

PUBLIC NOTICE

DEVELOPMENT CORPORATION OF ABILENE, INC.

A regular meeting of the Development Corporation of Abilene, Inc. will be held on Tuesday, November 9, 2010, in the Abilene Life Sciences Accelerator, 1325 Pine St., Abilene, Texas, commencing at 1:30 p.m. to consider the following agenda:

SIGNED:


Richard Burdine, Asst. City Manager for Economic Development

AGENDA

November 9, 2010
1:30 p.m.

Abilene Life Sciences Accelerator
1325 Pine St.

1. Call the meeting to order.
2. Approval of minutes from the October 4, 2010, board meeting.
3. October 2010 Sales Tax report and Preliminary September 2010 Status of Funds.
4. Presentation of Annual Reports for Fiscal Year Ended September 30, 2010 by:
 - Abilene Industrial Foundation
 - City of Abilene Airport Business Development
5. Presentation and possible approval of the DCOA Annual Report of Activities for FY 2010.
6. Executive Session: Pursuant to Tex. Gov't Code Sec. 551.087, an executive session may be held (1) to discuss or deliberate regarding commercial or financial information that the governmental body has received from a business prospect that the governmental body seeks to have locate, stay, or expand in or near the territory of the governmental body and with which the governmental body is conducting economic development negotiations; or (2) to deliberate the offer of a financial or other incentive to a business prospect described by Subdivision (1). After discussion in executive session, any action or vote will be taken in public.

Pursuant to Tex. Gov't Code Sec. 551.072, an executive session may be held to discuss the possible exchange, lease, or value of real property associated with a project to be funded by the DCOA since deliberation in open session would have a detrimental effect on the DCOA's negotiations with a third party. After discussion in executive session, any action or vote will be taken in public.

Pursuant to Tex. Gov't Code Sec. 551.071, an executive session may be held to consult with the DCOA attorney regarding pending or contemplated litigation or a settlement offer regarding DCOA funded projects or on a matter in which the duty of the attorney to the governmental body under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas

clearly conflicts with Chapter 551 of the Government Code. After discussion of the contemplated legal matters in executive session, any action or vote will be taken in public.

7. 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
OCTOBER 4, 2010**

MEMBERS PRESENT:	Paul Cannon Marelyn Shedd Dani Ramsay	Mike Schweikhard Scott Senter
STAFF PRESENT:	Richard Burdine Stan Smith	Kim Tarrant
GUESTS PRESENT:	Bill Ehrie A.R. "Fal" Falcioni Garner Roberts Jack Harkins	Abilene Industrial Foundation Abilene Reporter-News Tittle Luther Partnership

- 1. CALL TO ORDER.** Paul Cannon called the meeting to order at 1:34 p.m. in the Develop Abilene conference room, 174 Cypress Street, third floor.
- 2. APPROVAL OF MINUTES FROM THE SEPTEMBER 20, 2010 BOARD MEETING.** Scott Senter moved to approve the minutes from the September 20, 2010 board meeting. Dani Ramsay seconded and the motion carried.
- 3. STATUS OF FUNDS REPORT FOR AUGUST 2010.** Richard Burdine reported revenues during August 2010 consisted primarily of city sales tax, rent and a \$20,000 state grant. For the "DCOA Board approved projects waiting for signed contracts", Long Performance Advisors and Project RC have expired and contracts will not be signed at this time.
- 4. EXECUTIVE SESSION.** I hereby announce we are going into Executive Session pursuant to Texas Government Code Sections 551.071, .072, and .087 to consult with our legal counsel, discuss real property transactions, and discuss economic development negotiations involving a business prospect, as set forth on the agenda. Any vote or action will be taken in open session.

President Paul Cannon announced the date is October 4, 2010, and the time is 1:38 p.m. Mr. Cannon then announced the date is still October 4, 2010, and the time is 2:27 p.m. No vote or action was taken in Executive Session.

- 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.** To meet the expected demand of Eagle Aviation Services, Inc. (EASI) for more hangar space, new construction must be completed by July 15, 2011 or soon thereafter. During the September 20, 2010 meeting the DCOA board voted to allow the CEO to arrange for soils testing and a topographical survey for hangar Option 2-3 (new hangar next to Hangar 1) but a contract for design has not yet been approved.

Procedures on how to advertise construction projects and separate material bid packages were reviewed, both at the local/regional level and the national level.

Tittle Luther Partnership (TLP) has proposed designing 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. They have 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.

Based on the estimated construction costs, total negotiated TLP fees range from \$331,904 to \$382,272. Staff recommends the board authorize contracts with TLP in an amount not to exceed \$382,272 for design of a new hangar, Jacob & Martin, Ltd in an amount not to exceed \$3,000 for a topographical survey, and Enprotec/Hibbs & Todd in an estimated amount of \$10,000 for soils analysis work. Also authorized is total funding of \$403,272 which includes the above contracted amounts as specified, plus an estimated \$8,000 for A/E reimbursables and reproduction costs.

Mike Schweikhard moved to approve Resolution No. DCOA 2011.01 as presented. The motion was seconded by Marelyn Shedd and passed by unanimous consent.

- 6. DISCUSSION AND POSSIBLE APPROVAL OF A RESOLUTION AUTHORIZING ASSISTANCE FOR PROJECT AP.** Project AP is a local manufacturing company and has asked for the DCOA to match funds for an approximate \$3.2 million in proposed capital investments to be made over the next 16 to 18 months. Staff recommends the board authorize DCOA assistance of up to \$350,000 or 11% of actual capital expenditures to be paid in arrears over five years.

A motion was made by Marelyn Shedd to approve Resolution No. DCOA-2011.02 as presented. Scott Senter seconded and the motion carried.

- 7. ADJOURNMENT.** The next board meeting is October 26th.

