

PUBLIC NOTICE

DEVELOPMENT CORPORATION OF ABILENE, INC.

A regular meeting of the Development Corporation of Abilene, Inc. will be held on Tuesday, May 25, 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

May 25, 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 May 13, 2010, board meeting.
3. Sales tax report for May 2010.
4. 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.

5. Discussion and possible approval of a resolution authorizing the sale of undeveloped land in the Five Points Business Park to Project NA.
6. 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
MAY 13, 2010

MEMBERS PRESENT:	Paul Cannon Dani Ramsay	Mike Schweikhard
MEMBERS ABSENT:	Scott Senter	Marelyn Shedd
STAFF PRESENT:	Richard Burdine Dan Santee Melissa Murphy	Kim Tarrant Don Green
GUESTS PRESENT:	Judy Wilhelm Bill Ehrie Jaime Adame	Small Business Development Center Abilene Industrial Foundation Abilene Reporter-News

- 1. CALL TO ORDER.** Paul Cannon called the meeting to order at 1:30 p.m. in the Develop Abilene conference room located at 174 Cypress Street, 3rd floor, Abilene, TX.
- 2. APPROVAL OF MINUTES FROM THE APRIL 15, 2010 BOARD MEETING.** Mike Schweikhard moved to approve the minutes from the April 15, 2010 board meeting. Dani Ramsay seconded and the motion carried.
- 3. STATUS OF FUNDS REPORT FOR MARCH 2010.** Total DCOA assets as of March 31, 2010 were nearly \$60 million and the total fund balance was \$59.2 million and the undesignated fund balance was \$11.3 million. The DCOA had contracts pending totaling \$188,000.
- 4. PRESENTATION OF SEMI-ANNUAL REPORTS FOR 6 MONTHS ENDED MARCH 31, 2010 BY THE ABILENE INDUSTRIAL FOUNDATION, THE TTU SMALL BUSINESS DEVELOPMENT CENTER, AND THE CITY OF ABILENE AIRPORT BUSINESS DEVELOPMENT MANAGEMENT PROGRAM.** Bill Ehrie reviewed the semi-annual report for FY10 from the Abilene Industrial Foundation. The AIF has spent \$68,506.30 of its FY10 marketing budget of \$140,000. From the 50 leads received, the AIF responded to 30 and opened four prospect files. The AIF made 31 retention visits. So far this fiscal year, they have hosted one manufacturers' luncheon, attended two trade shows and attended five conferences. The main available buildings right now are Victor, Spec 3 and Glazer.

Judy Wilhelm reviewed the TTU SBDC's report. For the first half of FY 2010, the SBDC helped a total of 40 businesses open. They helped create 121 jobs with a total capital investment of \$4.3 million, which is down significantly from this time last year. They offered several workshops for the first half of FY10 and were also involved with Abilene Christian University's third annual Springboard Idea Challenge. They have completed

two SBA audits/reviews and were part of the Texas Tech review committee for women CEOs interested in Tech business.

Melissa Murphy and Don Green summarized the report from the Abilene Airport Business Development Management Program (BDMP). They are focused on community outreach through speaking engagements to various civic organizations, highlighting the advantages of flying from Abilene versus driving to another airport. The BDMP continues with its marketing campaign, running ads on local television and radio stations, as well as print ads in various publications. Enplanements were down 14%, due mainly to the national recession and the decrease in wind farm construction. The ABI-VIP Passenger Rewards Program was started in November 2008 and has been more successful than anticipated, resulting in 778 current participants. As a direct result of declining enplanements, rental car revenue is down 12% YTD and parking lot revenue is down 8% YTD. The Small Community Air Service Development Grant, to attract new service to the west from Abilene Regional Airport, was extended last August for one year by the DOT.

- 5. DISCUSSION & POSSIBLE APPROVAL OF THE DCOA'S SEMI-ANNUAL REPORT OF ACTIVITIES ENDING MARCH 31, 2010.** Richard Burdine reviewed this report. Some of the items highlighted include Project RC, Genesis Networks Solutions, Inc., Project School, and the Abilene Life Sciences Accelerator – Phase 2 build out.

