

## PUBLIC NOTICE

### DEVELOPMENT CORPORATION OF ABILENE, INC.

A regular meeting of the Development Corporation of Abilene, Inc. will be held on Monday, October 4, 2010, in the Develop Abilene conference room, 174 Cypress St., 3<sup>rd</sup> floor, Abilene, Texas, commencing at 1:30 p.m. to consider the following agenda:

SIGNED:

  
Richard Burdine, Asst. City Manager for Economic Development

## AGENDA

October 4, 2010  
1:30 p.m.

Develop Abilene Conference Room  
174 Cypress St., 3<sup>rd</sup> floor

1. Call the meeting to order.
2. Approval of minutes from the September 20, 2010, board meeting.
3. Status of Funds report for August 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 a contract with Tittle Luther Partnership and funding for design of a hangar for Eagle Aviation Services Inc. at the Abilene Regional Airport and funding for necessary pre-construction soils testing and survey work.
6. Discussion and possible approval of a resolution authorizing assistance for Project AP.
7. 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  
SEPTEMBER 20, 2010**

<b>MEMBERS PRESENT:</b>	Paul Cannon Marelyn Shedd Dani Ramsay	Mike Schweikhard Scott Senter
<b>STAFF PRESENT:</b>	Richard Burdine Pancho Perez	Kim Tarrant Dan Santee
<b>GUESTS PRESENT:</b>	Bill Ehrie Larry Lowe Jaime Adame Harley Hall Jack Harkins Colter Hettich	Abilene Industrial Foundation Abilene Reporter-News Eagle Aviation Services, Inc. Tittle Luther Partnership KTXS TV

- 1. CALL TO ORDER.** Paul Cannon called the meeting to order at 12:05 p.m. in the Eagle Aviation Services, Inc. conference room, 2751 Airport Blvd., Abilene, Texas, "Hangar 1".
- 2. APPROVAL OF MINUTES FROM THE AUGUST 24, 2010 BOARD MEETING.** Scott Senter moved to approve the minutes from the August 24, 2010 board meeting. Mike Schweikhard seconded and the motion carried.
- 3. INTRODUCTION OF FRANCISCO "PANCHO" PEREZ AS THE NEW CONSTRUCTION PROJECT AND PROPERTY MANAGER.** Richard Burdine introduced Mr. Perez as the newest staff member in the City's Economic Development Dept.
- 4. SALES TAX REPORT FOR SEPTEMBER 2010.** The sales tax rebate for September, which represents July sales, was \$649,391 for economic development. Based on this, sales tax is 3.76% below last year for the period of October through September.
- 5. Agenda Item No. 6 was moved to No. 5. WORKSHOP ON DEVELOPMENT OF THE EAGLE AVIATION SERVICES, INC. (EASI) MAINTENANCE DEPOT.** The history of EASI's 16-year partnership with the DCOA/City of Abilene was reviewed. Past DCOA investments that were made to develop a first-class maintenance depot were examined and the economic benefits to Abilene from these investments were analyzed.

The meeting was paused at 12:52 pm to tour Hangars 1 and 0, during which time Mr. Burdine provided more detail of EASI's current hangar situation and proposed expansion. The board meeting then resumed at 12:59 pm.

The DCOA Board was updated on the various options under consideration to accommodate further expansion of EASI's operations, some of which were originally discussed in January 2007. Also discussed were updated estimates for construction. The most cost-effective option is construction of a new 27,540 sq. ft. hangar next to Hangar 1 (Option 2-3), which is estimated to range in cost from \$5,378,794 to \$7,658,000. If the board decides to pursue construction, staff recommends Option 2-3, a new hangar next to Hangar 1, at the lowest possible cost.

Finally, the board discussed additional investments necessary to remain competitive for aircraft maintenance in the commercial aviation sector.

- 6. Agenda Item No. 5 was moved to No. 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 September 20, 2010, and the time is 1:35 p.m. Mr. Cannon then announced the date is still September 20, 2010, and the time is 2:56 p.m. No vote or action was taken in Executive Session.