Paul Cannon, President

MEMORANDUM

October 6, 2010

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

The sales tax rebate for October is \$2,647,434.84 which represents August sales. This is 1.50% below last year. The breakdown of the October rebate is \$1,985,576.13 to the General Fund and \$661,858.71 for economic development. Of this rebate, \$50,748 is from prior periods, audit payments, future payments, and unidentified payments. This is the first rebate for our 2010-11 fiscal year. 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 Actual 2009-10	ECONOMIC DEVELOPMENT Actual 2009-10	TOTAL 2009-10	GENERAL FUND Actual 2010-11	ECONOMIC DEVELOPMENT Actual 2010-11	TOTAL 2010-11
October	\$2,015,713.10	\$671,904.36	\$2,687,617.46	\$1,985,576.13	\$661,858.71	\$2,647,434.84
YTD	\$2,015,713.10	\$671,904.36	\$2,687,617.46	\$1,985,576.13	\$661,858.71	\$2,647,434.84
November	2,274,694.28	758,231.42	3,032,925.70			
December	1,806,689.71	602,229.90	2,408,919.61			
January	1,784,282.81	594,760.94	2,379,043.75			
February	2,694,722.33	898,240.78	3,592,963.11			
March	1,855,978.16	618,659.39	2,474,637.55			
April	1,804,229.03	601,409.68	2,405,638.71			
May	2,444,890.66	814,963.55	3,259,854.21			
June	1,838,890.30	612,963.43	2,451,853.73			
July	1,982,419.12	660,806.37	2,643,225.49			
August	2,487,563.00	829,187.67	3,316,750.67			
September	1,948,172.67	649,390.89	2,597,563.56			
FY TOTAL	\$24,938,245.17	\$8,312,748.38	\$33,250,993.55			

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 2009-10	Actual 2010-11	% Change
October	\$671,904	\$661,859	-1.50%
YTD	\$671,904	\$661,859	-1.50%
November	758,231		
December	602,230		
January	594,761		
February	898,241		
March	618,659		
April	601,410		
May	814,964		
June	612,963		
July	660,806		
August	829,188		
September	649,391		
FY TOTAL	\$8,312,748		

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 October '10 represents August '10 sales. Approximately
\$12,687 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
September 30, 2010

ASSETS:

Cash and Investments	\$14,143,801
Notes receivable	15,365,123
Accounts receivable	39,086
Due from other governments	1,421,391
Prepaid Expense	300
Total Current Assets	<u>\$30,969,701</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

\$60,787,913**LIABILITIES:**

Vouchers payable	\$107,534
Deferred revenues	171,704
Notes Payable	321,082
Total Liabilities	<u>\$600,320</u>

FUND BALANCES:

Investment in general fixed assets	\$29,818,212
Reserved for contractual obligations(external)	16,081,076
Reserved for obligated programs(internal)	423,107
Undesignated Balance	13,865,198
Total Fund Balance	<u>\$60,187,593</u>

TOTAL LIABILITIES AND FUND BALANCES

\$60,787,913**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>\$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 @ SEPTEMBER 30, 2010

(MARCH, 1990)

Preliminary

Object	Beginning I-T-D Revenues	Current Month Revenues	Current FY Revenues	Ending I-T-D Revenues
REVENUE-TO-DATE				
City Sales Tax	\$ 119,897,206.99	\$ 645,054.80	\$ 8,259,921.39	\$ 128,157,128.38
Sales Tax Retained	345,869.34	4,336.09	52,826.99	398,696.33
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	398.69	71,631.68	2,166,827.25
Interest	6,661,950.13	5,940.73	48,357.91	6,710,308.04
Land Lease	13,835.41	-	852.00	14,687.41
Building/Space Rent	4,411,178.77	94,529.00	936,164.32	5,347,343.09
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	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	118,891.43	118,891.43	392,446.27
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
	\$ 149,211,302.08	\$ 869,150.74	\$ 9,555,305.93	\$ 158,766,608.01

DEVELOPMENT CORPORATION OF ABILENE
STATUS OF FUNDS @ SEPTEMBER 30, 2010

Project	Beginning I-T-D Expenditures	Current Month Expenditures	Current FY Expenditures	Ending I-T-D Expenditures	Outstanding Contracts
CONTRACTS ENCUMBERED/ EXPENDITURES-TO-DATE					
Prior Years Programs	\$ 69,771,751.71		\$ -	\$ 69,771,751.71	
Business Services Division Div 2760	7,300,492.68	46,195.75	557,531.56	7,858,024.24	1,925.00
Life Sciences Property - Pine Div 2765	43,089.08	25,987.39	522,359.62	565,448.70	864.30
DCOA Annual Contracts Div 2775	2,058,373.84	19,207.36	171,504.00	2,229,877.84	-
Abilene Industrial Foundation 2775-4950	11,896,940.09	99,170.57	677,670.45	12,574,610.54	-
TTU Small Business Dev Cntr 2775-4951	2,435,621.05	3,150.00	195,000.00	2,630,621.05	-
Chamber Military Affairs 2775-4952	1,150,052.19	41,123.45	56,458.97	1,206,511.16	-
Airport Business Dev Mgr 2775-4953	503,260.66	24,251.13	101,792.08	605,052.74	-
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	2,634,630.00	-
Bandag Building Improv 5228	-	-	-	-	44,259.24
Glazers Ph III 5229	65,620.00	25,380.00	25,380.00	91,000.00	-
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	164,232.00	164,232.00	492,696.00	-
Teleperformance USA 5247	274,530.00	-	95,750.00	370,280.00	386,720.00
PWP (Project LF) 5251	1,556,842.70	-	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	95.00	(42,581.37)	84,578.48	186,821.87
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	-	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	-	-	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	-	65,037.99	122,436.73	122,436.73	-
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	-	-	1,459,224.34	1,459,224.34	-
EASI floor re-painting A/E 5306	-	20,542.12	200,907.36	200,907.36	50,806.64
TTU 842 Pine 5308	-	-	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	-	27,989.27	49,466.28	49,466.28	115,529.95
Nation Wide Prod 5313	-	-	-	-	105,250.00
LM Wind Power 5314	-	-	-	-	566,250.00
Texas Healthcare Linen 5315	-	-	-	-	118,891.00
Enavail, LLC 5316	-	-	-	-	494,105.00
Miscellaneous Activities 2785	354,189.86	-	-	354,189.86	-
TOTAL ENCUMB. / EXPENDITURES	\$ 120,130,691.03	\$ 562,362.03	\$ 8,266,535.68	\$ 128,397,226.71	\$ 16,081,076.01
TOTAL FUND BALANCE				\$ 30,369,381.30	
UNENCUMBERED FUND BALANCE					\$ 14,288,305.29

