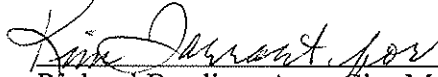


PUBLIC NOTICE

DEVELOPMENT CORPORATION OF ABILENE, INC.

A regular meeting of the Development Corporation of Abilene, Inc. will be held on Tuesday, November 10, 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

November 10, 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 the October 13, 2009 meeting.
3. Preliminary Status of Funds Report for September 2009.
4. Presentation of Annual Reports for Fiscal Year Ended September 30, 2009 by:
 - Abilene Industrial Foundation
 - TTU Small Business Development Center
 - City of Abilene Airport Business Development
5. Presentation and possible approval of the DCOA Annual Report of Activities for FY 2009.
6. 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.

7. Discussion and possible approval of a resolution authorizing the reauthorization of funds for the SBIR/STTR Program.
8. Adjournment.

CERTIFICATE

I hereby certify that the above notice of meeting was posted on the bulletin board at the City Hall of Abilene, Texas, on the _____ day of _____, 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
OCTOBER 13, 2009**

MEMBERS PRESENT:	Joe Crawford Marelyn Shedd Scott Senter	Mike Schweikhard Paul Cannon
STAFF PRESENT:	Richard Burdine Mindy Patterson	Kim Tarrant Dan Santee
GUESTS PRESENT:	Jaime Adame Tommy Harlan Ed Merrifield Greg Pogue Dale Gannoway Jack Harkins Robert O. Briley	Abilene Reporter-News Emergent Technologies, Inc. “ “ “ “ “ “ Tittle Luther Partnership City Council/Aaron’s

- 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 23, 2009 MEETING.** Scott Senter moved to approve the minutes from the September 23, 2009 meeting. Paul Cannon seconded and the motion carried.
- 3. SALES TAX REVENUE FOR OCTOBER 2009 AND STATUS OF FUNDS REPORT FOR AUGUST 2009.** Mindy Patterson reported the sales tax rebate for October (which represents August sales) for economic development was \$671,904, which is 4.48% below last year for the same period. The DCOA had an undesignated fund balance of nearly \$10.5 million as of August 31, 2009.
- 4. DISCUSSION & POSSIBLE APPROVAL OF A RESOLUTION AUTHORIZING THE CEO TO EXECUTE A CONTRACT WITH EMERGENT TECHNOLOGIES, INC. FOR PERSONNEL, BUSINESS RECRUITMENT, BUSINESS ACCELERATION AND STRATEGIC PLANNING SERVICES FOR THE ABILENE LIFE SCIENCES ACCELERATOR.** Scott Senter moved to untable this item. Marelyn Shedd seconded and the motion carried.

At the July 14, 2009 meeting, representatives from Emergent Technologies, Inc. (ETI) presented a description of the services their team can offer to help ensure the success of the Abilene Life Sciences Accelerator (ALSA). On August 4th the board authorized the CEO to negotiate a contract with ETI, whereby they will provide personnel, business recruitment and business acceleration and development services for ALSA clients and assist the DCOA with ALSA marketing, strategic planning and operations.

After extensive negotiations with ETI, staff recommends total funding of \$1,380,180 payable over three years as follows: for salaries and travel (\$708,180), management fee (\$228,000), marketing/recruiting fee (\$320,000) and job creation incentive fee (\$124,000).

Mike Schweikhard made a motion to approve Resolution No. DCOA-2010.02 as presented. Paul Cannon seconded and the motion carried.

6. DISCUSSION & POSSIBLE APPROVAL OF A RESOLUTION AUTHORIZING A CHANGE ORDER TO THE JEFF LUTHER CONSTRUCTION CONTRACT FOR THE ABILENE LIFE SCIENCES ACCELERATOR TO BUILD-OUT SHELL SPACE AND ALLOCATING FUNDS NECESSARY TO PAY FOR THE BUILD OUT. This item was moved from the number 6. position on the agenda to number 5.

The board has previously authorized funding and an agreement with the Tittle Luther Partnership (TLP) to develop plans and specifications for the build-out of 7,450 sq ft of lab/office/meeting space in the north end of the Abilene Life Sciences Accelerator (ALSA). From TLP's specifications, Jeff Luther Construction prepared a cost proposal of \$1,017,217 for the build out of the north end only, or \$136.54/sq ft. They also provided a cost proposal of \$1,247,201 to include the additional 2,698 sq ft of shell space in the south end, or \$122.90/sq ft. The completion date for either option is the same (April 1, 2010 - - assuming they begin on or around November 1, 2009). Adding 9% A&E fees and 8% contingency the totals for both options are: \$1,190,144 for the north end only and \$1,459,225 for both the north and south ends.

The difference between the two options is \$269,081 or \$99.73/sq ft. Jeff Luther Construction also estimated construction of the south end only at \$298,360 or \$110.90/sq ft. A future savings of at least \$30,137 or \$11.17/sq ft, can be realized by including the south end build-out at this time. Also, typical disruptions (dust, vibration, power surges, etc.) that come with remodeling work in an occupied building can be avoided.

A motion was made by Scott Senter to approve Resolution No. DCOA-2010.01 to build-out both the north and sound ends of the ALSA as recommended by staff including funding of \$1,459,225. The motion was seconded by Mike Schweikhard and it carried.

The meeting was adjourned at 2:00 pm for a press conference to announce the contract with ETI for operations and marketing of the ALSA. After the press conference, the meeting reconvened at 2:35 p.m.

5. 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 13, 2009, and the time is 2:35 p.m. Mr. Crawford then announced the date is still October 13, 2009, and the time is 3:35 p.m. No vote or action was taken in Executive Session.

7. **ADJOURNMENT.** The next regularly scheduled board meeting is October 27, 2009. There being no further business, the meeting was adjourned.

Joe Crawford, President

CITY OF ABILENE, TEXAS

PRELIMINARY

DEVELOPMENT CORPORATION OF ABILENE, INC.

Balance Sheet
September 30, 2009

ASSETS:

Cash and Investments	\$11,314,255
Notes receivable	17,181,513
Accounts receivable	4,500
Due from other governments	1,588,750
Prepaid Expense	0
Total Current Assets	<u>\$30,089,017</u>

OTHER ASSETS:

Fixed assets	\$31,814,131
Accumulated depreciation	(3,813,001)
Total Other Assets	<u>28,001,130</u>

TOTAL ASSETS

\$58,090,147

LIABILITIES:

Vouchers payable	\$138,524
Deferred revenues	180,616
Total Liabilities	<u>\$319,141</u>

FUND BALANCES:

Investment in general fixed assets	\$29,481,412
Reserved for contractual obligations(external)	17,528,363
Reserved for obligated programs(internal)	87,531
Undesignated Balance	10,673,700
Total Fund Balance	<u>\$57,771,006</u>

TOTAL LIABILITIES AND FUND BALANCES

\$58,090,147

FIXED ASSETS:

	<u>Original Cost</u>	<u>Improvements</u>	<u>Depreciation</u>	<u>Total</u>
Land:				
473.405 acres - Five Pts Bus Park	\$507,681			\$507,681
303.53 acres Hwy 36 & FM 18	449,238			449,238
122 acres - N Five Pts	321,082			321,082
Construction-in-Progress	3,680,913			3,680,913
Buildings and Improvements:				0
2601 Airport Blvd.	1,563,210	540,633	324,585	1,779,258
2809 Airport Blvd.	396,519	444,583	310,280	530,822
2841 Airport Blvd.	456,736	62,923	272,654	247,005
4002 Loop 322	1,290,916	2,384,891	1,279,036	2,396,771
Five Pts Bus Park	0	2,435,431	292,252	2,143,179
6450 Five Points Parkway	5,809,354	7,016,797	761,876	12,064,275
Grant Bldg 341 Pine	147,194	405,726	195,882	357,038
2742 Lance Dr. (EASI Storage)	2,527,408	9,987	202,426	2,334,969
4109 Vine St	583,524	168,600	49,492	702,632
4009 Vine St	583,524	0	46,682	536,842
Equipment	9,250		67,030	-57,780
Vehicle: 2005 Dodge Caravan	18,011	0	10,806	7,205
TOTAL FIXED ASSETS	<u>\$18,344,560</u>	<u>\$13,469,571</u>	<u>\$3,813,001</u>	<u>\$28,001,130</u>

DEVELOPMENT CORPORATION OF ABILENE
STATUS OF FUNDS @ SEPTEMBER 30, 2009

					(MARCH, 1990)
	Object	Beginning I-T-D Revenues	Current Month Revenues	Current FY Revenues	Ending I-T-D Revenues
REVENUE-TO-DATE					
City Sales Tax	3131	\$ 111,480,065.98	649,137.29	\$ 8,584,499.62	\$ 120,064,565.60
Sales Tax Retained	3132	292,521.01	4,690.71	53,348.33	345,869.34
Other Services Charges	3731	25.00	-	-	25.00
Princ. - Loans & Assess	3775	3,070,417.00	4,414.77	17,494.90	3,087,911.90
Int. - Loans & Assess	3802	2,085,473.13	678.72	9,722.44	2,095,195.57
Interest	3803	6,517,778.51	3,893.96	138,764.56	6,656,543.07
Land Lease	3810	13,835.41	-	-	13,835.41
Building/Space Rent	3816	3,433,860.16	72,394.50	977,318.61	4,411,178.77
City Pay Phones	3890	9,170.58	-	-	9,170.58
Miscellaneous Revenue	3892	30,238.49	-	-	30,238.49
EDA Grant	3305	242,100.00	-	-	242,100.00
Miscellaneous State Grants	3359	6,500.00	-	-	6,500.00
Miscellaneous Federal	3379	937,926.00	-	-	937,926.00
Interest on Investments	3800	176,263.67	-	-	176,263.67
Other Interest	3809	32,252.85	-	-	32,252.85
Interfund Recovery	3828	1,534,976.08	-	-	1,534,976.08
Miscellaneous Recovery	3839	1,896,652.91	-	20,000.00	1,916,652.91
Miscellaneous Prior Year	3840	16,464.88	-	-	16,464.88
DCOA Admin	3847	7,070.55	-	-	7,070.55
Other Contributions	3860	96,866.60	-	-	96,866.60
Donation	3869	-	-	43,846.00	43,846.00
Sale of Land	3870	273,554.84	-	-	273,554.84
Sale of Buildings	3871	981,647.87	-	2,385,795.44	3,367,443.31
Sale of Equipment	3872	-	-	608,882.88	608,882.88
Gain (loss) Sale of Asset	3873	555,393.43	-	-	555,393.43
Miscellaneous Damage Claims	3889	1,173.04	-	-	1,173.04
Miscellaneous Revenue	3892	-	-	767,389.00	767,389.00
GASB 22 Restatement		355,634.89	-	-	355,634.89
GASB 34 FY 03 Adjustment		523,718.93	-	-	523,718.93
GASB 34 FY 08 Adjustment		44,606.57	-	-	44,606.57
		<u>\$ 134,616,188.38</u>	<u>\$ 735,209.95</u>	<u>\$ 13,607,061.78</u>	<u>\$ 148,223,250.16</u>

