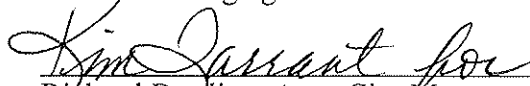


PUBLIC NOTICE

DEVELOPMENT CORPORATION OF ABILENE, INC.

A regular meeting of the Development Corporation of Abilene, Inc. will be held on Tuesday, July 12, 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

July 12, 2011
1:30 p.m.

Abilene Life Sciences Accelerator
1325 Pine St.

1. Call the meeting to order.
2. Approval of minutes from the June 7, 2011, board meeting.
3. Sales tax report for July 2011 and Status of Funds report for May 2011.
4. Executive Session: Pursuant to Tex. Gov't Code Sec. 551.087, an executive session may be held (1) to discuss or deliberate regarding commercial or financial information that the governmental body has received from a business prospect that the governmental body seeks to have locate, stay, or expand in or near the territory of the governmental body and with which the governmental body is conducting economic development negotiations; or (2) to deliberate the offer of a financial or other incentive to a business prospect described by Subdivision (1). After discussion in executive session, any action or vote will be taken in public.

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

Pursuant to Tex. Gov't Code Sec. 551.071, an executive session may be held to consult with the DCOA attorney regarding pending or contemplated litigation or a settlement offer regarding DCOA funded projects or on a matter in which the duty of the attorney to the governmental body under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with Chapter 551 of the Government Code. After discussion of the contemplated legal matters in executive session, any action or vote will be taken in public.
5. Discussion and possible approval of a resolution authorizing revised assistance for the Texas Tech University Health Sciences Center School of Pharmacy-Abilene Campus and its Center for Immunotherapeutic Research.

6. Adjournment.

CERTIFICATE

I hereby certify that the above notice of meeting was posted on the bulletin board at the City Hall of Abilene, Texas, on the _____ day of _____, 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
JUNE 7, 2011

MEMBERS PRESENT: Paul Cannon Mike Schweikhard
Dani Ramsay

STAFF PRESENT: Richard Burdine Kim Tarrant
Stan Smith Mindy Patterson

GUESTS PRESENT: Lori Herrick, Davis Kinard & Co.
B.J. Pritchard, Enprotec/Hibbs & Todd
Jack Harkins, Tittle Luther Partnership
Bill Ehrie, Abilene Industrial Foundation
Jaime Adame, Abilene Reporter-News

1. **CALL TO ORDER.** Paul Cannon called the meeting to order at approximately 4:00 pm in the conference room of the Abilene Life Sciences Accelerator, 1325 Pine Street, Abilene, Texas.
2. **APPROVAL OF MINUTES FROM THE MAY 10, 2011 BOARD MEETING.** Mike Schweikhard moved to approve the minutes from the May 10, 2011 board meeting. Dani Ramsay seconded and the motion carried.
3. **STATUS OF FUNDS REPORT FOR APRIL 2011.** Mindy Patterson reviewed the DCOA financial statements as of April 30, 2011. Total assets were almost \$62.3 million while total liabilities were \$365,974. The total fund balance was \$61.9 million, and of that the undesignated fund balance for economic development was \$9 million. Aside from sales tax, most of April's revenue came from interest on loans and building/space rental income. For expenditures, there were several principal reductions for job creation including Robinson Fans and PWP, plus the third quarter payment to ETI for management of the Abilene Life Sciences Accelerator.
4. **PRESENTATION OF THE FY10 AUDIT PERFORMED BY DAVIS KINARD & CO., P.C.** Lori Herrick with Davis Kinard presented the supplemental information for the DCOA as part of the annual financial audit for the City of Abilene for FY 2010. Total assets were about \$61.4 million with 23% in cash and investments. Total notes receivable were \$15.3 million. Capital assets net of depreciation were \$28.8 million, net assets restricted for contractual obligations were \$16.5 million, and unrestricted net assets were \$14.4 million.
5. **APPOINTMENT OF THE 2011 PROJECT EVALUATION AND BUDGET & FINANCE STANDING COMMITTEES OF THE DCOA.** Each year, the DCOA President appoints members to serve a one-year term on standing committees. These committees include the Project Evaluation Committee, which reviews performance reports on the DCOA's contract agencies, and the Budget & Finance Committee, which recommends a budget for the DCOA. These two committees typically meet once each year during the budget process, usually in July or August.