3.6

**DEVELOPMENT CORPORATION OF ABILENE
STATUS OF FUNDS @ SEPTEMBER 30, 2010**

Project	Amount Obligated	Prior Years Disbursed	Current Month Disbursed	Current Year Disbursed	Amount Encumbered	Balance	
BALANCE OF OBLIGATED PROGRAMS							
Business Services Division	Div 2760	\$ 572,260.00	\$ -	\$ 46,195.75	\$ 557,531.56	\$ 1,925.00	\$ 12,803.44
Life Sciences Property -Pine	Div 2765	728,380.00	-	25,987.39	522,359.62	864.30	205,156.08
DCOA Annual Contracts	Div 2775	234,800.00	-	19,207.36	171,504.00	-	63,296.00
Abilene Industrial Foundation	2775-4950	769,970.00	-	99,170.57	677,670.45	-	92,299.55
TTU Small Business Dev Cntr	2775-4951	195,000.00	-	3,150.00	195,000.00	-	-
Chamber Military Affairs	2775-4952	70,000.00	-	41,123.45	56,458.97	-	13,541.03
Airport Business Dev Mgr	2775-4953	137,794.51	-	24,251.13	101,792.08	-	36,002.43
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	-	-
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	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	492,696.00	328,464.00	164,232.00	164,232.00	-	-
Teleperformance USA	5247	757,000.00	754,530.00	-	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	95.00	(42,581.37)	186,821.87	(0.35)
EASI 7th Doc	5265	273,257.00	239,175.14	-	-	34,081.10	0.76
BMWV 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	-	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	-	-	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	122,437.00	-	65,037.99	122,436.73	-	0.27
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	-	-	1,459,224.34	-	0.66
EASI floor re-painting A/E	5306	251,714.00	-	20,542.12	200,907.36	50,806.64	-
TTU 842 Pine	5308	213,500.00	-	-	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	-	27,989.27	49,466.28	115,529.95	3.77
Nation Wide Products	5313	105,250.00	-	-	-	105,250.00	-
LM Wind Power	5314	566,250.00	-	-	-	566,250.00	-
Texas Healthcare Linen	5315	118,891.00	-	-	-	118,891.00	-
Enavail, LLC	5316	494,105.00	-	-	-	494,105.00	-
Miscellaneous Activities	2785	354,189.86	354,189.86	-	-	-	-
BALANCE OF OBLIGATED PROGRAMS		\$ 49,741,828.37	\$ 24,971,109.73	\$ 562,362.03	\$ 8,266,535.68	\$ 16,081,076.01	\$ 423,106.95

UNDESIGNATED FUND BALANCE

(unencumbered balance less obligated programs and contingent liabilities)

\$ 13,865,198.34

DCOA Board approved projects waiting for signed contracts

	Expiration Date
Cisco College biotech training	01/27/2011
Energy Maintenance Serv-Gearbox	01/13/2011
67,650.00	
902,500.00	
970,150.00	

3.7

DEVELOPMENT CORPORATION OF ABILENE, INC.
BOARD AGENDA
MEETING DATE: November 9, 2010

PROJECT: Annual Reports for FY10

STAFF: Richard Burdine, CEO

GENERAL INFORMATION

Since 1990, the DCOA has contracted with the Abilene Industrial Foundation (AIF) for promotion and marketing services for Abilene and the immediate vicinity. In addition, the AIF contracted separately with Richard J. Liedl, PC and Team Concepts, consultants in the Washington D.C. area who perform activities in pursuit of retention of the existing level of operations at Dyess Air Force Base and possible expansion of missions.

The DCOA began partial funding of the Airport Business Development Management Program in FY02. The Airport Master Plan recommends pursuit of a marketing program that will help the airport build activity within its business segments.

The Texas Tech University Small Business Development Center (SBDC) has also contracted with the DCOA since 1990, providing business counseling services to clients in a 17-county region, free-of-charge. Due to a scheduling conflict, the SBDC annual report will be presented at a later time.

SPECIAL CONSIDERATIONS

The FY10 contracts expired 9-30-10, and the DCOA approved funding for new FY11 contracts. Attached are reports covering activities during FY10 through 9-30-10.

FUNDING/FISCAL IMPACT

None.

STAFF RECOMMENDATION

Staff recommends the board approve the attached reports.

ATTACHMENT

Abilene Industrial Foundation FY10 Year-End Progress Report, 10/09 through 9/10
Abilene Regional Airport's FY10 Annual Report



Develop Abilene

Abilene Industrial Foundation

Abilene Industrial Foundation, Inc.
P.O. Box 2281, Abilene, Texas 79604
174 Cypress Street, Suite 300
Abilene, Texas 79601
Tel.: 325/673-7349
800/299-0005
Fax: 325/673-9193
Website: www.developabilene.com

October 15, 2010



Mr. Richard Burdine
Assistant City Manager
City of Abilene
P. O. Box 60
Abilene, TX 79604

Dear Richard:

In accordance with the terms of the Development Corporation of Abilene contract with the Abilene Industrial Foundation, the following year-end progress report is submitted for the period of October 1, 2009 to September 30, 2010 inclusive.

This report covers all categories listed in the AIF Marketing Plan. A brief summary of the data is as follows:

Marketing Budget.....	\$140,000.00
Spent to Date.....	\$120,680.87*

	10/09 thru 3/10	4/10 thru 9/10	10/09 thru 9/10
Leads Received	50	65	115
Leads AIF Responded to	30	44	74
Prospect Files Opened	4	6	10
Retention Visits	31	50	81
Consultant Visits	37	52	89

*preliminary figures

Additional focus this past year was spent on SPEC 3 advertising and promotion and marketing opportunities and trade show activity in the biotech sector. SPEC 3 marketing for the coming year will continue to be a priority. We remained focused on consultant activities and continued to find success in activities such as sporting events and site visits to see consultants. These events continue to be successful in building relationships to foster future leads and prospects.