Dani Ramsay moved to approve, by oral resolution, said report as presented. Mike Schweikhard seconded and the motion passed by unanimous consent.

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

President Paul Cannon announced the date is May 13, 2010, and the time is 2:04 p.m. Mr. Cannon then announced the date is still May 13, 2010, and the time is 3:08 p.m. No vote or action was taken in Executive Session.

- 7. DISCUSSION & POSSIBLE APPROVAL OF A RESOLUTION AUTHORIZING ASSISTANCE FOR TEXAS METALS & RECYCLING (BMWT LEASING).** Texas Metals and Recycling (Texas Metals) is a local company that has been in business since 1909 and gathers recyclable metals to sell to area mills, and also sells new metals on a retail basis. In August 2008, the DCOA approved assistance for several things, including the purchase of another scrap processing shear. This new scrap processing shear was installed in 2008 but the unit has been operating lately at only 65% of available run time. Scrap iron prices have risen dramatically since the beginning of 2010, creating increased business, which in turn has put tremendous pressure on the existing material handlers to keep the processing shear fed. The owners purchased a material handler at a

cost of \$440,500 to increase the scrap processing shear run time to 94% of available run time, and request the DCOA assist with the purchase. They anticipate creating another position within 3-6 months of purchase.

Staff recommends the DCOA approve total assistance of \$44,050 (10% of cost) to help with the purchase of a material handler.

A motion was made by Dani Ramsay to approve Resolution No. DCOA-2010.16 as presented and seconded by Mike Schweikhard. Motion carried.

8. ADJOURNMENT. The next regularly scheduled meeting is May 25th.

Paul Cannon, President

MEMORANDUM

May 12, 2010

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

The sales tax rebate for May is \$3,259,854.21 which represents March sales. This is 2.71% above last year. The breakdown of the May rebate is \$2,444,890.66 to the General Fund and \$814,963.55 for economic development. Of this rebate, \$32,398 is from prior periods, audit payments, future payments, and unidentified payments. Based on this rebate, sales tax is 6.28% below last year for the period of October through May. 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
May	2,380,270.93	793,423.64	3,173,694.57	2,444,890.66	814,963.55	3,259,854.21
YTD	<u>\$17,799,549.54</u>	<u>\$5,933,183.16</u>	<u>\$23,732,732.70</u>	<u>\$16,681,200.08</u>	<u>\$5,560,400.02</u>	<u>\$22,241,600.10</u>
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%
May	793,424	814,964	2.71%
YTD	\$5,933,183	\$5,560,400	-6.28%
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 May '10 represents March '10 sales. Approximately
\$8,099 of the rebate is from prior periods, audit, and future payments.

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

DEVELOPMENT CORPORATION OF ABILENE, INC.

BOARD AGENDA

MEETING DATE: May 25, 2010

PROJECT: Sale of Undeveloped Land in Five Points Business Park to Project NA

STAFF: Richard Burdine, CEO

COMPANY INFORMATION

Project NA is the result of a partnership between several West Texas service entities interested in construction a new innovative, state-of-the-art laundry facility that will serve the needs of each entity. Project NA has for several years searched for and considered sites in Abilene, Midland, Odessa and Lubbock for construction of the facility. Abilene was considered the most beneficial choice for several reasons, including its central location to larger metropolitan areas and smaller regional areas, and the availability of land near major highways. The facility will be the largest of its kind west of I-35 and north of I-10 costing about \$6.1 million with 70 projected employees.

The company wishes to purchase acreage in the Five Points Business Park on Arnold Blvd. near the intersection of Marigold St., east side. There currently exists a platted lot totaling 41.251 acres that is in the process of being re-platted into two lots of 24.304 acres and 16.947 acres. The smaller lot is desirable to the Company for construction of the 48,000 sq ft facility with plenty of room for future expansion. Only about 8 of the available acres are developable with the remainder being in the 100 year flood plain.

