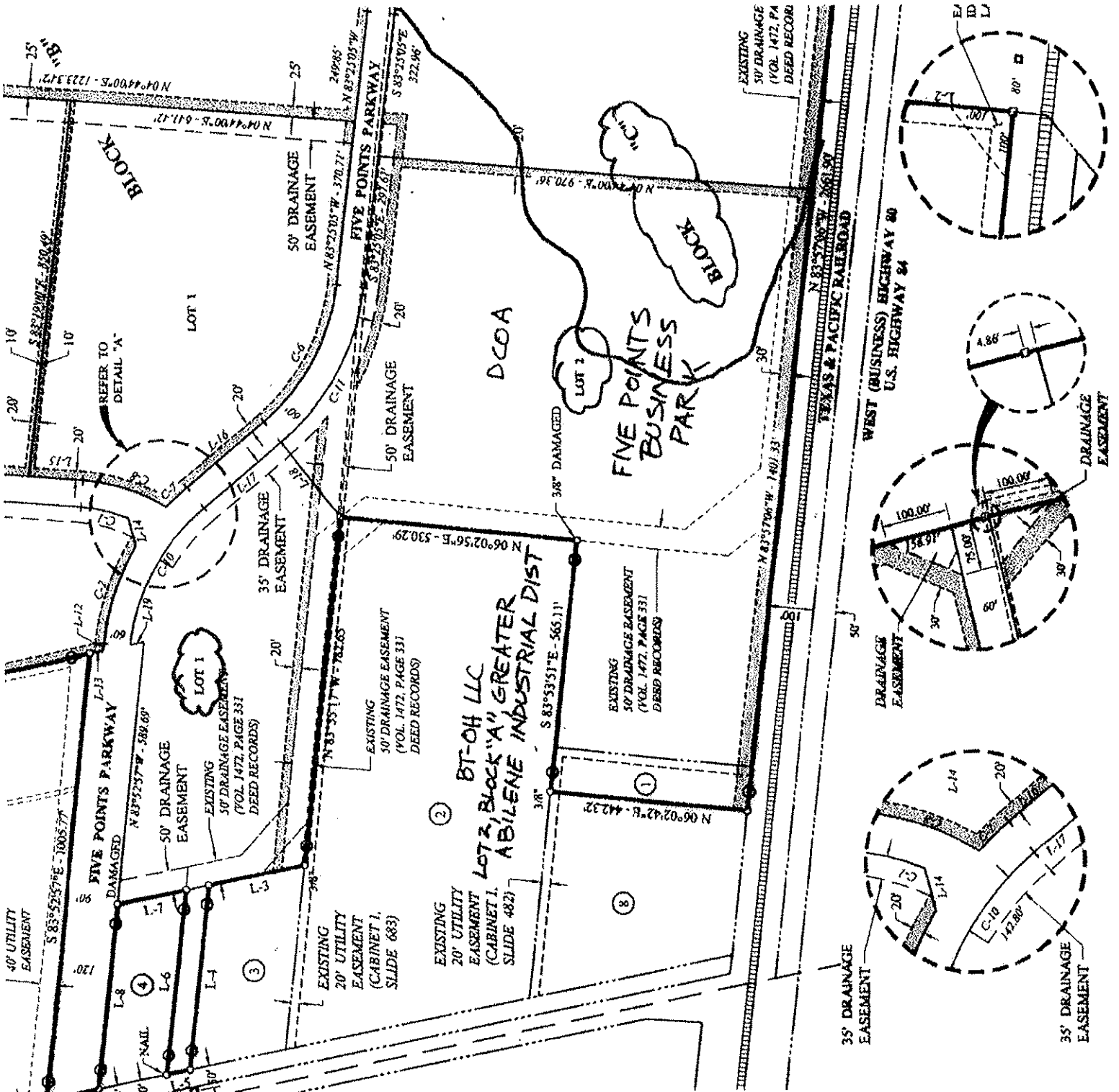
Marelyn Shedd
Secretary/Treasurer

Joe Crawford
President

APPROVED:

T. Daniel Santee, City Attorney

6.4

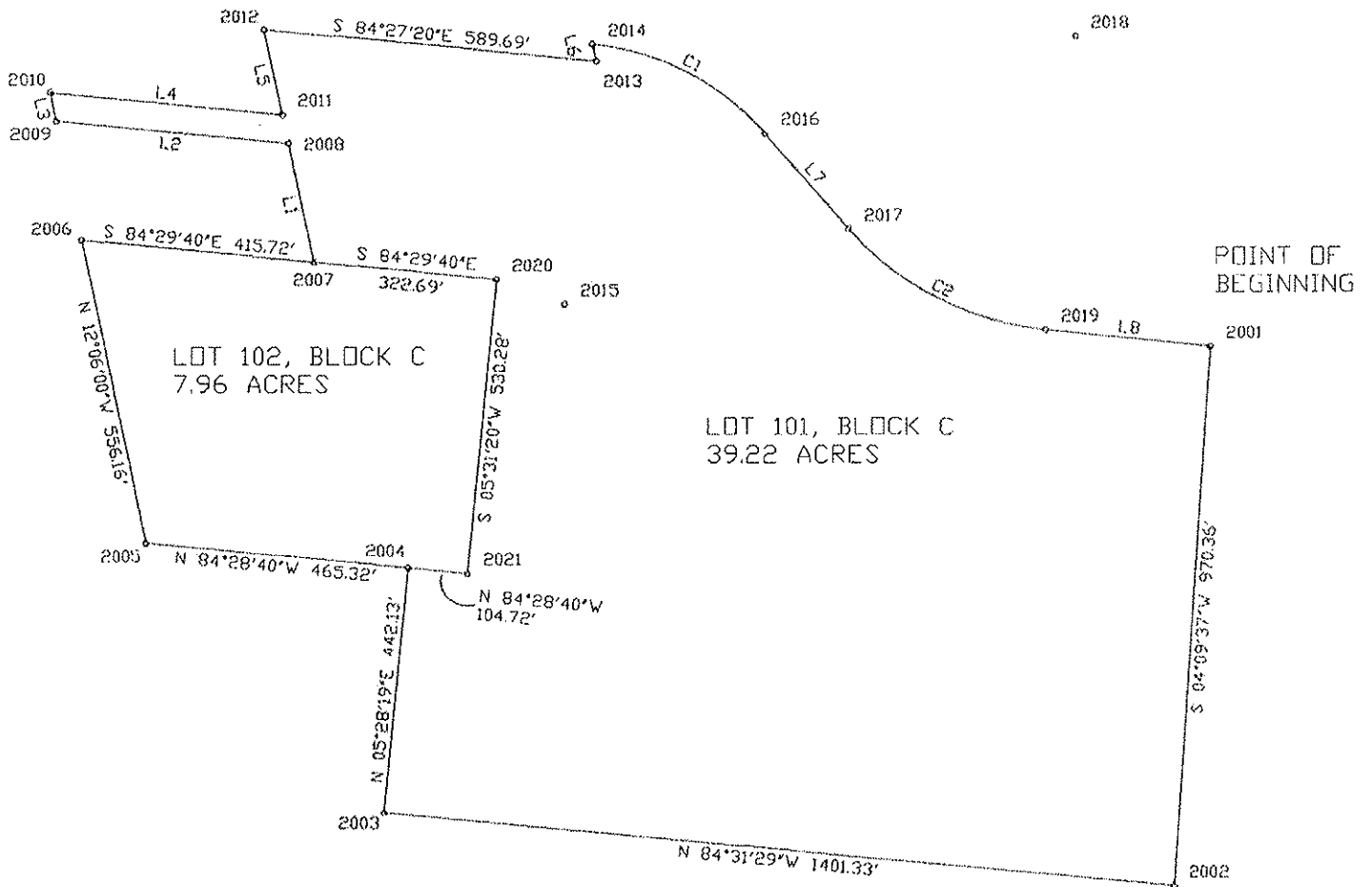


NUMBER	DIRECTION	DISTANCE
L-1	S 14°16'12"E	212.05'
L-2	S 06°04'19"W	219.34'
L-3	N 11°27'01"W	219.26'
L-4	N 83°52'57"W	416.04'
L-5	N 11°32'58"W	52.47'
L-6	S 83°52'57"E	416.13'
L-7	N 11°27'01"W	156.03'
L-8	N 83°52'57"W	416.40'
L-9	N 11°32'58"W	125.94'
L-10	N 78°17'02"E	401.14'
L-11	N 11°43'56"W	312.15'

