

PUBLIC NOTICE

DEVELOPMENT CORPORATION OF ABILENE, INC.

A regular meeting of the Development Corporation of Abilene, Inc. will be held on Tuesday, October 11, 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

October 11, 2011
1:30 p.m.

Abilene Life Sciences Accelerator
1325 Pine St.

1. Call the meeting to order.
2. Approval of minutes from the August 23, 2011, board meeting.
3. Sales tax report for September 2011 and Status of Funds report for August 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 assistance for Phase 3 expansion of Smith Pipe.
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
August 23, 2011

MEMBERS PRESENT: Paul Cannon Scott Senter
Marelyn Shedd

MEMBERS ABSENT: Mike Schweikhard Dani Ramsay

STAFF PRESENT: Richard Burdine Kim Tarrant
Dan Santee Mindy Patterson

GUESTS PRESENT: Bill Ehrie, Abilene Industrial Foundation
Ray Ferguson, Committee Chair
Jaime Adame, Abilene Reporter-News
Judy Wilhelm, Small Business Development Center
Mike McMahan, Abilene Chamber of Commerce

1. **CALL TO ORDER.** Paul Cannon called the meeting to order in the conference room of the Abilene Life Sciences Accelerator, 1325 Pine Street, Abilene, Texas.
2. **APPROVAL OF MINUTES FROM THE AUGUST 9, 2011 BOARD MEETING.** Scott Senter moved to approve the minutes from the August 9, 2011 board meeting. Marelyn Shedd seconded and the motion carried.
3. **SALES TAX REPORT FOR AUGUST 2011 AND STATUS OF FUNDS REPORT FOR JULY 2011.** Mindy Patterson pointed out that the sales tax rebate received in August in an amount just over \$1 million represents June sales and is up 22% from last August. The sales tax rebate for economic development of about \$8.5 million is 10.87% above last year for the period October through August. Major expenditures in July were principal reductions, final payment for land in Five Points Business Park and EASI hangar construction costs.
4. **PRESENTATION AND POSSIBLE APPROVAL OF A COMBINED REPORT FROM THE PROJECT EVALUATION COMMITTEE ON FY 2011 CONTRACT PERFORMANCE AND FROM THE BUDGET & FINANCE COMMITTEE CONCERNING FUNDING PROPOSALS FOR FY 2012 FOR: ABILENE CHAMBER OF COMMERCE MILITARY AFFAIRS COMMITTEE, ABILENE INDUSTRIAL FOUNDATION, TEXAS TECH UNIVERSITY SMALL BUSINESS DEVELOPMENT CENTER, CITY OF ABILENE – AIRPORT BUSINESS DEVELOPMENT MANAGEMENT, AND CITY OF ABILENE – BUSINESS SERVICES & PROPERTY MANAGEMENT DIVISIONS OF THE DEPT. OF ECO. DEV.** The Project Evaluation Committee met on August 11, 2011 to consider FY 11 compliance reports from the above- mentioned agencies that are currently under contract with the DCOA. Immediately following, the Budget & Finance Committee met to hear funding requests for FY12 from the same agencies.

Staff and both Committees recommend contract renewals and funding levels for FY12 with the named agencies as presented in the combined minutes from the Project Evaluation and Budget & Finance Committees.

Marelyn Shedd moved to approve the Committees' recommendations as presented. Scott Senter seconded and the motion carried.

5. PUBLIC HEARING: FUNDING PROPOSALS AND PROPOSED BUDGET FOR FY 2012.

President Paul Cannon opened the public hearing portion of the meeting. No one came forward to address the Board. President Cannon then closed the public hearing.

6. DISCUSSION AND POSSIBLE APPROVAL OF FUNDING REQUESTS AND PROPOSED BUDGET FOR FY 2012. There was no further discussion of this agenda item.

A motion was made by Scott Senter to approve funding requests and the FY 2012 budget as proposed. Marelyn Shedd seconded and the motion carried.

7. 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 August 23, 2011, and the time is 1:47 p.m. Mr. Cannon later announced the date is still August 23, 2011, and the time is 2:36 p.m. No vote or action was taken in Executive Session.