DCOA President Paul Cannon appointed the following to serve on these two committees for 2011: Mike Schweikhard, Dani Ramsay, Dave Copeland, John Stearns, Ray Ferguson, and

Tucker Bridwell. Scott Senter and Marelyn Shedd will serve as backup to Mike Schweikhard and Dani Ramsay as board members.

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 June 7, 2011, and the time is 4:14 p.m. Mr. Cannon later announced the date is still June 7, 2011, and the time is 5:59 p.m. No vote or action was taken in Executive Session.

7. **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.** During pre-construction reviews for Hangar 4, it was determined that several fire safety issues must be addressed in order to proceed with construction. In April of this year, the DCOA approved contracts and funding for engineering services for several things including the water line extension, 2 ground storage tanks, fire loop, additional hydrants and fire pump station. The fire pumps & pump house and the ground storage tanks are two project elements that will be subcontracted to vendors and will eliminate the general contractor's mark up. They are self-contained, located away from the other construction activity.

Staff asked the 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 good reputation of high quality work performed on schedule.

Based on recommendations from Enprotec/Hibbs & Todd, staff recommends the board approve the welded-epoxy coated ground storage water tanks as part of the bid from Tank & Vessel Builders of Baird, Texas. Staff also recommends the board authorize contracts and funding for the manufacture and installation of the fire pumps & pump house, and (2) 100,000-gallon ground storage tanks as follows: \$214,885 to Murphy Technical, Inc. of Roanoke, TX; \$230,000 to Tank & Vessel Builders of Baird, TX; \$30,000 in change orders to Hicks Construction for site grading & foundation; and an 8% contingency amount of \$38,000, for total funding of \$512,885.

Dani Ramsay moved to approve Resolution No. DCOA-2011.18 as presented above. Mike Schweikhard seconded and the motion carried.

8. **ADJOURNMENT.** The next board meeting is June 28, 2011.

Paul Cannon, President

MEMORANDUM

July 7, 2011

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

The sales tax rebate for July is \$2,999,068.94 which represents May sales. This is 13.46% above last year. The breakdown of the July rebate is \$2,249,301.71 to the General Fund and \$749,767.23 for economic development. Of this rebate, \$122,700 is from prior periods, audit payments, future payments, and unidentified payments. Based on this rebate, sales tax is 9.50% above last year for the period of October through July. 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 2009-10	GENERAL FUND	ECONOMIC DEVELOPMENT	TOTAL 2010-11
	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
December	1,806,689.71	602,229.90	2,408,919.61	1,941,356.20	647,118.73	2,588,474.93
January	1,784,282.81	594,760.94	2,379,043.75	2,079,342.18	693,114.06	2,772,456.24
February	2,694,722.33	898,240.78	3,592,963.11	2,936,669.76	978,889.92	3,915,559.68
March	1,855,978.16	618,659.39	2,474,637.55	1,938,924.19	646,308.06	2,585,232.25
April	1,804,229.03	601,409.68	2,405,638.71	1,923,931.42	641,310.47	2,565,241.89
May	2,444,890.66	814,963.55	3,259,854.21	2,845,240.04	948,413.35	3,793,653.39
June	1,838,890.30	612,963.43	2,451,853.73	2,224,901.30	741,633.77	2,966,535.07
July	1,982,419.12	660,806.37	2,643,225.49	2,249,301.71	749,767.23	2,999,068.94
YTD	\$20,502,509.50	\$6,834,169.82	\$27,336,679.32	\$22,449,756.39	\$7,483,252.12	\$29,933,008.51
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%
December	602,230	647,119	7.45%
January	594,761	693,114	16.54%
February	898,241	978,890	8.98%
March	618,659	646,308	4.47%
April	601,410	641,310	6.63%
May	814,964	948,413	16.37%
June	612,963	741,634	20.99%
July	660,806	749,767	13.46%
YTD	<u>\$6,834,170</u>	\$7,483,252	9.50%
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 July '11 represents May '11 sales. Approximately \$30,675 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.
1/2 CENT SALES TAX REVENUE
Four Year Comparison

Accounting Period Month	Actual 2007-08	Actual 2008-09	Actual 2009-10	Actual 2010-11
October	\$676,406	\$703,442	\$671,904	\$661,859
November	764,578	893,442	758,231	774,838
December	644,727	707,339	602,230	647,119
January	626,702	660,623	594,761	693,114
February	977,610	955,889	898,241	978,890
March	599,437	602,464	618,659	646,308
April	598,138	616,560	601,410	641,310
May	824,194	793,424	814,964	948,413
June	656,884	653,711	612,963	741,634
July	684,703	598,036	660,806	749,767
Year-to-Date Total	\$ 7,053,379	\$ 7,184,930	\$ 6,834,170	\$ 7,483,252
August	864,311	799,090	829,188	
September	723,753	653,828	649,391	
FY TOTAL	<u>\$8,641,443</u>	<u>\$8,637,848</u>	<u>\$8,312,748</u>	<u>\$7,483,252</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.