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

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

Sincerely,

William J. Ehrie, CEcD
President

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

Enclosures

4.2

Attachment 2

Abilene Industrial Foundation
Marketing & Retention Activities
April 1, 2010 – September 30, 2010

- Monthly updates of all printed marketing/informational materials for Abilene General Information File, including Economic Indicators, Labor Market Review, Cost of Living, Building Permits, Wage Surveys, Sales & Use Tax, Living Units Available, etc.
- Commercial Property Snapshot – updates
- Hosted Manufacturer Luncheon
- Development and update of current building inventory materials
- Development and preparation of individual prospect packages
- Hosting of prospect visits to Abilene including tours to specific sites
- Visits to Site Selection Consultants – Dallas/Ft. Worth, Austin
- Hosted Consultant Events
 - August Rangers game
- Trade Show attendance
 - WINDPOWER 2010 – Dallas
 - IFT & Process Expo - Chicago
- Conference attendance
 - TEDC Spring Conference – Dallas
 - Texas One Quarterly Board Meeting – Dallas
 - IEDC Annual Conference – Columbus, OH
 - Texas Supply Chain Conference – Dallas
 - Energy Core Working Group (Aug 2010)
 - Regional P-16 Fall Summit
- Texas Midwest Community Network
 - Executive Committee Board Member and Council Meetings
 - Economic Development Alliance Board Member and Alliance meetings
 - Lawmakers Luncheon

Abilene Industrial Foundation
FY 09-10 Year-End Marketing Summary
April 1, 2010 – September 30, 2010

ADVERTISEMENTS PLACEMENT

- Total advertisement submissions – 6
- Total advertisement placement costs – \$10,955.14* (preliminary)

LEAD ACTIVITY

- Leads received from all sources – 65
- Leads AIF responded to – 44

PROSPECT ACTIVITY

- Prospects visits to Abilene – 17
- New prospect files opened – 6

WEBSITE & ELECTRONIC MARKETING

- E-Newsletter distributions – 635
- E-Newsletter costs – \$0
- Website/electronic marketing changes & enhancements – \$187.50

TRADE SHOW / CONFERENCE ACTIVITY

- TEDC Spring Conference – Dallas
- TMCN –San Angelo
- WINDPOWER 2010 - Dallas
- Texas One Quarterly Board Meeting - Dallas
- IFT & Process Expo – Chicago
- IEDC Annual Conference – Columbus, OH
- Texas Supply Chain Conference - Dallas

CONSULTANT / RETENTION / EXPANSION ACTIVITY

- Visits to Consultant/Prospect – 52
- Manufacturers Luncheon (4/10) – 56

MARKETING VIDEOS

- 1 – Dyess DVD

EXISTING BUSINESS ACTIVITY

- Retention Visits – 50

Attachment 3

Category	Allocation	10/1/09 to 3/31/10	4/1/10 to 9/30/10	YTD
Advertisements (1)	\$ 32,000.00	\$ 23,198.25	\$ 10,955.14	\$ 34,153.39
Internet (2)	\$ 4,000.00	\$ 825.00	\$ 187.50	\$ 1,012.50
Marketing Material (3)	\$ 10,000.00	\$ 6,586.33	\$ 6,728.75	\$ 13,315.08
Trade Show/Conferences (10)	\$ 40,000.00	\$ 14,508.75	\$ 19,291.03	\$ 33,799.78
Site Consultant Activity (12)	\$ 35,000.00	\$ 13,406.39	\$ 11,531.55	\$ 24,937.94
Newsletter Mailings(13)	\$ 1,000.00	\$ 480.64	\$ -	\$ 480.64
Existing Business Activity (14)	\$ 4,000.00	\$ 1,459.96	\$ 1,629.83	\$ 3,089.79
Contingency	\$ 2,000.00	\$ -	\$ -	\$ -
Census Marketing (6)	\$ 10,000.00	\$ 7,104.98	\$ 446.77	\$ 7,551.75
Public Awareness Campaign (8)	\$ 2,000.00	\$ 936.00	\$ 1,404.00	\$ 2,340.00
Total	\$ 140,000.00	\$ 68,506.30	\$ 52,174.57	\$ 120,680.87

**Abilene Regional Airport's
FY 10 Annual Report
To
Development Corporation of Abilene**

The Business Development Management program continues to work to increase airline passenger enplanements, improve air carrier service and encourage economic growth for the airport. As the national recession has deepened and wind farm construction has decreased, the airport has seen a drop in passenger activity and, therefore, a drop in activities associated with serving passengers. We believe the more visible marketing campaign, including TV and radio ads, is having its intended effect of getting people to consider Abilene Regional Airport first when making flight reservations, but decreased spending for business and leisure travel has decreased our enplanements.

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

FY10 YTD Business Development Activity

Business Development activities have been and will continue to make community outreach through speaking engagements to various civic organizations a priority, focusing on the advantages of flying from Abilene versus driving to another airport. Presentations made during these engagements highlight the operations of the airport, construction updates, air service needs and fare comparisons.

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

Presentations/Events this year include:

October 8 – Dyess Air Force Base Military Officers Association of America
November 2 – Passenger Appreciation Day
November 5 – Cisco Rotary Club
December 10 – Passenger Appreciation Day
March 24 – Abilene Business Expo
April 8 – Artwalk – Aviation Theme
May 7 – Passenger Appreciation Day
May 18 – Comanche Kiwanis Club
May 25 – Stamford Rotary Club
May 27 – Haskell Rotary Club
June 18 – Brownwood Chamber Luncheon
August 10 & 13 – Passenger Appreciation Days
September 1 – Hosted Sweetwater Chamber Coffee
September 9 – Brownwood Business Showcase
September 15 – Abilene Rotary Club
September 20 – Passenger Appreciation Day

September 27 – Sweetwater Chamber Banquet

Passenger Appreciation Days are hosted by the airport and sponsored by local businesses, providing free drinks, cookies, donuts, etc. for departing passengers.