NUMBER	DIRECTION	DISTANCE
L-12	N 83°52'57"W	15.59'
L-13	N 11°27'01"W	31.51'
L-14	S 74°52'57"W	65.66'
L-15	S 94°52'57"W	234.80'
L-16	N 48°52'57"W	223.91'
L-17	S 48°52'57"E	223.91'
L-18	S 83°52'57"E	226.01'
L-19	S 11°27'01"E	37.49'

NUMBER	RADIUS	ARC
C-1	370.00'	112.12'
C-2	530.00'	231.94'
C-3	60.00'	157.08'
C-4	60.00'	94.25'
C-5	60.00'	62.83'
C-6	470.00'	356.76'
C-7	530.00'	63.13'
C-8	430.00'	199.00'
C-9	970.00'	344.66'
C-10	470.00'	356.30'
C-11	530.00'	401.63'
C-12	7030.00'	363.98'





Course	Bearing	Distance
L1	N 12°01'24" W	219.26'
L2	N 84°27'20" W	416.04'
L3	N 12°07'01" W	52.47'
L4	S 84°27'20" E	416.13'
L5	N 12°01'24" W	156.03'
L6	N 12°15'03" W	31.51'
L7	S 40°34'23" E	225.95'
L8	S 83°59'28" E	297.61'

Curve	Radius	Length	Delta	Chord	Chord Bear.
C1	470.00'	356.30'	43°26'06"	347.83'	S 62°17'26" E
C2	530.00'	401.63'	43°25'05"	392.09'	S 62°16'56" E

DRAFT

DEVELOPMENT CORPORATION OF ABILENE, INC.
BOARD AGENDA
MEETING DATE: April 13, 2009

PROJECT: Participation in New Markets Tax Credit Transaction for Abilene Life Sciences Project

STAFF: Richard Burdine, CEO

BACKGROUND

The DCOA has invested millions to provide necessary infrastructure for Abilene's growing biotech research sector. The first investments were infrastructure assistance for the Texas Tech University Health Sciences Center School of Pharmacy at 1718 Pine and assisting Receptor Logic, Inc. to move to Abilene to conduct cancer research and development.

A donor conveyed a 6,000 sq. ft. building at 842 Pine to the DCOA in December 2008 to meet Receptor Logic Inc.'s (RLI) immediate wet laboratory space needs. The renovation was substantially complete by February 27th, and Receptor Logic began moving in a week later. Construction of the Life Sciences Accelerator at 1325 Pine also began in December 2008 with a projected December 1, 2009 completion date.

The DCOA was recently approved by the National Development Council (NDC) for a 2009 New Markets Tax Credit (NMTC) allocation in the amount of \$10 million (\$3.9 million in actual tax credits) that will net an additional \$2 million for reinvestment in the project. A new entity was formed to facilitate the NMTC process called the Abilene Life Sciences Foundation, Inc. (ALSF), a Texas non-profit with the purpose of facilitating scientific research and educational activities for the benefit of one or more of the Abilene colleges and universities. The ALSF has 5 board members - the Mayor, President of the DCOA, President of the Abilene Improvement Corp., CEO of Hendrick Health Center, and the Director of the Center for Immunotherapeutic Research TTUSOP (Dr. Jon Weidanz), or their designees.

NMTC TRANSACTION

The following items illustrate what the DCOA will do in order to facilitate the NMTC process:

1. Sell 842 Pine and 1325 Pine and the equipment therein, and 1342 Walnut (Accelerator parking lot) to ALSF for the amount of money invested so far in the project;
2. Assign all rights and interest in the A/E and construction contracts to the ALSF;
3. Execute loan documents as lender to the investment fund, a single purpose limited liability company set up by JP Morgan Chase;
4. Execute a master-lease for the properties as Lessee and the ALSF as Lessor;
5. Provide operating funds for the project, manage the project, and recruit and execute leases with tenants (i.e. RLI).
6. Other "general" actions not listed above will also be required to facilitate the process.