3.4

CITY OF ABILENE, TEXAS

DEVELOPMENT CORPORATION OF ABILENE, INC.

Balance Sheet

May 31, 2011

ASSETS:

Cash and Investments	\$15,673,819
Notes receivable	15,237,615
Accounts receivable	177,792
Due from other governments	1,427,749
Total Current Assets	<u>\$32,516,975</u>

OTHER ASSETS:

Fixed assets	\$35,612,459
Accumulated depreciation	(5,251,972)
Total Other Assets	<u>30,360,487</u>

TOTAL ASSETS

\$62,877,462

LIABILITIES:

Vouchers payable	\$42,727
Deferred revenues	162,679
Notes Payable	160,568
Total Liabilities	<u>\$365,974</u>

FUND BALANCES:

Investment in general fixed assets	\$30,360,487
Reserved for contractual obligations(external)	21,449,892
Reserved for obligated programs(internal)	646,447
Undesignated Balance	10,054,662
Total Fund Balance	<u>\$62,511,488</u>

TOTAL LIABILITIES AND FUND BALANCES

\$62,877,462

FIXED ASSETS:

	<u>Original Cost</u>	<u>Improvements</u>	<u>Depreciation</u>	<u>Total</u>
Land:				
456.458 acres - Five Pts Bus Park	\$489,507			\$489,507
303.53 acres Hwy 36 & FM 18	449,238			449,238
122 acres - N Five Pts	482,239			482,239
5.6 acres UPS	69,217			69,217
Buildings and Improvements:				
2601 Airport Blvd.	1,563,210	540,633	429,777	1,674,066
2809 Airport Blvd.	396,519	444,583	352,336	488,766
2841 Airport Blvd.	456,736	62,923	298,637	221,022
4002 Loop 322	1,290,916	2,384,892	1,462,826	2,212,982
Five Pts Bus Park	0	8,227,561	589,744	7,637,817
6450 Five Points Parkway	5,809,354	7,016,797	1,338,825	11,487,326
Grant Bldg 341 Pine	147,194	405,726	216,168	336,752
2742 Lance Dr. (EASI Storage)	2,527,408	9,987	329,096	2,208,299
4109 Vine St	583,524	180,855	90,521	673,858
4009 Vine St	583,524	0	75,858	507,666
Leasehold improvements	1,366,201		37,950	1,328,251
Equipment	105,704	0	12,223	93,481
Vehicle: 2005 Dodge Caravan	18,011	0	18,011	0
TOTAL FIXED ASSETS	<u>\$16,338,502</u>	<u>\$19,273,957</u>	<u>\$5,251,972</u>	<u>\$30,360,487</u>

DEVELOPMENT CORPORATION OF ABILENE
STATUS OF FUNDS @ MAY 31, 2011

(MARCH, 1990)

Object	Beginning I-T-D Revenues	Current Month Revenues	Current FY Revenues	Ending I-T-D Revenues
REVENUE-TO-DATE				
City Sales Tax	\$ 128,168,417.67	\$ 943,214.86	\$ 5,955,544.96	\$ 134,123,962.63
Sales Tax Retained	398,696.33	5,198.49	36,306.16	435,002.49
Princ. - Loans & Assess	3,101,322.79	-	4,526.42	3,105,849.21
Int. - Loans & Assess	2,166,827.25	361.14	74,391.79	2,241,219.04
Interest on Investments	6,918,824.56	4,914.93	42,740.71	6,961,565.27
Land Lease	14,687.41	-	1,332.35	16,019.76
Building/Space Rent	5,347,343.09	89,779.79	711,129.32	6,058,472.41
Miscellaneous Federal	1,180,026.00	-	142,500.00	1,322,526.00
Miscellaneous State Grants	26,500.00	-	-	26,500.00
Other Contributions	140,712.60	-	-	140,712.60
Interfund Recovery	1,534,976.08	-	-	1,534,976.08
Miscellaneous Recovery	1,916,652.91	-	259,848.59	2,176,501.50
Miscellaneous Prior Year	27,720.38	-	-	27,720.38
Miscellaneous Revenue	895,501.17	6.33	72,603.03	968,104.20
Sale of Land	392,446.27	-	-	392,446.27
Sale of Buildings & Equipment	3,976,326.19	-	-	3,976,326.19
Gain (loss) Sale of Asset	600,000.00	-	-	600,000.00
GASB 22 Restatement	355,634.89	-	-	355,634.89
GASB 34 Adjustment	1,831,042.11	-	-	1,831,042.11
	-	-	-	-
	\$ 158,993,657.70	\$ 1,043,475.54	\$ 7,300,923.33	\$ 166,294,581.03

