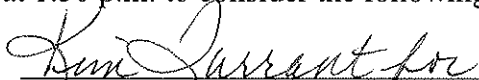


PUBLIC NOTICE

DEVELOPMENT CORPORATION OF ABILENE, INC.

A regular meeting of the Development Corporation of Abilene, Inc. will be held on Tuesday, November 23, 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 23, 2010
1:30 p.m.

Abilene Life Sciences Accelerator
1325 Pine St.

1. Call the meeting to order.
2. Approval of minutes from the November 9, 2010, board meeting.
3. November 2010 sales tax report.
4. Presentation of Annual Report for Fiscal Year Ended September 30, 2010 by Texas Tech University Small Business Development Center.
5. Presentation by Emergent Technologies, Inc. of report of activities at the Abilene Life Sciences Accelerator.
6. Presentation by Dr. Jon Weidanz on Abilene's biotech ecosystem.
7. 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.

8. Discussion and possible approval of a resolution authorizing assistance for Project Dreamweaver.
9. Discussion and possible approval of a resolution awarding a bid and approving funding for the structural steel package for construction of a new hangar at the Abilene Regional Airport for use by Eagle Aviation Services, Inc.
10. 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
NOVEMBER 9, 2010**

MEMBERS PRESENT:	Paul Cannon Marelyn Shedd Dani Ramsay	Mike Schweikhard Scott Senter
STAFF PRESENT:	Richard Burdine Melissa Murphy	Kim Tarrant
GUESTS PRESENT:	Bill Ehrie Jaime Adame Dawn Wagner Patricia Hippely	Abilene Industrial Foundation Abilene Reporter-News Citizen of Abilene Taylor County Tea Party

- 1. CALL TO ORDER.** Paul Cannon called the meeting to order at 1:34 p.m. in the Abilene Life Sciences Accelerator Conference Room, 1325 Pine St., Abilene, Texas.
- 2. APPROVAL OF MINUTES FROM THE OCTOBER 4, 2010 BOARD MEETING.** Scott Senter moved to approve the minutes from the October 4, 2010 board meeting. Mike Schweikhard seconded and the motion carried.
- 3. OCTOBER 2010 SALES TAX REPORT AND PRELIMINARY SEPTEMBER 2010 STATUS OF FUNDS.** The sales tax rebate for October (which represents August sales) for economic development was \$661,858.71 and is 1.5% below last year. The undesignated fund balance was just under \$14 million as of September 30, 2010.
- 5. PRESENTATION AND POSSIBLE APPROVAL OF THE DCOA ANNUAL REPORT OF ACTIVITIES FOR FY 2010.** Mr. Burdine reviewed the six key goals the DCOA Board has identified in the City's economic development efforts and how each approved project meets one or more of these goals. He then reviewed the DCOA-Approved Assistance chart for FY10 and pointed out that Project RC (\$15,000) chose not to execute an agreement with the DCOA because of a downturn in their business. The DCOA provided a total of \$2,612,155 in assistance to five companies (excluding Project RC), 40% of which went to local companies. Among the other projects and programs, the Abilene Life Sciences Accelerator and the SBIR/STTR Program were highlighted.

Marelyn Shedd made a motion to approve the DCOA Annual Report of Activities for FY 2010 as presented. Dani Ramsay seconded and the motion passed by unanimous consent.

- 4. PRESENTATION OF ANNUAL REPORTS FOR FISCAL YEAR ENDED SEPTEMBER 30, 2010 BY THE ABILENE INDUSTRIAL FOUNDATION AND THE CITY OF ABILENE AIRPORT BUSINESS DEVELOPMENT.** Bill Ehrie presented the FY 2010 report from the Abilene Industrial Foundation (AIF). Of the 115 leads received, 74 were responded to and ten prospect files were opened. The AIF made 81 local retention visits and 89 consultant visits. The AIF focused significantly on promotion and advertising for the Spec 3 building, as well as marketing opportunities and trade show activity in the biotech sector. Of the \$140,000 marketing budget, \$120,680.87 was spent. The AIF website continues to be a

very successful and viable marketing tool, with significant feedback received by the AIF. Realizing the growing prominence of social media, the AIF has expanded into Facebook to use it as a business networking tool. The AIF's marketing and retention efforts go hand in hand with the efforts of the Chamber's Military Affairs Committee (MAC) in supporting Dyess AFB.

Melissa Murphy presented the FY 2010 report from the City of Abilene Airport Business Development Management program. They made several presentations to civic groups in Abilene and surrounding cities throughout the year, taking advantage of the opportunity to promote the advantages of flying from Abilene versus driving to another airport. They have sponsored several events in an effort to connect with the community. The Abilene Regional Airport has used several venues to market the airport including television, radio and print ads, sponsorships and the website.

The *ABI-VIP Passenger Rewards Program* is going strong and growing. There are currently 1,000 passengers registered in the program. Airport staff is also focusing on monthly *Passenger Appreciation Days*. These are sponsored by local businesses (mainly hotels) that provide free refreshments for departing passengers.

For FY 2010, enplanements were down 10%, rental car revenue was down 14% and parking lot revenue was down 9%. Airport staff is continuing efforts to bring another airline to Abilene with a broader service area than just to/from the west.

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 November 9, 2010, and the time is 2:02 p.m. Mr. Cannon then announced the date is still November 9, 2010, and the time is 4:02 p.m. No vote or action was taken in Executive Session.

7. **ADJOURNMENT.** The next board meeting is November 23rd at the ALSA, 1325 Pine St.

Paul Cannon, President

MEMORANDUM

November 10, 2010

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

The sales tax rebate for November is \$3,099,351.28 which represents September sales. This is 2.19% above last year. The breakdown of the November rebate is \$2,324,513.46 to the General Fund and \$774,837.82 for economic development. Of this rebate, \$3,080 is from prior periods, audit payments, future payments, and unidentified payments. Based on this rebate, sales tax is .46% above last year for the period of October through November. 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 COMPARISION**

Accounting Period Month	GENERAL FUND	ECONOMIC DEVELOPMENT	TOTAL	GENERAL FUND	ECONOMIC DEVELOPMENT	TOTAL
	Actual 2009-10	Actual 2009-10		Actual 2010-11	Actual 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
November	2,274,694.28	758,231.42	3,032,925.70	2,324,513.46	774,837.82	3,099,351.28
YTD	\$4,290,407.38	\$1,430,135.78	\$5,720,543.16	\$4,310,089.59	\$1,436,696.53	\$5,746,786.12
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%
November	758,231	774,838	2.19%
YTD	<u>\$1,430,136</u>	\$1,436,697	0.46%
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	<u><u>\$8,312,748</u></u>		

Note: Report reflects the month sales tax is received from Austin.
Revenue is recorded on this basis for budgetary purposes.

The Comprehensive Annual Financial Report (CAFR) will reflect
GASB 33 requirement in addition to the budget basis.

Revenue for November '10 represents September '10 sales. Approximately
\$770 of the rebate is from prior periods, audit, and future payments.