- 7. DISCUSSION AND POSSIBLE APPROVAL OF DIRECTIVES TO STAFF REGARDING DEVELOPMENT OF THE EAGLE AVIATION SERVICES, INC. MAINTENANCE DEPOT.** Scott Senter moved to approve by oral resolution, authorization for the CEO to arrange for soil samples to be taken and to obtain a topographical survey(s) for hangar option 2-3 (proposed new hangar next to Hangar 1). Marelyn Shedd seconded and the motion carried.

- 8. ADJOURNMENT.** The next board meeting is October 4<sup>th</sup>.

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Paul Cannon, President

**CITY OF ABILENE, TEXAS**

**DEVELOPMENT CORPORATION OF ABILENE, INC.**

**Balance Sheet**  
**August 31, 2010**

**ASSETS:**

Cash and Investments	\$13,677,449
Notes receivable	15,569,617
Accounts receivable	34,586
Due from other governments	1,421,391
Total Current Assets	<u>\$30,703,043</u>

**OTHER ASSETS:**

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

**TOTAL ASSETS** **\$60,521,255**

**LIABILITIES:**

Vouchers payable	\$147,665
Deferred revenues	171,704
Notes Payable	321,082
Total Liabilities	<u>\$640,451</u>

**FUND BALANCES:**

Investment in general fixed assets	\$29,818,212
Reserved for contractual obligations(external)	15,747,712
Reserved for obligated programs(internal)	371,316
Undesignated Balance	13,943,564
Total Fund Balance	<u>\$59,880,804</u>

**TOTAL LIABILITIES AND FUND BALANCES** **\$60,521,255**

**FIXED ASSETS:**

	<u>Original Cost</u>	<u>Improvements</u>	<u>Depreciation</u>	<u>Total</u>
<b>Land:</b>				
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
<b>Buildings and Improvements:</b>				
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
<b>TOTAL FIXED ASSETS</b>	<u>\$14,894,020</u>	<u>\$19,273,957</u>	<u>\$4,349,765</u>	<u>\$29,818,212</u>

DEVELOPMENT CORPORATION OF ABILENE  
STATUS OF FUNDS @ AUGUST 31, 2010

(MARCH, 1990)

Object	Beginning I-T-D Revenues	Current Month Revenues	Current FY Revenues	Ending I-T-D Revenues
<b>REVENUE-TO-DATE</b>				
City Sales Tax	\$ 119,897,206.99	\$ 824,699.48	\$ 7,614,866.59	\$ 127,512,073.58
Sales Tax Retained	345,869.34	4,488.19	48,490.90	394,360.24
Other Services Charges	25.00	-	-	25.00
Princ. - Loans & Assess	3,087,911.90	-	8,912.66	3,096,824.56
Int. - Loans & Assess	2,095,195.57	403.32	71,232.99	2,166,428.56
Interest	6,661,950.13	5,570.19	42,417.18	6,704,367.31
Land Lease	13,835.41	-	852.00	14,687.41
Building/Space Rent	4,411,178.77	92,452.97	841,635.32	5,252,814.09
City Pay Phones	9,170.58	-	-	9,170.58
Miscellaneous Revenue	30,238.49	-	26,492.05	56,730.54
EDA Grant	242,100.00	-	-	242,100.00
Miscellaneous State Grants	6,500.00	20,000.00	20,000.00	26,500.00
Miscellaneous Federal	937,926.00	-	-	937,926.00
Interest on investments	176,263.67	-	-	176,263.67
Other Interest	32,252.85	-	-	32,252.85
Interfund Recovery	1,534,976.08	-	-	1,534,976.08
Miscellaneous Recovery	1,916,652.91	-	-	1,916,652.91
Miscellaneous Prior Year	16,464.88	-	11,255.50	27,720.38
DCOA Admin	7,070.55	-	-	7,070.55
Other Contributions	96,866.60	-	-	96,866.60
Donation	43,846.00	-	-	43,846.00
Sale of Land	273,554.84	-	-	273,554.84
Sale of Buildings	3,367,443.31	-	-	3,367,443.31
Sale of Equipment	608,882.88	-	-	608,882.88
Gain (loss) Sale of Asset	555,393.43	-	-	555,393.43
Miscellaneous Damage Claims	1,173.04	-	-	1,173.04
Miscellaneous Revenue	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>\$ 947,614.15</u>	<u>\$ 8,686,155.19</u>	<u>\$ 157,897,457.27</u>