DEVELOPMENT CORPORATION OF ABILENE
STATUS OF FUNDS @ SEPTEMBER 30, 2009

	Project	Beginning I-T-D Expenditures	Current Month Expenditures	Current FY Expenditures	Ending I-T-D Expenditures	Outstanding Contracts
CONTRACTS ENCUMBERED/ EXPENDITURES-TO-DATE						
Prior Years Programs		\$ 61,769,775.97	\$ -	\$ -	\$ 61,769,775.97	
Business Services Division	Div 2760	6,756,496.24	36,368.17	543,087.31	7,299,583.55	4,500.00
Life Sciences Property - Pine	Div 2765	-	6,186.22	43,089.08	43,089.08	
DCOA Annual Contracts	Div 2775	1,891,328.02	20,616.95	167,045.82	2,058,373.84	21,174.12
Abilene Industrial Foundation	2775-4950	11,208,898.09	121,388.63	693,123.90	11,902,021.99	77,285.10
TTU Small Business Dev Cntr	2775-4951	2,240,621.05	-	195,000.00	2,435,621.05	-
Chamber Military Affairs	2775-4952	1,081,976.83	56,152.56	68,075.36	1,150,052.19	1,924.64
Airport Business Dev Mgr	2775-4953	416,681.40	6,380.28	82,326.11	499,007.51	88,443.61
Murf Systems	4998	151,665.00	-	-	151,665.00	-
Bandag Training	5203	545,470.20	-	179,015.00	724,485.20	117,734.80
Rentech 04	5207	367,680.00	-	33,520.00	401,200.00	-
Sunoco Logistics	5208	193,024.00	-	33,976.00	227,000.00	-
EASI 04	5213	1,345,237.66	-	247,251.57	1,592,489.23	884,448.43
Glazer Phase II	5215	182,000.00	-	80,000.00	262,000.00	-
EHT	5216	98,300.00	-	56,700.00	155,000.00	-
Fehr Food	5220	1,045,020.00	-	1,044,540.00	2,089,560.00	-
Transcend Services	5227	348,621.66	-	101,378.34	450,000.00	-
Bandag Building Improv	5228	-	-	-	-	44,259.24
Glazers Ph III	5229	44,340.00	-	21,280.00	65,620.00	25,380.00
Highland Campus Health	5231	253,865.00	-	75,668.34	329,533.34	-
Rentech	5232	48,800.00	-	-	48,800.00	-
Robinson Fan	5237	229,406.00	-	123,002.98	352,408.98	311,800.00
Spec II / R/E	5239	75,787.50	-	176,700.00	252,487.50	-
CBER Website	5240	4,317.07	-	2,750.00	7,067.07	1,249.93
TTU Pharmacy School	5242	149,232.00	-	179,232.00	328,464.00	-
Teleperformance USA	5247	190,270.00	-	84,260.00	274,530.00	482,470.00
Shelter Distribution	5250	67,434.29	-	23,042.67	90,476.96	-
PWP (Project LF)	5251	1,058,761.13	-	498,081.57	1,556,842.70	2,010,620.30
Integrated Clinic Research	5253	7,440.00	-	-	7,440.00	688,062.00
Genesis Network	5258	399,133.33	548,590.99	976,200.48	1,375,333.81	15,055.81
Carter Burgess	5260	310,362.48	660.00	13,452.52	323,815.00	25,505.00
Fehr Foods	5261	118,091.53	-	-	118,091.53	-
TMAC	5262	52,500.00	-	7,500.00	60,000.00	-
SBIR/STTR	5263	66,880.65	228.65	60,279.20	127,159.85	144,240.50
EASI 7th Doc	5265	123,256.24	-	115,918.90	239,175.14	34,081.10
BMWT Leasing	5266	25,000.00	-	25,000.00	50,000.00	-
ABTEX Beverage	5267	-	-	634,339.80	634,339.80	964,700.20
MSSC Training	5269	71,762.03	-	-	71,762.03	74,353.05
Receptor Log	5270	1,043,534.87	-	460,322.25	1,503,857.12	-
Sr. Safe at Home	5271	-	-	-	-	-
WTCIC	5272	16,582.00	-	-	16,582.00	16,582.00
TTU HSC Research	5273	490,000.00	-	-	490,000.00	2,510,000.00
Accelerator A/E	5274	304,899.78	-	160,672.46	465,572.24	-
Spec 2 Expansion A/E	5275	6,978,018.64	-	97,830.93	7,075,849.57	-
Spec 3 Construction	5276	3,600,681.31	-	1,829,044.34	5,429,725.65	306,774.35
Prospect Development 08	5278	5,600.00	-	-	5,600.00	-
Accelerator Land	5280	327,160.42	-	97.77	327,258.19	-
Energy Maintenance Service	5282	-	-	-	-	1,418,000.00
Vine Street Repair	5283	168,600.00	-	12,255.00	180,855.00	-
Genesis Network Phase II	5284	-	-	-	-	2,103,694.90
Tower Tech	5285	9,906.40	-	836,593.20	846,499.60	3,981,000.40
Receptor Lab - 842 Pine	5287	320.00	-	1,532,967.31	1,533,287.31	-
Texas Metal 08	5288	-	-	-	-	35,114.00
TMAC 09	5289	-	-	7,500.00	7,500.00	52,500.00
Five Points Water Pump	5290	-	-	50,000.00	50,000.00	-
Accelerator Construction	5291	-	-	1,476,392.60	1,476,392.60	-
Global Energy	5292	-	-	10,150.00	10,150.00	-
Five Points Electric	5293	-	-	115,000.00	115,000.00	-
Prospect Development 09	5294	-	-	410.00	410.00	-
Project BG	5295	-	-	-	-	748,000.00
ACU 09 Springboard	5297	-	-	5,000.00	5,000.00	-
EASI 09 Project	5299	-	6,178.92	274,878.00	274,878.00	-
Land UPS 5.6 acres	5300	-	-	69,217.48	69,217.48	-
Land 122 Acres N 5 Pts	5302	-	28.26	171,558.71	171,558.71	339,409.79
Miscellaneous Activities	2785	354,189.86	-	-	354,189.86	-
TOTAL ENCUMB. / EXPENDITURES		\$ 106,238,928.65	\$ 802,779.63	\$ 13,694,727.00	\$ 119,933,655.65	\$ 17,528,363.27
TOTAL FUND BALANCE					\$ 28,289,594.51	
UNENCUMBERED FUND BALANCE						\$ 10,761,231.24

**DEVELOPMENT CORPORATION OF ABILENE
STATUS OF FUNDS @ SEPTEMBER 30, 2009**

Project	Amount Obligated	Prior Years Disbursed	Current Month Disbursed	Current Year Disbursed	Amount Encumbered	Balance
BALANCE OF OBLIGATED PROGRAMS						
Business Services Division	Div 2760	\$ 565,830.00	\$ -	\$ 36,368.17	\$ 543,087.31	\$ 4,500.00 \$ 18,242.69
Life Sciences Property -Pine	Div 2765	48,480.00	-	6,186.22	43,089.08	- 5,390.92
DCOA Annual Contracts	Div 2775	183,010.00	-	20,616.95	167,045.82	21,174.12 (5,209.94)
Abilene Industrial Foundation	2775-4950	770,410.00	-	121,388.63	693,123.90	77,285.10 1.00
TTU Small Business Dev Cntr	2775-4951	195,000.00	-	-	195,000.00	- -
Chamber Military Affairs	2775-4952	70,000.00	-	56,152.56	68,075.36	1,924.64 -
Airport Business Dev Mgr	2775-4953	170,770.00	-	6,380.28	82,326.11	88,443.61 0.28
Murf Systems	4998	151,665.00	151,665.00	-	-	- -
Bandag Training	5203	842,220.00	545,470.20	-	179,015.00	117,734.80 -
Rentech 04	5207	401,200.00	367,680.00	-	33,520.00	- -
Sunoco Logistics	5208	227,000.00	193,024.00	-	33,976.00	- -
EASI 04	5213	2,476,938.00	1,345,237.66	-	247,251.57	884,448.43 0.34
Glazer Phase II	5215	262,000.00	182,000.00	-	80,000.00	- -
EHT	5216	155,000.00	98,300.00	-	56,700.00	- -
Fehr Food	5220	2,089,560.00	1,045,020.00	-	1,044,540.00	- -
Transcend Services	5227	450,002.00	348,621.66	-	101,378.34	- 2.00
Bandag Building Improv	5228	44,260.00	-	-	-	44,259.24 0.76
Glazers Ph III	5229	91,000.00	44,340.00	-	21,280.00	25,380.00 -
Highland Campus Health	5231	329,534.00	253,865.00	-	75,668.34	- 0.66
Rentech	5232	48,800.00	48,800.00	-	-	- -
Robinson Fan	5237	664,209.00	229,406.00	-	123,002.98	311,800.00 0.02
Spec II Hart Agreement	5239	252,488.00	75,787.50	-	176,700.00	- 0.50
CBER Website	5240	8,317.00	4,317.07	-	2,750.00	1,249.93 -
TTU Pharmacy School	5242	328,464.00	149,232.00	-	179,232.00	- -
Teleperformance USA	5247	757,000.00	190,270.00	-	84,260.00	482,470.00 -
Shelter Distribution	5250	90,477.00	67,434.29	-	23,042.67	- 0.04
PWP (Project L.F)	5251	3,567,463.00	1,058,761.13	-	498,081.57	2,010,620.30 -
Integrated Clinic Research	5253	695,502.00	7,440.00	-	-	688,062.00 -
Genesis Network	5258	1,390,391.00	399,133.33	548,590.99	976,200.48	15,055.81 1.38
Carter Burgess	5260	349,320.00	310,362.48	660.00	13,452.52	25,505.00 -
Fehr Foods	5261	118,092.00	118,091.53	-	-	- 0.47
TMAC	5262	60,000.00	52,500.00	-	7,500.00	- -
SBIR/STTR	5263	271,400.00	66,880.65	228.65	60,279.20	144,240.50 (0.35)
EASI 7th Doc	5265	273,257.00	123,256.24	-	115,918.90	34,081.10 0.76
BMWT Leasing	5266	50,000.00	25,000.00	-	25,000.00	- -
ABTEX Beverage	5267	1,599,040.00	-	-	634,339.80	964,700.20 -
MSSC Training	5269	146,115.00	71,762.03	-	-	74,353.05 (0.08)
Receptor Log	5270	1,503,858.00	1,043,534.87	-	460,322.25	- 0.88
Sr. Safe at Home	5271	-	-	-	-	- -
WTCIC	5272	33,164.00	16,582.00	-	-	16,582.00 -
TTU HSC Research	5273	3,000,000.00	490,000.00	-	-	2,510,000.00 -
Accelerator A/E	5274	465,572.00	304,899.78	-	160,672.46	- (0.24)
Spec 2 Expansion A/E	5275	7,075,850.00	6,978,018.64	-	97,830.93	- 0.43
Spec 3 Construction	5276	5,736,500.00	3,600,681.31	-	1,829,044.34	306,774.35 -
Prospect Development 08	5278	5,600.00	5,600.00	-	-	- -
Accelerator Land	5280	327,258.00	327,160.42	-	97.77	- (0.19)
Energy Maintenance Service	5282	1,418,000.00	-	-	-	1,418,000.00 -
Vine Street Repair	5283	180,855.00	168,600.00	-	12,255.00	- -
Genesis Network Phase II	5284	2,103,695.00	-	-	-	2,103,694.90 0.10
Tower Tech	5285	4,827,500.00	9,906.40	-	836,593.20	3,981,000.40 -
Receptor Lab - 842 Pine	5287	1,533,287.00	320.00	-	1,532,967.31	- (0.31)
Texas Metal 08	5288	35,114.00	-	-	-	35,114.00 -
TMAC 09	5289	60,000.00	-	-	7,500.00	52,500.00 -
Five Points Water Pump	5290	50,000.00	-	-	50,000.00	- -
Accelerator Construction	5291	1,476,393.00	-	-	1,476,392.60	- 0.40
Global Energy	5292	10,150.00	-	-	10,150.00	- -
Five Points Electric	5293	115,000.00	-	-	115,000.00	- -
Prospect Development 09	5294	70,000.00	-	-	410.00	- 69,590.00
Run Energy	5295	748,000.00	-	-	-	748,000.00 -
ACU 09 Springboard	5297	5,000.00	-	-	5,000.00	- -
EASI 09 Project	5299	274,878.00	-	6,178.92	274,878.00	- 0.00
Land UPS 5.6 acres	5300	68,727.00	-	-	69,217.48	- (490.48)
Land 122 Acres N 5 Pts	5302	510,968.00	-	28.26	171,558.71	339,409.79 (0.50)
Miscellaneous Activities	2785	354,189.86	354,189.86	-	-	- -

BALANCE OF OBLIGATED PROGRAMS \$ 52,183,772.86 \$ 20,873,151.05 \$ 802,779.63 \$ 13,694,727.00 \$ 17,528,363.27 \$ 87,531.54

UNDESIGNATED FUND BALANCE (unencumbered balance less obligated programs and contingent liabilities) \$ 10,673,699.70

DCOA Board approved projects waiting for signed contracts	Expiration Date
Project DC 5286	12/24/2009
Coca Cola 5296	10/13/2009
Stimulus Grant Writer 5298	09/30/2009
Project LW 5303	10/13/2009
EASI floor re-painting A/E 5305	03/23/2010
	<u>2,350,000.00</u>

3.4



Development Corporation of Abilene, Inc.