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

DEVELOPMENT CORPORATION OF ABILENE, INC.
BOARD AGENDA
MEETING DATE: November 23, 2010

PROJECT: Texas Tech University Small Business Development Center Annual Report
for FY10

STAFF: Richard Burdine, CEO

GENERAL INFORMATION

The Texas Tech University Small Business Development Center (SBDC) has contracted with the DCOA since 1990, providing business counseling services to clients in a 17-county region, free-of-charge. The DCOA funds the SBDC at the rate of \$75/counseling hour spent with Abilene clients.

SPECIAL CONSIDERATIONS

The FY10 contract expired 9-30-10, and the DCOA approved funding for a new FY11 contract. Attached is a report covering activities during FY10 through 9-30-10. Judy Wilhelm will be present to discuss the report.

FUNDING/FISCAL IMPACT

None.

STAFF RECOMMENDATION

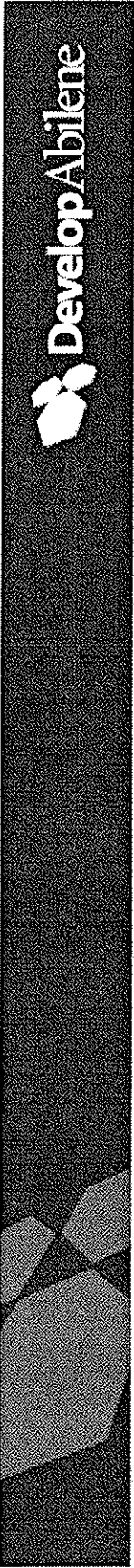
Staff recommends the board approve the attached report.

ATTACHMENT

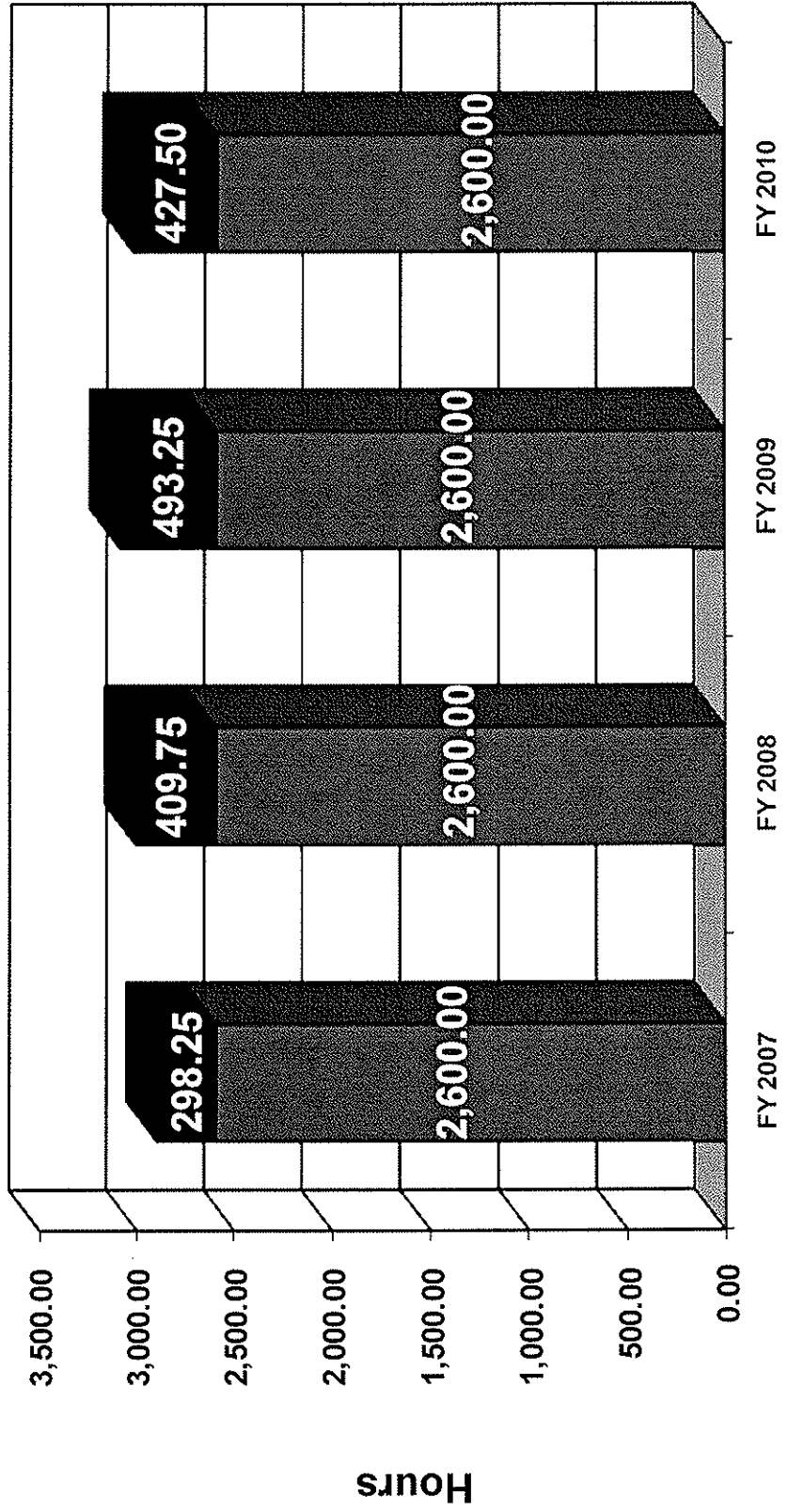
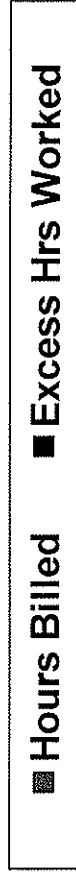
Small Business Development Center FY10 Annual Report



Texas Tech
Small Business Development Center
Abilene
Fiscal Year 2010
Annual Report Updated
All Actual Data