8. DISCUSSION AND POSSIBLE APPROVAL OF A LEASE AGREEMENT WITH TEXAS TECH UNIVERSITY HEALTH SCIENCES CENTER FOR THE GRANT BUILDING AT 302 PINE STREET. After previous assistance from the DCOA and an amendment to the lease, Texas Tech University (TTU) had been leasing the second and third floors of the Grant Building located at 302 Pine St., for its Software Engineering Graduate Program at no cost. In February 2010, TTU sublet space to the TTU Health Sciences Center School of Nursing (HSC SON) for administrative offices and classrooms until a permanent facility is constructed. At that time, the rent was increased to \$6.00/sf/year.

TTU has given notice of their intent to terminate the lease effective the end of August 2011, which is in compliance with the terms of the lease. However, termination of the TTU lease leaves the TTUHSC SON without a lease. The SON was depending on TTU to pay the bulk of the lease costs.

Staff at the SON have identified funds to pay utilities and housekeeping but not the monthly lease payments. City staff reviewed state law which allows 4A corporations to provide assistance for a career center project under specific circumstances. Staff recommends approval of an oral resolution authorizing the CEO to negotiate a new lease with TTUHSC for the Grant Building at 302 Pine St., subject to the DCOA Board determining that the SON meets the required criteria for assistance under state law for a career center project.

Scott Senter moved to grant by oral resolution authority to the CEO to negotiate a new lease with TTUHSC for the 2nd and 3rd floors of the Grant Building as presented. Marelyn Shedd seconded and the motion carried.

9. DISCUSSION AND POSSIBLE APPROVAL OF A RESOLUTION AUTHORIZING ASSISTANCE FOR PROJECT MBO. Project MBO is a local company newly formed this year to build on the owners' success in fabrication and service of oilfield equipment and provision of oil &

gas support services. The company wants to locate on 20 acres of DCOA-owned property fronting on I-20 and immediately west of the Abilene Drag Strip - - part of the 121 acres the DCOA purchased from the Burl Harris estate. The land is valued at \$15,000/acre or \$300,000 for 20 acres. The company will retain it's newly hired 34 employees and plans to hire 40 more over the next 3 years. They also anticipate capital investment of \$750,000.

Staff recommends DCOA assistance of up to \$765,000 paid annually in arrears over 5 years as follows: up to \$690,000 job creation incentive and up to \$75,000 capital investment incentive. \$300,000 of the total will be through the DCOA deeding the 20-acre lot on IH20 to Project MBO and retaining a note on the property. Job creation funds earned each year for actual job creation in excess of the 34 positions already created will first be applied toward reducing the note. Funds in excess of the \$300,000 note payoff will be paid in cash as it is earned over the 5-year term of the agreement.

Scott Senter made a motion to approve Resolution No. DCOA-2011.26 as presented. The motion was seconded by Marelyn Shedd and passed by unanimous consent.

10. ADJOURNMENT. The next meeting is September 13th. There being no further business, the meeting was adjourned.

Paul Cannon, President

MEMORANDUM

September 8, 2011

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

The sales tax rebate for September is \$3,196,693.66 which represents July sales. This is 23.07% above last year. The breakdown of the September rebate is \$2,397,520.25 to the General Fund and \$799,173.41 for economic development. Of this rebate, \$122,040 is from prior periods, audit payments, future payments, and unidentified payments. Based on this rebate, sales tax is 11.83% above last year for the period of October through September. This rebate concludes 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
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
August	2,487,563.00	829,187.67	3,316,750.67	3,040,179.23	1,013,393.08	4,053,572.31
September	1,948,172.67	649,390.89	2,597,563.56	2,397,520.25	799,173.41	3,196,693.66
FY TOTAL	\$24,938,245.17	\$8,312,748.38	\$33,250,993.55	\$27,887,455.87	\$9,295,818.61	\$37,183,274.48

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%
August	829,188	1,013,393	22.22%
September	649,391	799,173	23.07%
FY TOTAL	<u><u>\$8,312,748</u></u>	\$9,295,819	11.83%

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 September '11 represents July '11 sales. Approximately
\$30,510 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
August	864,311	799,090	829,188	1,013,393
September	723,753	653,828	649,391	799,173
FY TOTAL	\$ 8,641,443	\$ 8,637,848	\$ 8,312,748	\$ 9,295,819

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.

CITY OF ABILENE, TEXAS

DEVELOPMENT CORPORATION OF ABILENE, INC.