Loan Summary as of 09/30/09

Borrower	Lender	Account	Purpose	Original Loan Amt	Origin. Date	Maturity Date	Int= Interest	P&I= Principal and Interest	D/T= Deed of Trust	PO= Principal Only	IO= Interest Only	
				Loan Amt	Date	Date	DCOA Int Rate	DCOA Balance	Collateral	Guarantor	Payment Type	Past Due
BANDAG, INC.	DCOA	BNDG760	Purchase of 4549 FM 18 (former Cummings Sign bldg) for \$650,000, plus \$400,000 for improvements. 1st pmt due 4-4-08 at \$5,147/mo until maturity on 4-4-12.	\$1,050,000.00	03/24/2005	03/24/2012	0%	\$913,094.76	1st lien D/T on 4549 FM 18, Abilene, Texas.	None.	Monthly (PO)	No
BBP BIRD, LP	DCOA	BBP760	Permanent financing for construction of new plant. Pmt @ \$3600/mo beg 7-5-06 until maturity on 7-1-2031. True-up pmts due 6-1-14, 6-1-21, 6-1-28. Additionally, monthly pmts of \$100 for each boat produced the previous month in excess of 36.	\$4,000,000.00	12/30/2005	07/01/2031	0%	\$3,726,300.00	1st lien D/T on 40 acres and new manufacturing plant located at 1801 E. Hwy 36, Abilene, TX.	Corporate Guaranty from Tigé Boats, Incorporated	Monthly (P&I)	No
BMWT LEASING	DCOA	08BMWT	To provide partial financing for the purchase and installation of a new scrap processing shear machine and purchase of materials and installation of a new rail spur to serve Borrower's facility at 2989 Pine St., Abilene, TX. Also represents renewal of \$124,886.42 balance remaining under FFB participation (BMWT02RE) which was booked internally.	\$160,000.00	09/01/2008	08/31/2011	0.0	\$124,886.42	2nd lien D/T on 2989 Pine.	Wayne and Terrie Lanham	Annual (PO)	Yes
BMWT LEASING, INC.	DCOA	BMWT07	To provide financing for the purchase of improvements made to the property located at 3125 Pine St., Abilene, TX.	\$75,000.00	01/01/2007	12/31/2009	0.0	\$25,000.00	HRB-59N 2 RAM Horizontal Baler, Ser #0598121, manufactured in 1995 by Harris Waste Management Group, and 60" wide x 41'6" long, 1/4" plate, 9" pitch steel belt conveyor, Ser #B3977, manufactured in 1995 by Hustler Conveyor Company.	Wayne Lanham, Terri Lanham	Annual (PO)	No
CHASE NMTC ABILENE LSA, LLC	DCOA	ALSANMTC09	Leverage loan for Abilene Life Sciences NMTC transaction.	\$7,039,296.00	04/27/2009		1%	\$7,039,296.00	Pledge Agreement dated 4/27/09 referencing 99% interest, with NDC NEW MARKETS INVESTMENTS XXXV, L.L.S., a Delaware limited liability company as issuer.		Annual (PO)	No

35

Borrower	Lender	Account	Purpose	Original Loan Amt	Origin. Date	Maturity Date	DCOA Int Rate	DCOA Balance	Collateral	Guarantor	Payment Type	Past Due
DAY, JACOB G.	DCOA	760DAY	DCOA sold and financed 5050 E. Hwy 80 to Jacob G. Day, which will be leased to Day Sign Company, Inc. Sales price is \$390,286. Day was given upfront price reduction of \$55,000 to be earned over 3 years for jobs retained at \$1,666.67 each. Interest only for 6 mos with principal amort. beginning 5-15-04. Further principal reductions can be earned for 3 years for job creation at \$10,000 each.	\$335,286.00	10/15/2003	10/15/2018	2.5	\$180,616.37	1st lien Deed of Trust on 5050 E. Hwy 80, plus Assignment of Rent, Income, and Receipts from Day Sign Company	Day Sign Company, Inc.	Monthly (P&I)	No
FEHR FOODS, INC.	DCOA	FEHRO6	Renewal of balance of DCOA loan FEHRO5EQ (\$2,538,480) and combination with FFB participation no. 1857 (\$113,734.95), participation no. 1776 (\$199,675.19) and participation no. 1888 (\$730,442.84).	\$3,582,332.98	10/01/2006	06/30/2012	0.0	\$1,803,332.98	D/T and Security Agmt for 5425 North 1st Street and all equipment. Lien is subordinated to First Financial Bank, N.A.		Annual (PO)	No
GENESIS NETWORKS SOLUTIONS	DCOA	GENNET08.01	Partially offset capital eqmt costs during Phase 2 expansion in Abilene. First pmt of \$8,333.33 is due 9-1-08 and monthly thereafter.	\$300,000.00	06/23/2008	09/01/2011	0.0	\$136,971.82	1st lien on all capital eqmt and furniture.	None.	Monthly (PO)	No
GENESIS NETWORKS SOLUTIONS, INC.	DCOA	GENNET06	To partially offset operating costs associated with the newly established office in Abilene located at 500 Chestnut, Ste. 200.	\$1,740,000.00	11/02/2006	07/31/2011	0.0%	\$539,885.38	Irrevocable Standby Letter of Credit #002286 issued 11-2-06 by First Financial Bank, N.A. on behalf of Rain Dance Capital, Inc. in the amount of \$1.3 mill. to expire 11-2-07. LOC can be extended 1 more year unless notified by FFB 30 days prior to expiry.		Annual (PO)	No
HBWJ PARTNERSHIP, LTD.	DCOA	3UTTERY-02-01	Improvements to real estate located at 417 Mesquite, Abilene, TX, a 27,000 s.f. bldg. Facility was purchased from West Texas Wholesale Supply. Operates under Buttery Hardware Company, LLP, delivering plumbing and electrical supplies over most of Texas.	\$200,000.00	03/14/2002	09/14/2012	4.0%	\$68,587.23	1st lien D/T on 417 Mesquite St., superior to Norma Buttery's lien taken at time of purchase, 10-1-01 as evidenced by a Subordination Agreement of Deed of Trust. Int. is due quarterly on 6-14-02 and 9-14-02, pmts beg. 10-14-02 thru 9-14-12.	Limited guaranties from William Henry Buttery, Buttery Company, L.L.P., Brenda Ann Buttery Durst, and John David Buttery	Monthly (P&I)	No

3.6

Borrower	Lender	Account	Purpose	Original Loan Amt	Origin Date	Maturity Date	DCOA Int Rate	DCOA Balance	Collateral	Guarantor	Payment Type	Past Due
											Annual (PO)	No
HENDRICK MEDICAL CENTER	DCOA	HMCTTU2	Offset operating costs for the creation of research jobs in TTU School of Pharmacy, 1718 Pine St., Abilene, TX. Principal reductions applied annually (beg. 7-31-08) at the rate of 7% of salaries expended for research during the previous 12 mos.	\$150,000.00	06/01/2007	07/31/2017	0.0	\$120,000.00	None	None	Annual (PO)	No
HENDRICK MEDICAL CENTER 1	DCOA	HMCTTU1	Reimbursement for eligible infrastructure costs associated with construction of the TTU School of Pharmacy, 1718 Pine St. Principal reductions of \$149,232 earned annually and applied for 7 yrs beg 7-31-08.	\$1,044,622.00	06/01/2007	07/31/2014	0.0	\$746,158.00	None	None	Annual (PO)	No
HOLLAND TRAINING & DEVELOPMENT T, INC.	DCOA	Holland 760	Purchase office furniture, fixtures, and equipment, including, but not limited to, computer network system, phones and phone system, and other computer equipment.	\$170,000.00	09/01/2003	08/31/2008	0%	\$93,435.86	Security agreement and UCC filing on equipment purchased.		Annual (PO)	Yes
3.7 HORIZON AG-PRODUCTS	DCOA	Horizon2003	Purchase facility in IXX Industrial Park in Merkel at 217 CR 287. Monthly pmts of interest only until 8-17-03, when pmts increase to \$357.26. Modification & Extension Agreement dated 1/17/08 to extend loan and increase interest rate.	\$35,000.00	01/17/2003	01/17/2013	6.25%	\$12,162.47	1st lien D/T on 1.671 acres at 217 CR 287, Merkel, TX	Michael G. Farmer, CEO and Bradley D. Knickel, Director	Monthly (IO)	No
PWP INDUSTRIES, INC.	DCOA	PWP760	To reimburse @15% of invoice for equipment purchases plus installation costs for the Abilene plant at 6450 Five Points Parkway.	\$1,800,000.00	09/11/2006	03/01/2011	0%	\$720,000.00	Irrevocable Standby Letter of Credit #SE446616W in the amount of \$1,800,000 by General Electric Capital Corporation to expire 3-1-11. Automatic reductions will occur each March 1 for 5 years in the amount of \$360,000, beginning 3-1-07.	N/A	Annual (PO)	No

Borrower	Lender	Account	Purpose	Original Loan Amt	Origin. Date	Maturity Date	DCOA Int Rate	DCOA Balance	Collateral	Guarantor	Payment Type	Past Due
RENTZ FAMILY PARTNERSHIP, LIMITED	FFB	Rentz03RE	FNBA purchased note from ASB, terms to remain same Loan #3419656, Participation #1876; Note renewed 6/12/07 2/FFB - Loan #1857923773 - part. Bal. \$419,756.14. Loan renewed 6-17-08 to 4-17-11, Loan #1857923773, Part balance \$320,812.38; full payout.	\$788,152.54	04/12/2002	04/17/2011	P - 4%	\$178,979.52	37+ acres at 5725 E Business I-20. DCOA's security interest in property is subordinate and inferior to FFB's security interest.		Monthly (P&I)	No
ROBINSON FANS ABILENE, INC.	DCOA	ROBFANS06	Relocation costs (\$40,000), building investment incentive (\$336,000), and equipment investment incentive (\$76,409) for property at 2424 Oak, Abilene, TX. Replaces note dated 8-29-05 in the amt of \$196,450 with a balance of \$40,000.	\$452,409.00	10/03/2006	12/31/2010	0%	\$152,805.93	Eqmt, machinery, furniture and fixtures in Abilene, and 2nd lien D/T on 2424 Oak St., Abilene, TX.	Robinson Industries, Inc.	Annual (PO)	No
TOWER TECH SYSTEMS, INC.	DCOA	TTSI2.08	This Promissory Note dated 8/8/08 extends & renews the \$520,725 balance on the 7/8/08 Prom. Note and add'l \$79,275 is entire purchase price for 6.88 acres in the Five Points Business Park adjacent to 34.715 acres of land in said Business Park. This loan is to provide conveyance financing of 41,595 acres of land (34.715 + 6.88) for the purpose of constructing a manufacturing plant.	\$600,000.00	08/08/2008	10/31/2013	0%	\$600,000.00	Tract 1 - 34.715 acres in the Five Points Business Park and Tract 2 - 6.88 acres in the Five Points Business Park adjacent to the 34.715 acres referenced, secured by a Deed of Trust dated 08/08/08.		Annual (PO)	No

\$17,181,512.74

W-8

DEVELOPMENT CORPORATION OF ABILENE, INC.
BOARD AGENDA
MEETING DATE: November 10, 2009

PROJECT: Annual Reports for FY09

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 FY09 contracts expired 9-30-09, and the DCOA has approved funding for new FY10 contracts. Attached are reports covering activities during FY09 through 9-30-09.

FUNDING/FISCAL IMPACT

None.

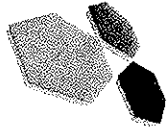
STAFF RECOMMENDATION

Staff recommends the board approve the attached reports.

ATTACHMENT

Abilene Industrial Foundation FY09 Year-End Progress Report, 10/08 through 9/09
Small Business Development Center FY09 Annual Report
Abilene Regional Airport's FY09 Annual Report

COPY



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 15, 2009



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, 2008 to September 30, 2009 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.....				\$122,523.29
	10/08 thru 3/09	4/09 thru 9/09	10/08 thru 9/09	
Leads Received	32	51	83	
Leads AIF Responded to	17	32	49	
Prospect Files Opened	4	3	7	
Retention Visits	29	39	68	
Consultant Visits	13	55	68	

Additional focus this past year was spent on SPEC 3 advertising and promotion and marketing opportunities and trade show activity in the biotech sector. SPEC 3 marketing for the coming year will continue to be a priority. 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.