SBDC Hours of Work for DCOA



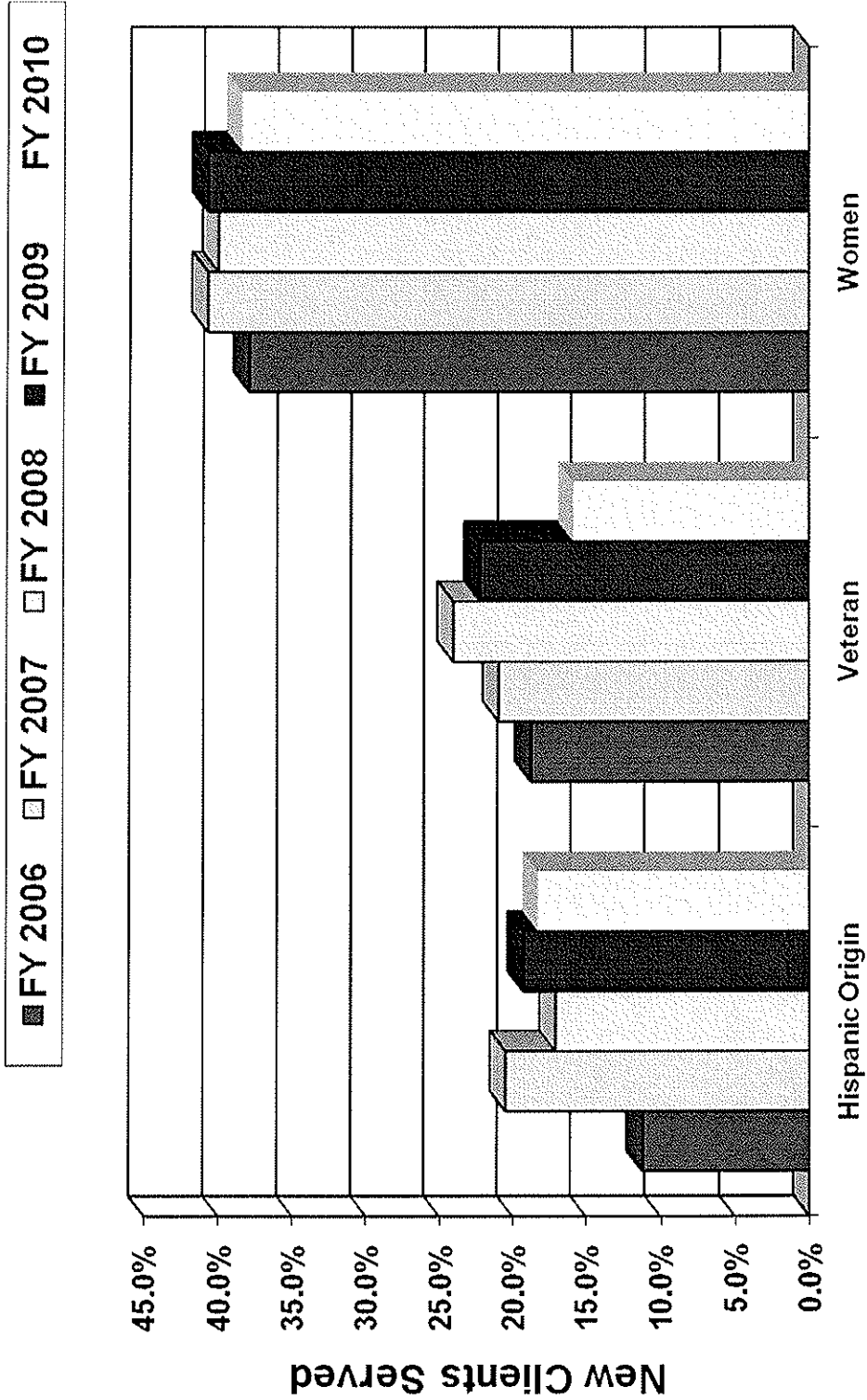
New Hispanic, Veteran, and Women Clients

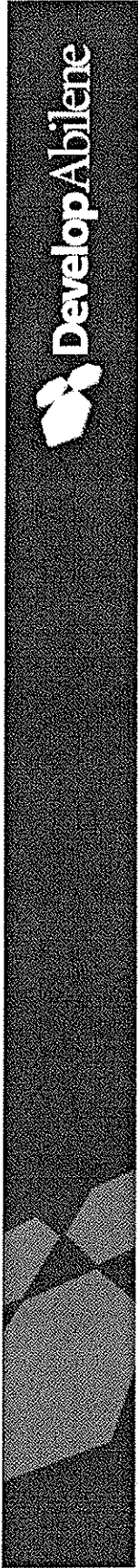
	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010
Hispanic	11.2%	20.5%	17.1%	19.3%	18.3%
Veteran	18.8%	21.0%	24.1%	22.3%	15.9%
Women	38.0%	40.8%	40.1%	40.8%	38.5%

Hispanic percentages are of all new clients who state ethnicity.

