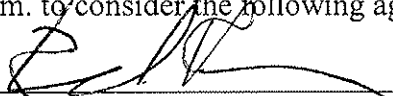


PUBLIC NOTICE

DEVELOPMENT CORPORATION OF ABILENE, INC.

A regular meeting of the Development Corporation of Abilene, Inc. will be held on Thursday, April 15, 2010, 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 15, 2010
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 March 23, 2010, board meeting.
3. Preliminary Status of Funds report for February 2010 and explanation of financial reports prepared for the DCOA board.
4. Presentation of the FY09 audit performed by Davis Kinard & Co, P.C.
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 assistance for Project JD.
7. Discussion and possible approval of a resolution authorizing assistance for Project DJ.
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 _____, 2010, 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 23, 2010**

MEMBERS PRESENT:	Mike Schweikhard Dani Ramsay	Scott Senter
MEMBERS ABSENT:	Paul Cannon	Marelyn Shedd
STAFF PRESENT:	Richard Burdine Mindy Patterson	Kim Tarrant Stan Smith
GUESTS PRESENT:	Jaime Adame Gary Robinett Andrew Carlson	Abilene Reporter-News Abilene Industrial Foundation KTAB/KRBC TV

- 1. CALL TO ORDER.** Mike Schweikhard called the meeting to order at 1:36 pm in the Develop Abilene conference room located at 174 Cypress Street, 3rd floor, Abilene, TX.
- 2. APPROVAL OF MINUTES FROM THE MARCH 9, 2010 BOARD MEETING.** Scott Senter moved to approve the minutes from the March 9, 2010 board meeting. Dani Ramsay seconded and the motion carried.
- 3. SALES TAX REPORT FOR MARCH 2010.** This report represents January sales and is 2.69% above last year. The sales tax rebate for economic development for March was \$618,659.39.
- 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.

Vice President Mike Schweikhard announced the date is March 23, 2010, and the time is 1:40 p.m. Mr. Schweikhard then announced the date is still March 23, 2010, and the time is 2:37 p.m. No vote or action was taken in Executive Session.

- 5. DISCUSSION & POSSIBLE APPROVAL OF A RESOLUTION AUTHORIZING AMENDED ASSISTANCE FOR GENESIS NETWORKS SOLUTIONS, INC.** Genesis Networks Solutions, Inc. (GNS) is a local company formed in 2006. It delivers proven, end-to-end IT solutions for companies in need of software testing and development. GNS experienced rapid growth and in April 2008, the DCOA approved funding of \$2,349,000 for Phase 2 expansion for 150 additional jobs, relocation assistance, job training and a capital investment loan. The economic downturn has affected operations and some customers have moved projects off shore resulting in a loss of 42 jobs since February 2009. Current employment is 100, and the company is working

to diversify its client base by picking up call center contracts and securing more complex projects with long-term contracts. The plan is to grow employment back to 128 by the end of 2010 and provide employees with training opportunities to improve skills.

GNS requests and staff proposes that the Phase 2 assistance package be adjusted down from \$2,349,000 to \$1,117,739 (a difference of \$1,231,261). Job creation for Phase 1 is lowered from 143 to 115, meaning Phase 2 job creation begins with the 116th position and total Phase 2 job creation is now 75 rather than 150. The principal payments totaling \$150,000 received so far in payment of the Phase 2 capital equipment loan will be applied to the outstanding balance of the Phase 1 job creation incentive loan. To ensure payoff of the Phase 1 note balance, payments of \$1,666.67/mo will begin in March 2011 and increase to \$10,000/mo in March 2013 for one year.

The Phase 2 note balance jumps back up to \$245,305 and GNS has the option to draw down the remaining \$54,695 (up to \$300,000 total). Monthly payments of \$8,333.33 will continue for 36 more months. The job creation incentive, job training grant and relocation grant are all reduced. Projected job creation for Phase 2 is 75 in excess of 115 for Phase 1 for total FTE employment of 190.

Dani Ramsay moved to approve Resolution No. DCOA-2010.11 as presented. Mike Schweikhard seconded. The motion carried, with Scott Senter abstaining from voting.

6. DISCUSSION & POSSIBLE APPROVAL OF A RESOLUTION AUTHORIZING ASSISTANCE FOR PROJECT KP. There was no discussion on this item. Scott Senter moved to table, Dani Ramsay seconded and the motion carried.

7. DISCUSSION & POSSIBLE APPROVAL OF AN ORAL RESOLUTION AUTHORIZING THE CEO TO NEGOTIATE AN AMENDED LEASE WITH TEXAS TECH UNIVERSITY FOR THE GRANT BUILDING AT 302 PINE STREET. In early 2009, the DCOA Board approved a one-year sublease of the first floor of the Grant Building by Texas Tech University (TTU) to the Abilene Independent School District (AISD) to establish a Science, Technology, Engineering and Math (STEM) high school. At that time the second and third floors of the building were occupied by the TTU Software Engineering Graduate Program. Since then, the AISD has outgrown the Grant Building and TTU has discontinued the software engineering program in Abilene. The DCOA did not charge rent to TTU as long as the software engineering program was housed there as a DCOA-assisted project.

TTU now requests to amend the existing lease to allow them to use the second and third floors of the building to deliver classes remotely using the teleconferencing equipment installed there. TTU also wishes to sublease space to the TTU Health Sciences Center School of Nursing for administrative offices and classrooms. Because these programs are ineligible for DCOA assistance, staff recommends charging market rate rent for the building of \$6.00 per square foot per year.

Scott Senter made a motion to approve, by oral resolution, authorization for the CEO to negotiate an amended lease with Texas Tech University for the Grant Building at 302 Pine Street charging market rent for the 2nd and 3rd floors only. The motion was seconded by Dani Ramsay and carried.

- 8. DISCUSSION & POSSIBLE APPROVAL OF A RESOLUTION AUTHORIZING A CONSTRUCTION CONTRACT AND FUNDING TO REPAINT FLOORS IN HANGARS 0 AND 1 AT THE ABILENE REGIONAL AIRPORT OCCUPIED BY EAGLE AVIATION SERVICES, INC.** Eagle Aviation Services, Inc. (EASI) has requested that the hangar floors be repainted. To staff's knowledge, the hangar floors have not been repainted since EASI first occupied the hangars.