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

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

Sincerely,

William J. Ehrie, CEcD
President

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

Enclosures

4.2

Abilene Industrial Foundation
FY 08-09 Mid-Year Marketing Summary
April 1, 2009 – September 30, 2009

ADVERTISEMENTS PLACEMENT

- Total advertisement submissions – 5
- Total advertisement placement costs – \$12,222.10

LEAD ACTIVITY

- Leads received from all sources – 51
- Leads AIF responded to – 32

PROSPECT ACTIVITY

- Prospects visits to Abilene – 18
- New prospect files opened – 3

WEBSITE & ELECTRONIC MARKETING

- E-Newsletter distributions – 2,462
- E-Newsletter costs – \$0
- Website/electronic marketing changes & enhancements – \$1,266.40

TRADE SHOW / CONFERENCE ACTIVITY

- Corenet, Dallas (Robinett)
- AWEA Windpower - Chicago (Robinett, Ehrie)
- Bio International Convention 2009 - Atlanta (Robinett)
- West Texas Wind Energy Wind Fair (Robinett)
- Texas Supply Chain Conference – Round Rock (Ehrie/Robinett)
- IEDC Training Class (Robinett)

CONSULTANT / RETENTION / EXPANSION ACTIVITY

- Visits to Consultant/Prospect – 55
- Manufacturers Luncheon (4/09) – 53

MARKETING VIDEOS

- 1

EXISTING BUSINESS ACTIVITY

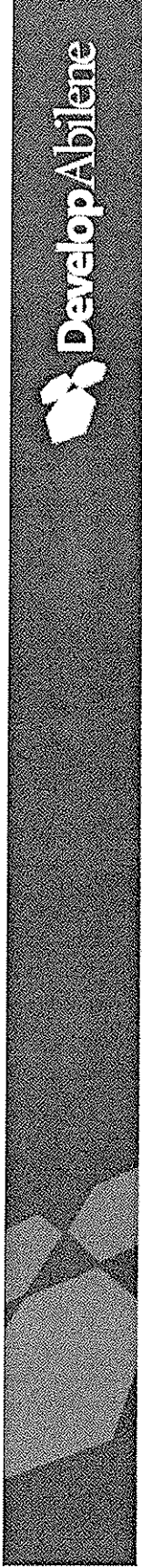
- Retention Visits – 39

Abilene Industrial Foundation
Marketing & Retention Activities
April 1, 2009 – September 30, 2009

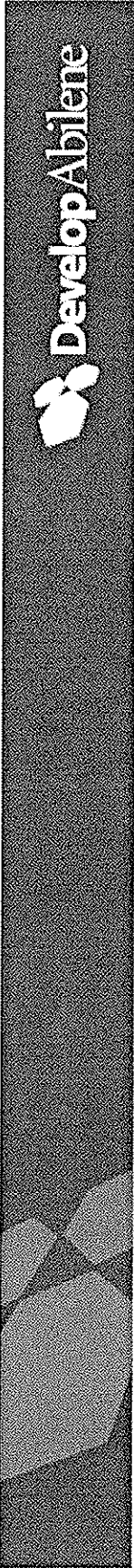
- Monthly updates of all printed marketing/informational materials for Abilene General Information File, including Economic Indicators, Labor Market Review, Cost of Living, Building Permits, Wage Surveys, Sales & Use Tax, Living Units Available, etc.
- Commercial Property Snapshot – updates
- Hosted Manufacturer Luncheon
- Conducted quarterly AACRA Cost of Living Survey
- Development and update of current building inventory materials
- Development and preparation of individual prospect packages
- Hosting of prospect visits to Abilene including tours to specific sites
- Visits to Site Selection Consultants – Dallas/Ft. Worth, Austin
- Air House BBQ – Washington DC (Ehrie/Robinett)
- Hosted Consultant Events
 - July Rangers game
 - September Rangers game
- Trade Show attendance
 - AWEA Windpower – Chicago (Ehrie, Robinett)
 - Corenet – Dallas (Robinett)
 - Bio International Convention 2009 – Atlanta (Robinett)
- Conference attendance
 - Texas Supply Chain Conference – Round Rock (Ehrie, Robinett)
 - Trent Wind Fair – Trent (Robinett)
 - IEDC Training Class – St. Louis (Robinett)
- Texas Midwest Community Network
 - Executive Committee Board Member and Council Meetings
 - Economic Development Alliance Board Member and Alliance meetings

Attachment 3

Category	Allocation	10/1/08 to 3/31/09	4/1/09 to 9/30/09	YTD
Advertisements (1)	\$ 25,000.00	\$ 6,940.55	\$ 12,222.10	\$ 19,162.65
Internet (2)	\$ 5,000.00	\$ 787.50	\$ 1,266.40	\$ 2,053.90
Marketing Material (3)	\$ 15,000.00	\$ 2,100.73	\$ 15,650.83	\$ 17,751.56
Trade Show/Conferences (10)	\$ 25,000.00	\$ 16,312.09	\$ 25,332.45	\$ 41,644.54
Site Consultant Activity (12)	\$ 42,500.00	\$ 1,567.10	\$ 22,379.53	\$ 23,946.63
Newsletter Mailings(13)	\$ 2,500.00	\$ 312.38	\$ -	\$ 312.38
Existing Business Activity (14)	\$ 10,000.00	\$ 1,552.21	\$ 1,422.86	\$ 2,975.07
Contingency	\$ 2,500.00	\$ -	\$ -	\$ -
Census Marketing	\$ 10,000.00	\$ -	\$ 12,495.06	\$ 12,495.06
Public Awareness Campaign	\$ 2,500.00	\$ 1,245.50	\$ 936.00	\$ 2,181.50
Total	\$ 140,000.00	\$ 30,818.06	\$ 91,705.23	\$ 122,523.29

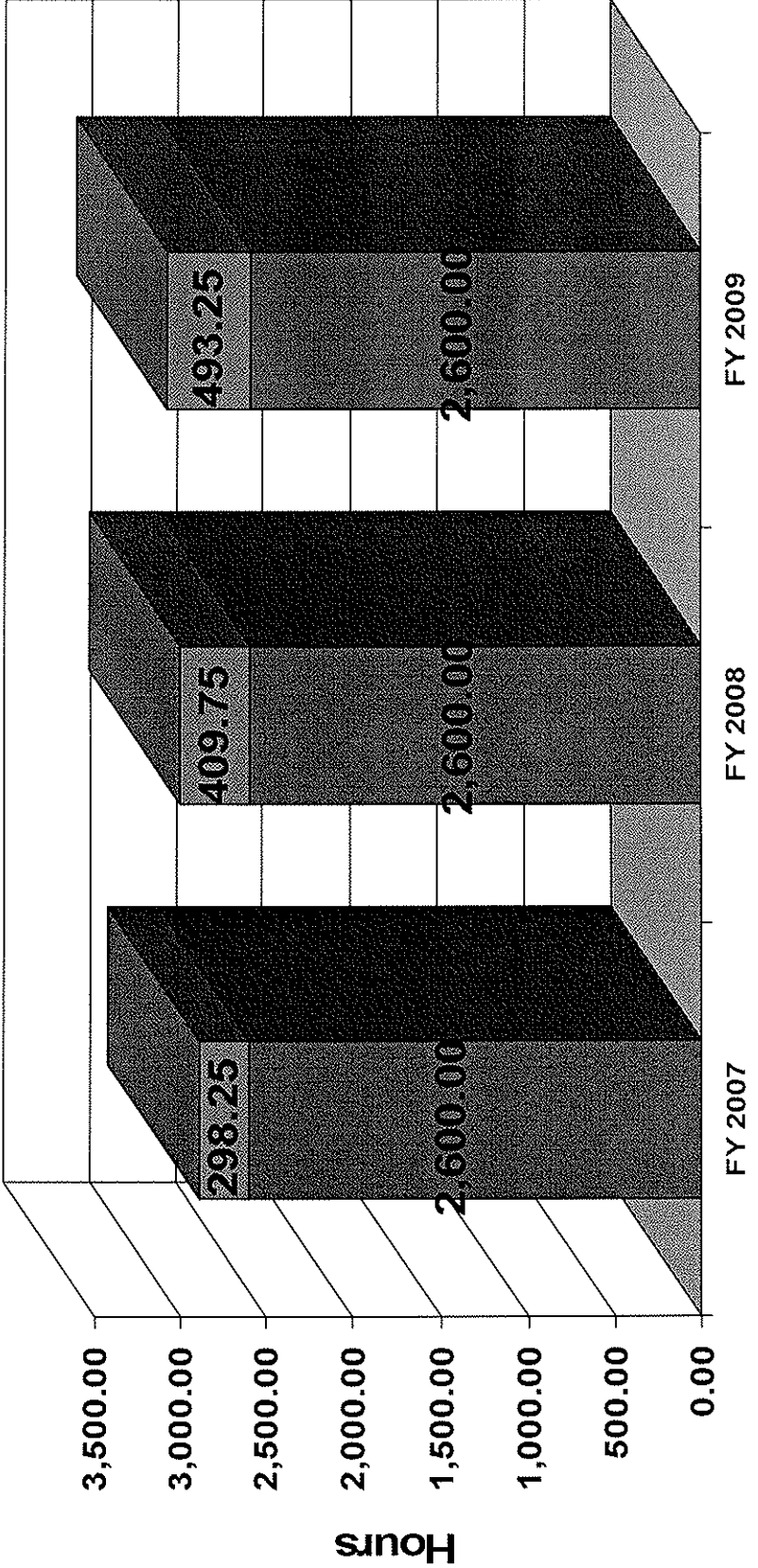


**Texas Tech
Small Business Development Center
Abilene
Fiscal Year 2009
Annual Report Updated
All Actual Data**



SBDC Hours of Work for DCOA

■ Hours Billed ■ Excess Hrs Worked



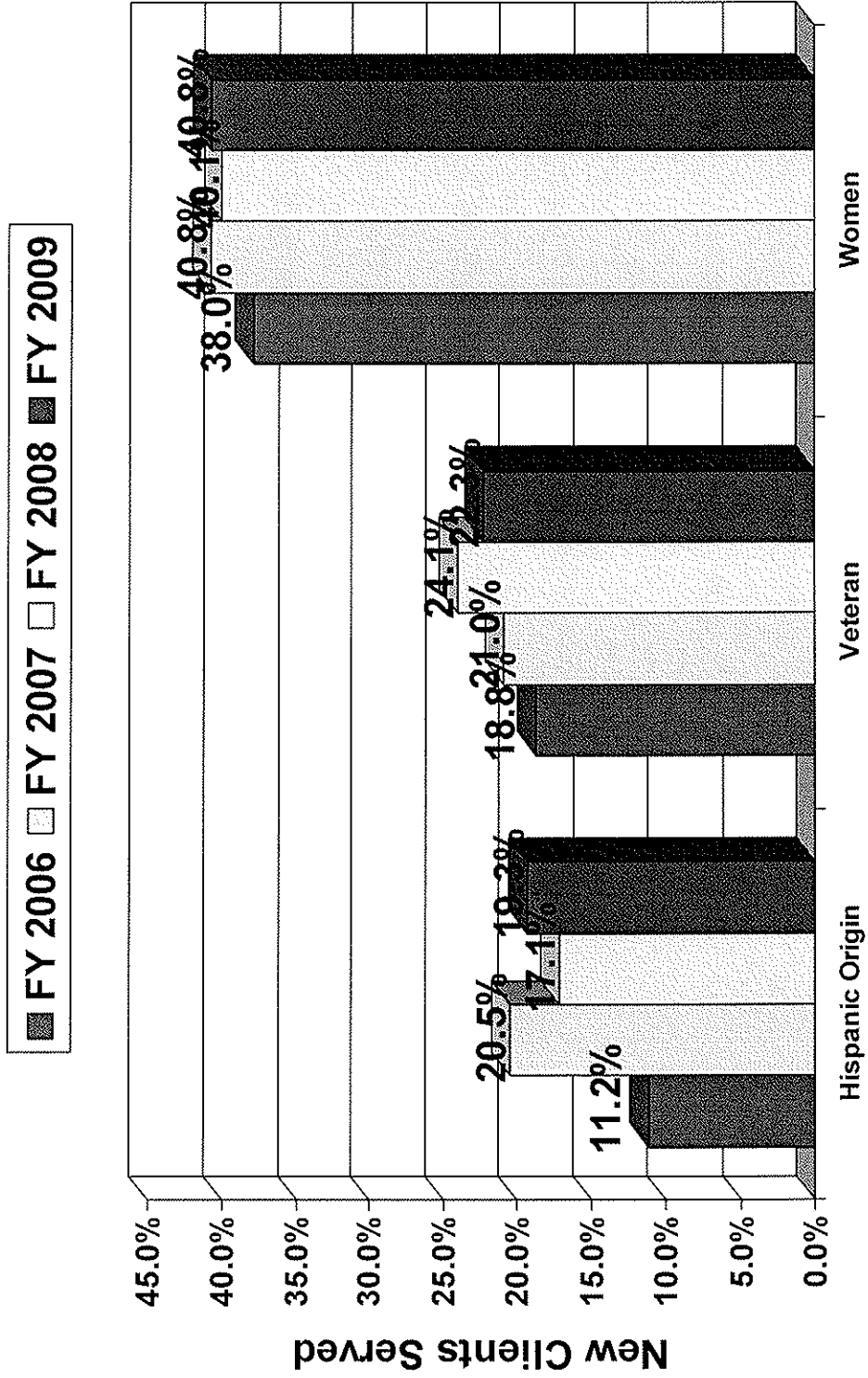
New Hispanic, Veteran, and Women Clients

	FY 2006	FY 2007	FY 2008	FY 2009
Hispanic	11.2%	20.5%	17.1%	19.3%
Veteran	18.8%	21.0%	24.1%	22.3%
Women	38.0%	40.8%	40.1%	40.8%

Hispanic percentages are of all new clients who state ethnicity.