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

New Hispanic, Veteran & Women Clients





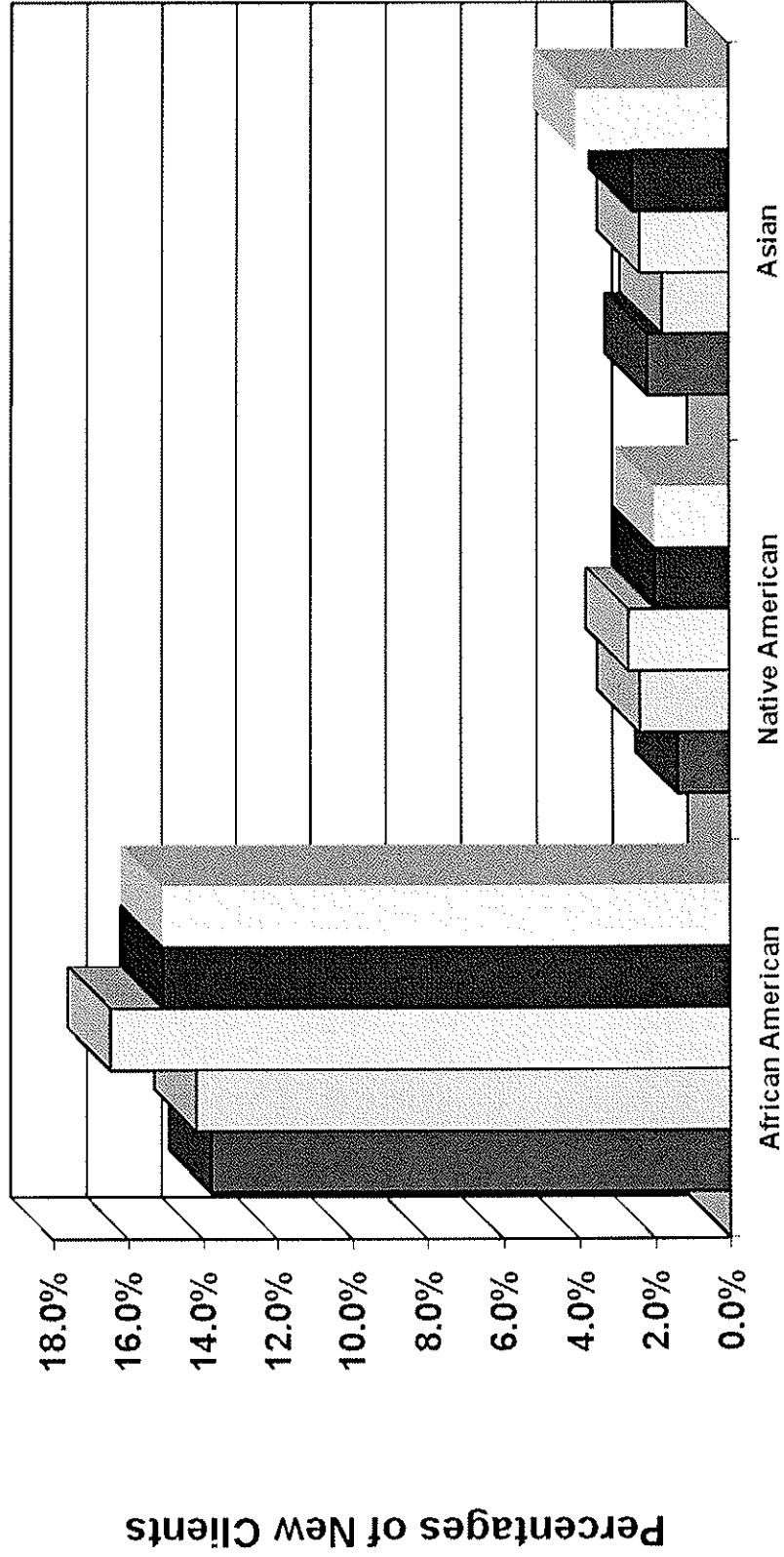
New Minority Client Racial Background

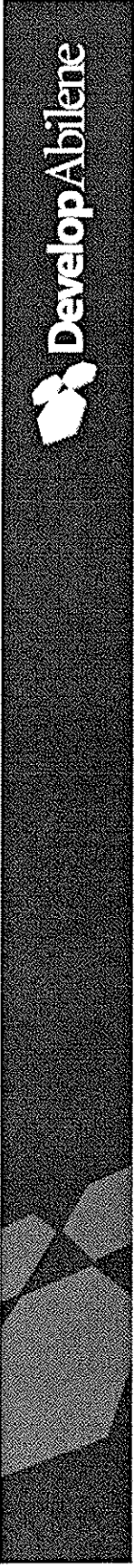
	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010
African American	13.8%	14.2%	16.5%	15.1%	15.1%
Native American	1.4%	2.4%	2.7%	2.0%	2.0%
Asian	2.2%	1.8%	2.4%	2.6%	4.1%

Percentages are of all new clients who state race.