DEVELOPMENT CORPORATION OF ABILENE
STATUS OF FUNDS @ MAY 31, 2011

	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		\$ 80,244,141.54		\$ -	\$ 80,244,141.54	
Business Services Division	Div 2760	7,858,024.24	41,222.18	391,100.77	8,249,125.01	24,958.36
Life Sciences Property - Pine	Div 2765	565,448.70	32,452.89	401,905.17	967,353.87	8,262.05
DCOA Annual Contracts	Div 2775	2,229,877.84	(157.77)	141,255.76	2,371,133.60	-
Abilene Industrial Foundation	2775-62571	12,574,610.54	7,041.77	391,478.98	12,966,089.52	348,371.02
TTU Small Business Dev Cntr	2775-62572	2,630,621.05	-	127,631.25	2,758,252.30	122,368.75
Chamber Military Affairs	2775-62573	1,206,511.16	9,853.21	18,958.41	1,225,469.57	41,041.59
Airport Business Dev Mgr	2775-62574	605,052.74	24,137.69	94,805.48	699,858.22	69,024.52
Murf Systems	4998	151,665.00	24,000.00	48,000.00	199,665.00	-
Bandag Training	5203	724,485.20	-	-	724,485.20	117,734.80
EASI 04	5213	1,814,134.18	-	225,406.34	2,039,540.52	437,397.14
Fehr Food	5220	2,634,630.00	-	-	2,634,630.00	-
Bandag Building Improv	5228	-	-	-	-	44,259.24
Robinson Fan	5237	469,611.96	-	104,802.95	574,414.91	-
CBER Website	5240	7,067.07	-	-	7,067.07	1,249.93
TTU Pharmacy School	5242	492,696.00	-	-	492,696.00	-
Teleperformance USA	5247	370,280.00	-	99,830.00	470,110.00	-
PWP (Project LF)	5251	2,019,317.02	-	488,581.95	2,507,898.97	1,676,000.00
Integrated Clinic Research	5253	7,440.00	-	-	7,440.00	-
Genesis Network	5258	1,375,333.81	-	240,082.88	1,615,416.69	-
Fehr Foods	5261	118,091.53	-	-	118,091.53	-
SBIR/STTR	5263	84,578.48	95.00	862.38	85,440.86	185,859.49
EASI 7th Doc	5265	239,175.14	-	-	239,175.14	34,081.10
TTU HSC Research	5273	992,009.66	-	631,712.00	1,623,721.66	1,376,278.34
Spec 3 Construction	5276	5,432,320.65	-	-	5,432,320.65	304,179.35
Energy Maintenance Service	5282	185,246.60	-	-	185,246.60	684,647.00
Genesis Network Phase II	5284	7,725.00	-	15,199.00	22,924.00	3,684,815.01
Tower Tech	5285	1,728,966.38	-	354,006.99	2,082,973.37	2,979,752.23
Texas Metal 08	5288	106,666.66	-	-	106,666.66	-
TMAC 09	5289	26,000.00	-	-	26,000.00	34,000.00
Project BG	5295	-	-	-	-	748,000.00
Coca Cola Abilene	5296	-	-	-	-	900,000.00
Land 122 Acres N 5 Pts	5302	341,732.35	-	-	341,732.35	169,236.15
ETI Contract	5304	411,752.75	-	299,158.66	710,911.41	669,268.59
EASI floor re-painting A/E	5306	200,907.36	-	19,712.24	220,619.60	-
TTU 842 Pine	5308	121,679.89	-	-	121,679.89	91,820.11
AIC Eq Lease	5312	49,466.28	2,837.37	78,662.55	128,128.83	36,464.64
Nation Wide Prod	5313	-	-	31,150.00	31,150.00	74,100.00
LM Wind Power	5314	-	-	-	-	566,250.00
Texas Healthcare Linen	5315	-	-	118,891.00	118,891.00	-
Enavail, LLC	5316	-	621.25	26,503.69	26,503.69	454,217.31
Cisco College Biotech Training	5318	-	-	-	-	67,650.00
Energy Maintenance Serv-Gearbox	5319	-	-	140,000.00	140,000.00	202,500.00
EASI Hanger Design	5320.1	-	12,471.83	300,581.29	300,581.29	101,231.52
EASI Hanger Construction	5320.2	-	296,771.56	908,608.76	908,608.76	3,858,373.62
EASI Hanger Fire Safety	5320.3	-	11,550.00	17,500.00	17,500.00	156,000.00
Pepsi Beverage Co.	T5321	-	-	-	-	350,000.00
WTCIC	5322	-	-	5,000.00	5,000.00	-
Springboard Sponsorship 2011	5323	-	-	5,000.00	5,000.00	-
Cooperative Response Center	5324	-	-	-	-	296,500.00
Land 922 N 13th Street	5325	-	-	35,735.00	35,735.00	-
Teleperformance USA	5326	-	-	-	-	375,000.00
Docket Navigator	5327	-	-	-	-	159,000.00
Miscellaneous Activities	2785	354,189.86	-	-	354,189.86	-
TOTAL ENCUMB. / EXPENDITURES		\$ 128,381,456.64	\$ 462,896.98	\$ 5,762,123.50	\$ 134,143,580.14	\$ 21,449,891.86
TOTAL FUND BALANCE					\$ 32,151,000.89	
UNENCUMBERED FUND BALANCE						\$ 10,701,109.03