Veteran percentages are of all new clients who state military background.

New Hispanic, Veteran & Women Clients



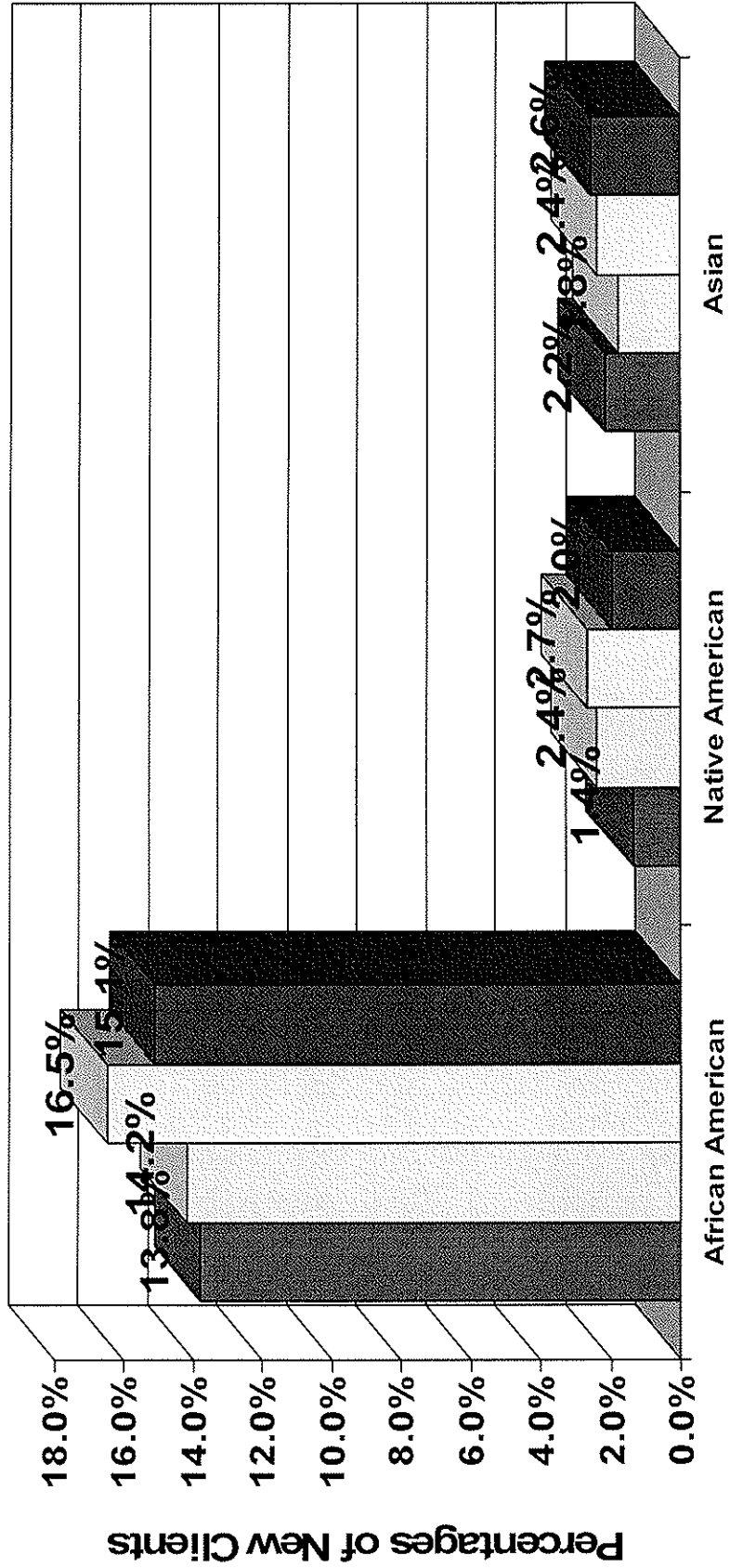
New Minority Client Racial Background

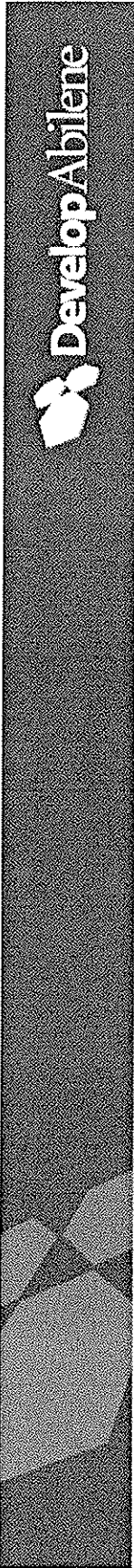
	FY 2006	FY 2007	FY 2008	FY 2009
African American	13.8%	14.2%	16.5%	15.1%
Native American	1.4%	2.4%	2.7%	2.0%
Asian	2.2%	1.8%	2.4%	2.6%

Percentages are of all new clients who state race.