Balance Sheet
August 31, 2011

ASSETS:

Cash and Investments	\$15,640,810
Notes receivable	15,202,014
Accounts receivable	35,292
Due from other governments	1,427,749
Total Current Assets	\$32,305,865

OTHER ASSETS:

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

TOTAL ASSETS

\$62,666,352

LIABILITIES:

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

FUND BALANCES:

Investment in general fixed assets	\$30,360,487
Reserved for contractual obligations(external)	20,156,011
Reserved for obligated programs(internal)	554,868
Undesignated Balance	11,229,012
Total Fund Balance	\$62,300,378

TOTAL LIABILITIES AND FUND BALANCES

\$62,666,352

FIXED ASSETS:

	Original Cost	Improvements	Depreciation	Total
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	\$16,338,502	\$19,273,957	\$5,251,972	\$30,360,487

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

		(MARCH, 1990)			
REVENUE-TO-DATE	Object	Beginning I-T-D Revenues	Current Month Revenues	Current FY Revenues	Ending I-T-D Revenues
City Sales Tax	40201	\$ 128,168,417.67	\$ 1,008,817.97	\$ 8,447,352.53	\$ 136,615,770.20
Sales Tax Retained	40202	398,696.33	4,575.11	49,292.67	447,989.00
Princ. - Loans & Assess	40902	3,101,322.79	-	4,526.42	3,105,849.21
Int. - Loans & Assess	46003	2,166,827.25	346.82	75,446.61	2,242,273.86
Interest on Investments	46004	6,918,824.56	4,540.37	56,712.87	6,975,537.43
Land Lease	47201	14,687.41	-	1,332.35	16,019.76
Building/Space Rent	47203	5,347,343.09	80,279.79	941,703.40	6,289,046.49
Miscellaneous Federal	41490	1,180,026.00	-	142,500.00	1,322,526.00
Miscellaneous State Grants	41690	26,500.00	-	-	26,500.00
Other Contributions	47105	140,712.60	-	-	140,712.60
Interfund Recovery	47217	1,534,976.08	-	-	1,534,976.08
Miscellaneous Recovery	47219	1,916,652.91	-	259,848.59	2,176,501.50
Miscellaneous Prior Year	47241	27,720.38	-	-	27,720.38
Miscellaneous Revenue	47244	895,501.17	560.00	73,163.03	968,664.20
Sale of Land	48201	392,446.27	-	-	392,446.27
Sale of Buildings & Equipment	48203	3,976,326.19	-	-	3,976,326.19
Gain (loss) Sale of Asset	48204	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
		<u>\$ 158,993,657.70</u>	<u>\$ 1,099,120.06</u>	<u>\$ 10,051,878.47</u>	<u>\$ 169,045,536.17</u>

DEVELOPMENT CORPORATION OF ABILENE
STATUS OF FUNDS @ AUGUST 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	50,211.32	545,050.18	8,403,074.42	16,266.70
Life Sciences Property - Pine	Div 2765 565,448.70	34,268.05	498,712.36	1,064,161.06	-
DCOA Annual Contracts	Div 2775 2,229,877.84	4,248.64	146,330.02	2,376,207.86	-
Abilene Industrial Foundation	2775-62571 12,574,610.54	33,803.81	532,780.37	13,107,390.91	207,069.63
TTU Small Business Dev Cntr	2775-62572 2,630,621.05	19,687.50	182,906.25	2,813,527.30	67,093.75
Chamber Military Affairs	2775-62573 1,206,511.16	4,861.57	24,709.36	1,231,220.52	35,290.64
Airport Business Dev Mgr	2775-62574 605,052.74	11,206.50	124,812.87	729,865.61	39,017.13
Murf Systems	4998 151,665.00	-	48,000.00	199,665.00	-
Bandag Training	5203 724,485.20	-	76,088.48	800,573.68	-
EASI 04	5213 1,814,134.18	-	317,412.34	2,131,546.52	345,391.14
Fehr Food	5220 2,634,630.00	-	-	2,634,630.00	-
Bandag Building Improv	5228 -	-	8,000.00	8,000.00	-
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	-	165,740.00	658,436.00	-
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	-	862.38	85,440.86	185,764.49
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	-	894,006.99	2,622,973.37	2,439,752.23
Texas Metal 08	5288 106,666.66	-	-	106,666.66	-
TMAC 09	5289 26,000.00	22,000.00	22,000.00	48,000.00	11,000.00
Project BG	5295 -	-	-	-	748,000.00
Coca Cola Abilene	5296 -	-	-	-	900,000.00
Land 122 Acres N 5 Pts	5302 341,732.35	-	165,357.40	507,089.75	-
ETI Contract	5304 411,752.75	-	395,932.79	807,685.54	572,494.46
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	-	78,950.55	128,416.83	-
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 -	2,425.00	263,936.01	263,936.01	208,392.50
Cisco College Biotech Training	5318 -	2,363.39	4,922.07	4,922.07	62,727.93
Energy Maintenance Serv-Gearbox	5319 -	-	140,000.00	140,000.00	202,500.00
EASI Hanger Design	5320.1 -	12,471.83	338,794.78	338,794.78	58,860.75
EASI Hanger Construction	5320.2 -	291,690.34	1,715,570.40	1,715,570.40	3,048,879.07
EASI Hanger Fire Safety	5320.3 -	56,689.00	183,696.96	183,696.96	404,721.93
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
SPA Coating	5330 -	-	-	-	928,868.00
ALSA Contribution	5332 -	53,918.00	53,918.00	53,918.00	-
Miscellaneous Activities	2785 354,189.86	-	-	354,189.86	-
TOTAL ENCUMB. / EXPENDITURES	\$ 128,381,456.64	\$ 599,844.95	\$ 8,724,187.58	\$ 137,105,644.22	\$ 20,156,011.19
TOTAL FUND BALANCE				\$ 31,939,891.95	
UNENCUMBERED FUND BALANCE					\$ 11,783,880.76