The floors in Hangars 0 and 1 are in the worst shape with peeling paint resulting in a potential safety hazard for employees and an unattractive work environment. In September 2009, the DCOA board authorized a contract with the Tittle Luther Partnership (TLP) to develop cost estimates, technical specifications and bid documents for repainting the floors of Hangars 0 and 1. On March 2, 2010, bids from 6 different vendors were opened. The bids include refinishing the floor of Hangar 0 as the base bid and the floor of Hangar 1 as an add-alternate. The lowest responsible bidder is DecoCrete, Inc. with a bid of \$205,195 for the base bid and add-alternate.

Staff recommends the board authorize a contract with DecoCrete, Inc. for both Hangar 0 (base bid) and Hangar 1 (add-alternate) floor refinishing plus funding of \$205,195 for the contract and 15% contingency funds of \$30,780. Also proposed is more funding for TLP for the bidding and construction phases of the project totaling \$7,500 (including reimbursables).

A motion was made by Dani Ramsay to approve Resolution No. DCOA-2010.12 as presented. Scott Senter seconded and the motion passed by unanimous consent.

- 9. DISCUSSION & POSSIBLE APPROVAL OF AN ORAL RESOLUTION AUTHORIZING SPONSORSHIP OF THE 2010 SPRINGBOARD IDEAS CHALLENGE IN THE AMOUNT OF \$5,000.** The Springboard Ideas Challenge is a mini-business plan competition for the Abilene community and institutions of higher learning, with the mission of increasing the entrepreneurial spirit in the Abilene community. Springboard is the brainchild of James R. Porter, Entrepreneur-in-Residence at Abilene Christian University (ACU). The College of Business Administration at ACU has hosted Springboard since 2008.

This year Springboard will award \$50,000 in prize money to assist entrepreneurs in the start-up process. The DCOA has granted a platinum level sponsorship of \$5,000 in each of the last two years. Staff recommends the DCOA sponsor Springboard again in 2010 at the \$5,000 platinum level.

Scott Senter moved to approve the sponsorship as recommended by oral resolution. Dani Ramsay seconded the motion and it carried.

10.ADJOURNMENT. The next board meeting will be on Thursday, April 15, 2010, at 1:30 pm. There being no further business, the meeting was adjourned.

Mike Schweikhard, Vice President

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MEMORANDUM

April 7, 2010

TO: Larry D. Gilley, City Manager
FROM: Mindy Patterson, Director of Finance
SUBJECT: April Sales Tax

The sales tax rebate for April is \$2,405,638.71 which represents February sales. This is 2.46% below last year. The breakdown of the April rebate is \$1,804,229.03 to the General Fund and \$601,409.68 for economic development. Of this rebate, \$61,367 is from prior periods, audit payments, future payments, and unidentified payments. Based on this rebate, sales tax is 7.67% below 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 COMPARISON**

Accounting Period Month	GENERAL FUND	ECONOMIC DEVELOPMENT	TOTAL	GENERAL FUND	ECONOMIC DEVELOPMENT	TOTAL
	Actual 2008-09	Actual 2008-09		Actual 2009-10	Actual 2009-10	
October	\$2,110,326.56	\$703,442.19	\$2,813,768.75	\$2,015,713.10	\$671,904.36	\$2,687,617.46
November	2,680,326.85	893,442.28	3,573,769.13	2,274,694.28	758,231.42	3,032,925.70
December	2,122,016.60	707,338.86	2,829,355.46	1,806,689.71	602,229.90	2,408,919.61
January	1,981,869.70	660,623.23	2,642,492.93	1,784,282.81	594,760.94	2,379,043.75
February	2,867,665.67	955,888.56	3,823,554.23	2,694,722.33	898,240.78	3,592,963.11
March	1,807,393.10	602,464.36	2,409,857.46	1,855,978.16	618,659.39	2,474,637.55
April	1,849,680.13	616,560.04	2,466,240.17	1,804,229.03	601,409.68	2,405,638.71
YTD	<u>\$15,419,278.61</u>	<u>\$5,139,759.52</u>	<u>\$20,559,038.13</u>	<u>\$14,236,309.42</u>	<u>\$4,745,436.47</u>	<u>\$18,981,745.89</u>
May	2,380,270.93	793,423.64	3,173,694.57			
June	1,961,132.05	653,710.68	2,614,842.73			
July	1,794,109.23	598,036.41	2,392,145.64			
August	2,397,269.11	799,089.70	3,196,358.81			
September	1,961,484.00	653,828.00	2,615,312.00			
FY TOTAL	<u>\$25,913,543.93</u>	<u>\$8,637,847.95</u>	<u>\$34,551,391.88</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
Monthly and Year-to-Year Comparisons

Accounting Period Month	Actual 2008-09	Actual 2009-10	% Change
October	\$703,442	\$671,904	-4.48%
November	893,442	758,231	-15.13%
December	707,339	602,230	-14.86%
January	660,623	594,761	-9.97%
February	955,889	898,241	-6.03%
March	602,464	618,659	2.69%
April	616,560	601,410	-2.46%
YTD	\$5,139,760	\$4,745,436	-7.67%
May	793,424		
June	653,711		
July	598,036		
August	799,090		
September	653,828		
FY TOTAL	\$8,637,848		

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 '10 represents February '10 sales. Approximately
\$15,342 of the rebate is from prior periods, audit, and future payments.

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

CITY OF ABILENE, TEXAS

DEVELOPMENT CORPORATION OF ABILENE, INC.