Marketing the Airport

Television

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

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

Radio

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

Sponsorships

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

Center for Contemporary Arts – ArtWalk Sponsor
The Grace Museum – Exhibit Sponsor
Buffalo Gap Historic Village – Erinshire Festival Sponsor
Abilene Philharmonic Association – Program Sponsor
Abilene Zoo – Boo at the Zoo Sponsor

Internet

Our website has been updated and now offers a fare watcher which constantly features real-time discount fares from Abilene to various destinations. This year we focused on driving passengers to our website for information.

The airport now has a presence on Twitter that is primarily used for flight diversion and delay updates, but may have future marketing/promotional applications.

Print Ads

Advertisements have been placed periodically in the Abilene Reporter News.

Special Programs

The **ABI-VIP Passenger Rewards Program** started January 1, 2009. Rewards are donated by local businesses and are mailed to passengers after flying out of Abilene Regional Airport 2 times. Currently, there are approximately 1000 passengers registered

in the program. The local businesses have been very responsive in donating rewards and we have received positive feedback from our passengers.

The program's objectives are to grow customer loyalty and develop a database of passenger information, giving them the opportunity to subscribe to email communications. We have utilized this database to survey our most frequently flying passengers to determine destinations and flight preferences.

Enplanements:

Enplanements are down 10% YTD.

Revenues:

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

Rental Car Revenue is down 14% YTD. Parking lot revenue is down 9% YTD.

Business Development Outlook:

The effects of a slowing national economy and high fuel prices are going to contribute to an expected reduction airline passenger enplanements in Abilene and across the country. As we had projected, there has been a downturn in enplanements in Abilene this year. The overall economic situation will make expanding air service difficult, but not impossible. While airlines spent much of 2008 and 2009 cutting service, they are still looking for opportunities for future growth. We want to be positioned to take advantage of that opportunity when it comes.

Our Small Community Air Service Development Grant, which we were awarded in 2006 to attract new service to the west from Abilene Regional Airport, expired end of August 2009. We requested and were awarded an extension of one year by DOT, which expired end of September 2010. We were not awarded another extension, but plan to apply for a new grant next year with a broader scope than a western hub.

DEVELOPMENT CORPORATION OF ABILENE, INC.
BOARD AGENDA
MEETING DATE: November 9, 2010

PROJECT: DCOA Annual Report of Activities for FY10

STAFF: Richard Burdine, CEO

GENERAL INFORMATION:

The By-laws of the DCOA require an annual status report be submitted to the City Council.

SPECIAL CONSIDERATIONS:

The DCOA's FY10 Annual Report covers activities for the period ended 9-30-10 and is the twenty first annual report submitted by DCOA since its inception. The City Council will consider the report on December 2, 2010.

FISCAL IMPACT:

None.

STAFF RECOMMENDATION:

Staff recommends the Board approve the DCOA's FY10 Annual Report.

ATTACHMENT:

DCOA's FY10 Annual Report of Activities

S:\DCOAMeeting Memos\FY 2011\FY10 DCOA Ann rpt 11-09-10.DOC



ANNUAL
REPORT
OF
ACTIVITIES

SEPTEMBER
2010

Development
Corporation
of Abilene

DEVELOPMENT CORPORATION OF ABILENE, INC.

*ANNUAL REPORT OF ACTIVITIES
OCTOBER 2009 – SEPTEMBER 2010*

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DEVELOPMENT CORPORATION OF ABILENE, INC.

Mission Statement:

The mission of the Development Corporation of Abilene, Inc. is to use sales tax revenue to effectively stimulate Abilene's economic growth. This is done by assessing the community's economic development needs, developing a plan to meet those needs, coordinating community economic development efforts, and supporting targeted activities that enhance the quality of life in the community and maximize the public's return on invested tax dollars.

Board of Directors:

President:

Paul Cannon

Vice President:

Mike Schweikhard

Secretary/Treasurer:

Marelyn Shedd

Members:

Scott Senter

Dani Ramsay

Goals:

The Board has identified six key goals in the City's economic development efforts.

1. To make Abilene competitive in the attraction of business and industry in order to create new, sustainable jobs.
2. To create new jobs and retain existing jobs by providing assistance to existing and emerging businesses.
3. To strengthen and expand the skills of the Abilene labor force.
4. To strengthen and revitalize downtown Abilene.
5. To increase the number and size of minority-owned, woman-owned, small and entrepreneurial businesses in Abilene.
6. To effectively administer the sales tax revenue.

Organization:

The DCOA is a non-profit corporation established under Section 4A of the Development Corporation Act of 1979, as amended. The DCOA consists of a five-member board, which is appointed by the Mayor and City Council, with terms of three years each. The fiscal year for the DCOA begins October 1st and ends September 30th.



Progress Made Toward Goals

1. To make Abilene competitive in the attraction of business and industry in order to create new, sustainable jobs.

The DCOA continues to work toward competitiveness with other communities by funding the marketing efforts of the Abilene Industrial Foundation and by contracting with Emergent Technologies, Inc. (ETI) to market and operate the Abilene Life Sciences Accelerator. Also approved was approximately \$1.46 million to build-out 10,148 sq. ft. of shell space at the north and south ends of the Abilene Life Sciences Accelerator to have lease-ready space available to prospective tenants.

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

The DCOA approved assistance for five companies: Nation Wide Products (NWP), LM Wind Power, Enavail LLC, Texas Metals & Recycling, and Energy Maintenance Services (EMS) with NWP, Texas Metals and EMS being local.

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

Revised assistance for Genesis Networks Solutions includes money for 3 different training initiatives designed to improve the skills of existing employees. Approved was funding to TSTC to establish a culinary arts training program and funding to Cisco College to help establish a biotech technician training program.

