

## PUBLIC NOTICE

### DEVELOPMENT CORPORATION OF ABILENE, INC.

A regular meeting of the Development Corporation of Abilene, Inc. will be held on Wednesday, June 1, 2011, 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

June 1, 2011  
1:30 p.m.

Abilene Life Sciences Accelerator  
1325 Pine St.

1. Call the meeting to order.
2. Approval of minutes from the May 10, 2011, board meeting.
3. 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.

4. Discussion and possible approval of a resolution authorizing contracts and funding for fire pumps & pump house, and two 100,000 gallon ground storage tanks for installation at the Abilene Regional Airport .
5. 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 \_\_\_\_\_, 2011, at \_\_\_\_\_.

\_\_\_\_\_  
City Secretary

**NOTICE**

Persons with disabilities who would like special assistance or need special accommodations to participate in this meeting should contact Department of Economic Development, (325) 676-6390, at least forty-eight (48) hours in advance of this meeting. Telecommunication device for the deaf is (325) 676-6360.

**DEVELOPMENT CORPORATION OF ABILENE, INC.**  
**BOARD MEETING MINUTES**  
**MAY 10, 2011**

**MEMBERS PRESENT:** Paul Cannon Mike Schweikhard  
Scott Senter Marelyn Shedd  
Dani Ramsay

**STAFF PRESENT:** Richard Burdine Kim Tarrant  
Dan Santee Mindy Patterson

**GUESTS PRESENT:** Dawn Wagner, Concerned citizen  
Pat Hippely, Taylor Co. Tea Party  
David Sougstad, Emergent Technologies  
Jaime Adame, Abilene Reporter-News

1. **CALL TO ORDER.** Paul Cannon called the meeting to order at approximately 1:30 pm in the conference room of the Abilene Life Sciences Accelerator, 1325 Pine Street, Abilene, Texas.
2. **APPROVAL OF MINUTES FROM THE APRIL 26, 2011 BOARD MEETING.** Marelyn Shedd moved to approve the minutes from the April 26, 2011 board meeting. Scott Senter seconded and the motion carried.
3. **FINANCIAL STATUS REPORT FOR MARCH 2011.** Mindy Patterson reviewed the DCOA financial statements as of March 31, 2011. Total assets were \$62.2 million while total liabilities were \$362,503. The total fund balance was nearly \$61.9 million and the undesignated fund balance for economic development was almost \$11.3 million. Most of the building/space rental revenue for March was attributed to April rent payments received early and rent from the property at 842 Pine. The two largest expenditures were a \$360,000 principal reduction for PWP and nearly \$480,000 in construction costs for the new EASI Hangar.

Richard Burdine reviewed the DCOA's Loan Summary as of March 31, 2011. Holland Training & Development has earned a principal reduction of \$36,000 for training local companies, which will be applied in April 2011. Kim Tarrant informed the board that Jacob Day/Day Sign Company is current with his loan payments.

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 May 10, 2011, and the time is 1:38 p.m. Mr. Cannon later announced the date is still May 10, 2011, and the time is 2:40 p.m. No vote or action was taken in Executive Session.

5. **DISCUSSION AND POSSIBLE APPROVAL OF A RESOLUTION AUTHORIZING ASSISTANCE FOR PROJECT BC.** Project BC has been in Abilene since 1983 and currently owns over 100 acres of land south of Abilene in the City's 5-mile extraterritorial jurisdiction (ETJ). Among the Company's many functions, they operate drilling rigs and well

service units, and they manufacture new storage tanks and pressure vessels. They currently have 200 full-time employees.

Project BC is considering buying more land for construction of a 40,500 sq ft facility adjacent to the existing facility, for a new operation that will support and enhance the current operation and add 44 new jobs between Phases 1 and 2.

Staff recommends a Phase 1 assistance package totaling \$594,441 as follows: up to \$367,941 job creation incentive paid over three years for the creation of 24 jobs and up to \$226,500 capital investment incentive based on 10% of the company's investment in land, construction, utilities, and capital equipment. Funding will be paid up front as a 0% forgivable loan with principal reductions of \$75,500/annually applied over three years..

Staff recommends a Phase 2 assistance package totaling \$560,927 as follows: up to \$260,727 job creation incentive paid over 3 years for the creation of 20 additional jobs and up to \$300,200 capital investment incentive based on 10% of company's investment in land, construction, utilities and capital equipment.

Scott Senter moved to approve Resolution No. DCOA-2011.16 as presented above. Mike Schweikhard seconded and the motion carried. Marelyn Shedd abstained from voting.

**6. DISCUSSION AND POSSIBLE APPROVAL OF A RESOLUTION AUTHORIZING INFRASTRUCTURE ASSISTANCE FOR THE ANITA THIGPEN PERRY SCHOOL OF NURSING AT TEXAS TECH UNIVERSITY HEALTH SCIENCES CENTER- ABILENE.** The Anita Thigpen Perry School of Nursing at Texas Tech University Health Sciences Center (TTUHSC) in Abilene (SON-Abilene) is temporarily housed in the Grant Building at 302 Pine St. Severe space limitations prevent students from receiving the best educational experience and prohibit the program from growing to its full potential.