DEVELOPMENT CORPORATION OF ABILENE
STATUS OF FUNDS @ AUGUST 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	\$ 639,155.00	\$ -	\$ 50,211.32	\$ 545,050.18	\$ 16,266.70	\$ 77,838.12
Life Sciences Property -Pine	Div 2765	710,290.00	-	34,268.05	498,712.36	-	211,577.64
DCOA Annual Contracts	Div 2775	232,590.00	-	4,248.64	146,330.02	-	86,259.98
Abilene Industrial Foundation	2775-4950	739,850.00	-	33,803.81	532,780.37	207,069.63	-
TTU Small Business Dev Cntr	2775-4951	250,000.00	-	19,687.50	182,906.25	67,093.75	-
Chamber Military Affairs	2775-4952	60,000.00	-	4,861.57	24,709.36	35,290.64	-
Airport Business Dev Mgr	2775-4953	163,830.00	-	11,206.50	124,812.87	39,017.13	-
Murf Systems	4998	199,665.00	151,665.00	-	48,000.00	-	-
Bandag Training	5203	800,574.00	724,485.20	-	76,088.48	-	0.32
EASI 04	5213	2,476,938.00	1,814,134.18	-	317,412.34	345,391.14	0.34
Fehr Food	5220	2,634,630.00	2,634,630.00	-	-	-	-
Bandag Building Improv	5228	8,000.00	-	-	8,000.00	-	-
Robinson Fan	5237	574,415.00	469,611.96	-	104,802.95	-	0.09
CBER Website	5240	8,317.00	7,067.07	-	-	1,249.93	-
TTU Pharmacy School	5242	658,436.00	492,696.00	-	165,740.00	-	-
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	1,676,000.00	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	-	862.38	185,764.49	194.65
EASI 7th Doc	5265	273,257.00	239,175.14	-	-	34,081.10	0.76
TTU HSC Research	5273	3,000,000.00	992,009.66	-	631,712.00	1,376,278.34	-
Spec 3 Construction	5276	5,736,500.00	5,432,320.65	-	-	304,179.35	(0.00)
Energy Maintenance Service	5282	869,894.00	185,246.60	-	-	684,647.00	0.40
Genesis Network Phase II	5284	3,707,740.00	7,725.00	-	15,199.00	3,684,815.01	0.99
Tower Tech	5285	5,062,726.00	1,728,966.38	-	894,006.99	2,439,752.23	0.40
Texas Metal 08	5288	106,667.00	106,666.66	-	-	-	0.34
TMAC 09	5289	60,000.00	26,000.00	22,000.00	22,000.00	11,000.00	1,000.00
Run Energy	5295	748,000.00	-	-	-	748,000.00	-
Coca Cola Abilene	5296	900,000.00	-	-	-	900,000.00	-
Land 122 Acres N 5 Pts	5302	510,969.00	341,732.35	-	165,357.40	-	3,879.25
ETI Contract	5304	1,380,180.00	411,752.75	-	395,932.79	572,494.46	-
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	-	-	91,820.11	-
AIC Equipment Lease/Purchase	5312	165,000.00	49,466.28	-	78,950.55	-	36,583.17
Nation Wide Products	5313	105,250.00	-	-	31,150.00	74,100.00	-
LM Wind Power	5314	566,250.00	-	-	-	566,250.00	-
Texas Healthcare Linen	5315	118,891.00	-	-	118,891.00	-	-
Enavail, LLC	5316	481,461.00	-	2,425.00	263,936.01	208,392.50	9,132.49
Cisco College Biotech Training	5318	67,650.00	-	2,363.39	4,922.07	62,727.93	-
Energy Maintenance Serv-Gearbox	5319	342,500.00	-	-	140,000.00	202,500.00	-
EASI Hanger Design	5320.1	403,272.00	-	12,471.83	338,794.78	58,860.75	5,616.47
EASI Hanger Construction	5320.2	4,770,000.00	-	291,690.34	1,715,570.40	3,048,879.07	5,550.53
EASI Hanger Fire Safety	5320.3	691,385.00	-	56,689.00	183,696.96	404,721.93	102,966.11
Pepsi Beverage Co.	5321	350,000.00	-	-	-	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	-	-	-	296,500.00	-
Land 922 N 13th Street	5325	50,000.00	-	-	35,735.00	-	14,265.00
Teleperformance USA	5326	375,000.00	-	-	-	375,000.00	-
Docket Navigator	5327	159,000.00	-	-	-	159,000.00	-
SPA Coating	5330	928,868.00	-	-	-	928,868.00	-
ALSA Contribution	5332	53,918.00	-	53,918.00	53,918.00	-	-
Miscellaneous Activities	2785	354,189.86	354,189.86	-	-	-	-
BALANCE OF OBLIGATED PROGRAMS		\$ 49,902,235.86	\$ 20,467,168.83	\$ 599,844.95	\$ 8,724,187.58	\$ 20,156,011.19	\$ 554,868.26