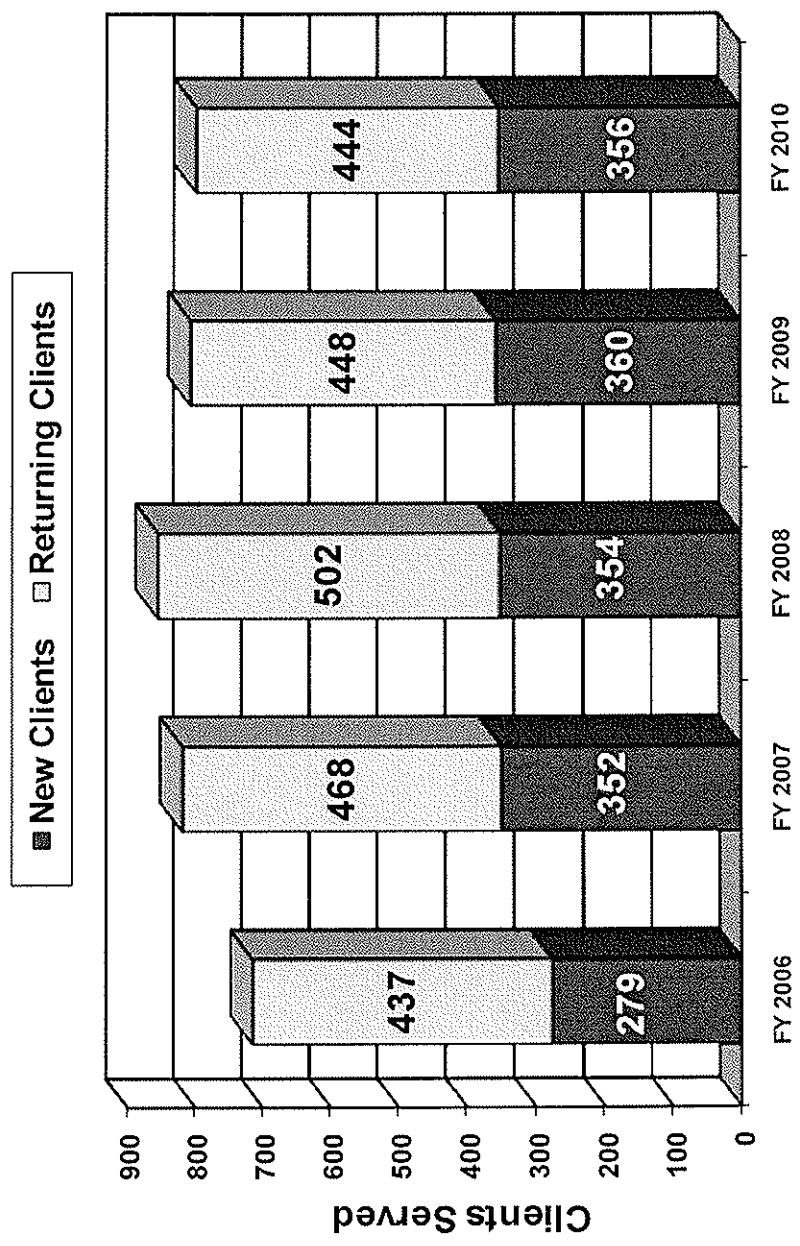
New Minority Client Racial Background

FY 2006
 FY 2007
 FY 2008
 FY 2009

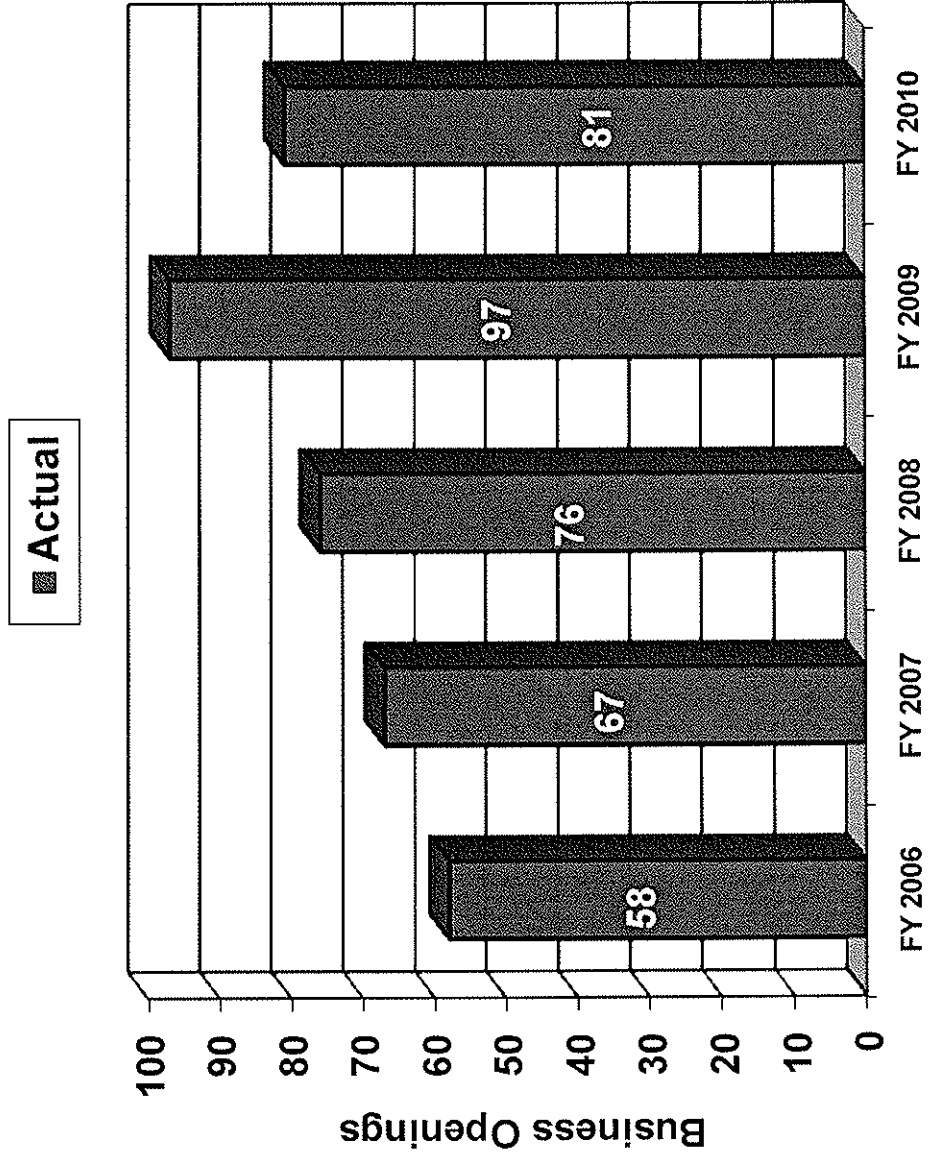




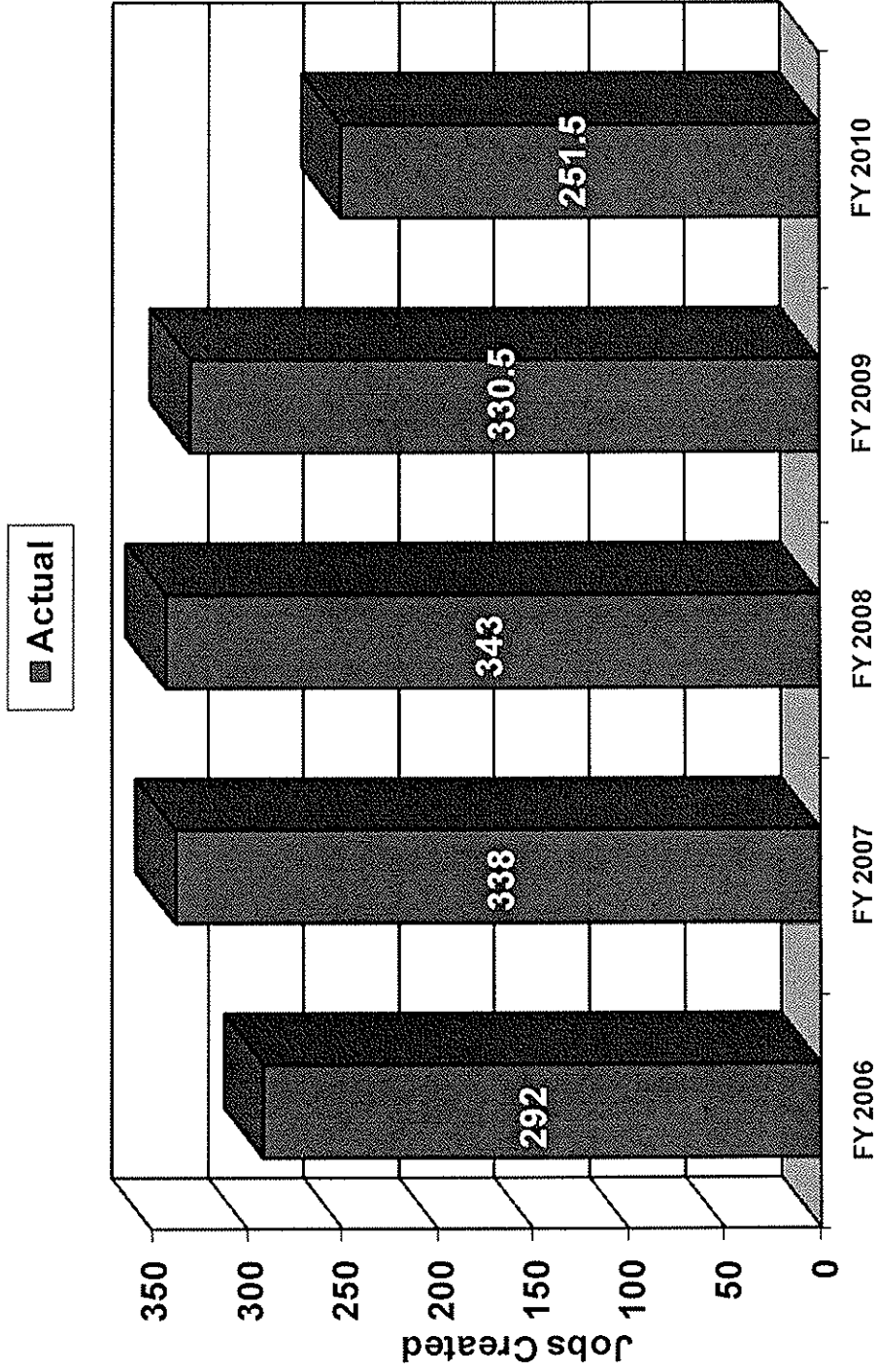
New/Returning Clients: All Races/Ethnicity