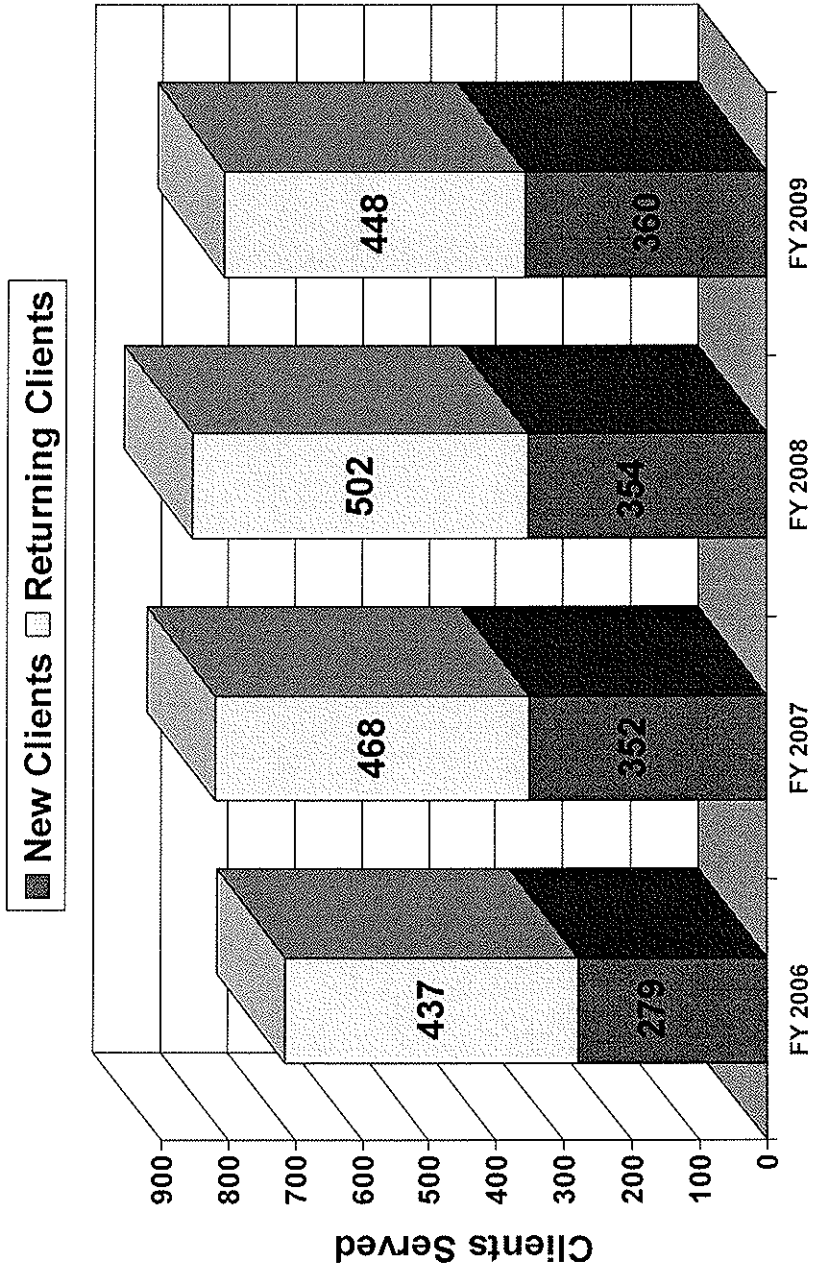
New Minority Client Racial Background

FY 2006
 FY 2007
 FY 2008
 FY 2009

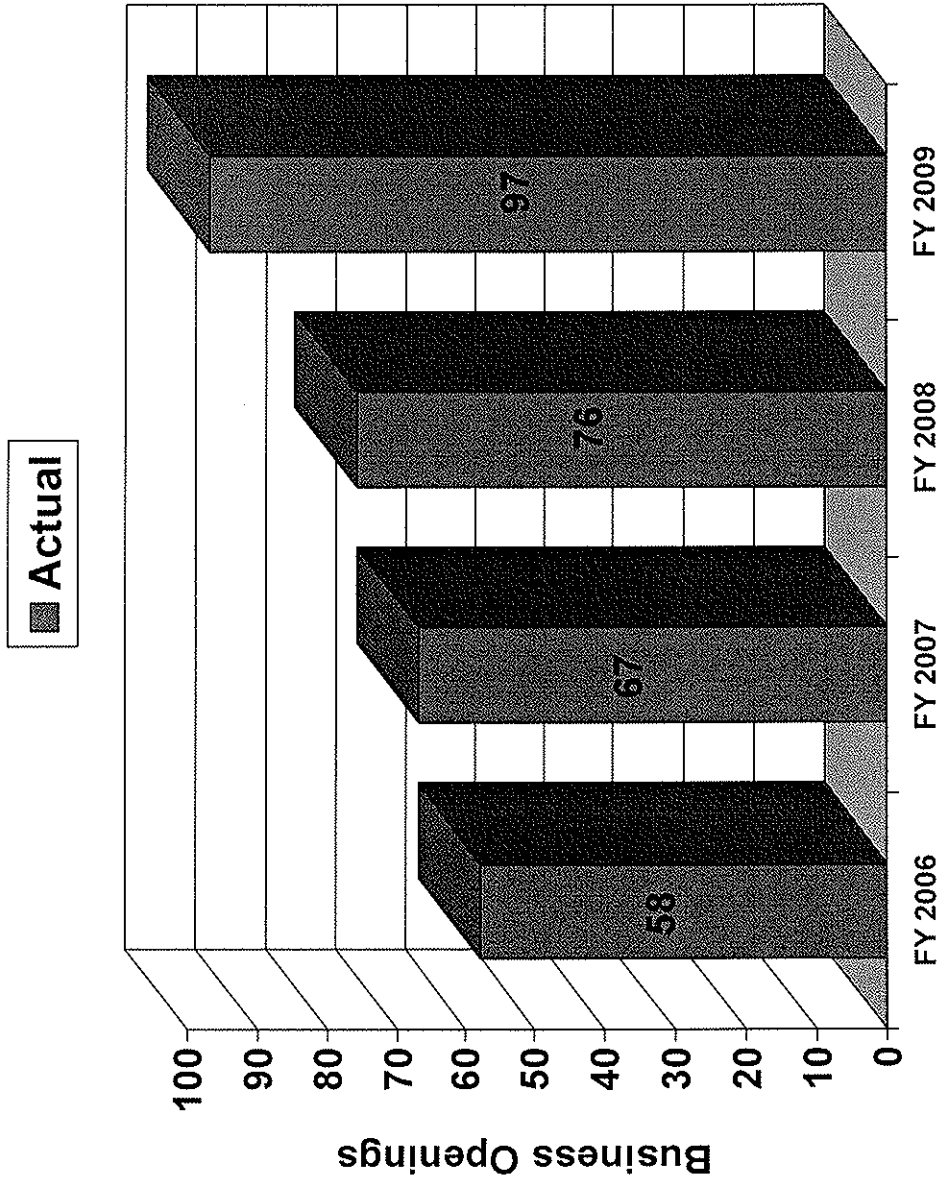




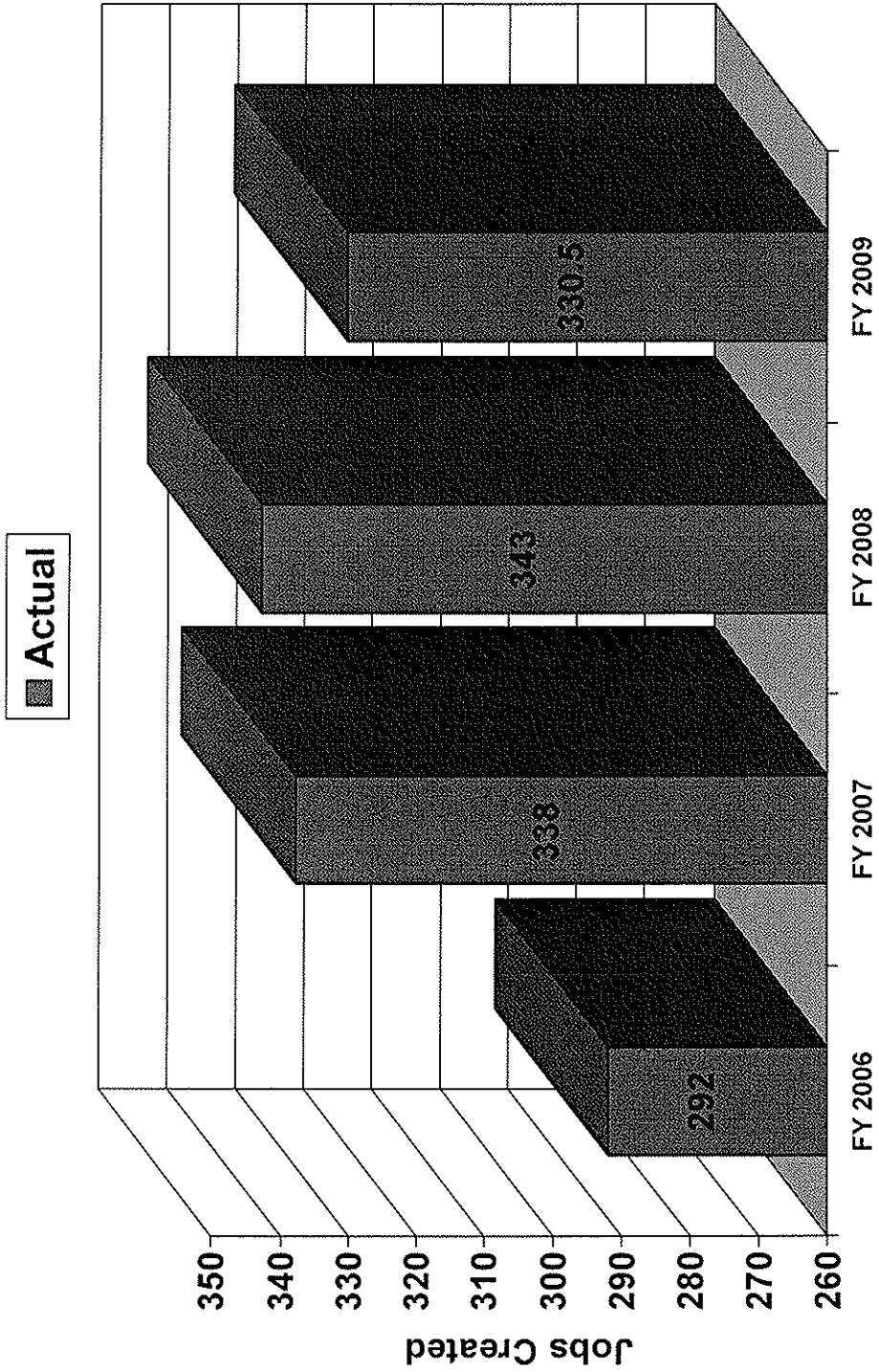
New/Returning Clients: All Races/Ethnicity



SBDC-Assisted Business Openings

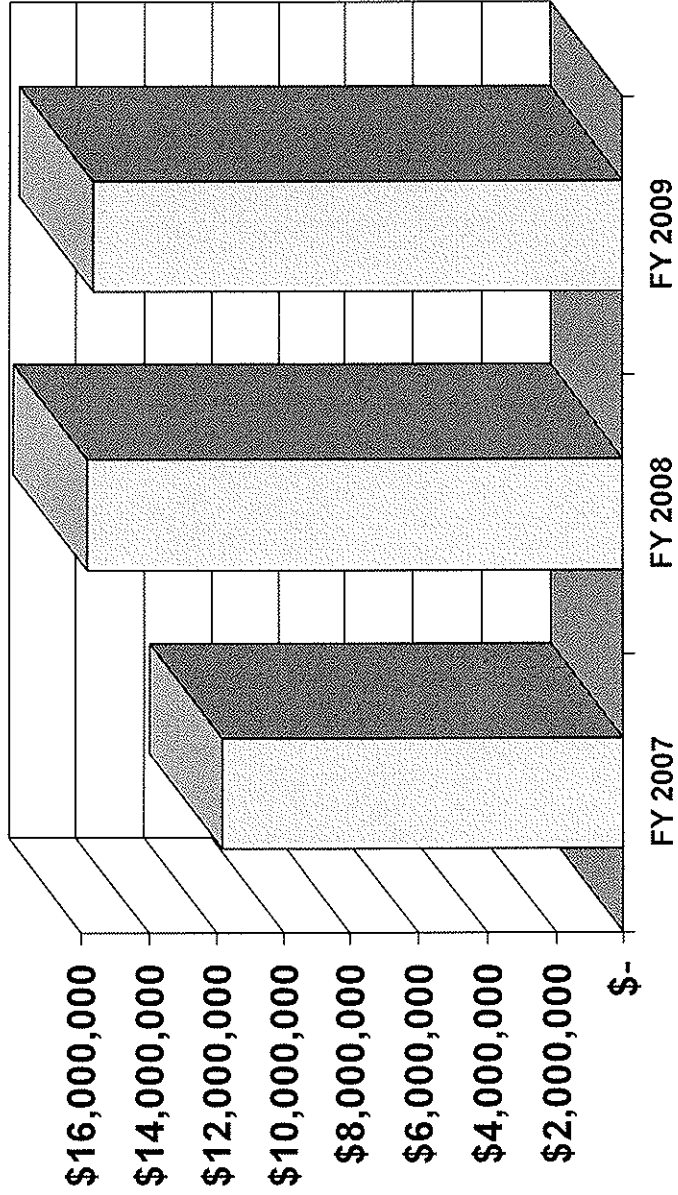


SBDC-Assisted Jobs Created



Capital Formation

Fiscal Year



Capital attracted to businesses

**Abilene Regional Airport's
FY 09 Annual Report
To
Development Corporation of Abilene**

The Business Development Management program continues to work to increase airline passenger enplanements, improve air carrier service and encourage economic growth for the airport. The airport has just selected a new air service consultant, which will be tasked with confirming a need for a western hub, reevaluating our market area and assisting with meeting with perspective airlines. As the national recession has deepened, the airport has seen a drop in passenger activity and, therefore, a drop in activities associated with serving passengers. National forecasts indicate we may start to see a recovery for the airlines in late 2009 or early 2010. We believe the more visible marketing campaign, including TV and radio ads, is having its intended effect of getting people to consider Abilene Regional Airport first when making flight reservations.

With a new air service consultant on board, we will immediately begin to explore the best possibilities and timing for new air carrier service.

As of November 2008, we now have the new covered parking lot opened, offering our passengers more reasons to utilize one of the finest and most convenient regional airports in the country. By the end of this year, 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 growing economy.

Abilene Regional Airport appreciates the continued assistance received from DCOA, supporting our goal of improving air service and growing our customer base.

FY09 YTD Business Development Activity

Business Development activities have been 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:

October 17, 2008	Albany Chamber of Commerce
February 20, 2009	Brownwood Chamber Meeting
February 26, 2009	Aspermont Economic Development Center
March 13, 2009	Colorado City Lion's Club
March 16, 2009	Sweetwater Rotary Club
March 31, 2009	Coleman Kiwanis Club

April 14, 2009	Abilene Industrial Foundation Executive Meeting
April 28, 2009	Dublin Rotary Club
May 27, 2009	Live Interview on KWKC Radio
June 23, 2009	Ballinger Rotary Club
August 10, 2009	Tye Annual Chamber Banquet
August 11, 2009	Abilene Kiwanis

We will continue to stay in contact with our regional community leaders and make ourselves available to speak at various events.

January 12, Melissa Murphy, Mike Alley, American Eagle Station Manager and Jerry Krus, American Eagle Sales Representative, visited travel agents at DAFB as well as key people at businesses with frequent business travelers and ACU.

March 25, ABI participated with a booth in the Business Expo with Abilene Chamber of Commerce, presenting pictures of the airport “then” and “now” to inform the public of the new construction and amenities now offered.

September 28, participated in the Sweetwater Annual Chamber Banquet with a booth featuring flight information, fare comparisons, and amenities.

Marketing the Airport

Television

We have continued to reach out to our catchment area with television and radio advertising. We have aired commercials comparing the cost of driving to DFW to flying out of Abilene and also started promoting the ABI-VIP Passenger Rewards Program in November.

Commercials aired with KRBC, KTAB, KTXS, FOX, and Suddenlink in programs that have high viewership in our target demographics.

Radio

Radio stations running audio spots include Gap Broadcasts: KEAN 105, KULL 92.5 the Mix, KEYJ Rock 108, KFGL True Oldies, KSLI Talk Abilene, and KYYW Classic Country; Cumulus Broadcasts: KBCY The Best Country, KHXS The Bear, KCDD Power 103, and KTLT 98X.

Sponsorships

We have made efforts to connect with the community and increase top of mind awareness by sponsoring various events last year and will continue to do so this year as follows:

Center for Contemporary Arts –ArtWalk Sponsor
The Grace Museum – Exhibit Sponsor
Buffalo Gap Historic Village – Erinshire Festival Sponsor
Abilene Philharmonic Association – Program 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. This year we will focus on driving passengers to our website for information. We have a database of email recipients from the ABI-VIP Passenger Rewards Program and send out press releases and great fares offered out of Abilene on American Eagle.

Print Ads

Advertisements have been placed periodically in the Abilene Reporter News and Abilene Biz publications. We have also run ads in these annual publications: Texas Midwest Guide, Business Images Texas Midwest, Abilene Chamber of Commerce Membership Directory, and Brownwood Chamber Member Directory.

Special Programs

After losing Continental Service in October, we worked with our American Eagle Sales Representative to create a program to retain as many of the Houston travelers as possible. The **AE Matched Status Program** has been used by several of our passengers who travel to Houston on a regular basis, especially those working in the Wind Energy industry.

In December, the **Art at the Airport** Program debuted featuring 9 local artists and photographers. Partnering with the Abilene Cultural Affairs Council, we installed exhibits that are both welcoming and interesting, offering our incoming passengers a taste of Abilene Culture and an introduction to what Abilene has to offer in music and arts.

The **ABI-VIP Passenger Rewards Program** started January 1, 2009. Rewards are donated by local businesses and are mailed to passengers after flying out of Abilene Regional Airport 2 times. Currently, there are 623 passengers registered in the program with 459 of them being from Abilene. As of October 19, 2009, 373 rewards have been mailed out. The local businesses have been very responsive in donating rewards and we have received positive feedback from our passengers. The program's objectives are to grow customer loyalty and develop a database of passenger information, giving them the opportunity to subscribe to email communications.

Enplanements:

Enplanements YTD 09 are down 9%. 2008 enplanements were down 3% from 2007.