Balance Sheet
February 28, 2010

ASSETS:

Cash and Investments	\$12,775,187
Notes receivable	16,245,964
Accounts receivable	39,086
Due from other governments	1,421,391
Total Current Assets	<u>\$30,481,628</u>

OTHER ASSETS:

Fixed assets	\$34,167,977
Accumulated depreciation	(4,349,765)
Total Other Assets	<u>29,818,212</u>

TOTAL ASSETS \$60,299,840

LIABILITIES:

Vouchers payable	\$255,629
Deferred revenues	176,174
Notes Payable	321,082
Total Liabilities	<u>\$752,885</u>

FUND BALANCES:

Investment in general fixed assets	\$29,818,212
Reserved for contractual obligations(external)	19,538,795
Reserved for obligated programs(internal)	507,058
Undesignated Balance	9,682,890
Total Fund Balance	<u>\$59,546,955</u>

TOTAL LIABILITIES AND FUND BALANCES \$60,299,840

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	482,238			482,238
5.6 acres UPS	69,217			69,217
Buildings and Improvements:				
2601 Airport Blvd.	1,563,210	540,633	366,662	1,737,181
2809 Airport Blvd.	396,519	444,583	327,102	514,000
2841 Airport Blvd.	456,736	62,923	283,048	236,611
4002 Loop 322	1,290,916	2,384,892	1,352,552	2,323,256
Five Pts Bus Park	0	8,227,561	399,534	7,828,027
6450 Five Points Parkway	5,809,354	7,016,797	1,018,399	11,807,752
Grant Bldg 341 Pine	147,194	405,726	203,996	348,924
2742 Lance Dr. (EASI Storage)	2,527,408	9,987	253,174	2,284,221
4109 Vine St	583,524	180,855	66,986	697,393
4009 Vine St	583,524	0	58,353	525,171
Equipment	9,250	0	5,550	3,700
Vehicle: 2005 Dodge Caravan	18,011	0	14,409	3,602
TOTAL FIXED ASSETS	<u><u>\$14,894,020</u></u>	<u><u>\$19,273,957</u></u>	<u><u>\$4,349,765</u></u>	<u><u>\$29,818,212</u></u>

3.4

DEVELOPMENT CORPORATION OF ABILENE
STATUS OF FUNDS @ FEBRUARY 28, 2010

REVENUE-TO-DATE	Object	Beginning I-T-D Revenues	Current Month Revenues	Current FY Revenues	(MARCH, 1990) Ending I-T-D Revenues
City Sales Tax	3131	\$ 119,897,206.99	893,283.42	\$ 3,503,286.78	\$ 123,400,493.77
Sales Tax Retained	3132	345,869.34	4,957.36	22,080.62	367,949.96
Other Services Charges	3731	25.00	-	-	25.00
Princ. - Loans & Assess	3775	3,087,911.90	-	4,442.42	3,092,354.32
Int. - Loans & Assess	3802	2,095,195.57	-	2,464.26	2,097,659.83
Interest	3803	6,661,950.13	4,025.01	17,860.81	6,679,810.94
Land Lease	3810	13,835.41	-	852.00	14,687.41
Building/Space Rent	3816	4,411,178.77	64,144.50	363,333.50	4,774,512.27
City Pay Phones	3890	9,170.58	-	-	9,170.58
Miscellaneous Revenue	3892	30,238.49	-	6,062.25	36,300.74
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	1,916,652.91	-	-	1,916,652.91
Miscellaneous Prior Year	3840	16,464.88	-	10,276.00	26,740.88
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	3,367,443.31	-	-	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
GASB 34 FY 09 Adjustment		1,150,003.47	-	-	1,150,003.47
		<u>\$ 149,211,302.08</u>	<u>\$ 966,410.29</u>	<u>\$ 3,930,658.64</u>	<u>\$ 153,141,960.72</u>