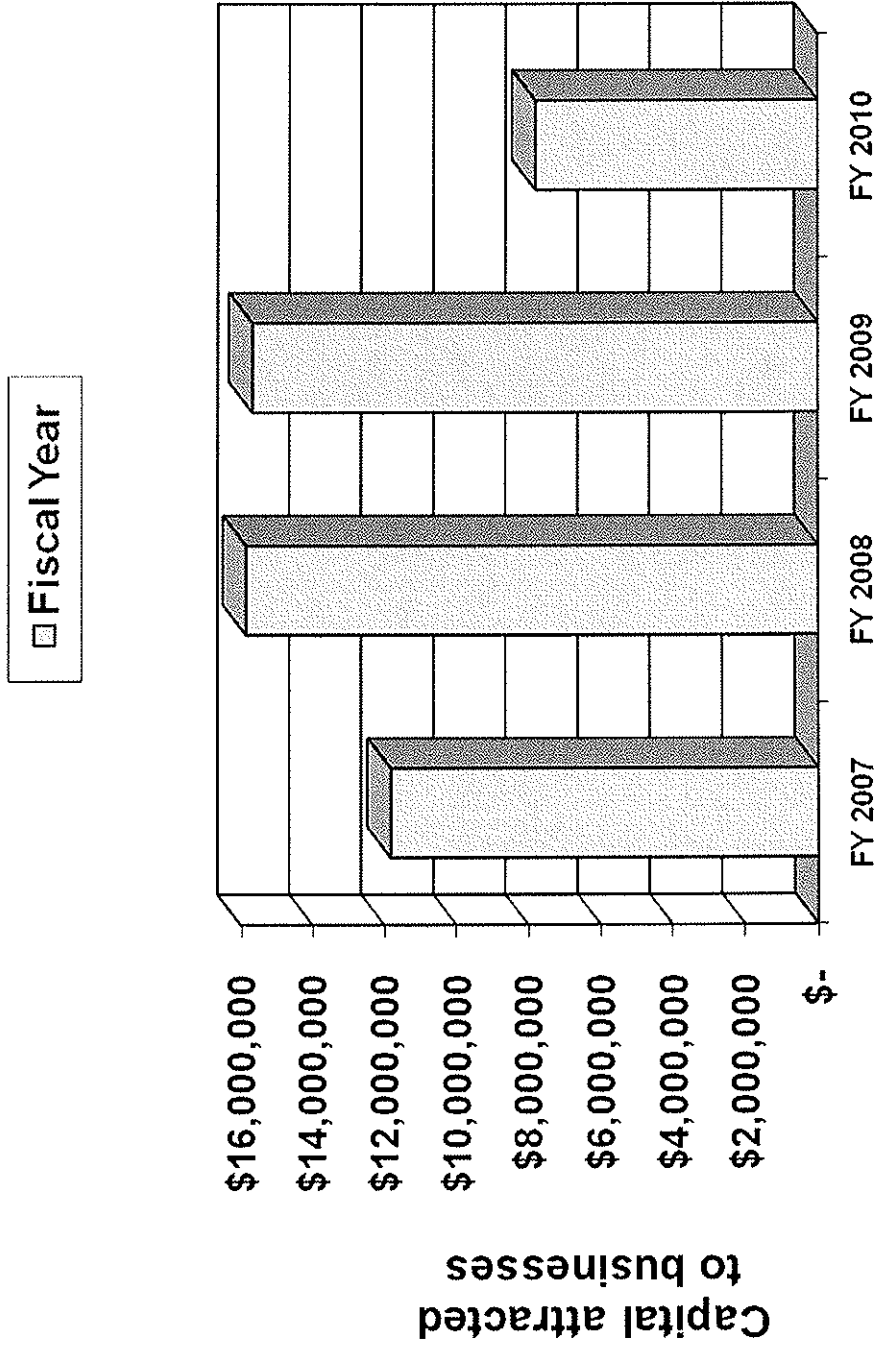
SBDC-Assisted Business Openings



SBDC-Assisted Jobs Created



Capital Formation



DEVELOPMENT CORPORATION OF ABILENE, INC.

BOARD AGENDA

MEETING DATE: November 23, 2010

PROJECT: Project Dreamweaver

STAFF: Richard Burdine, CEO

THE COMPANY

Project Dreamweaver is headquartered in the Great Lakes area and has been in business for over 25 years. The company focuses on contract manufacturing or private label business. The company started by offering customers technical and analytical testing expertise in a wide range of product categories. As its customer needs grew, so did the company, which is constantly adding to its product line and list of business capabilities. Presently their core capabilities include: Cosmetics, Pharmaceuticals, EPA/Packaging, Analytical Services, Instrumentation Services and Medical Devices. Project Dreamweaver employs over 20 chemists and microbiologists, who lead the company in research and development, engineering and pioneer new technologies.

We are in competition with a city in Florida for this company for a third manufacturing facility. The owners want to expand into the south to serve current and prospective clients. For example, the company has a major customer in Dallas and would prefer to supply them from a Texas plant. Therefore cosmetics production will be the first phase of their expansion. The second phase will likely be production of over-the-counter (OTC) products.

During Phase 1, the Company will create 118 new jobs in Abilene with an initial capital investment in equipment of \$10MM. The employment breakdown is 9 management positions with a salary range of \$62,000 to \$200,000/year, 7 administrative positions in the range of \$40,000 to \$75,000/year, 95 production positions in the range of \$26,000 to \$30,000/year, 3 marketing & sales positions in the range of \$50,000 to \$80,000/year and 4 warehouse positions at \$30,000 to \$33,000/year.

The company is an employer of choice in their current locations, as evidenced by very low turnover. The company plans to be an employer of choice in Abilene too, offering above average wages and benefits. The non-mandatory benefits the company provides will push all positions above the \$30,000/year threshold to receive job creation assistance.

THE REQUEST

After a site visit to both of Dreamweaver's manufacturing facilities and discussions with the owners and other key personnel, the architects and engineer estimate a total project cost of \$4.2MM (estimate attached) to finish out 60,000 square feet of Spec 3 for the Company and install the concrete floor in the remainder of the building. If assistance for Dreamweaver is approved, contracts for architectural and engineering services will be presented to the board for approval at the next meeting.

The DCOA has already invested \$6MM in the Spec 3 Building. I used a 6% cap rate to calculate a triple net lease that includes the tenant improvements at \$4.2MM. Assuming a total building cost of \$10.2MM, the annual lease rate would be \$6.12/square foot, adjusted to the actual cost of finish out.

Key deal points are as follows:

1. Many of the tenant improvements are unique to Project Dreamweaver so we will want a long term lease. The Company will enter into a 20-year lease for the Spec 3 Building at a lease rate

of \$6.12/s.f./year, triple net, for the space ultimately occupied by the company, with adjustments to the lease rate every 5 years, based on the increase in the Consumer Price Index. The lease will include an option for the company to purchase the Spec 3 Building for the actual cost of shell construction plus tenant improvements (estimated at \$10.2MM). Lease payments will be deferred until occupancy and production start-up in 2011, or 2 months after occupancy, whichever occurs first;

2. The DCOA will offer capital equipment investment incentives based on 10% of purchase and installation costs to be earned over the first 5 years the equipment is in the building. Capital investment is estimated to be \$10MM with incentives at \$1MM. These incentives may be paid as costs are incurred and structured as a forgivable loan over 5 years, subject to adequate collateralization, or paid in arrears at 1/5th per year for 5 years; and,
3. The DCOA will offer job creation incentives based on the salary and non-mandatory benefits paid employees in accordance with the DCOA incentive policy for new businesses. These incentives may be paid in advance as a loan to be forgiven over 5 years subject to adequate collateralization, such as an irrevocable letter of credit, or paid in arrears at 1/5th per year for 5 years. Projected job creation incentives are:

Annual Salary Level*	Number of Jobs	Incentives per Job	Incentives Total
\$30 to \$40,000	99	\$ 10,000	\$ 990,000
\$40 to \$50,000		\$ 12,000	\$ -
\$50 to \$60,000	7	\$ 15,000	\$ 105,000
Over \$60,000 (below)	12	35%	\$ 540,750
Total:	118		\$ 1,635,750

Management Positions	Annual Salary Level*
Over \$60,000	
3 Marketing & Sales @ \$65k/year	\$195,000
9 Management @ \$150k/year	\$1,350,000
Total Salaries:	\$1,545,000

* Calculations based on salaries provided with non-mandatory benefits.

FISCAL IMPACT

Capital Equipment Investment Incentives	\$1,000,000	
Job Creation Incentives	\$1,635,750	(Average cost per job: \$13,862)
Total Incentives Package	\$2,635,750	

STAFF RECOMMENDATION

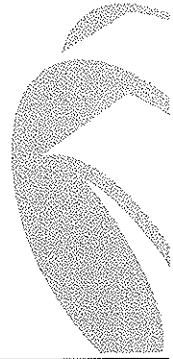
Staff recommends approval of resolution DCOA-2011.04 authorizing financial assistance for Project Dreamweaver in an amount not to exceed \$2,635,750 in exchange for the creation of 118 new jobs and investment of \$10MM in capital equipment.