Hendrick Medical Center plans to construct a 32,000 sq ft facility to house the SON-Abilene permanently as an addition to the School of Pharmacy – Abilene building at the corner of Pine and North 17<sup>th</sup> streets. This facility will also accommodate a state-of-the-art Simulation Center, whose technology is so advanced it will facilitate not only healthcare learning for students, but will also enhance educational research capabilities to improve the quality of care in the Abilene community. Classrooms, offices and administration will also be housed here to accommodate 200 students and support a total faculty and staff of 36 once fully developed.

The DCOA Board was asked to consider investing in the project infrastructure, which is allowed under state law. Infrastructure expenditures are limited to streets and roads, water and sewer utilities, electric and gas utilities, drainage, site improvements and related improvements, and telecommunications and internet improvements. The estimated qualifying infrastructure expenditures are \$1,732,100.

2.2

Mr. Burdine reviewed additional short-term and long-term benefits to the community from this project. More discussion continued regarding supporting this project and the many benefits to be reaped by the Abilene community.

Staff recommends the DCOA approve a 7-year, 0% interest forgivable loan for infrastructure improvements of up to \$1,732,100 with principal reductions of \$247,442 per year the SON-Abilene is operated. While this project is not being funded for its job creation, the Abilene community will greatly benefit from having 200 students injecting their money into the local economy. Our community will also benefit from the creation of 36 new jobs, 27 paying \$90,000+/year and nine paying between \$35,000/year and \$55,00/year with an annual payroll of \$3.46 million.

A motion was made by Marelyn Shedd to approve Resolution No. DCOA-2011.17 as presented. Dani Ramsay seconded and the motion passed by unanimous consent.

**7. ADJOURNMENT.** The next board meeting will be determined at a later date.

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Paul Cannon, President

# DEVELOPMENT CORPORATION OF ABILENE, INC.

## BOARD AGENDA

MEETING DATE: June 1, 2011

**PROJECT:** EASI Hangars – Funding for Fire Pumps, Pump House and Storage Tanks

**STAFF:** Richard Burdine, CEO

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### BACKGROUND

During pre-construction review for Hangar 4, it was determined that several fire safety issues have to be addressed in order to proceed with construction:

1. Existing Fire Suppression System – the existing foam/water fire suppression system in Hangar 0 does not work properly and needs significant upgrades.
2. Fire Flow Volume – Extension of a 12-inch water line into the Airport and installation of two (2) 100,000 gallon ground storage tank(s) are needed to provide necessary water volume for foam/water fire sprinkler systems in Hangars 0, 1 and 4 and supply item 4 below.
3. Fire Access Road- Better access for fire trucks to rear of Hangar 0, Hangar 4 and the Parts & Records Building is required.
4. Hydrant Coverage – An internal fire loop and additional fire hydrants are needed to ensure adequate volume to protect the entire EASI hangar complex.
5. Hangars 4 & 1 – Installation of a fire suppression system is necessary to ensure protection while working on aircraft and also proposing rehabilitation of the fire suppression system in Hangar 0.

On April 12, 2011, the board approved resolution DCOA-2011.14 authorizing \$178,500 to employ the services of Tittle Luther Partnership to administer: 1) the engineering services of Enprotec/Hibbs & Todd for the water line extension, 2 ground storage tanks, fire loop and additional hydrants and fire pump station, and 2) the services of Coker Engineering for Hangar 0 fire suppression upgrades, Hangar 1 fire suppression design, and Hangar 4 fire suppression system design.

On April 26, 2011, the board approved the Developer Participation Agreement with the City of Abilene whereby the City will reimburse the DCOA for 30% of the actual project cost. The estimated total project cost at the time was \$3,150,000 so the City's portion will be about \$945,000. The Abilene City Council approved the Developer Participation Agreement on April 28, 2011.

Staff and our consultants have continued to review the project elements, seeking ways to expedite each one and save money. The fire pumps & pump house and the ground storage tanks are two project elements that will be subcontracted to vendors outside the Abilene area if included in a bid package for the water main extension from the vicinity of Tigé Boat to the EASI hangar complex and the internal fire loop and additional hydrants serving the EASI complex. Therefore working with vendors directly will eliminate the general contractor's mark up.

Also these two elements are self-contained, located away from the other construction activity and connected only to the water main extension on the ground storage water tanks intake side and connected only to the fire loop on the fire pumps & pump house output side. Therefore coordination with the Hangar 4 contractor and other contractors is required but minimal.

I asked our consulting engineers to solicit price quotes for the fire pumps & pump house and the ground storage tanks from contractors with whom they are familiar and who have a track record of high quality work performed on schedule. We won't have all the price quotes until next week for presentation at the DCOA Board meeting on Wednesday, June 1<sup>st</sup>.

**THE REQUEST**

The cost estimate in the Developer Participation Agreement for the fire pumps & pump house and the ground storage tanks are \$250,000 and \$317,500, respectively. Price quotes compared to these estimates will be provided at the Board meeting.

**STAFF RECOMMENDATION**

Resolution DCOA-2011.18 authorizing contracts and funding for the manufacture and installation of the fire pumps & pump house, and two (2) 100,000 gallon ground storage tanks needed for the Eagle Aviation Services hangar complex at the Abilene Regional Airport, will be provided at the meeting.

**ATTACHMENTS**

None.

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