DEVELOPMENT CORPORATION OF ABILENE
STATUS OF FUNDS @ FEBRUARY 28, 2010

Object	Beginning I-T-D Revenues	Current Month Revenues	Current FY Revenues	(MARCH, 1990)	Outstanding Contracts
				Ending I-T-D Revenues	
Project	Beginning I-T-D Expenditures	Current Month Expenditures	Current FY Expenditures	Ending I-T-D Expenditures	
CONTRACTS ENCUMBERED/ EXPENDITURES-TO-DATE					
Prior Years Programs	\$ 69,771,751.71	\$ -	\$ -	\$ 69,771,751.71	
Business Services Division Div 2760	7,300,492.68	43,783.67	222,669.09	7,523,161.77	36,900.01
Life Sciences Property - Pine Div 2765	43,089.08	41,420.49	231,991.20	275,080.28	4,927.17
DCOA Annual Contracts Div 2775	2,058,373.84	2,574.88	120,627.03	2,179,000.87	2,800.00
Abilene Industrial Foundation 2775-4950	11,896,940.09	57,417.17	284,395.51	12,181,335.60	485,566.39
TTU Small Business Dev Cntr 2775-4951	2,435,621.05	17,887.50	68,493.75	2,504,114.80	126,506.25
Chamber Military Affairs 2775-4952	1,150,052.19	7,047.15	7,047.15	1,157,099.34	62,952.85
Airport Business Dev Mgr 2775-4953	503,260.66	6,405.67	22,241.83	525,502.49	110,794.17
Murf Systems 4998	151,665.00	-	-	151,665.00	-
Bandag Training 5203	724,485.20	-	-	724,485.20	117,734.80
Sunoco Logistics 5208	227,000.00	-	-	227,000.00	-
EASI 04 5213	1,592,489.23	-	221,644.95	1,814,134.18	662,803.48
Fehr Food 5220	2,089,560.00	-	-	2,089,560.00	-
Bandag Building Improv 5228	-	-	-	-	44,259.24
Glazers Ph III 5229	65,620.00	-	-	65,620.00	25,380.00
Robinson Fan 5237	352,408.98	76,402.98	76,402.98	428,811.96	311,800.00
CBER Website 5240	7,067.07	-	-	7,067.07	1,249.93
TTU Pharmacy School 5242	328,464.00	-	-	328,464.00	-
Teleperformance USA 5247	274,530.00	95,750.00	95,750.00	370,280.00	386,720.00
PWP (Project LF) 5251	1,556,842.70	360,000.00	360,000.00	1,916,842.70	2,010,620.30
Integrated Clinic Research 5253	7,440.00	-	-	7,440.00	688,062.00
Genesis Network 5258	1,375,333.81	-	-	1,375,333.81	6,957.81
Carter Burgess 5260	323,815.00	-	-	323,815.00	25,505.00
Fehr Foods 5261	118,091.53	-	-	118,091.53	-
TMAC 5262	60,000.00	-	-	60,000.00	-
SBIR/STTR 5263	127,159.85	95.00	(48,318.35)	78,841.50	192,558.85
EASI 7th Doc 5265	239,175.14	-	-	239,175.14	34,081.10
BMWT Leasing 5266	50,000.00	25,000.00	25,000.00	75,000.00	-
ABTEX Beverage 5267	634,339.80	-	319,468.00	953,807.80	-
MSSC Training 5269	71,762.03	-	-	71,762.03	-
WTCIC 5272	16,582.00	-	25,000.00	41,582.00	-
TTU HSC Research 5273	679,455.00	(189,455.00)	(189,455.00)	490,000.00	2,510,000.00
Spec 2 Expansion A/E 5275	7,075,849.57	-	-	7,075,849.57	-
Spec 3 Construction 5276	5,429,725.65	-	2,595.00	5,432,320.65	304,179.35
Energy Maintenance Service 5282	-	-	155,456.39	155,456.39	1,262,543.61
Genesis Network Phase II 5284	-	-	-	-	2,103,694.90
Tower Tech 5285	846,499.60	-	342,466.78	1,188,966.38	3,758,533.62
Texas Metal 08 5288	-	-	41,628.67	41,628.67	15,770.07
TMAC 09 5289	15,000.00	-	7,500.00	22,500.00	37,500.00
Project BG 5295	-	-	-	-	748,000.00
Coca Cola Abilene 5296	-	-	-	-	900,000.00
ACU 09 Springboard 5297	5,000.00	-	-	5,000.00	-
Land 122 Acres N 5 Pts 5302	171,558.71	-	-	171,558.71	339,409.79
ETI Contract 5304	-	-	207,759.12	207,759.12	1,172,420.88
Life Sciences Accelerator- Ph 2 5305	-	7,496.23	554,646.02	554,646.02	904,578.98
EASI floor re-painting A/E 5306	-	-	6,414.50	6,414.50	1,585.50
TTU 842 Pine 5308	-	-	71,101.06	71,101.06	142,398.94
TTU Energy Contract 5309	-	50,000.00	50,000.00	50,000.00	-
Miscellaneous Activities 2785	354,189.86	-	-	354,189.86	-
TOTAL ENCUMB. / EXPENDITURES	\$ 120,130,691.03	\$ 601,825.74	\$ 3,282,525.68	\$ 123,413,216.71	\$ 19,538,794.99
TOTAL FUND BALANCE				\$ 29,728,744.01	
UNENCUMBERED FUND BALANCE					\$ 10,189,949.02

3.6

DEVELOPMENT CORPORATION OF ABILENE
STATUS OF FUNDS @ FEBRUARY 28, 2010

Object	Project	(MARCH, 1990)					Amount Encumbered	Balance
		Beginning I-T-D Revenues	Current Month Revenues	Current FY Revenues	Ending I-T-D Revenues	Current Month Revenues		
		Amount Obligated	Prior Years Disbursed	Current Month Disbursed	Current Year Disbursed			
BALANCE OF OBLIGATED PROGRAMS								
Business Services Division	Div 2760	\$ 640,370.00	\$ -	\$ 43,783.67	\$ 222,669.09	\$ 36,900.01	\$ 380,800.90	
Life Sciences Property -Pine	Div 2765	233,810.00	-	41,420.49	231,991.20	4,927.17	(3,108.37)	
DCOA Annual Contracts	Div 2775	252,785.20	-	2,574.88	120,627.03	2,800.00	129,358.17	
Abilene Industrial Foundation	2775-4950	769,962.00	-	57,417.17	284,395.51	485,566.39	0.10	
TTU Small Business Dev Cntr	2775-4951	195,000.00	-	17,887.50	68,493.75	126,506.25	-	
Chamber Military Affairs	2775-4952	70,000.00	-	7,047.15	7,047.15	62,952.85	-	
Airport Business Dev Mgr	2775-4953	133,040.00	-	6,405.67	22,241.83	110,794.17	4.00	
Murf Systems	4998	151,665.00	151,665.00	-	-	-	-	
Bandag Training	5203	842,220.00	724,485.20	-	-	117,734.80	-	
Sunoco Logistics	5208	227,000.00	227,000.00	-	-	-	-	
EASI 04	5213	2,476,938.00	1,592,489.23	-	221,644.95	662,803.48	0.34	
Fehr Food	5220	2,089,560.00	2,089,560.00	-	-	-	-	
Bandag Building Improv	5228	44,260.00	-	-	-	44,259.24	0.76	
Glazers Ph III	5229	91,000.00	65,620.00	-	-	25,380.00	-	
Robinson Fan	5237	740,612.00	352,408.98	76,402.98	76,402.98	311,800.00	0.04	
CBER Website	5240	8,317.00	7,067.07	-	-	1,249.93	-	
TTU Pharmacy School	5242	328,464.00	328,464.00	-	-	-	-	
Teleperformance USA	5247	757,000.00	274,530.00	95,750.00	95,750.00	386,720.00	-	
PWP (Project LF)	5251	3,927,463.00	1,556,842.70	360,000.00	360,000.00	2,010,620.30	-	
Integrated Clinic Research	5253	695,502.00	7,440.00	-	-	688,062.00	-	
Genesis Network	5258	1,382,293.00	1,375,333.81	-	-	6,957.81	1.38	
Carter Burgess	5260	349,320.00	323,815.00	-	-	25,505.00	-	
Fehr Foods	5261	118,092.00	118,091.53	-	-	-	0.47	
TMAC	5262	60,000.00	60,000.00	-	-	-	-	
SBIR/STTR	5263	271,400.00	127,159.85	95.00	(48,318.35)	192,558.85	(0.35)	
EASI 7th Doc	5265	273,257.00	239,175.14	-	-	34,081.10	0.76	
BMWT Leasing	5266	75,000.00	50,000.00	25,000.00	25,000.00	-	-	
ABTEX Beverage	5267	953,808.00	634,339.80	-	319,468.00	-	0.20	
MSSC Training	5269	71,762.00	71,762.03	-	-	-	(0.03)	
WTCIC	5272	41,582.00	16,582.00	-	25,000.00	-	-	
TTU HSC Research	5273	3,000,000.00	679,455.00	(189,455.00)	(189,455.00)	2,510,000.00	-	
Spec 2 Expansion A/E	5275	7,075,850.00	7,075,849.57	-	-	-	0.43	
Spec 3 Construction	5276	5,736,500.00	5,429,725.65	-	2,595.00	304,179.35	(0.00)	
Energy Maintenance Service	5282	1,418,000.00	-	-	155,456.39	1,262,543.61	-	
Genesis Network Phase II	5284	2,103,695.00	-	-	-	2,103,694.90	0.10	
Tower Tech	5285	4,947,500.00	846,499.60	-	342,466.78	3,758,533.62	-	
Texas Metal 08	5288	57,399.00	-	-	41,628.67	15,770.07	0.26	
TMAC 09	5289	60,000.00	15,000.00	-	7,500.00	37,500.00	-	
Run Energy	5295	748,000.00	-	-	-	748,000.00	-	
Coca Cola Abilene	5296	900,000.00	-	-	-	900,000.00	-	
ACU 09 Springboard	5297	5,000.00	5,000.00	-	-	-	-	
Land 122 Acres N 5 Pts	5302	510,968.00	171,558.71	-	-	339,409.79	(0.50)	
ETI Contract	5304	1,380,180.00	-	-	207,759.12	1,172,420.88	-	
Life Sciences Accelerator- Ph 2	5305	1,459,225.00	-	7,496.23	554,646.02	904,578.98	-	
EASI floor re-painting A/E	5306	8,000.00	-	-	6,414.50	1,585.50	-	
TTU 842 Pine	5308	213,500.00	-	-	71,101.06	142,398.94	-	
TTU Energy Contract	5309	50,000.00	-	50,000.00	50,000.00	-	-	
Miscellaneous Activities	2785	354,189.86	354,189.86	-	-	-	-	
BALANCE OF OBLIGATED PROGRAMS		\$ 48,299,489.06	\$ 24,971,109.73	\$ 601,825.74	\$ 3,282,525.68	\$ 19,538,794.99	\$ 507,058.66	