3.7

DEVELOPMENT CORPORATION OF ABILENE
STATUS OF FUNDS @ MAY 31, 2011

Project	Amount Obligated	Prior Years Disbursed	Current Month Disbursed	Current Year Disbursed	Amount Encumbered	Balance Reserved for Obligated Programs	
BALANCE OF OBLIGATED PROGRAMS							
Business Services Division	Div 2760	\$ 650,085.00	\$ -	\$ 41,222.18	\$ 391,100.77	\$ 234,025.87	
Life Sciences Property -Pine	Div 2765	707,000.00	-	32,452.89	401,905.17	296,832.78	
DCOA Annual Contracts	Div 2775	232,590.00	-	(157.77)	141,255.76	91,334.24	
Abilene Industrial Foundation	2775-4950	739,850.00	-	7,041.77	391,478.98	-	
TTU Small Business Dev Cntr	2775-4951	250,000.00	-	-	127,631.25	-	
Chamber Military Affairs	2775-4952	60,000.00	-	9,853.21	18,958.41	-	
Airport Business Dev Mgr	2775-4953	163,830.00	-	24,137.69	94,805.48	-	
Murf Systems	4998	199,665.00	151,665.00	24,000.00	48,000.00	-	
Bandag Training	5203	842,220.00	724,485.20	-	-	-	
EASI 04	5213	2,476,938.00	1,814,134.18	-	225,406.34	0.34	
Fehr Food	5220	2,634,630.00	2,634,630.00	-	-	-	
Bandag Building Improv	5228	44,260.00	-	-	44,259.24	0.76	
Robinson Fan	5237	574,415.00	469,611.96	-	104,802.95	0.09	
CBER Website	5240	8,317.00	7,067.07	-	-	-	
TTU Pharmacy School	5242	492,696.00	492,696.00	-	-	-	
Teleperformance USA	5247	470,110.00	370,280.00	-	99,830.00	-	
PWP (Project LF)	5251	4,183,899.00	2,019,317.02	-	488,581.95	0.03	
Integrated Clinic Research	5253	7,440.00	7,440.00	-	-	-	
Genesis Network	5258	1,615,417.00	1,375,333.81	-	240,082.88	0.31	
Fehr Foods	5261	118,092.00	118,091.53	-	-	0.47	
SBIR/STTR	5263	271,400.00	84,578.48	95.00	862.38	99.65	
EASI 7th Doc	5265	273,257.00	239,175.14	-	-	0.76	
TTU HSC Research	5273	3,000,000.00	992,009.66	-	631,712.00	-	
Spec 3 Construction	5276	5,736,500.00	5,432,320.65	-	-	(0.00)	
Energy Maintenance Service	5282	869,894.00	185,246.60	-	-	0.40	
Genesis Network Phase II	5284	3,707,740.00	7,725.00	-	15,199.00	0.99	
Tower Tech	5285	5,062,726.00	1,728,966.38	-	354,006.99	0.40	
Texas Metal 08	5288	106,667.00	106,666.66	-	-	0.34	
TMAC 09	5289	60,000.00	26,000.00	-	-	-	
Run Energy	5295	748,000.00	-	-	-	-	
Coca Cola Abilene	5296	900,000.00	-	-	-	-	
Land 122 Acres N 5 Pts	5302	510,969.00	341,732.35	-	-	0.50	
ETI Contract	5304	1,380,180.00	411,752.75	-	299,158.66	-	
EASI floor re-painting A/E	5306	220,620.00	200,907.36	-	19,712.24	0.40	
TTU 842 Pine	5308	213,500.00	121,679.89	-	-	-	
AIC Equipment Lease/Purchase	5312	165,000.00	49,466.28	2,837.37	78,662.55	406.53	
Nation Wide Products	5313	105,250.00	-	-	31,150.00	-	
LM Wind Power	5314	566,250.00	-	-	-	-	