See the chart on the next page.

Because the ALSF has no employees, the Abilene City Council approved on April 2nd a contract with the ALSF to provide staff support and administrative services and to cover the ALSF's properties under the City's self insurance plan.

FISCAL IMPACT

Net \$2,000,000 to the DCOA.

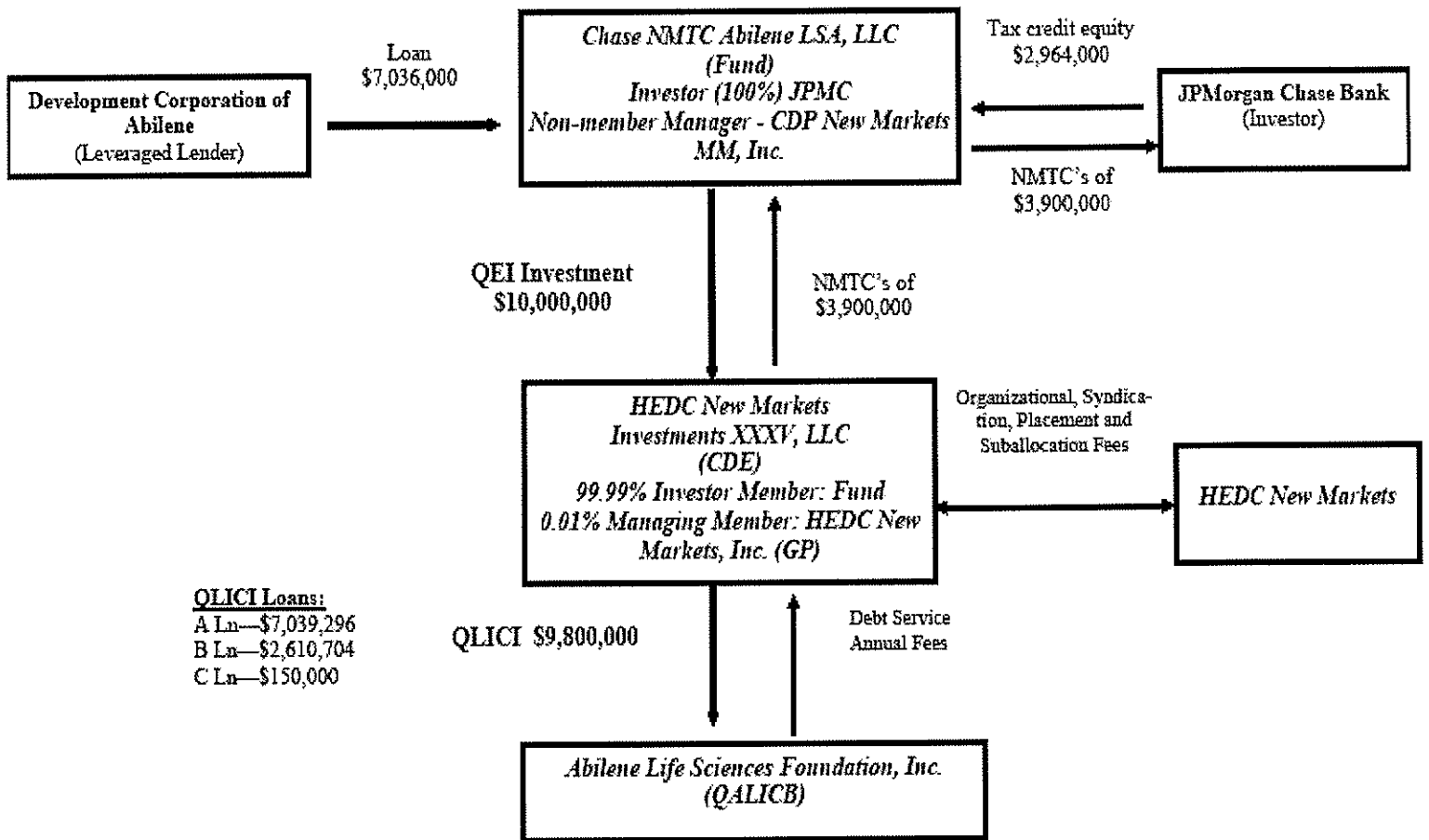
STAFF RECOMMENDATION

Staff recommends approval of Resolution DCOA-2009.10 authorizing DCOA participation in the NMTC transaction and authorizing the CEO to execute documents on the DCOA's behalf.