UNDESIGNATED FUND BALANCE (unencumbered balance less obligated programs and contingent liabilities) **\$ 11,229,012.50**

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
TTUHSC School of Nursing	5331 1,732,100 11/10/2011
TTUHSC School of Pharm expansion	5242 916,941 01/12/2012
TMAC FY12	5333 88,000 01/26/2012
Marketing for 2nd Airline	5334 200,000 01/26/2012
EASI Hangar Fire Safety	5320.3 1,900,712 02/09/2012
Project ML	297,000 02/09/2011
Project MBO	765,000 02/09/2011
	<u>13,373,718</u>

3.8

DEVELOPMENT CORPORATION OF ABILENE, INC.

BOARD AGENDA

MEETING DATE: October 11, 2011

PROJECT: Smith Pipe - Phase 3 Expansion

STAFF: Richard Burdine, CEO

THE COMPANY

Smith Pipe is a local company founded in 1983 and currently owns 100+ acres of land south of Abilene in the City's 5-mile extraterritorial jurisdiction (ETJ). The company operates drillings rigs, well service units, a Roust-A-Bout crew, and plug & abandonment units in addition to manufacturing new storage tanks and pressure vessels and sales of used oilfield equipment. The company also operates a truck fleet for rig moving and equipment sales. They currently have 200 full-time employees.

In May 2011 the DCOA Board approved Resolution DCOA-2011.16 authorizing assistance for Project BC in an amount not to exceed \$594,441 for Phase 1 and \$560,927 for Phase 2. Total assistance approved is \$1,155,368 in exchange for capital investment by the Company of \$5,267,000 and new job creation of 44. The company will build a new facility adjacent to the existing facility for its new pipe coating operation that will support and enhance their current operation and add another 24 jobs during Phase 1 and 20 during Phase 2.

THE PROJECT/REQUEST


Demand for oil field tanks has grown substantially with recent well field development in South Texas and Smith Pipe's current tank fabrication operation cannot keep up with demand. For their Phase 3 expansion, Smith Pipe is considering the purchase of more land for construction of a 15,000 sq ft main shop and a 5,000 sq ft paint and sand blasting shop for the new tank fabrication operation. The total estimated project cost for construction and equipment purchases is \$2,087,900. Plans are to create 31 new jobs in Phase 3, in addition to the 44 jobs to be created in Phases 1 and 2 combined.