09 Revenues:

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

Rental Cars are down 23.92% YTD. Parking lot revenue is up 49.56%.

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. The Continental Status Match Program gives passengers the opportunity to upgrade their AA Advantage Status to match the status and benefits of what they have with Continental.

The effects of a slowing national economy and high fuel prices are going to contribute to an expected reduction airline passenger enplanements in Abilene and across the country. As we had projected, there has been a downturn in enplanements in Abilene this year. The overall economic situation will make expanding air service difficult, but not impossible. While airlines 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. This grant expired end of August, but we requested and were awarded an extension of one year by DOT.

After a formal search and review process of proposals received from prospective consulting firms, we have selected a new air service consultant to assist with our efforts. Mead & Hunt has just finalized a new Market Assessment and a review of ABI's catchment area, which was redefined and includes 16 area counties.

DEVELOPMENT CORPORATION OF ABILENE, INC.
BOARD AGENDA
MEETING DATE: November 10, 2009

PROJECT: DCOA Annual Report of Activities for FY09

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 FY09 Annual Report covers activities for the period ended 9-30-09 and is the twentieth annual report submitted by DCOA since its inception. The City Council will consider the report on November 19, 2009.

FISCAL IMPACT:

None.

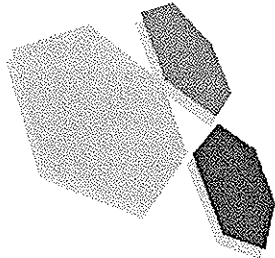
STAFF RECOMMENDATION:

Staff recommends the Board approve the DCOA's FY09 Annual Report.

ATTACHMENT:

DCOA's FY09 Annual Report of Activities

SADCOA\Meeting Memos\FY 2009\FY09 DCOA Ann rpt 1109.DOC



Develop Abilene

Development Corporation of Abilene

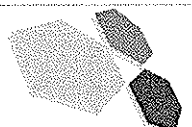
**ANNUAL REPORT
OF ACTIVITIES**

SEPTEMBER 2009

DEVELOPMENT CORPORATION OF ABILENE, INC.
ANNUAL REPORT OF ACTIVITIES
OCTOBER 2008 – SEPTEMBER 2009

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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:

Marelyn Shedd

Members:

Scott Senter

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 continues to work toward competitiveness with other communities by funding the marketing efforts of the Abilene Industrial Foundation and funding enhancements to the Center for Business Economic Research (CBER) website hosted by ACU. Five Points Business Park was expanded by the addition of 127.6 acres to provide more development options for future companies. Infrastructure upgrades were implemented to make the Park more attractive to current and potential tenants.

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

The DCOA approved assistance for four different companies. Two are local companies: Run Energy and Coca-Cola. A total of 179 jobs are to be retained and 40 jobs created.

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

The DCOA approved funds for training as follows: a) up to \$50,000 for the first four sessions of a wind tech pilot training program for Global Energy Services, b) \$37,500 job training grant to Run Energy, and c) \$60,000 to continue support of the Texas Manufacturing Assistance Center (TMAC) through FY2011.

4. To strengthen and revitalize downtown Abilene.

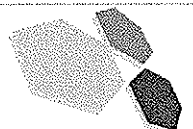
The DCOA approved funds to begin construction of the Abilene Life Sciences Accelerator on Pine Street, which is an area near downtown that is very blighted and part of the Pine Street Corridor initiative. Space will be leased temporarily by the DCOA at 302 Pine St. to AISD for the newly created STEM high school

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. In addition, the SBDC can assist businesses desiring to sell products or services to any level of government. For the second year in a row, 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 (10-01-08 through 09-30-09), the DCOA approved \$2,417,000 in funding to assist companies with growth and retention in Abilene, anticipating new employment of 40 jobs and retained employment of 174 positions. The Abilene Life Sciences Accelerator is being constructed as part of a \$10 million project to enhance Abilene's new biotech research industry sector.



Project Summaries

Tower Tech Systems dba Texas TTSI

In May 2008, the DCOA approved an assistance package for Tower Tech Systems, Inc. (TTSI) that included \$2 million for capital investment incentives for construction of a new manufacturing plant and equipment purchases. Construction costs ended up being higher than expected, due in large part to the topography of the land and the need for a large, compacted surface to store wind turbine towers. TTSI subsequently estimated the construction and equipment would cost about \$27 million, up from \$20 million as originally estimated.

In October 2008, the DCOA approved an additional \$700,000 for capital investment incentives, bringing the total assistance package for TTSI to \$4,516,250 for direct incentives. Indirect incentives include funds for the Wind Tech Training program through the Workforce Center and TSTC, funding to extend the rail spur in Five Points Business Park to TTSI's property line, and the sale/financing of 46 acres of land in Five Points Business Park for construction of a new manufacturing plant.

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.

Run Energy (Project BG)

Run Energy provides operations, maintenance, installation and technical services to the energy industry worldwide with offices in Houston, Australia and England. They began servicing for the wind industry in 2006 and opened a satellite office in Abilene in 2008, which currently employs 24. In exchange for assistance from the DCOA to expand in Abilene, Run Energy will relocate its U.S. headquarters to Abilene and create 80 additional jobs (with 75 paying \$40,000+) for total employment of 104.

With the creation of 80 new jobs, Run Energy would qualify for \$1,111,000 paid out over 5 years. However, upon staff's recommendation the DCOA will assist with the creation of 40 new jobs with the understanding that the company can return for additional assistance after 40 jobs are created. In December 2008, the DCOA authorized a total assistance package of \$748,000 as follows: \$555,500 job creation incentive for 40 new jobs, capital investment incentive of up to \$145,000, job training grant of up to \$37,500 and up to \$10,000 as a relocation grant.

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



Coca Cola Bottling of North Texas

Coca Cola (Coke) is an established employer for Abilene that has been in operation on Highway 351 for many years and currently employs 150 people. This facility is a specialty products plant running three production lines, which was constructed in 1975 and in need of updates. Coke is expanding to include construction and installation of a 900 square-foot lab room and improvements to the syrup room at a cost of \$5 million. Local Coke officials hope to position it as an innovative research and development center, which is in the corporate plan and will help ensure the long-term success of the facility. In February 2009, the DCOA authorized assistance of \$500,000 to be disbursed over three years to expand the Abilene plant, make improvements and purchase equipment.

Because of this funding, the Abilene plant is again positioned for approval of a new Shrink Wrap project designed to improve packaging and marketing flexibility. This project is expected to cost \$4 million. In April 2009, the DCOA approved funding of up to \$400,000 for capital investment in the Shrink Wrap project paid over three years, upon receipt of evidence of eligible costs.

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.*

Ravin Air (Project LW)

Ravin Air is a 1½ year-old company with four employment positions plus the owner, based in another Texas city. It sells and assembles for sale, airplane kits produced by a foreign company. Ravin Air negotiated with several Texas cities for available hangar space; however, Abilene was the preferred location. A lease was approved earlier this year by the Airport Development Board. The company will relocate five current positions, all paying more than \$30,000/yr in salary and benefits, and plans to add positions as the company grows. In June 2009, the DCOA approved funding of up to \$69,000 for job creation and relocation expenses.

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



Summary of Projects – FY 2009			
Company	Assistance Amount	Committed Job Retention	Committed Job Creation
Tower Tech Systems dba Texas TTSI	\$ 700,000.00	n/a	n/a
Project BG (Run Energy)	\$ 748,000.00	24	40
Coca Cola Bottling of North Texas	\$ 900,000.00	150	0
Project LW	\$ 69,000.00	5	0
TOTAL	\$2,417,000.00	179	40
% to Abilene companies (names in bold)	67%		

Administrative / Other

Abilene Christian University – CBER Website

In November 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/academics/cebr. 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. The website has now experienced three years of successful operation, and Dr. Lynn asked the DCOA and WCTWC for \$8,000 (\$4,000 each) 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. Of the \$5,000 approved by the DCOA in 2005, \$683 remains unspent and still encumbered. Therefore in October 2008, the DCOA approved funding of \$3,317 to be added to currently encumbered funds.

Abilene Christian University – 2009 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 claimed 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 that were developed in Abilene have been sold/acquired in the past year. The DCOA sponsored this event in 2008 at the \$5,000 Platinum level. In March 2009, the DCOA agreed to sponsor this year's event at the same \$5,000 Platinum level.



Texas Manufacturing Assistance Center

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 had previously approved \$120,000 for funding through FY09. Because of the program's success and the continued need to assist local manufacturers, the DCOA renewed its commitment to TMAC and in October 2008, approved \$60,000 through FY2011. Disbursements will be limited to \$7,500/manufacturer/year, as before.

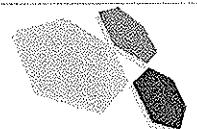
Five Points Business Park – Water Pump

The City of Merkel is a wholesale water customer of Abilene. They have replaced its aging pipeline extending from Abilene to Merkel and installed a new, upsized pump and new water pipelines in the Five Points Business Park to provide adequate flow and pressure at Merkel's relocated master meter vault. At the request of Abilene's Water Dept., the City Council authorized an amendment to the Merkel water supply contract to move the Merkel delivery point, as well as upsize the new Five Points pump, which will 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.

The upsized Five Points pump working with the Northwest Pump will 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. In October 2008, the DCOA approved \$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.

Five Points Business Park – Underground Electrical Loop

The Five Points Business Park is currently served by the electrical substation located at the north end of the Park on Marigold St. In the summer of 2008, AEP had a difficult time coordinating with PWP Industries to install a new junction box and transformer for Spec 3 because PWP had to completely shut down the plant. By extending electrical service from another substation into the Park, electrical services could be restored via a manual switch in the case of a power 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 service interruption.

In November 2008, the DCOA authorized funding in the amount of \$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.

Five Points Business Park – Land Acquisitions

UPS has a parcel distribution center at 365 Fulwiler Rd., south of Five Points Parkway, which contained a total of 13.56 acres. UPS was not using 5.6 vacant acres. Due to prior transactions, developable space in the Five Points Business Park is becoming scarce, and plans for expansion need to be made. By purchasing the excess 5.6 acres, the DCOA can re-plat that acreage plus the surrounding DCOA-owned acreage into a lot of 39.22 acres. In April 2009, the DCOA authorized the purchase of said 5.6 acres for \$65,000 plus closing, appraisal and survey costs for a total allocation of \$71,000. The purchase transaction occurred in May 2009.

The estate of Burl Harris owns 122 acres located north of Five Points Business Park, between Marigold and I-20, east of Arnold Blvd. Florida Power & Light had an option on the land that expired the first of the year, making it available for purchase. About 25% of the land lies within the flood zone; however I-20 frontage for the Park would significantly increase visibility from I-20. In June 2009, the DCOA approved the purchase of approximately 122 acres of land as described above at \$3,950/acre plus the costs for additional surveys if necessary, including 3% interest on an owner-financed note for two years. In July 2009, the purchase transaction occurred at a price of \$481,623, and the DCOA signed a note for \$321,082 in payment of the remaining 2/3 of the purchase price over the next 2 years.

Abilene Life Sciences Accelerator

In November 2008, the DCOA authorized the CEO to negotiate a contract for the construction of the Abilene Life Sciences Accelerator at 1325 Pine St. with Jeff Luther Construction, which began in December 2008 and is expected to be completed in December 2009.

The DCOA was approved in 2008 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 Abilene life sciences project. In March 2009, the DCOA approved participation in the NMTC transaction and authorized the CEO to execute documents on the DCOA's behalf. The transaction closed on April 27, 2009.

In July 2009, representatives from Emergent Technologies, Inc. (ETI) presented their very comprehensive and highly detailed proposal on what their team can offer the DCOA to help recruit and accelerate early-stage biotech companies while running and managing the Accelerator. Their objective is to link their knowledge, skills set and



experience with the challenges and issues the DCOA faces, and the opportunity for Abilene. In August 2009, the DCOA authorized the CEO to negotiate a contract with ETI for personnel, business recruitment, business acceleration and strategic planning services for the Accelerator.

Stimulus Funds Grant Writer

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 Institutes of Health (NIH) has several possible 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. In March 2009, the DCOA authorized the engagement of a grant writer to pursue funding opportunities in the American Recovery and Reinvestment Act and expenditures not to exceed \$8,000. With the help of an ETI scientist, staff determined that there were no NIH funding opportunities for which the DCOA was eligible.