ATTACHMENTS

Resolution DCOA-2009.10

Abilene Life Sciences Accelerator Project



RESOLUTION NO. DCOA-2009.10

A RESOLUTION OF THE DEVELOPMENT CORPORATION OF ABILENE, INC. (DCOA), ABILENE, TEXAS AUTHORIZING PARTICIPATION IN A NEW MARKETS TAX CREDIT TRANSACTION INVOLVING THE ABILENE LIFE SCIENCES ACCELERATOR AT 1325 PINE, 1342 WALNUT, AND the LABORATORY AT 842 PINE, ABILENE, TEXAS.

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

WHEREAS, the DCOA has invested millions in the new biotech research business sector in Abilene located on Pine St., near Hendrick Medical Center; and,

WHEREAS, the DCOA recruited Receptor Logic, Inc. (RLI) to Abilene to work in conjunction with the TTUHSC Center of Immunotherapeutic Research at 1718 Pine to conduct cancer research and development; and,

WHEREAS, the DCOA recently completed major renovation work on property at 842 Pine converting it to wet laboratory space for use by RLI and other tenants; and,

WHEREAS, currently under construction at 1325 Pine and funded by the DCOA is the Abilene Life Sciences Accelerator, a 22,000 sq ft incubator for biotech research companies with RLI to be the initial tenant; and,

WHEREAS, the National Development Council (NDC) was awarded a \$10 million (\$3.9 million in actual tax credits) New Markets Tax Credit allocation for Abilene's life sciences project, which will net another \$2 million to the project; and,

WHEREAS, staff proposes the DCOA approve participation in the New Markets Tax Credit transaction and authorize the CEO to execute all documents necessary to complete the transaction; 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 participation in the New Markets Tax Credit (NMTC) transaction for the Abilene Life Sciences Accelerator at 1325 Pine St., 1342 Walnut St. and laboratory at 842 Pine St., which will net approximately \$2 million to be invested in the project. The following includes but is not exclusive of the steps necessary to accommodate the NMTC process:

1. Sell 842 Pine and 1325 Pine and the equipment therein, and 1342 Walnut (Accelerator parking lot) to ALSF for the amount of money invested so far in the project;

2. Assign all rights and interest in the A/E and construction contracts to the ALSF, and
3. Execute loan documents as lender to the investment fund, a single purpose limited liability company set up by JP Morgan Chase as the investor, and
4. Execute a master-lease for the properties as Lessee and the ALSF as Lessor, and,
5. Provide operating funds for the project, manage the project, and recruit and execute leases with tenants (i.e. RLI).

PART 2. The Chief Executive Officer of the Development Corporation of Abilene, Inc. is hereby authorized to negotiate, enter into and execute contracts and all other related documents on behalf of the DCOA in the New Markets Tax Credit (NMTC) transaction.

ADOPTED this the 13th day of April, 2009.

ATTEST:

Marelyn Shedd
Secretary/Treasurer

Joe Crawford
President

APPROVED:

T. Daniel Santee, City Attorney

DEVELOPMENT CORPORATION OF ABILENE, INC.
BOARD AGENDA
MEETING DATE: April 13, 2009

PROJECT: EASI Hangar Lighting Upgrades

STAFF: Richard Burdine, CEO

THE PROJECT

Last month the Board tabled action on funding of \$136,583 to upgrade the lighting in Hangars 0, 2, and 3 as part of the City’s contract with TAC, which is currently upgrading the lighting in the City-owned Hangar 1. The result in Hangar 1 has been a dramatic lighting improvement. Also, EASI Manager Harley Hall is very pleased that the lights are lower to the floor, allowing EASI personnel to change the bulbs themselves with equipment on-hand rather than renting a lift.