4. To strengthen and revitalize downtown Abilene.

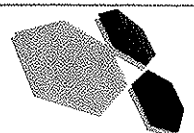
Funding was approved to purchase kitchen equipment to help establish a culinary arts training program in the T&P Freight Warehouse by TSTC. Revised assistance for Genesis Networks Solutions, located in the Enterprise Tower, will help the company be better positioned for future growth.

5. To increase the number and size of minority-owned, woman-owned, small and entrepreneurial businesses in Abilene.

The DCOA provides \$195,000 annually to the Small Business Development Center (SBDC) for counseling services provided free of charge to Abilene residents and businesses. In addition, the SBDC can assist businesses desiring to sell products or services to any level of government. The DCOA re-authorized existing encumbrances for the SBIR/STTR programs through FY11. For the third year in a row, the DCOA approved a sponsorship of ACU's Springboard Idea Challenge competition designed to promote entrepreneurial drive and spirit in Abilene.

6. To effectively administer the sales tax revenue.

During the report period (10-01-09 through 09-30-10), the DCOA approved \$2,627,155 in funding to assist companies with growth and retention in Abilene, anticipating retained employment of 109 positions and the creation of 81 new positions.



Project Summaries

Genesis Networks Solutions, Inc.

Genesis Networks Solutions, Inc. (GNS) is an Abilene high-tech firm formed in 2006 that delivers proven, end-to-end IT solutions for companies in need of software testing and development. The DCOA approved an assistance package in 2006 totaling \$1,929,000 in exchange for the creation of 143 new, well-paying jobs. GNS experienced rapid growth and needed to expand its operation and create 150 additional jobs; therefore, in April 2008 the DCOA approved another assistance package totaling \$2,349,000 for Phase 2 expansion.

The economic downturn affected operations, and GNS lost 42 jobs over the past year to "off shore" companies, leaving 100 currently employed. In an attempt to diversify its client base, GNS picked up call center contracts and secured more complex projects with long-term contracts. In March 2010, the DCOA approved revising the Phase 1 assistance package and reducing the Phase 2 assistance package from \$2,349,000 to \$1,117,739 to reflect a lower job creation target in Phase 1 and a lower Phase 2 job creation goal. The revision also accommodates GNS's movement into new areas by providing funds to train its existing employees. Other changes to the existing Phase 1 and Phase 2 debt structure more accurately reflect the Company's expanded business focus and new direction.

Goals addressed: *2. To create new jobs and retain existing jobs by providing assistance to existing and emerging businesses; 3. To strengthen and expand the skills of the Abilene labor force; 4. To strengthen and revitalize downtown Abilene; and 6. To effectively administer the sales tax revenue.*

Abilene Improvement Corporation (Project School)

The T&P Freight Warehouse, located at 901 N. 1st Street, is currently owned by the Abilene Improvement Corporation (AIC). The AIC recently began leasing the building to Texas State Technical College-Abilene Campus (TSTC) to establish a culinary arts training program that will benefit the local and area food service sector. TSTC will offer the first courses in Spring 2011, anticipates an ongoing enrollment of 100 students within 3 years, and expects 4 to 8 full-time employees with an annual payroll of \$195,000 - \$400,000.

In February 2010, the DCOA approved funding of up to \$165,000 to purchase equipment to finish equipping the kitchen in the T&P Freight Warehouse for the culinary arts training program. Also approved was a lease/purchase agreement with the AIC for the equipment, whereby the equipment purchase price would be reduced annually at the rate of \$2,000 per graduate of the program. Title to the equipment will transfer to the AIC once the purchase price is reduced to zero or upon payment of the purchase price less any reductions received for program graduates.



Goals addressed: *3. To strengthen and expand the skills of the Abilene labor force; 4. To strengthen and revitalize downtown Abilene; and 6. To effectively administer the sales tax revenue.*

Nation Wide Products (Project JD)

Nation Wide Products (NWP) is a local company that assembles and distributes Styrofoam faucet covers across the U.S. Because the product is seasonal, the company was forced to employ people seasonally as well. As of September 2009, NWP owns a patent for mounting brackets used to support window air conditioning units. The company assembles and distributes the finished product across the U.S. as well, giving them a product to sell during the off-season for the faucet covers.

To facilitate the new operation, NWP will convert a 10,000-15,000 sq. ft. space in its existing warehouse on S. Treadaway to a climate-controlled assembly area. NWP will convert 20 seasonal and part-time jobs to 8 permanent, full-time equivalents and create 3 new full-time jobs for total full-time equivalent employment of 11. In April 2010, the DCOA approved a total assistance package of \$105,250 to incentivize the company for the conversion/creation of 11 full-time jobs and purchase of capital equipment and improvements to its facility.

Goals addressed: *2. To create new jobs and retain existing jobs by providing assistance to existing and emerging businesses; and 6. To effectively administer the sales tax revenue.*

LM Wind Power (Project DJ)

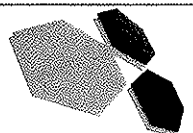
LM Wind Power has been a world leader in wind turbine blade manufacturing since the 1970s with customers all over the world; however, the operation proposed for Abilene will focus on wind blade repair. The company anticipates creating 33 new jobs, all earning over \$50,000/year and capital investment of about \$800,000.

In April 2010, the DCOA approved a total assistance package not to exceed \$566,250 for job creation, capital equipment purchases and job training costs.

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

Enavail LLC (Project BW)

Enavail, LLC, a particle engineering company founded on pioneering drug delivery research from the University of Texas at Austin, plans for construction of a new state-of-the-art current Good Manufacturing Practices (GMP) facility in the Abilene Life Sciences Accelerator (ALSA). Enavail is an Emergent Technologies portfolio company whose technologies allow for tremendous enhancement of drugs with poor water solubility – a condition that can greatly limit a drug's effectiveness. The company has



developed several technologies to improve the therapeutic efficacy of drugs, thereby reducing side effects, dosing variations and the affects of food.