THE REQUEST

The laundry operation itself is not eligible for DCOA assistance; however, the board can provide for infrastructure to the property. I propose sale of the smaller lot totaling 16.947 acres to Project NA at a cost of \$120,000. The market price for developable acreage is \$15,000/acre; however, this lot has a considerable amount of undevelopable acreage, hence the reduced price. I also propose the board approve funding to extend water, gas, electric and sewer utilities to the property line at a cost not to exceed the sales proceeds of \$120,000, net of closing costs. These improvements will also be beneficial to development of the larger lot to the north. The funds will be reimbursed to Project NA upon receipt of evidence of payment of eligible expenses.

FISCAL IMPACT

Sales proceeds - \$120,000

Funds to extend utilities to property line - \$120,000

STAFF RECOMMENDATION

Staff recommends DCOA approval of resolution DCOA-2010.17 authorizing the sale to Project NA of 16.947 acres of undeveloped land in the Five Points Business Park for construction of a new laundry facility and funding to extend utilities to the property line.

ATTACHMENTS

Resolution DCOA-2010.17

Map of site

S:\DCOA\Meeting Memos\FY 2010\Five Pts land sale to Project NA 052510.DOC

RESOLUTION NO. DCOA-2010.17

A RESOLUTION OF THE DEVELOPMENT CORPORATION OF ABILENE, INC. (DCOA), ABILENE, TEXAS AUTHORIZING THE SALE OF 16.947 ACRES OF UNDEVELOPED LAND IN THE FIVE POINTS BUSINESS PARK TO PROJECT NA AND FUNDING TO EXTEND UTILITIES TO THE PROPERTY LINE.

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

WHEREAS, Project NA is the result of a partnership between several West Texas service entities interested in construction a new innovative, state-of-the-art laundry facility that will serve the needs of each entity; and,

WHEREAS, the company wishes to purchase acreage in the Five Points Business Park on Arnold Blvd. near the intersection of Marigold St., east side, to construct a 48,000 sq ft facility at a cost of about \$6.1 million that will employ 70; and,

WHEREAS, the laundry operation itself is not eligible for DCOA assistance; however, the DCOA can provide for infrastructure to the property; and,

WHEREAS, the market price for developable acreage is \$15,000/acre; however, Project NA is interested in a 16.947 acre lot that has a considerable amount of undevelopable acreage; and,

WHEREAS, staff proposes sale of a 16.947 acre tract of undeveloped land in the Five Points Business Park to Project NA at a reduced costs and funding not to exceed the sales proceeds to extend utilities to the property line; and,

WHEREAS, the DCOA is authorized by the Development Corporation Act of 1979, as amended, to provide financial assistance to private corporations in order to facilitate the creation, retention or expansion of primary employment.

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

PART 1. DCOA authorizes the sale of a 16.947 acre tract of undeveloped land in the Five Points Business Park located on the east side of Arnold Blvd near the intersection of Marigold St. to Project NA for construction of a 48,000 sq ft state-of-the-art laundry facility costing about \$6.1 million. The sales price is One Hundred Twenty Thousand and no/100's Dollars (\$120,000). The tract is described as "the proposed Lot 101, Block "D", Continuation 1, Five Points Business Park, being the Southwest 525' of Lot 1, Block "D", Continuation 1, Five Points Business Park, Abilene, Taylor County, Texas".

DCOA also authorizes funding not to exceed the sales proceeds of \$120,000, net of closing costs, to extend water/sewer, electric, and natural gas utilities to the property line. The funding will be reimbursed to Project NA after receipt of evidence of payment of actual eligible expenses.

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

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

ADOPTED this the 26th day of May, 2010.