Texas Healthcare Linen	5315	118,891.00	-	-	118,891.00	-	
Enavail, LLC	5316	480,721.00	-	621.25	26,503.69	-	
Cisco College Biotech Training	5318	67,650.00	-	-	-	-	
Energy Maintenance Serv-Gearbox	5319	342,500.00	-	-	140,000.00	-	
EASI Hanger Design	5320.1	403,272.00	-	12,471.83	300,581.29	1,459.19	
EASI Hanger Construction	5320.2	4,770,000.00	-	296,771.56	908,608.76	3,017.62	
EASI Hanger Fire Safety	5320.3	178,500.00	-	11,550.00	17,500.00	5,000.00	
Pepsi Beverage Co.	5321	350,000.00	-	-	-	-	
WTCIC	5322	5,000.00	-	-	5,000.00	-	
Springboard Sponsorship 2011	5323	5,000.00	-	-	5,000.00	-	
Cooperative Response Center	5324	296,500.00	-	-	-	-	
Land 922 N 13th Street	5325	50,000.00	-	-	35,735.00	14,265.00	
Teleperformance USA	5326	375,000.00	-	-	-	-	
Docket Navigator	5327	159,000.00	-	-	-	-	
Miscellaneous Activities	2785	354,189.86	354,189.86	-	-	-	
BALANCE OF OBLIGATED PROGRAMS		\$ 48,325,630.86	\$ 20,467,168.83	\$ 462,896.98	\$ 5,762,123.50	\$ 21,449,891.86	\$ 646,446.67

UNDESIGNATED FUND BALANCE (unencumbered balance less obligated programs and contingent liabilities) \$ 10,054,662.36

DCOA Board approved projects waiting for signed contracts	Expiration Date
West Texas Innovation Network 5328 15,000	08/08/2011
Project CD-Phase 1 5329 7,458,965	10/26/2011
Project BC 5330 1,155,368	11/10/2011
TTUHSC School of Nursing 5331 1,732,100	11/10/2011
	<u>10,361,433</u>

3.8

DEVELOPMENT CORPORATION OF ABILENE, INC.
BOARD AGENDA
MEETING DATE: July 12, 2011

PROJECT: **Revised Assistance to the TTUHSC School of Pharmacy and its
Center for Immunotherapeutic Research**

STAFF: **Richard Burdine, CEO**

On Friday, May 20, 2011 the School of Pharmacy – Abilene (SOP) graduated its first class of Doctors of Pharmacy, realizing a community vision for health education that began in the summer of 2004. A part of this vision is academic research in Abilene, contributing to the worldwide effort to cure cancer and related diseases. The DCOA Board approved Project Enterprise in 2005 as part of its participation in the cost of the new TTUHSC School of Pharmacy (SOP) building. At the time we anticipated, “Research staffing will “ramp up” each year and is expected to exceed \$350,000 annually after five years with four academic researchers.” The funds were advanced in June 2007 under a Promissory Note for \$150,000 at 0% interest with annual principal reductions earned at 7% of salaries expended for research during the previous 12 months to mature July 31, 2017. The actual reductions earned over the last 3 years total \$46,508, leaving a note balance of \$103,492.