THE REQUEST

I ask the Board to reconsider this item for a number of reasons:

1. Initial lighting results in Hangar 1 have been great;
2. The contractor has worked well with EASI in the Hangar 1;
3. I believe our best opportunity to have the work done economically is as part of a multi-million dollar energy project such as the City has underway; and,
4. The City is willing pay for the improvements and allow the DCOA to reimburse it for the upgrades to hangars 0, 2 and 3 over five years with monthly payments of \$2545.70, including interest at 4.49%.

The upgrades will not only reduce EASI’s operating costs but will also make the DCOA-owned hangars “greener,” helping to preserve more of the world’s natural resources. Staff requests the board consider funding the lighting upgrades and agree to reimburse the City of Abilene as outlined above.

	Lighting Upgrades
Hangar 0	\$37,432
Hangar 1	0
Hangar 2	\$58,448
Hangar 3	\$40,703
TOTAL	\$136,583

FISCAL IMPACT

Lighting Upgrades in 3 hangars	\$136,583 paid over 5 years
Interest cost over 5 years	\$ 16,419
TOTAL	\$152,742

STAFF RECOMMENDATION

Staff recommends approval of resolution DCOA-2009.13 authorizing funding of \$136,583 to upgrade lighting in 3 hangars and authorize a payment plan to pay the City of Abilene back for the improvements.

ATTACHMENTS

Resolution DCOA-2009.13

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RESOLUTION NO. DCOA-2009.13

A RESOLUTION OF THE DEVELOPMENT CORPORATION OF ABILENE, INC. ("DCOA"), ABILENE, TEXAS AUTHORIZING FUNDING FOR LIGHTING UPGRADES IN THREE HANGARS OCCUPIED BY EAGLE AVIATION SERVICES, INC. ("EASI").

WHEREAS, Eagle has been in Abilene since 1994 and currently occupies four industrial hangars and a records/part storage facility at the Abilene Regional Airport to provide heavy maintenance services on regional jets and propeller aircraft for American Eagle Airlines; and,

WHEREAS, the City of Abilene is contracting with TAC to perform energy efficiency upgrades to various City structures, and Hangar 1 occupied by EASI is undergoing lighting upgrades under the contract; and,

WHEREAS, TAC can perform lighting upgrades in Hangars 0, 2 and 3, which are DCOA-owned, but the DCOA is required to provide the funding; and,

WHEREAS, lighting upgrades would greatly benefit the hangars by improving energy efficiency and reducing EASI's operating costs; and,

WHEREAS, Staff proposes the DCOA provide funding to upgrade lighting in Hangars 0, 2 and 3.

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

PART 1. DCOA authorizes funding to upgrade lighting in Hangars 0, 2 and 3 occupied by Eagle Aviation Services, Inc. located at the Abilene Regional Airport, in an amount not to exceed One Hundred Thirty Six Thousand Five Hundred and Eighty-Three and No/100's Dollars (\$136,583) as outlined below:

	Lighting Upgrades
Hangar 0	\$37,432
Hangar 1	0
Hangar 2	\$58,448
Hangar 3	\$40,703
TOTAL	\$136,583

Also authorized are monthly payments to the City of Abilene in the amount of \$2,545.70 (including interest of 4.49%) for five years to reimburse the City for the cost of the lighting upgrades plus interest.

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 13th day of April, 2009.

ATTEST:

Marelyn Shedd
Secretary/Treasurer

Joe Crawford
President

APPROVED:

T. Daniel Santee, City Attorney

DEVELOPMENT CORPORATION OF ABILENE, INC.

Board Agenda

Meeting Date: April 13, 2009

PROJECT: Coca Cola of North Texas Additional Funding

STAFF: Richard Burdine, CEO

THE COMPANY

The bottling system for Coca Cola is made up of locally-rooted enterprises committed to quality. Coca Cola Bottling Company of North Texas (Coke) is an established employer for Abilene that has been in operation on Highway 351 for many years and currently employs 221 people.

In 2006, the board authorized funding of \$300,000 to install a new sewer main along the new road from the plant to I-20 and connect the Coke plant to the new main. This main only serves Coke, and by authorizing funding, the board set the stage for future investment in Abilene.