ATTACHMENTS

Preliminary Statement of Estimated Project Costs dated 10-12-10 for build-out of Spec 3
Resolution DCOA-2011.04

PRELIMINARY STATEMENT OF ESTIMATED PROJECT COSTS

Date: 12-Oct-10
 Project No. 1025
 Project Name: *Alterations To An Existing Industrial Building
 Development Corporation of Abilene
 Abilene, Texas*



Total Gross Area of Building: 60,000 sq. ft.
 Total Floor Slab Infill Area 79,900 sq. ft.
 Exterior Porch Area 900 sq. ft.

A. Cost of the Work (General Building Construction Costs)		3,606,362.00
1 Substructure (6" Thk. Conc. Slab-on-grade)*	6.33 / S.F. *	505,767.00
2 Superstructure (assumes roof will accommodate mech. units)	N/A	N/A
3 Roofing	N/A	N/A
4 Exterior Walls (Front Entry Panel Modifications)	1.00 L.S.	100,000.00
5 Interior Construction (Partitions, Ceilings, Finishes, Millwork, et	6.10 / S.F.	366,000.00
6 Specialties (Graphics, Toilet Accessories, etc.)	1.25 / S.F.	75,000.00
7 Building Equipment	0.25 / S.F.	15,000.00
8 Heat, Vent, Air Cond.	9.12 / S.F.	547,200.00
9 Plumbing	10.00 / S.F.	600,000.00
10 Fire Protection (Modications)	3.20 / S.F.	192,000.00
11 Electrical (Service, Power, Lighting, Alarm)	12.25 / S.F.	735,000.00
12 General Conditions	15.00%	470,395.00
B. Other Construction Costs		90,000.00
1 Off-site Development (Utilities, Streets, etc.)		N/A
2 On-site Development (Front Parking Lot Only.)		35,000.00
3 Landscaping, Planting, Irrigation		10,000.00
4 Front Entry Porch	50.00 / S.F.	45,000.00
C. Construction Related Costs		N/A
1 Cost Estimating		N/A
2 Permit Fees (Local Only)		Incl. in A.12
3 Insurance and Bonds		Incl. in A.12
4 Materials Testing and Inspections		Incl. in A.12
5 Property Taxes During Construction		N/A
6 Utility Costs During Construction		Incl. in A.12
7 Construction Management		Incl. in A.12
8 Auditing of Construction Costs		N/A
D. Total Construction Contract Costs (A+B+C)		3,696,362.00

PRELIMINARY STATEMENT OF ESTIMATED PROJECT COSTS

Date: 12-Oct-10
 Project No. 1025
 Project Name: *Alterations To An Existing Industrial Building
 Development Corporation of Abilene
 Abilene, Texas*



Total Gross Area of Building: 60,000 sq. ft.
 Total Floor Slab Infill Area 79,900 sq. ft.
 Exterior Porch Area 900 sq. ft.

E. Land Acquisition and Feasibility Costs N/A

- 1 Land Acquisition Costs N/A
- 2 Topographic, Boundry and aerial surveys N/A
- 3 Geophysical Investigation & Report N/A
- 4 Environmental Impact Report N/A
- 5 Community Development Fees N/A
- 6 Zoning/Platting Costs N/A

F. Furnishings N/A

- 1 Interior Finishes, Flooring, Blinds and Drapery Included in A
- 2 Furnishings, Fixtures, Appliances and Equipment By Owner
- 3 Graphics Incl. in A.6

G. Design Costs 305,709.00

- 1 Architectural and Engineering Fees 295,709.00
- 2 Landscape Architectural Fees N/A
- 3 Interior Design, Graphics, and Color Consultations N/A
- 4 Special Engineering (Acoustical, Drainage, etc.) N/A
- 5 Detailed Construction Cost Estimates N/A
- 6 Reimbursible Costs (Printing, Travel, etc.) 10,000.00

H. Contingency Allowance 184,818.10

- 1 General 5.00% of D 184,818.10
- 2 Bidding Conditions N/A
- 3 Estimate Variations/Unforseen Conditions N/A

I. Adjustment for Change in Market Conditions N/A

To Date:

J. TOTAL PROJECT BUDGET (D+E+F+G+H+I) \$4,186,889.10

RESOLUTION NO. DCOA-2011.04

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

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

WHEREAS, Project Dreamweaver, a Great Lakes area manufacturing company, wants to expand into the south and plans a capital investment of approximately \$10 million in equipment and creation of 118 new jobs; and,

WHEREAS, the Company is interested in occupying about 60,000 sq ft of the Spec 3 shell building in the Five Points Business Park after the DCOA finishes the space to the Company's specifications at an estimated cost of \$4.2 million; and,

WHEREAS, staff requests the DCOA provide funding to assist Project Dreamweaver with capital equipment investment and job creation in the Spec 3 building.

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

PART 1. DCOA shall provide funding up to Two Million Six Hundred Thirty-Five Thousand Seven Hundred Fifty and no/100's Dollars (\$2,635,750) to assist Project Dreamweaver. The Company will create 118 new jobs and occupy space in the Spec 3 building contingent upon the DCOA making specific improvements to the building and execution by Project Dreamweaver of a lease agreement. The assistance shall be disbursed as follows:

Job Creation Incentive – Up to \$1,635,750 for creation of 118 new jobs based on the salary and non-mandatory benefits paid employees. Funding may be paid in advance and structured as a 5-year forgivable loan, subject to adequate collateralization, such as an irrevocable letter of credit, or paid in arrears over 5 years at 1/5 the Incentives per Job amount listed below for each job created:

Annual Salary Level*	Number of Jobs	Incentives per Job	Incentives Total
\$30 to \$40,000	99	\$ 10,000	\$ 990,000
\$40 to \$50,000		\$ 12,000	\$ -
\$50 to \$60,000	7	\$ 15,000	\$ 105,000
Over \$60,000 (below)	12	35%	\$ 540,750
Total:	118		\$ 1,635,750

Management Positions	Annual Salary Level*
Over \$60,000	
3 Marketing & Sales @ \$65k/year	\$195,000
9 Management @ \$150k/year	\$1,350,000
Total Salaries:	\$1,545,000

* Calculations based on salaries provided with non-mandatory benefits.

Capital Equipment Investment Incentive – Up to \$1,000,000 based on 10% of purchase and installation costs (estimated at a total of \$10 million) for manufacturing and other equipment to be located in the Spec 3 building. The incentive may be funded as actual costs are incurred and structured as a forgivable loan over 5 years, subject to adequate collateralization, or paid in arrears at 1/5 per year for 5 years. Both options are subject to evidence of Company's incurrence of actual costs.

Lease Agreement – The DCOA will contract for tenant improvements to the Spec 3 building, much of which will be unique to Project Dreamweaver. Included in the improvements will be finish-out of about 60,000 sq ft based on the Company's specifications and installation of a concrete floor in the remainder of the 100,000 sq ft building. A contract for architectural and engineering services will be presented to the DCOA board for approval at the next board meeting. Prior to commencement of the improvements, Project Dreamweaver will execute a lease agreement for 20 years at a rate of \$6.12/sq ft/year, triple net, for the space ultimately occupied by the Company, with adjustments to the lease rate every 5 years based on the increase in the Consumer Price Index (CPI). The lease agreement will include an option for the Company to purchase the Spec 3 building for the actual cost of the shell construction plus tenant improvements (estimated at \$10.2 million). Lease payments will be deferred until production start-up in 2011, or 2 months after occupancy, whichever occurs first.