The research space in the SOP is full. For the Center for Immunotherapeutic Research (CITR) to grow toward long-term sustainability, additional research and office space is essential. Therefore I request the DCOA Board consider an additional investment in the SOP to more than double the existing research laboratories and office space. The addition will accommodate 5 more academic researchers and 13 or more support personnel. The construction budget is \$3 million, of which the DCOA Board is asked to consider funding a portion. The balance of funding will come from private sources. The current operation and the expansion project are eligible for DCOA assistance based on additional job creation, per the table below. The expansion project is also eligible for infrastructure assistance, which is addressed in a following section.

JOB CREATION

After five years we understand much better the staff needed to support 4 academic researchers, including graduate students, post-doctoral students and lab technicians. The table below includes all current CITR faculty and staff. Also I added a fifth academic researcher we anticipate will be relocated from another TTUHSC SOP campus in 2011 and a sixth academic researcher to be recruited in 2012. Research-related employment is now projected to create 22 jobs, a payroll impact of almost \$1.3 million per year and eligibility for \$413,761 in job creation incentives.

We must deduct the \$150,000 advanced to the project in 2007 for a net new commitment of \$263,761. It is proposed as a forgivable loan of \$263,761 with principal reductions calculated at 7% of salaries expended for research each year over the first 10 years of the project. In the event the project is discontinued before the loan is fully earned, the unearned balance will become a lien against the property, which reverts to Hendrick Health System if TTUHSC ceases to use it. The balance may be earned by housing other eligible activities in the building or converted to a market rate loan.

CITR Job Creation Incentives

Annual Salary Level*	Number of Jobs	Incentives per Job	Incentives Total
\$20 to \$30,000		\$ 4,000	\$ -
\$30 to \$40,000	13	\$ 10,000	\$ 130,000
\$40 to \$50,000	3	\$ 12,000	\$ 36,000
\$50 to \$60,000	0	\$ 15,000	\$ -
Over \$60,000 (below)	6	35%	\$ 247,761
Total:	22		\$ 413,761

Management Positions	Annual Salary Level*	Estimated Annual Payroll Impact	Ratio of Incentives to 5-Year Payroll
Over \$60,000			
Center Director & 5 research faculty	\$707,889		
Total Salaries:	\$707,889	\$1,297,889	\$1 to \$15.68

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

Total Job Creation Incentives	\$ 413,761
Less previous job creation assistance	\$ (150,000)
Proposed additional assistance	\$ 263,761

INFRASTRUCTURE ASSISTANCE

State law limits the DCOA's infrastructure assistance to expenditures for infrastructure improvements to streets and roads, water and sewer utilities, electric utilities, gas utilities, drainage, site improvements and related improvements, and telecommunications and Internet improvements. Based on recent architectural and engineering estimates, infrastructure costs will be \$653,180; architect's estimate of \$593,800 plus a 10% contingency.

DCOA assistance is proposed in the form of a forgivable loan for infrastructure improvements of up to \$653,180 necessary to further develop this business enterprise, with full principal forgiveness after 7 more years of operation (July, 2018). In the event the SOP is discontinued before the loan is fully earned, the unearned balance will become a lien against the property, which reverts to Hendrick Health System if TTUHSC ceases to use it. The balance may be earned by housing other eligible activities in the building or converted to a market rate loan.

DCOA Job Creation Assistance:	\$ 263,761
DCOA Infrastructure Assistance:	\$ 653,180
Total DCOA Assistance:	\$ 916,941
Total Employment:	22 FTEs

ECONOMIC BENEFIT

Creation of 6 jobs with earnings over \$100,000/year and 16 other jobs with earnings between \$30,000/year and \$50,000/year and a total payroll impact to Abilene of almost \$1.3 million per year.

STAFF RECOMMENDATION

Staff recommends amending the current agreement to fund an additional \$263,761 earnable through job creation over ten years and an additional \$653,180 for infrastructure improvements earnable at approximately \$93,311 per year for the next 7 years of SOP-Abilene operations. The total proposed

DCOA assistance is \$916,941. Staff also requests authority to provide academic laboratory space in the Abilene Life Sciences Accelerator for new research faculty until the SOP expansion project is completed in late 2012.

ATTACHMENTS

DCOA Resolution 2011.19

S:\DCOAMeeting Memos\FY 2011\Revised Assistance to School of Pharmacy 071211.DOC

RESOLUTION NO. DCOA-2011.19

A RESOLUTION OF THE DEVELOPMENT CORPORATION OF ABILENE, INC. (DCOA), ABILENE, TEXAS AUTHORIZING REVISED ASSISTANCE FOR THE TEXAS TECH UNIVERSITY HEALTH SCIENCES CENTER SCHOOL OF PHARMACY– ABILENE CAMPUS (“SOP”) AND ITS CENTER FOR IMMUNOTHERAPEUTIC RESEARCH (“CITR”).