Global Energy Services

Global Energy Services (GES) is a worldwide service provider for the energy sector. GES currently operates in more than 17 countries and 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, Spain in 2001 and intends to use the same training model in the U.S. GES USA was established in 2006 and has grown to more than 200 employees, maintaining its headquarters in Pennsylvania.

GES USA conducted a basic training program called Front Door Wind Tech training, which emphasized safety, mechanical and electrical with funding from a Workforce Investment Fund (WIF) grant in the amount of \$25,000 and matching funds from the DCOA. The board approved another \$25,000 for additional training sessions through TSTC, CJC and the Workforce Center contingent on the company being awarded another WIF grant.

Officer Elections for 2009

In February 2009, the DCOA said goodbye to Dee Moore, whose service on the board has been very much appreciated, and welcomed new board member Scott Senter. The following officers were elected for 2009: President – Joe Crawford, Vice President – Mike Schweikhard and Secretary/Treasurer – Marelyn Shedd.

Abilene Independent School District STEM High School

In December 2008, the Texas Education Agency (TEA) awarded a STEM grant (science, technology, engineering and math) to the Abilene Independent School District



(AISD) to fund an academy for students from grades 9 through 12 studying engineering and computer science.

Because classroom space elsewhere will not be available until fall 2010, AISD Administration proposed 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 School of Engineering. Any costs resulting from AISD's occupancy of the 1st floor will be absorbed by AISD and/or Texas Tech University. In March 2009, the DCOA authorized the CEO to negotiate a one-year sublease with AISD to establish a STEM high school and the program started in August 2009.

Improvements to Hangars Leased to Eagle Aviation Services, Inc.

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. In March 2009, the DCOA approved funding of \$138,295 for insulation repair, bird netting and contingency funding.

In April 2009, the DCOA approved \$136,583 to upgrade the lighting in Hangars 0, 2, and 3 as part of the City's contract with TAC, which was upgrading the lighting in the City-owned Hangar 1. EASI staff is pleased with the dramatic lighting improvements in the Hangars, which will also help reduce EASI's operating costs.

The floors in Hangars 0 and 1 need to be repainted to avoid potential hazards for employees and improve the aesthetics of the hangars. In September 2009, the DCOA authorized an agreement with the Tittle Luther Partnership for development of cost estimates, specifications and bid documents for repainting the floors in Hangars 0 and 1, plus funding not to exceed \$8,000.

STAFF:

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

FOR MORE INFORMATION CONTACT:

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Fax 325.676.6377
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DEVELOPMENT CORPORATION OF ABILENE, INC.

BOARD AGENDA

MEETING DATE: November 10, 2009

PROJECT: SBIR/STTR Program Support

STAFF: Richard Burdine, CEO

BACKGROUND

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. Over \$2 billion is available each year. Funding is granted in phases in response to Requests for Proposals (RFP) from each agency for research projects they expect to fund, as follows:

- Phase I – up to \$100,000 for proof of concept
- Phase II – up to \$2,000,000 for progress toward commercialization

In March 2006 the Board approved a “framework” of support totaling \$273,900. \$23,099.76 was spent by September 2006 for ReinventAbilene meetings (\$577.26), capacity building grants to local accounting firms (\$2,522.50) and Phase 1 grant application preparation costs (\$20,000.00).

The Board reauthorized funds in September 2006 totaling \$271,400 for the following phases of the SBIR/STTR process. In February 2008, the board authorized extending the funding allocation of the remaining \$220,848 through FY09, as outlined below (with actual expenditures to date shown in parentheses):

- Phase 0 Pre-Application – up to \$57,848 (Actual expenses - \$7,947.41)
 - Encourage dialog among scientists/inventors and with investors by hosting monthly Reinvent Abilene events @ \$200/event through 9/09 (maximum expenditure of \$3,848.41). Actual expenses - \$ 2,947.41
 - Offer through the SBDC counseling and software tools to develop SBIR grant applications (maximum expenditure of \$5,000 for software, hardware and training for counselors). Actual expenses - \$0
 - Provide low cost legal help to evaluate intellectual property for clients referred by the SBDC (maximum expenditure of \$5,000). Actual expenses - \$0
 - Build capacity in local accounting firms to assist with federal project budget/finance issues through capacity building grants of up to \$2,000. Commitment letters may be issued by the CEO for up to 2 grants (maximum expenditure of \$4,000). Actual expenses - \$0
 - Provide assistance with Phase 1 application preparation cost of \$5,000/application submitted for research to be conducted in Abilene. Commitment letters may be issued by the CEO for up to 8 grants (maximum expenditure of \$40,000). Actual expenses - \$5,000

- Phase 1 Application – Up to \$70,000 (Actual expenses - \$19,962.50)
 - Matching grants of 10% of Phase 1 grant awards, not to exceed \$10,000 for research to be conducted in Abilene. Commitment letters may be issued by the CEO for up to 7 grants (maximum expenditure of \$70,000).
- Phase 2 Application – Up to \$93,000 (Actual expenses - \$0)
 - Matching grants of 10% of Phase 2 grant awards, not to exceed \$100,000, for research to be conducted in Abilene. Commitment letters may be issued by the CEO with concurrence of the Board President for 2 grants.
- Post-Phase 2 Production Start-up – funding to be determined at a later time.
 - Nurture businesses growing out of Phase 2 with job creation and capital investment incentives per DCOA guidelines for existing businesses.

Maximum FY 2008 and 2009 budgeted expenditures of \$220,848 with actual expenditures of \$27,909.91, leaving \$192,938.50 for the DCOA Board to consider reauthorizing for the program.

The long lead times required in the SBIR/STTR funding process resulted in Pre-application Phase activity in 2006, 2007 and 2008 to-date and funding of one Phase 1 grant application. **There is more potential for Phase 1 & 2 application activity in 2010 and 2011 as the Abilene Life Sciences Accelerator gains tenants and as the TTUHSC School of Pharmacy's Center for Immunotherapeutic Research adds faculty.**

FISCAL IMPACT

No new allocation of funds with a maximum expenditure of \$192,938.50 through FY11.

STAFF RECOMMENDATION

I recommend that the Board authorize use of the unexpended \$192,938.50 in the categories listed below until September 30th, 2011 (this and next fiscal year), as reflected below and in the attached resolution DCOA 2010.03:

- Phase 0 Pre-Application – up to \$52,938.50
 - Encourage dialog among scientists/inventors and with investors by hosting monthly Reinvent Abilene events through September 2011 (maximum expenditure of \$4,938.50).
 - Offer through the SBDC counseling and software tools to develop SBIR and STTR grant applications (maximum expenditure of \$5,000 for software, hardware and training for counselors).
 - Provide low cost legal help to evaluate intellectual property for clients referred by the SBDC (maximum expenditure of \$1,000).
 - Build capacity in local accounting firms to assist with federal project budget/finance issues through capacity building grants of up to \$2,000. A commitment letter may be issued by the CEO for one grant (maximum expenditure of \$2,000).
 - Provide assistance with Phase 1 application preparation cost of \$5,000/application submitted for research to be conducted primarily in Abilene. Commitment letters may be issued by the CEO for up to 8 grants (maximum expenditure of \$40,000).

- Phase 1 Application – Up to \$40,000
 - Matching grants of 10% of Phase 1 grant awards, not to exceed \$10,000 for research to be conducted in Abilene. Commitment letters may be issued by the CEO for up to 4 grants.

- Phase 2 Application – Up to \$100,000
 - Matching grants of 10% of Phase 2 grant awards for research to be conducted primarily in Abilene, not to exceed \$100,000 without DCOA Board approval. A commitment letter may be issued by the CEO with concurrence of the Board President for 1 grant. Additional Phase 2 grants will require DCOA Board approval.

- Post-Phase 2 Production Start-up – funding to be determined on a case-by-case basis.
 - Nurture businesses growing out of Phase 2 with job creation and capital investment incentives per DCOA guidelines for existing businesses.

Summary of Proposed Expenditures

• Phase 0 Pre-application -	\$ 52,938.50
• Phase 1 Application -	\$ 40,000.00
• <u>Phase 2 Application -</u>	<u>\$100,000.00</u>
• Total -	\$192,938.50

ATTACHMENTS

Resolution DCOA-2010.03

RESOLUTION NO. DCOA-2010.03

A RESOLUTION OF THE DEVELOPMENT CORPORATION OF ABILENE, INC. (DCOA), ABILENE, TEXAS AUTHORIZING A REALLOCATION AND EXTENSION OF FUNDING SUPPORT PREVIOUSLY APPROVED FOR THE SBIR/STTR PROGRAMS OF THE U.S. SMALL BUSINESS ADMINISTRATION (SBA) FOR EXPENSES INCURRED THROUGH FY11.

WHEREAS, the Wadley-Donovan Study recommends the local and regional economy be “reinvented” by encouraging growth of research and development (R&D); and,

WHEREAS, as a result of attempts by staff and Innovation Partners, a local investment group, to organize Abilene’s resources, the three local universities voiced support of the concept of matching local faculty with entrepreneurs in pursuit of federal venture capital funds for local R&D efforts; and,

WHEREAS, the DCOA approved Resolution DCOA-2006.11 on 3-7-06, which authorized FY06 funding in the total amount of \$273,900 for funding support of the SBIR/STTR programs, with only \$23,100 being spent; and,

WHEREAS, the DCOA approved Resolution DCOA-2006.22 on 9-12-06 authorizing FY07 funding of \$271,400 and un-authorizing the unspent allocation for FY06; and,

WHEREAS, the DCOA approved Resolution DCOA-2008.09 on 2-16-08 authorizing an extension of the remaining unspent funding of \$220,848.41 for expenses incurred through FY09.

WHEREAS, staff requests the DCOA reallocate the remaining unspent funds of \$192,938.50 and extend the funding support through FY11.

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

PART 1. DCOA authorizes a reallocation and extension through FY11 of funding previously approved and left unspent as of November 10, 2009, in an amount not to exceed One Hundred Ninety-Two Thousand Nine Hundred Thirty-Eight and 50/100’s Dollars (\$192,938.50) to continue support that assists local researchers and entrepreneurs with the pre-application and application process of applying for federal funding through the SBIR/STTR programs. The funding is available through FY11. The reallocated funding is as follows:

Pre-application Phase – up to \$52,938.50 for items below:

- Encourage dialog among scientists/inventors and with investors by hosting monthly Reinvent Abilene events through (maximum expenditure of \$4,938.50).
- Offer through the SBDC counseling and software tools to develop SBIR and STTR grant applications (maximum expenditure of \$5,000 for software, hardware and training for counselors).
- Provide low cost legal help to evaluate intellectual property for clients referred by the SBDC (maximum expenditure of \$1,000).

- Build capacity in local accounting firms to assist with federal project budget/finance issues through capacity building grants of up to \$2,000. A commitment letter may be issued by the CEO for one grant (maximum expenditure of \$2,000).
- Provide assistance with Phase 1 application preparation cost of \$5,000/application submitted for research to be conducted primarily in Abilene. Commitment letters may be issued by the CEO for up to 8 grants (maximum expenditure of \$40,000).

Phase 1 Application - up to \$40,000 as follows:

- Matching grants of 10% of Phase 1 grant awards, not to exceed \$10,000 for research to be conducted in Abilene. Commitment letters may be issued by the CEO for up to 4 grants.

Phase 2 Application – up to \$100,000 as follows:

- Matching grants of 10% of Phase 2 grant awards for research to be conducted primarily in Abilene, not to exceed \$100,000 without DCOA Board approval. A commitment letter may be issued by the CEO with concurrence of the Board President for 1 grant. Additional Phase 2 grants will require DCOA Board approval.

Post-Phase 2 Production Start-up – funding to be determined on a case-by-case basis.

- Nurture businesses growing out of Phase 2 with job creation and capital investment incentives per DCOA guidelines for existing businesses.

Summary of Proposed Expenditures

Phase 0 Pre-application -	\$ 52,938.50
Phase 1 Application -	\$ 40,000.00
Phase 2 Application -	<u>\$100,000.00</u>
Total -	\$192,938.50

PART 2. The Chief Executive Officer of the Development Corporation of Abilene, Inc. is hereby authorized to negotiate, enter into and execute any contract and all other related documents on behalf of the DCOA.

ADOPTED this the 19th day of November, 2009.

ATTEST:

Marelyn Shedd
Secretary/Treasurer

Joe Crawford
President

APPROVED:

T. Daniel Santee, City Attorney