In February 2009, the board approved resolution DCOA-2009.09 authorizing \$500,000 to expand the Abilene plant, including a 900 sq ft lab room and improvements to the syrup room. The improvements will bring the plant up to corporate standards at an estimated cost of \$5 million and position it as an innovative research and development center that will help ensure the long-term success of the facility. The DCOA funding will also ensure an internal return on investment of 15% for the company; the ROI needed for the project to compete with other plants for the project. The funding is payable over 3 years upon receipt of invoices evidencing eligible expenses. Annual disbursements will be \$200,000 for year 1, \$150,000 for year 2 and \$150,000 for year 3. The first phase of this project is underway.

THE REQUEST

Because of the DCOA's grant approved in February, the Abilene plant is again positioned for approval of a new Shrink Wrap project. The project is a Supply Chain innovation initiative designed to improve packaging and marketing flexibility. Employees load various Shrink Wrap machine stations with printed corrugated blanks, glue and rolls of shrink film. This continuous motion packaging equipment converts corrugated blanks into trays. During the tray forming process, various container sizes and configurations are packaged in these trays. All trays and container combinations are overwrapped with film, then travel through a heat tunnel where the film shrinks to form a very robust and attractive package.

The Shrink Wrap project is expected to cost \$4 million and is projected to be completed by 12/31/11, if approved. No additional employment is associated with this project. By authorizing additional funding of \$400,000 for this project, the Abilene plant will be an attractive location and make it more financially viable. Staff requests the board consider funding of 10% up to \$400,000 for capital investment in the Shrink Wrap project paid over 3 years at \$140,000 for year 1, \$130,000 for year 2, and \$130,000 for year 3, upon receipt of evidence of eligible costs.

FISCAL IMPACT

\$400,000 paid over 3 years.

STAFF RECOMMENDATION

Staff recommends approval of resolution DCOA-2009.14 authorizing additional assistance of \$400,000 for Coca Cola Enterprises for another capital investment project proposed for the Abilene plant to include further expansion of facility capabilities through addition of a new Shrink Wrap project.

ATTACHMENTS

Resolution DCOA-2009.14

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RESOLUTION NO. DCOA-2009.14

A RESOLUTION OF THE DEVELOPMENT CORPORATION OF ABILENE, INC. (DCOA), ABILENE, TEXAS AUTHORIZING ADDITIONAL FUNDING TO COCA-COLA BOTTLING COMPANY OF NORTH TEXAS (“COKE”) FOR CAPITAL IMPROVEMENTS TO THE ABILENE PLANT RELATED TO THE PROPOSED SHRINK WRAP PROJECT.

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

WHEREAS, Coke has been in operation on Hwy 351 in north Abilene for many years and currently employs 221 people; and,

WHEREAS, because Coke generates a sizeable volume of effluent during the production process and managing the volume was costly and inefficient, and because new development put additional strain on the existing sewer line on Hwy 351, the DCOA approved in 2006 \$300,000 to underwrite the cost of a new sewer main along the new road to serve Coke; and,

WHEREAS, because of the DCOA’s 2006 investment, the Abilene plant was considered for an expansion to include construction and installation of a 900 sq ft lab room and improvements to the syrup room at an estimated cost of \$5 million; and,

WHEREAS, in February the DCOA approved resolution DCOA-2009.09 authorizing 10% up to \$500,000 for the lab and syrup room project, which positioned the plant for an additional project, the Shrink Wrap project at an estimated capital cost of \$4 million; and,

WHEREAS, staff proposes the DCOA approve 10% up to \$400,000 to make the Abilene plant an attractive location for the Shrink Wrap project; 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 funding in the amount of Four Hundred Thousand and no/100’s Dollars (\$400,000) to make the Abilene plant attractive for another capital project called the Shrink Wrap project. Disbursements will be made over 3 years at the rate of 10% of actual capital costs upon receipt of copies of invoices evidencing eligible expenses. Annual disbursements will be \$140,000 for year 1, \$130,000 for year 2 and \$130,000 for year 3.

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 13th day of April, 2009.

ATTEST:

Marelyn Shedd
Secretary/Treasurer

Joe Crawford
President

APPROVED:

T. Daniel Santee, City Attorney