DEVELOPMENT CORPORATION OF ABILENE  
STATUS OF FUNDS @ AUGUST 31, 2010

Project	Beginning I-T-D Expenditures	Current Month Expenditures	Current FY Expenditures	Ending I-T-D Expenditures	Outstanding Contracts
<b>CONTRACTS ENCUMBERED/ EXPENDITURES-TO-DATE</b>					
Prior Years Programs	\$ 69,771,751.71	\$ -	\$ -	\$ 69,771,751.71	
Business Services Division Div 2760	7,300,492.68	36,846.86	511,335.81	7,811,828.49	3,275.00
Life Sciences Property - Pine Div 2765	43,089.08	21,075.63	496,372.23	539,461.31	864.30
DCOA Annual Contracts Div 2775	2,058,373.84	5,782.06	152,296.64	2,210,670.48	-
Abilene Industrial Foundation 2775-4950	11,896,940.09	38,672.43	578,499.88	12,475,439.97	191,462.02
TTU Small Business Dev Cntr 2775-4951	2,435,621.05	17,362.50	191,850.00	2,627,471.05	3,150.00
Chamber Military Affairs 2775-4952	1,150,052.19	-	15,335.52	1,165,387.71	54,664.48
Airport Business Dev Mgr 2775-4953	503,260.66	7,508.48	77,540.95	580,801.61	60,249.56
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	545,070.00	545,070.00	2,634,630.00	-
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	-	117,202.98	469,611.96	100,000.00
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	370,280.00	386,720.00
PWP (Project LF) 5251	1,566,842.70	-	462,474.32	2,019,317.02	1,908,145.98
Integrated Clinic Research 5253	7,440.00	-	-	7,440.00	688,062.00
Genesis Network 5258	1,375,333.81	-	-	1,375,333.81	-
Carter Burgess 5260	323,815.00	-	6,667.09	330,482.09	(0.00)
Fehr Foods 5261	118,091.53	-	-	118,091.53	-
TMAC 5262	60,000.00	-	-	60,000.00	-
SBIR/STTR 5263	127,159.85	2,514.07	(42,676.37)	84,483.48	186,916.87
EASI 7th Doc 5265	239,175.14	-	-	239,175.14	34,081.10
BMWT Leasing 5266	50,000.00	-	25,000.00	75,000.00	-
ABTEX Beverage 5267	634,339.80	-	346,150.00	980,489.80	-
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	364,266.66	312,554.66	992,009.66	2,007,990.34
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	-	29,790.21	185,246.60	185,246.60	1,232,753.40
Genesis Network Phase II 5284	-	-	7,725.00	7,725.00	827,409.90
Tower Tech 5285	846,499.60	-	882,466.78	1,728,966.38	3,213,759.22
Texas Metal 08 5288	-	15,770.07	57,398.74	57,398.74	-
TMAC 09 5289	15,000.00	-	11,000.00	26,000.00	34,000.00
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	-	170,173.64	341,732.35	169,236.15
ETI Contract 5304	-	-	411,752.75	411,752.75	968,427.25
Life Sciences Accelerator- Ph 2 5305	-	49,134.00	1,459,224.34	1,459,224.34	-
EASI floor re-painting A/E 5306	-	22,489.60	180,365.24	180,365.24	71,348.76
TTU 842 Pine 5308	-	50,578.83	121,679.89	121,679.89	91,820.11
TTU Energy Contract 5309	-	-	50,000.00	50,000.00	-
Springboard 10 5311	-	-	5,000.00	5,000.00	-
AIC Eq Lease 5312	-	10,569.73	21,477.01	21,477.01	143,519.22
LM Wind Power 5314	-	-	-	-	566,250.00
Miscellaneous Activities 2785	354,189.86	-	-	354,189.86	-
<b>TOTAL ENCUMB. / EXPENDITURES</b>	<b>\$ 120,130,691.03</b>	<b>\$ 1,217,431.13</b>	<b>\$ 7,704,173.65</b>	<b>\$ 127,834,864.68</b>	<b>\$ 15,747,712.46</b>
<b>TOTAL FUND BALANCE</b>				<b>\$ 30,062,592.59</b>	
<b>UNENCUMBERED FUND BALANCE</b>					<b>\$ 14,314,880.13</b>