UNDESIGNATED FUND BALANCE

(unencumbered balance less obligated programs and contingent liabilities)

\$ 9,682,890.36

DCOA Board approved projects waiting for signed contracts

Expiration Date

Long Performance Advisors	5307	8,000.00	05/24/2010
Project RC	5310	15,000.00	06/17/2010
AIC Equipment Lease/Purchase	5312	165,000.00	08/23/2010
		<u>188,000.00</u>	

3,7

CITY OF ABILENE, TEXAS

ANNUAL FINANCIAL REPORT

With Supplemental Information for
Development Corporation of Abilene

Year Ended September 30, 2009

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor
Members of the City Council
City of Abilene, Texas:

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of City of Abilene, Texas, as of and for the year ended September 30, 2009, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Abilene, Texas' management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Abilene, Texas, as of September 30, 2009, and the respective changes in the financial position and cash flows thereof for the year then ended in conformity with the accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated February 25, 2010 on our consideration of the City of Abilene, Texas' internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis and the budgetary comparison information and other required supplemental information on pages 2 through 13 and 60 through 65, are not a required part of basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Abilene, Texas' basic financial statements. The supplemental information for Development Corporation of Abilene on pages 66 through 72 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Davis Kinard & Co, PC

DAVIS KINARD & CO, PC

Abilene, Texas
February 25, 2010

CITY OF ABILENE, TEXAS

DEVELOPMENT CORPORATION OF ABILENE

STATEMENT OF NET ASSETS

September 30, 2009

With Comparative Totals for the Year Ended September 30, 2008

	<u>2009</u>	<u>2008</u>
CURRENT ASSETS:		
Cash and cash investments	\$ 10,706,935	\$ 11,361,448
Investments	608,474	3,106,188
Accounts receivable	39,668	4,500
Due from other governments	<u>1,421,391</u>	<u>1,588,750</u>
Total Current Assets	<u>12,776,468</u>	<u>16,060,886</u>
NONCURRENT ASSETS:		
Capital assets	34,167,977	32,973,333
Accumulated depreciation	<u>(4,349,765)</u>	<u>(3,813,001)</u>
Total capital assets, net	29,818,212	29,160,332
Notes receivable	<u>17,181,513</u>	<u>13,929,950</u>
Total Noncurrent Assets	<u>46,999,725</u>	<u>43,090,282</u>
TOTAL ASSETS	<u>59,776,193</u>	<u>59,151,168</u>
LIABILITIES:		
Current:		
Vouchers payable	325,555	1,415,465
Accrued wages	10,833	
Accred expenses	39,283	
Notes payable	<u>160,541</u>	
Total Current Liabilities	<u>536,212</u>	<u>1,415,465</u>
Noncurrent:		
Notes payable	<u>160,541</u>	
Total Liabilities	<u>696,753</u>	<u>1,415,465</u>
NET ASSETS:		
Investment in capital assets, net of related debt	29,497,130	29,160,332
Restricted for contractual obligations	17,418,860	23,660,369
Unrestricted, designated for purposes of trust	<u>12,163,450</u>	<u>4,915,002</u>
TOTAL NET ASSETS	<u>\$ 59,079,440</u>	<u>\$ 57,735,703</u>

CITY OF ABILENE, TEXAS

DEVELOPMENT CORPORATION OF ABILENE
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
 Year Ended September 30, 2009
 With Comparative Totals for the Year Ended September 30, 2008