Enavail will lease about 1,800 sq. ft. in the ALSA for at least 7 years. Compliance with GMP is required to ensure nothing will compromise the production process. Among the necessary alterations and additions are HVAC/humidity controls, a walk-in freezer and exclusive use of manufacturing and analytical equipment in their lab. In June 2010, the DCOA approved funding of \$580,000 for ALSA alterations, additions and equipment, and up to \$414,105 for job creation, for total funding of \$994,105.

The company will employ up to 28 people within four years with salaries averaging \$52,322/year.

Goals addressed: *2. To create new jobs and retain existing jobs by providing assistance to existing and emerging businesses; and 6. To effectively administer the sales tax revenue.*

Energy Maintenance Service, LLC

Energy Maintenance Service, LLC (EMS) is a full service provider of high quality, cost effective products and services to the North American wind industry with an emphasis on construction, operations & maintenance, and component repairs including control systems and gearboxes. EMS currently occupies space in the former Lockheed facility for its blade repair operation. EMS' parent company, Broadwind Energy, Inc., recently announced an expansion of the Abilene EMS operation to now include gearbox refurbishment and repair. This expansion will require an additional capital investment of \$7 million, bringing total projected investment in the Abilene operation to \$12.7 million. There will be an additional 9 positions, bringing total projected Abilene employment to 98. In July 2010, the DCOA approved additional funding of \$902,500 to accommodate the gearbox repair operation.

Goals addressed: *2. To create new jobs and retain existing jobs by providing assistance to existing and emerging businesses; and 6. To effectively administer the sales tax revenue.*

Texas Metals & Recycling (BMWT Leasing)

Texas Metals and Recycling 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 had been operating 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. They anticipate creating a new position in 3-6 months.



In May 2010, the DCOA approved total assistance of \$44,050 (10% of cost) to help with the purchase of the new material handler.

Goals addressed: *2. To create new jobs and retain existing jobs by providing assistance to existing and emerging businesses; and 6. To effectively administer the sales tax revenue.*

Five Points Business Park – Texas Healthcare Linen (Project NA)

Texas Healthcare Linen (THL) is the result of a partnership between several West Texas service entities interested in constructing a new innovative, state-of-the-art laundry facility that will serve the needs of each entity. After considering other cities, Abilene was chosen as the most beneficial site because of 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. The projected number of employees is 70, most of whom currently work in Hendrick Hospital's laundry.

In May 2010, the DCOA approved selling a 16.947-acre lot in the Five Points Business Park to THL for \$120,000 so the company can construct a 48,000 sq. ft. laundry facility. Only about 8 acres are developable with the rest being in the flood plain. And while the laundry operation itself was not eligible for DCOA assistance, the board was able to provide for infrastructure to the property. Therefore, the DCOA approved additional funding not to exceed the \$120,000 sales proceeds, net of closing costs, to assist with extending utilities to the property line. Closing of the sale occurred in September 2010.

Goals addressed: *6. To effectively administer the sales tax revenue.*

Project RC

Project RC has served cattle buyers and sellers for many years in Abilene. The company is considering making capital improvements to update its 50+ year old facilities. Project RC consistently employs 20 – 25 people year round with additional seasonal staff. It is anticipated that all work will cost no more than \$100,000. In December 2009, the DCOA approved reimbursing Project RC 15% of their actual capital expenditures up to a maximum of \$15,000 paid over two years.

Project RC chose not to execute an agreement with the DCOA because of a downturn in their business. The offer of assistance expired but Project RC is free to reapply in the future when their business improves.



DCOA-Approved Assistance through September 2010			
Company	Assistance Amount	Committed Job Retention/ Job Creation	Actual to Date Job Retention/ Job Creation
Project RC	\$ 15,000	20/00	20/00
Nation Wide Products (Project JD)	\$ 105,250	00/11	00/00
LM Wind Power (Project DJ)	\$ 566,250	00/33	00/00
Texas Metals & Recycling (BMWT Leasing)	\$ 44,050	00/00	00/00
Enavail LLC (Project BW)	\$ 994,105	00/28	00/01
Energy Maintenance Service-Gearbox Repair	\$ 902,500	89/09	89/00
TOTAL	\$2,627,155	109/81	109/01
% to Abilene companies (names in bold)	41 %		

Administrative / Other

Abilene Life Sciences Accelerator

With Phase 1 construction of the Abilene Life Sciences Accelerator (ALSA) underway at 1325 Pine, the DCOA decided in 2009 that any future tenant build-out would be disruptive to the existing tenants, likely more expensive per square foot for construction, impractical to have two different contractors working in the same structure at the same time, and confuse warranty responsibilities for contractors. By not having ready-to-lease space available, the ALSA could be at a competitive disadvantage.

The Tittle Luther Partnership (TLP) developed plans and specifications for the build-out of 7,450 sq ft of lab/office/meeting space in the north end and 2,698 sq ft of lab space in the sound end of the ALSA. Based on TLP's specifications, Jeff Luther Construction submitted cost proposals to build out both the north and south ends, and in October 2009, the DCOA approved the full build-out construction (10,148 additional sq ft), additional architectural fees and contingency totaling \$1,459,225.

In November 2009, the DCOA authorized the reallocation of \$8,000 previously approved to hire a grant writer to instead be used to employ the services of Mark Long with Long Performance Advisors to assist with the ALSA operations. Mr. Long assisted with the development of build-out plans for the shell space and projection of annual operating costs for ALSA. He has over 30 years experience in the medical device/diagnostics/biotechnology industry.

In July 2009, representatives from Emergent Technologies, Inc. (ETI) presented a description of the services their team can offer to help ensure the success of the ALSA. In October 2009, the DCOA authorized a three-year contract with ETI and total funding of \$1,380,180 payable over three years, whereby they will provide personnel, business recruitment and business acceleration and development services for ALSA



clients and assist the DCOA with ALSA marketing, strategic planning and operations. This includes staffing of one director and one administrative assistant.

On October 20, 2010, an appreciation dinner was hosted by the DCOA to recognize those in the community that had the vision and funding to make the ALSA a reality. On the following day, the Abilene Chamber of Commerce hosted a ribbon-cutting ceremony at the facility, which was attended by many of our community's leaders.