DEVELOPMENT CORPORATION OF ABILENE  
STATUS OF FUNDS @ AUGUST 31, 2010

Project	Amount Obligated	Prior Years Disbursed	Current Month Disbursed	Current Year Disbursed	Amount Encumbered	Balance	
<b>BALANCE OF OBLIGATED PROGRAMS</b>							
Business Services Division	Div 2760	\$ 572,260.00	\$ -	\$ 36,846.86	\$ 511,335.81	\$ 3,275.00	\$ 57,649.19
Life Sciences Property -Pine	Div 2765	728,380.00	-	21,075.63	496,372.23	864.30	231,143.47
DCOA Annual Contracts	Div 2775	234,800.00	-	5,782.06	152,296.64	-	82,503.36
Abilene Industrial Foundation	2775-4950	769,970.00	-	38,672.43	578,499.88	191,462.02	8.10
TTU Small Business Dev Cntr	2775-4951	195,000.00	-	17,362.50	191,850.00	3,150.00	-
Chamber Military Affairs	2775-4952	70,000.00	-	-	15,335.52	54,664.48	-
Airport Business Dev Mgr	2775-4953	137,794.51	-	7,508.48	77,540.95	60,249.56	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	2,634,630.00	2,089,560.00	545,070.00	545,070.00	-	-
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	569,612.00	352,408.98	-	117,202.98	100,000.00	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	386,720.00	-
PWP (Project LF)	5251	3,927,463.00	1,556,842.70	-	462,474.32	1,908,145.98	-
Integrated Clinic Research	5253	695,502.00	7,440.00	-	-	688,062.00	-
Genesis Network	5258	1,375,334.00	1,375,333.81	-	-	-	0.19
Carter Burgess	5260	330,483.00	323,815.00	-	6,667.09	(0.00)	0.91
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	2,514.07	(42,676.37)	186,916.87	(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	-	-
ABTEX Beverage	5267	980,490.00	634,339.80	-	346,150.00	-	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	364,266.66	312,554.66	2,007,990.34	-
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	-	29,790.21	185,246.60	1,232,753.40	-
Genesis Network Phase II	5284	835,135.00	-	-	7,725.00	827,409.90	0.10
Tower Tech	5285	4,942,726.00	846,499.60	-	882,466.78	3,213,759.22	0.40
Texas Metal 08	5288	57,399.00	-	15,770.07	57,398.74	-	0.26
TMAC 09	5289	60,000.00	15,000.00	-	11,000.00	34,000.00	-
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	-	170,173.64	169,236.15	(0.50)
ETI Contract	5304	1,380,180.00	-	-	411,752.75	968,427.25	-
Life Sciences Accelerator- Ph 2	5305	1,459,225.00	-	49,134.00	1,459,224.34	-	0.66
EASI floor re-painting A/E	5306	251,714.00	-	22,489.60	180,365.24	71,348.76	-
TTU 842 Pine	5308	213,500.00	-	50,578.83	121,679.89	91,820.11	-
TTU Energy Contract	5309	50,000.00	-	-	50,000.00	-	-
Springboard 10	5311	5,000.00	-	-	5,000.00	-	-
AiC Equipment Lease/Purchase	5312	165,000.00	-	10,569.73	21,477.01	143,519.22	3.77
LM Wind Power	5314	566,250.00	-	-	-	566,250.00	-
Miscellaneous Activities	2785	354,189.86	354,189.86	-	-	-	-
<b>BALANCE OF OBLIGATED PROGRAMS</b>		<b>\$ 48,794,312.37</b>	<b>\$ 24,971,109.73</b>	<b>\$ 1,217,431.13</b>	<b>\$ 7,704,173.65</b>	<b>\$ 15,747,712.46</b>	<b>\$ 371,316.53</b>

**UNDESIGNATED FUND BALANCE** (unencumbered balance less obligated programs and contingent liabilities) **\$ 13,943,563.60**

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
Nation Wide Products (Project JD) 5313	105,250.00 10/15/2010
Texas Healthcare Linen ( Project NA) 5315	118,891.00 11/25/2010
Enavail, LLC (Project BW) 5316	494,105.00 12/08/2010
Texas Metals 5317	44,050.00 11/13/2010
Cisco College biotech training 5318	67,650.00 01/27/2011
Energy Maintenance Serv-Gearbox 5319	902,500.00 01/13/2011
	<u>1,755,446.00</u>