	<u>2009</u>	<u>2008</u>
REVENUES:		
Sales and use taxes	\$ 8,470,489	\$ 8,797,529
Rental income	977,319	490,473
Interest income	183,980	594,245
Gain on sale of capital assets	291,340	2,662,784
Miscellaneous revenue	<u>831,235</u>	<u>5,327</u>
Total Revenues	<u>10,754,363</u>	<u>12,550,358</u>
EXPENSES		
Current:		
Trust	<u>9,410,626</u>	<u>5,857,166</u>
Total Expenses	<u>9,410,626</u>	<u>5,857,166</u>
CHANGE IN NET ASSETS	1,343,737	6,693,192
NET ASSETS AT BEGINNING OF YEAR	<u>57,735,703</u>	<u>51,042,511</u>
NET ASSETS AT END OF YEAR	<u>\$ 59,079,440</u>	<u>\$ 57,735,703</u>

4.4

CITY OF ABILENE

DEVELOPMENT CORPORATION OF ABILENE
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET BASIS

Year Ended September 30, 2009

	Year Ended September 30, 2009	Inception To-Date
REVENUES:		
Sales and use taxes	\$ 8,637,848	\$ 120,254,348
Principal on loans and assessments	17,495	3,087,912
Interest on loans and assessments	9,722	2,095,195
Interest on investments	144,172	6,870,468
Land lease		13,835
Sale of land and buildings	2,994,678	4,849,881
Building/space rent	977,319	4,411,178
Miscellaneous recovery	20,000	1,916,652
City pay phones		9,171
Miscellaneous revenue	767,389	797,652
Miscellaneous prior year		16,465
EDA grant		1,180,026
Miscellaneous state grants		6,500
Miscellaneous damage claims		1,173
Interfund recovery		1,534,976
GASB 22 restatement		355,635
GASB 34 restatement		523,719
DCOA administration		7,071
Other contributions	43,846	140,712
Total Revenues	13,612,469	148,072,569
EXPENDITURES:		
Current:		
Prior year programs		61,769,776
Business Services Division	543,996	7,300,493
Life Sciences Property	43,089	43,089
DCOA Annual Contracts	167,046	2,058,374
Abilene Industrial Foundation	688,042	11,896,940
Caruth Small Business Development Center	195,000	2,435,621
Chamber Military Affairs	68,075	1,150,052
Airport Business Development MGR	86,579	503,261
Murf Systems		151,665
Bandag Training	179,015	724,485
Rentech 04	33,520	401,200
Sunoco	33,976	227,000
EASI 04	247,252	1,592,489
Glazer Phase II	80,000	262,000
EHT	56,700	155,000
TMAC	7,500	60,000
Fehr Foods	1,044,540	2,089,560
Glazer Phase III	21,280	65,620
Transcend Services	101,378	450,000
Highland Campus Health	75,668	329,533
Rentech		48,800
Robinson Fan	123,003	352,409
Spec II RE	176,700	252,487

4.5

CITY OF ABILENE, TEXAS
 DEVELOPMENT CORPORATION OF ABILENE
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET BASIS
 Year Ended September 30, 2009

EXPENDITURES - continued:	Year Ended September 30, 2009	Inception To-Date
	2009	To-Date
Current - continued:		
Reg Website	\$ 2,750	\$ 7,067
TTU Pharmacy School	179,232	328,464
SBIR/STTR	60,279	127,160
Teleperformance USA	84,260	274,530
Shelter Distribution	23,043	90,477
PWP Industries	498,082	1,556,843
Integrated Clinic Research		7,440
Genesis Network	976,200	1,375,334
Carter Burgess	13,453	323,815
Fehr Foods		118,092
EASI 7th Doc	115,919	239,175
BMWT Leasing	25,000	50,000
ABTEX Beverage	634,340	634,340
MSSC Training		71,762
Receptor Log	460,322	1,503,857
WTCIC		16,582
TTU HSC Research	189,455	679,455
Accelerator A/E	160,672	465,572
Spec 2 Expansion A/E	97,831	7,075,849
Spec 3 Construction	1,829,044	5,429,726
Prospect 08		5,600
Accelerator Land	98	327,258
Vine Street Repair	12,255	180,855
Tower Tech	836,593	846,500
Receptor Lab	1,532,967	1,533,287
TMAC 09	15,000	15,000
Five Points Water Pump	50,000	50,000
Accelerator Construction	1,476,393	1,476,393
Global Energy	10,150	10,150
Five Points Electric	115,000	115,000
Prospect 09	410	410
ACU 09 Springboard	5,000	5,000
EASI 09 Project	274,878	274,878
Land UPS 5.6 acres	69,218	69,218
Land 122 acres N 5 Pts	171,559	171,558
Miscellaneous Activities		354,190
Total Expenditures	13,891,762	120,130,691
EXCESS OF REVENUES OVER EXPENDITURES-BUDGET BASIS	(279,293) \$	27,941,878
Add: Interest Income Accrual	30,086	
Add: Fixed Assets Capitalized	5,182,678	
Less: Change in Sales Tax Revenue Accrual	(167,359)	
Less: Proceeds from Sale of Land and Buildings	(2,994,678)	
Add: Gain on Sale of Capital Assets	291,340	
Less: Other GASB 34 Adjustments	(56,778)	
Less: Depreciation	(662,259)	
CHANGE IN NET ASSETS-GAAP BASIS	\$ 1,343,737	