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

WHEREAS, the SOP is located at 1717 Pine St. in Abilene and recently graduated its first class of Doctors of Pharmacy, realizing a community vision for health education that began in the summer of 2004; and,

WHEREAS, on July 5, 2005, the DCOA approved resolution DCOA-2005.24 for Project Enterprise in the amount of \$150,000 to assist with job creation in the CITR located in the SOP. The funds were advanced in June 2007 under a Promissory Note at 0% interest with annual principal reductions earned at 7% of salaries expended for research during the previous 12 months to mature July 31, 2017; and,

WHEREAS, also on July 5, 2005, the DCOA approved resolution DCOA-2005.23 for Project AN authorizing \$850,000 for infrastructure improvements for the SOP construction, which was funded under a 7-year, 0% interest forgivable loan; and,

WHEREAS, the research space in the SOP is full and for the CITR to grow toward long-term sustainability, additional research and office space is essential; and,

WHEREAS, SOP needs to more than double the existing research laboratories and office space, which will accommodate 5 more academic researchers and 13 or more support personnel. The construction budget is \$3 million, of which the DCOA Board is asked to consider funding a portion with the balance coming from private sources; and,

WHEREAS, staff requests the DCOA authorize additional assistance for the SOP and CITR in the amount of \$916,941.

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

PART 1. DCOA hereby authorizes additional assistance for Texas Tech University Health Sciences Center School of Pharmacy-Abilene Campus and its Center for Immunotherapeutic Research in the amount of Nine Hundred Sixteen Thousand Nine Hundred Forty-One and no/100’s Dollars (\$916,941). The funding shall assist with the expansion of the SOP laboratory and office space and is broken down as follows:

Job Creation - Up to \$263,761 additional funds for the creation of academic research, graduate students, post-doctoral students and lab technicians positions in the CITR per the chart below:

CITR Job Creation Incentives

Annual Salary Level*	Number of Jobs	Incentives per Job	Incentives Total
\$20 to \$30,000		\$ 4,000	\$ -
\$30 to \$40,000	13	\$ 10,000	\$ 130,000
\$40 to \$50,000	3	\$ 12,000	\$ 36,000
\$50 to \$60,000	0	\$ 15,000	\$ -
Over \$60,000 (below)	6	35%	\$ 247,761
Total:	22		\$ 413,761

Management Positions	Annual Salary Level*	Estimated Annual Payroll Impact	Ratio of Incentives to 5-Year Payroll
Over \$60,000			
Center Director & 5 research faculty	\$707,889		
Total Salaries:	\$707,889	\$1,297,889	\$1 to \$15.68

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

Total Job Creation Incentives	\$ 413,761
<u>Less previous job creation assistance</u>	<u>\$ (150,000)</u>
Proposed additional assistance	\$ 263,761

Though the company is eligible for \$413,761 according to the chart, the funding is reduced by the \$150,000 previously funded in 2007. The funds will be structured as a forgivable loan with principal reductions calculated at 7% of salaries expended for research each year over the first 10 years of the project. In the event the project is discontinued before the loan is fully earned, the unearned balance will become a lien against the property, which reverts to Hendrick Health System if TTUHSC ceases to use it. The balance may be earned by housing other eligible activities in the building or converted to a market rate loan.

Infrastructure Assistance – Up to \$653,180 for infrastructure improvements, based on recent architectural and engineering estimates of \$593,800 plus a 10% contingency, to expand the SOP, limited to streets and roads, water and sewer utilities, electric utilities, gas utilities, drainage, site improvements and related improvements, and telecommunications and Internet improvements. Funding will be in the form of a forgivable loan with annual principal reductions of \$93,311.43 applied for 7 more years of operation (July, 2018). In the event the SOP is discontinued before the loan is fully earned, the unearned balance will become a lien against the property, which reverts to Hendrick Health System if TTUHSC ceases to use it. The balance may be earned by housing other eligible activities in the building or converted to a market rate loan.

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 12th day of July, 2011.

ATTEST:

Marelyn Shedd
Secretary/Treasurer

Paul Cannon
President

APPROVED:

T. Daniel Santee, City Attorney

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