3.4



# DEVELOPMENT CORPORATION OF ABILENE, INC.

## BOARD AGENDA

MEETING DATE: October 4, 2010

**PROJECT:** Eagle Aviation Services Hangar – Contracts for Design, Soils Testing, and Topographical Survey Work

**STAFF:** Richard Burdine, CEO

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### **BACKGROUND INFORMATION:**

Eagle Aviation Services, Inc. (EASI) employs about 385 maintenance and support personnel. The DCOA's assistance over the last 16 years, which was necessary to develop a first-class maintenance depot, was reviewed by the Board during a workshop held at Hangar 1 at the Abilene Regional Airport on September 20, 2010. The DCOA's assistance to EASI has benefited the Abilene community and surrounding region by the addition of regional jet service to and from D/FW Airport, many jobs and associated payroll and substantial tax base.

Also during the September 20<sup>th</sup> meeting, staff updated the Board on several hangar options that have been considered as far back as January 2007, along with estimated costs to accommodate potential new growth by EASI. To meet the expected demand for more hangar space, new construction must be completed by July 15, 2011, or soon thereafter.

The most cost-effective solution appears to be construction of a new hangar next to Hangar 1, otherwise known as Option 2-3, which is estimated to range in cost from \$5.4 million to \$6.1 million, assuming a 27,540 sq ft hangar and including construction of an extension of the existing apron, design fees, and a 10% of construction cost contingency. The Board voted to allow the CEO to arrange for soils testing and a topographical survey for Option 2-3, but a contract for design has not yet been approved.

### **THE PROJECT:**

Tittle Luther Partnership (TLP) has proposed to design a 27,540 sq ft hangar, plus a 3,660 sq ft "dog house" attached to the west side of the hangar for support and storage. The exact dimensions of the hangar and "dog house" will be determined during the design process with substantial input from EASI staff. However I do not believe the hangar will need to be any larger than proposed but possibly smaller.

TLP will provide architectural and normal structural, mechanical and electrical engineering services. They will develop bidding documents for the pre-engineered structural components, attached roofing, wall panels and doors (the steel package) to allow the Board to award this portion of the construction as early as possible because of the long lead-time associated with these items. TLP will also proceed with development of construction drawings, specifications, bidding documents, and final construction cost estimates, and assist in obtaining bids for the work and awarding the contract. Finally, they will serve as owner-representative during construction.

As negotiated, TLP has agreed to provide all services at 8% of the final construction cost, except for the steel package-related services. Those will be billed at 4.5% of cost; 2% for design and 2.5% for the construction phase because TLP will not incur the cost of engineering the steel structure, which will be included in the steel package price from the steel supplier.

The cost estimate for the steel package is \$936,000 (\$30/square foot times 31,200 square feet). The total of all services provided will be capped at \$382,272 even in the unlikely event that actual construction costs exceed the high estimate.

Former DCOA Board President Joe Crawford recently provided an example of a similar hangar that was constructed for substantially less than the current low estimate. We are hopeful that lower costs will be reflected in the construction bids for this project as well. If actual construction costs are less than estimated, the architect's fee which is based on a percentage of actual construction costs, will be reduced accordingly to the benefit of the DCOA.

Below is a breakdown of the fees based on the estimated construction costs as presented to the Board on September 20<sup>th</sup> for hangar option 2-3. **Note that the negotiated design fee for the low and high estimates is \$32,760 less than previous estimates, reflecting the reduced design fee for the steel package:**

<b>Hangar Option 2-3</b>	<b>Low Estimate</b>	<b>High Estimate</b>
Hangar & Apron Construction	\$4,558,300	\$5,187,900
Less Steel Package	-\$936,000	-\$936,000
<b>Total cost basis for A/E fees at 8%</b>	<b>\$3,622,300</b>	<b>\$4,251,900</b>
TLP Fee for all but steel package at 8%	\$289,784	\$340,152
TLP fee for Steel package at 4.5% of \$936,000	\$42,120	\$42,120
<b>Total Negotiated TLP Fees</b>	<b>\$331,904</b>	<b>\$382,272</b>

The above fees do not include any extra (reimbursable) costs such as mailing and shipping of plans, specs and related documents, so we will need to budget \$3,000 for those costs. In addition, expenses for reproduction of plans and specs will be billed directly to DCOA without a markup by TLP, for which we need to budget \$5,000.