4.6

CITY OF ABILENE, TEXAS

DEVELOPMENT CORPORATION OF ABILENE
SCHEDULE OF OBLIGATED FUND BALANCE - BUDGET BASIS

Year Ended September 30, 2009

	FY 2009 Obligated	FY 2009 Amount Disbursed	Balance
OBLIGATED PROGRAMS:			
Business Services Division	\$ 565,830	\$ 543,996	\$ 21,834
Life Sciences Property	48,480	43,089	5,391
DCOA Annual Contracts	183,010	167,046	15,964
Abilene Industrial Foundation	770,410	688,042	82,368
Caruth Small Business Development Center	195,000	195,000	
Chamber Military Affairs	70,000	68,075	1,925
Airport Business Development MGR	170,770	86,579	84,191
Bandag Training	296,750	179,015	117,735
Rentech	33,520	33,520	
Sunoco Logistics	33,976	33,976	
EASI 04	1,131,700	247,252	884,448
Glazer Phase II	80,000	80,000	
EHT	56,700	56,700	
Fehr Foods	1,044,540	1,044,540	
Transcend Services	101,380	101,378	2
Bandag Building Improvements	44,260		44,260
Glazer's Ph III	46,660	21,280	25,380
Highland Campus Health	75,669	75,668	1
Robinson Fan	434,803	123,003	311,800
Spec II Hart Agreement	176,700	176,700	
CBER Website	4,000	2,750	1,250
TTU Pharmacy School	179,232	179,232	
Teleperformance	566,730	84,260	482,470
Shelter Distribution	23,043	23,043	
PWP Industries	2,508,702	498,082	2,010,620
Integrated Clinic Research	688,062		688,062
Genesis Network	991,258	976,200	15,058
Carter Burgess	38,958	13,453	25,505
TMAC	7,500	7,500	
SBIR/STTR	204,519	60,279	144,240
EASI 7th Doc	150,001	115,919	34,082
BMWT Leasing	25,000	25,000	
ABTEX Beverage	1,599,040	634,340	964,700
MSSC Training	74,353		74,353
Receptor Log	460,323	460,322	1
WTCIC	16,582		16,582
TTU HSC Research	2,510,000	189,455	2,320,545
Accelerator A/E	160,672	160,672	
Spec 2 Expansion	97,831	97,831	
Spec 3 Construction	2,135,819	1,829,044	306,775
Accelerator Land	98	98	
Energy Maintenance Services	1,418,000		1,418,000
Vine Street Repair	12,255	12,255	

4.7

CITY OF ABILENE, TEXAS

DEVELOPMENT CORPORATION OF ABILENE
SCHEDULE OF OBLIGATED FUND BALANCE - BUDGET BASIS
 Year Ended September 30, 2009

OBLIGATED PROGRAMS - continued	FY 2009 Obligated	FY 2009 Amount Disbursed	Balance
Genesis Network Phase II	\$ 2,103,695	\$	\$ 2,103,695
Tower Tech	4,817,594	836,593	3,981,001
Receptor Lab	1,532,967	1,532,967	
Texas Metal 08	35,114		35,114
TMAC 09	60,000	15,000	45,000
Five Points Water Pump	50,000	50,000	
Accelerator Construction	1,476,393	1,476,393	
Global Energy	10,150	10,150	
Five Points Electric	115,000	115,000	
Prospect Development 09	70,000	410	69,590
Run Energy	748,000		748,000
ACU 09 Springboard	5,000	5,000	
EASI 09 Project	274,878	274,878	
Land UPS 5.6 acres	68,727	69,218	(491)
Land 122 acres	510,968	171,559	339,409
Total Obligated Programs	\$ 31,310,622	\$ 13,891,762	\$ 17,418,860

4.8

DEVELOPMENT CORPORATION OF ABILENE, INC.

BOARD AGENDA

MEETING DATE: April 15, 2010

PROJECT: Project JD

STAFF: Richard Burdine, CEO

THE COMPANY

Project JD was formed in May 2000 for the purpose of buying the assets of a company from Fort Worth. The company was moved to Abilene where they assemble and distribute a seasonal product across the U.S. The products are sold directly or indirectly to large retailers (i.e. Home Depot, Lowes, Wal-Mart) and numerous regional wholesalers. Because the product is seasonal, the company was having to employ people seasonally as well.

In September 2009, Project JD purchased the assets, including patents and trademarks, of another company located in Connecticut, which was then moved to Abilene. Project JD now has a patent for another seasonal product, which they also assemble and distribute across the U.S., giving the company a product to sell during off-season times for the original product. This also allows the company to permanently employ more people.

THE REQUEST

To facilitate the new operation, Project JD needs to convert a 10,000-15,000 sq ft space in its existing warehouse into a climate-controlled assembly area. The improvements include fire sprinklers, HVAC system, electrical work, construction and engineering fees for a total of \$275,000. With the recent expansion of the company, Project JD can convert 20 seasonal, part-time jobs to 8 permanent, full-time equivalents, and create 3 new full-time jobs for total FTE employment of 11. I propose an assistance package totaling \$105,250 as follows:

Job Creation Incentive – Up to \$64,000 for the creation of 11 full-time jobs with assistance paid out over 3 years based on the chart below upon certification of FTE's created/retained during the previous 12 months:

Salary Level/Annually	Projected Jobs	Incentives	Total
\$20 to \$30,000	8	4,000	\$32,000
\$30 to \$40,000	2	\$10,000	\$20,000
\$40 to \$50,000	1	\$12,000	\$12,000
\$50 to \$60,000	0	\$15,000	\$0
Over \$60,000	0	35%	\$0
Total Jobs:	11		\$64,000

Capital Investment Incentive – Up to \$41,250 for capital equipment and improvements to the facility paid at 15% of actual cost (est. \$275,000) over 3 years, with annual payments not to exceed \$13,750.

STAFF RECOMMENDATION

Staff recommends approval of resolution DCOA-2010.14 authorizing assistance for Project JD in an amount not to exceed \$105,250.

ATTACHMENTS

Resolution DCOA-2010.14

RESOLUTION NO. DCOA-2010.14

A RESOLUTION OF THE DEVELOPMENT CORPORATION OF ABILENE, INC. (DCOA), ABILENE, TEXAS AUTHORIZING ASSISTANCE FOR PROJECT JD.

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

WHEREAS, Project JD was formed in May 2000 for the purpose of buying the assets of a company from Fort Worth, which was moved to Abilene where they assemble and distribute a seasonal product across the U.S; and,

WHEREAS, in 2009, Project JD purchased the assets of another company located in Connecticut, which was then moved to Abilene, allowing Project JD the opportunity to assemble and distribute another seasonal product during off-season times for the original product; and,

WHEREAS, the recent expansion also allows Project JD to convert seasonal employees to permanent and create 3 additional jobs; and,

WHEREAS, staff requests the DCOA approve an incentive package for Project JD of up to \$105,250 as outlined below.