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 23rd day of November, 2010.

ATTEST:

Marelyn Shedd
Secretary/Treasurer

Paul Cannon
President

APPROVED:

T. Daniel Santee, City Attorney

DEVELOPMENT CORPORATION OF ABILENE, INC.

BOARD AGENDA

MEETING DATE: November 23, 2010

PROJECT: Eagle Aviation Services Hangar – Bid Award for Structural Steel Package

STAFF: Richard Burdine, CEO

BACKGROUND INFORMATION:

The most cost-effective solution to the potential growth needs of Eagle Aviation Services appears to be construction of a new hangar next to Hangar 1, otherwise known as Option 2-3. During the October 4, 2010 meeting, the board approved resolution DCOA 2011.01 authorizing a contract with Tittle Luther Partnership (TLP) for design services and funding of up to \$382,272. Also approved was a contract with Jacob & Martin, Ltd for the topo survey and \$3,000, a contract with Enprotec/Hibbs & Todd for soils analysis and \$10,000, and \$8,000 for printing costs and A/E reimbursables for total funding of \$403,272.

THE PROJECT:

TLP is providing architectural and normal structural, mechanical and electrical engineering services for a 27,540 sq ft hangar, plus a 3,660 sq ft “dog house” attached to the 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. They developed bidding documents for the pre-engineered structural 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. The steel package bids are for engineering, manufacturing, fabricating, and delivering a pre-engineered metal building including steel framing, wall panels, roof panels, insulation, hangar and personnel doors, and related accessories. The base bids are for the hangar building with steel sliding hangar door and exposed fastener metal roof. Alternates included with the bids are:

1. Hangar building with overhead hoist-up fabric hangar doors and exposed fastener metal roof.
2. Hangar building with steel sliding hangar door and standing seam metal roof.
3. Hangar building with overhead hoist-up fabric hangar door and standing seam metal roof.

The cost estimate for the steel package was \$936,000 (\$30/square foot times 31,200 square feet). Bids for the steel package were received and opened on Thursday, November 18, 2010. Attached is the bid tabulation sheet.

TLP will review the bids and make a recommendation for award to be presented to the DCOA during the meeting. The bid to a General Contractor for hangar construction (including foundation, site, utility, metal building erection, and interior finish-out) is expected to be awarded in January 2011, and the steel package contract will be assigned to the General Contractor, whereby the steel package contractor will become a sub-contractor to the General Contractor.

FISCAL IMPACT:

To be presented at meeting time.

STAFF RECOMMENDATION:

Staff recommends approval of resolution DOCA-2011.03 authorizing a contract to engineer, fabricate and deliver the pre-engineered metal aircraft hangar building as recommended by TLP. Also authorized is funding for the work described.

ATTACHMENTS:

Bid tabulation sheet

Resolution DCOA-2011.03

SADCOA/Meeting Memo/FY 2011/ASI hangar structural steel award 11-23-10.doc

Bid Tabulation

The Tittle Luther Partnership

DCOA - Eagle Aviation Services Hangar
 Development Corporation of Abilene

Bid Date: November 18, 2010 2:00 PM

Addenda Issued: One, Two

Contractor	Base Bid Hangar w/ slide Dr.	Alternate One Hangar w/ MegaDoor	Alternate Two Slide w/ SS Roof	Alternate Three MegaDr. w/ SS Roof	Delivery days	Submittal Days	Remarks
Associated Contractors	691,898.00	785,799.00	719,458.00	814,896.00	80	14	
Bulldog Constructors	626,265.00	780,913.00	662,471.00	815,900.00	70	28	
Red Dot Buildings	721,585.00	780,737.00	757,997.00	815,916.00	70	28	B.B. and Alt. 2-Hangar door erection not included. Alt. 1 and Alt. 3-Hangar door erection is included. See attachments for additional deviations and alternates.
The Crowe Group	608,000.00	1,420,000.00	730,000.00	1,560,000.00	240	80	
Thomas Hicks Constr.	479,925.00	749,120.00	503,035.00	766,125.00	100	30	Based on T. Hicks doing erection. Price on materials includes taxes.
Tyson Building	538,766.00	1,266,162.00	645,365.00	1,391,096.00	45	35	Note instructed to add \$20,109.00 to each bid for building insulation to be included. Totals include this add.
Gray and Becker	581,690.00	948,690.00	639,775.00	961,677.00	60	28	
Schwob Building Co.	448,346.00	769,928.00	506,000.00	816,841.00	98	21	
Systems Buildings, Inc.	869,457.40	1,077,219.29	894,344.83	1,101,291.74	154	28	Taxes are included. Appears that erection may be included.

RESOLUTION NO. DCOA-2011.03

A RESOLUTION OF THE DEVELOPMENT CORPORATION OF ABILENE, INC. (DCOA), ABILENE, TEXAS AUTHORIZING A CONTRACT FOR ENGINEERING, MANUFACTURING, FABRICATING, AND DELIVERY OF A PRE-ENGINEERED METAL BUILDING FOR CONSTRUCTION OF A NEW HANGAR AT THE ABILENE REGIONAL AIRPORT TO BE OCCUPIED BY EAGLE AVIATION SERVICES, INC.

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, the most cost-effective way to address EASI's potential new growth is construction of a new 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; and,

WHEREAS, on October 4, 2010, the DCOA authorized \$403,272 and contracts with Tittle Luther Partnership for design services, Jacob & Martin for a topo survey, and Enprotec/Hibbs & Todd for a soils analysis for the new hangar; and,

WHEREAS, Tittle Luther Partnership developed bidding documents for the pre-engineered structural steel package to allow the DCOA to award that portion of the construction as early as possible because of the long lead-time associated with these items; and,

WHEREAS, bids for the structural steel package were opened on November 18, 2010; and,

WHEREAS, staff requests the DCOA consider awarding a contract and funding to the lowest responsible bidder for engineering, manufacturing, fabricating, and delivery of a pre-engineered metal building.

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

PART 1. DCOA awards the bid under Alternate ____ and a contract to engineer, manufacture, fabricate and deliver the pre-engineered metal building including steel framing, wall panels, roof panels, insulation, hangar and personnel doors and related accessories for a new hangar at the Abilene Regional Airport to be occupied by Eagle Aviation Services to _____ (Contractor). Once DCOA awards a separate contract in January 2011, or later, to a General Contractor (General) for construction operations at the project site, this pre-engineered metal building contract will be assigned to the General, whereby the Contractor will become a sub-contractor to the General. Also approved is funding in the amount of _____ Thousand _____ and no/100's Dollars (\$_____).

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 23rd day of November, 2010.

ATTEST:

Marelyn Shedd
Secretary/Treasurer

Paul Cannon
President

APPROVED:

T. Daniel Santee, City Attorney

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