Separately from TLP, we will contract with Jacob & Martin, Ltd. for the topographic survey at a cost of \$3,000 and Enprotec/Hibbs & Todd for the soils analysis work at an estimated cost of \$10,000.

**FISCAL IMPACT:**

TLP – A/E	\$382,272 (not to exceed)
A/E Reimbursables	\$ 3,000 (estimated)
Reproduction costs	\$ 5,000 (estimated)
Jacob & Martin-topo survey	\$ 3,000 (not to exceed)
eHT – soils analysis	<u>\$ 10,000 (estimated)</u>
<b>TOTAL DESIGN BUDGET</b>	<b>\$403,272</b>

**STAFF RECOMMENDATION:**

Staff recommends approval of resolution DOCA-2011.01 authorizing contracts with Tittle Luther Partnership for design of a new hangar, Jacob & Martin, Ltd for a topographical survey, and Enprotec/Hibbs & Todd for soils analysis work. Also authorized is a budget of \$403,272 for the work described.

**ATTACHMENTS:**

Resolution DCOA-2011.01

**RESOLUTION NO. DCOA-2011.01**

A RESOLUTION OF THE DEVELOPMENT CORPORATION OF ABILENE, INC. (DCOA), ABILENE, TEXAS AUTHORIZING CONTRACTS WITH TITTLE LUTHER PARTNERSHIP FOR DESIGN OF A NEW HANGAR AT THE ABILENE REGIONAL AIRPORT, JACOB & MARTIN, LTD FOR A TOPOGRAPHICAL SURVEY, AND ENPROTEC/HIBBS & TODD FOR SOILS ANALYSIS WORK.

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

WHEREAS, Eagle Aviation Services, Inc. (EASI) currently employs about 385 maintenance and support personnel at the Abilene Regional Airport in 4 separate hangars and one record and parts storage facility; and,

WHEREAS, DCOA's assistance to EASI over the last 16 years has benefited the Abilene community and surrounding region by the addition of regional jet service to and from D/FW Airport, many jobs and associated payroll and substantial tax base; and,

WHEREAS, during the September 20, 2010, meeting staff updated the DCOA on several hangar options that have been considered as far back as January 2007, along with estimated costs to accommodate potential new growth by EASI; and,

WHEREAS, the most cost-effective solution is construction of a new 27,540 sq ft hangar next to Hangar 1, otherwise known as Option 2-3, and the DCOA authorized the CEO by oral resolution on September 20, 2010, to arrange for soils testing and a topographical survey, but a contract for design work was not approved; and,

WHEREAS, staff requests to DCOA consider authorizing contracts and funding to accomplish design work, soils testing, and topographical survey work for possible construction of a new hangar at the Abilene Regional Airport to be leased to EASI.

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

**PART 1.** DCOA approves funding in the amount of Four Hundred Three Thousand Two Hundred Seventy-Two and no/100's Dollars (\$403,272) and contracts for design services, soils testing, and topographical survey work in anticipation of the possible construction of a new 27,540 sq ft hangar plus a 3,680 sq ft "dog house" attached to the hangar for support and storage at the Abilene Regional Airport to be leased to Eagle Aviation Services, Inc.

Tittle Luther Partnership (TLP) will provide architectural and normal structural, mechanical and electrical engineering services. They will develop bidding documents for the pre-engineered structural components, attached roofing, wall panels and doors (the steel package) with the intent of allowing the Board to award this portion of the construction as early as possible because of the long lead-time associated with these items. TLP will also proceed with development of construction drawings, specifications, bidding documents,

and final construction cost estimates, and assist in obtaining bids for the work and awarding the contract. Finally, they will serve as owner-representative during construction.

TLP will provide all services at 8% of the final construction cost except for the steel package-related services. Those will be billed at 4.5% of cost; 2% for design and 2.5% for the construction phase. The cost estimate for the steel package is \$936,000 (\$30/square foot times 31,200 square feet). The total of all services provided will be capped at \$382,272 even if actual construction costs exceed the high estimate. If actual costs are less than estimated, the architect fee will be reduced accordingly. If a change order deviates from the original scope of work, the associated architecture fee will be negotiated at that time.