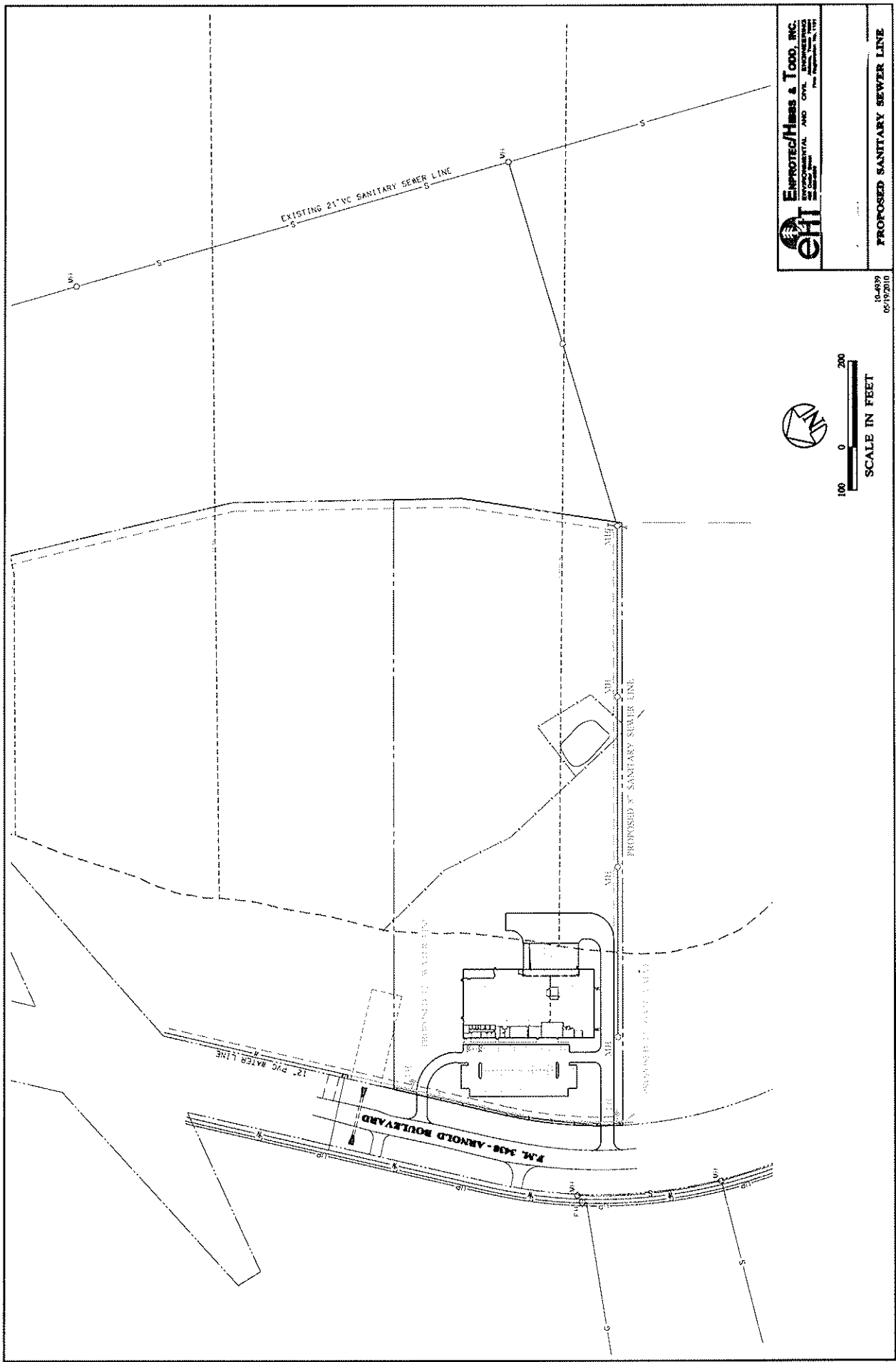
ATTEST:

Marelyn Shedd
Secretary/Treasurer

Paul Cannon
President

APPROVED:

T. Daniel Santee, City Attorney



eht **Enrotec/Hess & Todd, Inc.**
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 Denver, Colorado 80231
 Phone: 303.751.1100

PROPOSED SANITARY SEWER LINE

10-4939
 05/19/2010

5.4