SBIR/STTR Programs

One of the recommendations of the Wadley-Donovan Study is to "reinvent" our local and regional economy by encouraging growth of research and development. The largest source of venture capital funds is the federal government through the Small Business Innovation Research (SBIR) and the Small Business Technology Transfer (STTR) programs.

The DCOA first approved funds for these programs in March 2006. In September 2006, the board approved \$271,400 through FY07 and reauthorized the same funds in February 2008 through FY09. As of September 2009, \$78,461.50 had been spent, leaving \$192,938.50 unspent. In November 2009, the DCOA reauthorized the remaining unspent funds of \$192,938.50 through September 30, 2011 for the different phases of the application process.

Texas Tech University – Wind Energy Research (Project DM)

Texas Tech University Office of Technology Commercialization in Lubbock formed the National Wind Resource Center (NWRC) and National Institute for Renewable Energy (NIRE), both of which will capitalize R&D wind farms, provide a full suite of services for the wind energy sector nationally, and allow for collaborative R&D between the federal government, universities and the private sector.

Many millions of dollars have already been committed to the project, and the Texas Emerging Technology Fund (TETF) is considering substantial funding for the project. In December 2009, the DCOA approved \$50,000 to assist with the establishment of the NWRC and NIRE entities which will be used in coordination with other resources to form the entities and provide start-up capital until TETF money is available. The benefits to Abilene include representation in the leadership of the NWRC, access to unique research and development services, access to additional world class researchers in the sector, and state-of-the-art research and forecasting equipment and processes.

West Texas Coalition for Innovation and Commercialization (WTCIC)

The WTCIC is one of eight regional centers supporting 83 counties that review applications to the Texas Emerging Technology Fund (TETF). TETF is a multi-million dollar fund established several years ago to encourage research and commercialization of technology. However, no funds were allocated for the cost of operating the regional



review committees. The DCOA previously approved funding to help in this endeavor and \$16,582 remains available and still encumbered.

To help with the necessary match to state funds, the WTCIC has asked the Economic Development Corporations which are members of the WTCIC for funding in the amount of \$25,000 each for operation from September 2009 through August 2010. In return, each community can apply for a development grant up to \$20,000 to promote entrepreneurship, technology business development and the TETF. In January 2010, the DCOA approved funding of \$8,418 to be combined with the still encumbered \$16,582 for a total of \$25,000 to support the WTCIC through August 2010. The DCOA received \$20,000 in grant funds in August 2010.

Affiliated Food Stores – Lease Addendum

The DCOA owns the property located at 4109 Vine St. and leases it to Affiliated Food Stores (AFS). AFS is an Oklahoma corporation organized in 1939 as a wholesale grocery distributor selling merchandise to its member-stockholders from the Abilene location. The most recent lease addendum provided for AFS' rent to increase in January 2010 from \$8,500/month to \$10,000/month. With the economic downturn, sales are down by 25-30% with the closing of member stores. The age of the facility is a constant concern and requires ongoing repairs. The scheduled rent increase in January 2010 would make it difficult for the company to meet all of its financial obligations.

In January 2010, the DCOA approved another revision to the lease payment schedule as follows: January 2010 through December 2010 - \$9,000/month; January 2011 through December 2011 - \$9,500/month; and January 2012 through May 2014 - \$10,000/month.

Texas Tech University – Lease of Grant Building

In early 2009, the DCOA approved a one-year sublease of the first floor of the Grant Building (302 Pine St.) 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.

In March 2010, the DCOA approved an amended lease with TTU to allow them to use the second and third floors of the building to deliver classes remotely, using the teleconferencing equipment installed there. TTU will also sublease space to the TTU Health Sciences Center School of Nursing for administrative offices and classrooms. Because these programs are ineligible for DCOA assistance, the DCOA charges market rent of \$6.00/sq.ft./year.



Springboard Ideas Challenge 2010

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 awarded \$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. In March 2010, the DCOA approved a platinum level sponsorship of \$5,000 for the 2010 Springboard Ideas Challenge.

Eagle Aviation Services, Inc.

The floors of Hangars 1 and 0 occupied by Eagle Aviation Services, Inc. (EASI) need to be refinished due to peeling paint, which presents a potential safety hazard for employees, not to mention an unattractive work environment. In September 2009, the DCOA authorized an agreement with Tittle Luther Partnership and funding of \$8,000 to develop cost estimates, specifications and bid documents for refinishing the floors.

Bids were received from 6 different vendors, and in March 2010, the DCOA approved a contract with DecoCrete, Inc. from Grand Prairie, Texas, plus total funding of \$243,475 for construction, a 15% contingency, and additional funding for the Tittle Luther Partnership for the bidding and construction phases of the project (including reimbursables).

Cisco College

In an effort to grow Abilene's biotech sector, staff and a local scientist have worked closely with Cisco College to establish a biotech technician training program. Cisco College has gained state approval to offer a one-year biotech technician certification program and they have identified existing storage space on the second floor of the Abilene campus that could be converted to a teaching lab. In addition, Cisco College recently received a state grant of \$135,300 to acquire equipment for the biotech teaching lab, based on a very minimal list developed by the local scientist.

In July 2010, the DCOA Board authorized a 50% match (\$67,650) to the recent state grant to allow for the purchase of other necessary equipment, mobile lab benches, stools, and the conversion of existing second floor storage space to a teaching lab. Also, the DCOA Board authorized giving Cisco College the discretion to use \$10,000 of the matching grant for construction of new classroom and lecture hall space on the second floor, as part of their planned second floor expansion project that will be utilized in part by the biotech technician program.



Officer Elections

In February 2010, the following officers were elected: President – Paul Cannon, Vice President – Mike Schweikhard, and Secretary/Treasurer – Marelyn Shedd. In March 2010, the DCOA welcomed new board member Dani Ramsay.

STAFF:

Chief Executive Officer	Richard Burdine
Business Services Mgr.	Kim Tarrant
Property/Project Mgr.	Pat McGinnis
Property/Project Mgr.	Pancho Perez
Sec. to Assist. City Mgr.	Susan Campbell

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