Below is a breakdown of the fees (from the perspective of estimated construction costs as presented to the Board on September 20<sup>th</sup>) for hangar option 2-3 at the low estimate and the high estimate. **Note that the negotiated design fee for the low and high estimates is \$32,760 less than previous estimates:**

<b>Hangar Option 2-3</b>	<b>Low Estimate</b>	<b>High Estimate</b>
Hangar & Apron Construction	\$4,558,300	\$5,187,900
Less Steel Package	-\$936,000	-\$936,000
<b>Total cost basis for A/E fees at 8%</b>	<b>\$3,622,300</b>	<b>\$4,251,900</b>
TLP Fee for all but steel package at 8%	\$289,784	\$340,152
TLP fee for Steel package at 4.5% of \$936,000	\$42,120	\$42,120
<b>Total Negotiated TLP Fees</b>	<b>\$331,904</b>	<b>\$382,272</b>

The cap does not include any extra (reimbursable) costs such as mailing and shipping of plans, specs and related documents, so \$3,000 is needed for those costs. In addition, expenses for reproduction of plans and specs will be billed directly to DCOA, so \$5,000 is needed for those costs.

Separately from TLP, DCOA will contract with Jacob & Martin, Ltd. for the topographic survey at a cost of \$3,000 and Enprotec/Hibbs & Todd for the soils analysis work at an estimated cost of \$10,000.

Below is a recap of the total funding approved:

TLP – A/E	\$382,272 (not to exceed)
A/E Reimbursables	\$ 3,000 (estimated)
Reproduction costs, etc.	\$ 5,000 (estimated)
Jacob & Martin-topo survey	\$ 3,000 (not to exceed)
eHT – soils analysis	\$ 10,000 (estimated)
<b>TOTAL</b>	<b>\$403,272</b>

**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 4th day of October, 2010.

ATTEST:

\_\_\_\_\_  
Marelyn Shedd  
Secretary/Treasurer

\_\_\_\_\_  
Paul Cannon  
President

APPROVED:

\_\_\_\_\_  
T. Daniel Santee, City Attorney

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**DEVELOPMENT CORPORATION OF ABILENE, INC.**  
**BOARD AGENDA**  
**MEETING DATE: October 4, 2010**

**PROJECT: Request for Capital Investment Assistance for Project AP**

**STAFF: Richard Burdine, CEO**

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**BACKGROUND**

In July 2010 I received a letter request from Project AP, a local manufacturing company, for DCOA matching funds for approximately \$3.2 million in proposed capital investments to be made over the next 16 to 18 months.

**THE REQUEST**

After thorough review of the proposed projects I am prepared to recommend DCOA assistance of \$350,000, or 11% of actual capital expenditures to a maximum of \$3.2 million, to be paid in arrears over 5 years.

**FISCAL IMPACT**

\$350,000 to leverage private investment of \$3.2 million; a public to private leverage ratio of 1 to 9.

**STAFF RECOMMENDATION**

Staff recommends DCOA Board approval of Resolution DCOA-2011.02, authorizing DCOA assistance of \$350,000, or 11% of actual capital expenditures to a maximum of \$3.2 million, to be paid in arrears over 5 years.

**ATTACHMENTS**

Resolution DCOA-2011.02

**RESOLUTION NO. DCOA-2011.02**

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

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

WHEREAS, Project AP, a local manufacturing company, plans a capital investment of approximately \$3.2 million for various projects over the next 16 to 18 months; and,

WHEREAS, staff requests the DCOA provide funding of 11% of company's projected capital expenses up to \$350,000.

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

**PART 1.** DCOA shall provide funding up to Three Hundred Fifty Thousand and no/100's Dollars (\$350,000) to assist Project AP at the rate of 11% of actual capital expenditures (to a maximum of \$3.2 million), to be paid in arrears over 5 years.

**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 4th day of October, 2010.

ATTEST:

\_\_\_\_\_  
Marelyn Shedd  
Secretary/Treasurer

\_\_\_\_\_  
Paul Cannon  
President

APPROVED:

\_\_\_\_\_  
T. Daniel Santee, City Attorney

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