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

PART 1. DCOA approves an incentive package for Project JD in an amount not to exceed One Hundred Five Thousand Two Hundred Fifty and no/100's Dollars (\$105,250) to assist Project JD with expansion of its Abilene operation to include but not be exclusive of facility improvements (i.e. fire sprinklers, HVAC system, electrical work, construction and engineering fees). The company estimates these improvements will cost \$275,000. Also, the company will convert 20 seasonal employment positions to 8 permanent, full-time equivalent positions and create 3 new FTE's over the next 3 years for total FTE employment of 11. The funding will be disbursed as follows:

Job Creation Incentive – Up to \$64,000 for the creation of 11 full-time equivalent jobs with assistance paid out annually over 3 years at 1/3 the “Incentives” amount in the chart below upon certification of FTE's created/retained during the previous 12 months:

Salary Level/Annually	Projected Jobs	Incentives	Total
\$20 to \$30,000	8	4,000	\$32,000
\$30 to \$40,000	2	\$10,000	\$20,000
\$40 to \$50,000	1	\$12,000	\$12,000
\$50 to \$60,000	0	\$15,000	\$0
Over \$60,000	0	35%	\$0
Total Jobs:	11		\$64,000

Capital Investment Incentive – Up to \$41,250 for capital equipment and improvements to

company's Abilene facility paid at 15% of actual cost (est. \$275,000) over 3 years upon receipt by DCOA of copies of paid invoices evidencing such costs, with annual payments not to exceed \$13,750.

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

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

ADOPTED this the 15th day of April, 2010.

ATTEST:

Marelyn Shedd
Secretary/Treasurer

Paul Cannon
President

APPROVED:

T. Daniel Santee, City Attorney

DEVELOPMENT CORPORATION OF ABILENE, INC.
BOARD AGENDA
MEETING DATE: April 15, 2010

PROJECT: Project DJ

STAFF: Richard Burdine, CEO

THE COMPANY

Project DJ started in the 1940s and began manufacturing wind turbine blades in the 1970s. The company is a world leader in blade manufacturing today with customers all over the globe. While Project DJ is a leader in wind blade manufacturing, the operation proposed for Abilene will focus on wind blade repair.

The technicians that repair blades are highly trained, having trained in a blade plant before taking on repairs in the field. The company values their employees and endeavors to retain them with technician salaries in the \$40,000 to \$50,000/year range. The company anticipates a staff of 33, all with salaries in excess of \$40,000/year, including non-mandatory benefits such as health insurance.

THE REQUEST

Project DJ will establish a wind turbine blade repair operation in Abilene employing 33 earning salaries of at least \$40,000/year. I propose the following assistance package totaling \$566,250:

Job Creation Incentive – Up to \$416,750 for the creation of 33 new jobs with assistance paid out over 3 years based on the chart below upon certification of FTE's created/retained during the previous 12 months:

Salary Level/Annually	Projected Jobs	Incentives	Total
\$30 to \$40,000	0	\$10,000	\$0
\$40 to \$50,000	31	\$12,000	\$372,000
\$50 to \$60,000	1	\$15,000	\$15,000
Over \$60,000	1	35%	\$29,750
Total Jobs:	33		\$416,750

Capital Investment Incentive - Up to \$80,000 for capital equipment purchases paid at 10% of actual costs (est. \$800,000) over 3 years upon receipt of annual certifications, with annual payments not to exceed \$26,666.67.

Training Incentive – Up to \$16,500 paid at 50% of actual training costs no more than quarterly not to exceed \$500/employee upon completion of employee training and documentation of actual costs.

Relocation Assistance – Up to \$53,000 paid at 50% of actual costs no more than quarterly, limited to \$1,500 for 32 employees and \$5,000 for one employee upon documentation of actual costs.

STAFF RECOMMENDATION

Staff recommends approval of resolution DCOA.2010.15 authorizing assistance for Project DJ in an amount not to exceed \$566,250.

ATTACHMENTS

Resolution DCOA-2010.15

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RESOLUTION NO. DCOA-2010.15

A RESOLUTION OF THE DEVELOPMENT CORPORATION OF ABILENE, INC. (DCOA), ABILENE, TEXAS AUTHORIZING ASSISTANCE FOR PROJECT DJ.

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

WHEREAS, Project DJ is a world leader in blade manufacturing today with customers all over the globe; and,

WHEREAS, while Project DJ is a leader in wind blade manufacturing, the operation proposed for Abilene will focus on wind blade repair; and,

WHEREAS, the company values their employees and endeavors to retain them with technician salaries in the \$40,000 to \$50,000/year range; and,

WHEREAS, staff requests the DCOA approve an incentive package for Project DJ of up to \$566,250 as outlined below.

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

PART 1. DCOA approves an incentive package for Project DJ in an amount not to exceed Five Hundred Sixty-Six Thousand Two Hundred Fifty and no/100's Dollars (\$566,250) to assist Project DJ establish a wind blade repair operation in Abilene and employ 33 full-time equivalents earning salaries of at least \$40,000/year. The funding will be disbursed as follows:

Job Creation Incentive – Up to \$416,750 for the creation of 33 new jobs with assistance paid out annually over 3 years at 1/3 the “Incentives” amount in the chart below upon certification of FTE’s created/retained during the previous 12 months:

Salary Level/Annually	Projected Jobs	Incentives	Total
\$30 to \$40,000	0	\$10,000	\$0
\$40 to \$50,000	31	\$12,000	\$372,000
\$50 to \$60,000	1	\$15,000	\$15,000
Over \$60,000	1	35%	\$29,750
Total Jobs:	33		\$416,750

Capital Investment Incentive - Up to \$80,000 for capital equipment purchases paid at 10% of actual costs (est. \$800,000) over 3 years upon receipt of annual certifications and copies of paid invoices evidencing such expenses, with annual payments not to exceed \$26,666.67.

Training Incentive – Up to \$16,500 paid at 50% of actual training costs not to exceed \$500/employee, not more often than quarterly, upon completion of employee training and documentation of actual costs.

Relocation Assistance – Up to \$53,000 paid at 50% of actual costs, not more often than quarterly, limited to \$1,500 for 32 employees and \$5,000 for one employee upon documentation of actual costs.

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

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

ADOPTED this the 15th day of April, 2010.

ATTEST:

Marelyn Shedd
Secretary/Treasurer

Paul Cannon
President

APPROVED:

T. Daniel Santee, City Attorney

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