Because the project is located in the City's ETJ, approval by the Taylor County Commissioner's Court will be required prior to finalization of the deal.

Phase 3 – Staff proposes a Phase 3 assistance package totaling \$521,790 as follows:

1. Job Creation Incentive – up to \$313,000 for the creation of 31 new jobs.

Smith Pipe Job Creation Incentives - PHASE 3

Annual Salary Level*	Number of Jobs	Incentives per Job	Incentives Total
\$20 to \$30,000	2	\$ 4,000	\$ 8,000
\$30 to \$40,000	23	\$ 10,000	\$ 230,000
\$40 to \$50,000	5	\$ 12,000	\$ 60,000
\$50 to \$60,000	1	\$ 15,000	\$ 15,000
Over \$60,000 (below)	0	35%	
Total:	31		\$ 313,000

* Calculations based on salaries provided with health insurance (\$3,438/yr).

2. Capital Investment Incentive – up to \$208,790 based on 10% of company’s investment in land, construction utilities and capital equipment for the Phase 3 expansion.

Smith Pipe Capital Investment Incentives - PHASE 3

Investment:		Incentives %	Incentives Total
Equipment	\$ 912,900	10%	\$ 91,290
Land & Building, including utilities	\$ 1,175,000	10%	\$ 117,500
Total:	\$ 2,087,900		\$ 208,790

Incentives Grand Total - Phase 3	\$ 521,790
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FISCAL IMPACT

Phase 3 assistance \$521,790.

STAFF RECOMMENDATION

Staff recommends approval of resolution DCOA-2012.01 authorizing assistance for Smith Pipe in an amount not to exceed \$521,790 for Phase 3 in exchange for capital investment by the Company of \$2,087,900 and new job creation of 31 with all incentives paid in arrears over a 3-year period.

ATTACHMENTS

Resolution DCOA-2012.01

S:\DCOAWMeeting Memos\FY 2012\Smith Pipe - Phase III 10-11-11.docx

RESOLUTION NO. DCOA-2012.01

A RESOLUTION OF THE DEVELOPMENT CORPORATION OF ABILENE, INC. (DCOA), ABILENE, TEXAS AUTHORIZING FINANCIAL ASSISTANCE FOR SMITH PIPE FOR ITS PHASE 3 EXPANSION.

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

WHEREAS, Smith Pipe is a local company founded in 1983 and currently owns 100+ acres of land south of Abilene in the City's 5-mile extraterritorial jurisdiction (ETJ); and,

WHEREAS, the company operates drillings rigs, well service units, a Roust-A-Bout crew, and plug & abandonment units in addition to manufacturing new storage tanks and pressure vessels and sales of used oilfield equipment. The company also operates a truck fleet for rig moving and equipment sales and currently has 200 full-time employees; and,

WHEREAS, in May 2011 the DCOA approved Resolution DCOA-2011.16 authorizing assistance for the company (also known as Project BC) in an amount not to exceed \$594,441 for Phase 1 and \$560,927 for Phase 2 expansion in exchange for capital investment by the Company of \$5,267,000 and new job creation of 44. The company will build a new facility adjacent to the existing facility for its new pipe coating operation that will support and enhance their current operation; and,

WHEREAS, Smith Pipe's current tank fabrication operation cannot keep up with demand so the company is considering a Phase 3 expansion, which will entail the purchase of more land for construction of a main shop and a paint and sand blasting shop for the tank fabrication operation at a total estimated project cost of \$2,087,900; and,

WHEREAS the company will create 31 new jobs in Phase 3, in addition to the 44 jobs to be created in Phases 1 and 2 combined; and,

WHEREAS, staff requests the DCOA authorize an assistance package for Smith Pipe for Phase 3 expansion in the amount of \$521,790.

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

PART 1. DCOA hereby authorizes additional financial assistance for Smith Pipe for its Phase 3 expansion of the tank fabrication operation in the amount of Five Hundred Twenty-One Thousand Seven Hundred Ninety and no/100's Dollars (\$521,790) in exchange for the creation of 31 additional new jobs and capital investment by the company of \$2,087,900. Because the project is located in the City's Extra-Territorial Jurisdiction ("ETJ"), approval by the Taylor County Commissioner's Court will be required prior to finalizing the deal.

Phase 3 - Phase 3 assistance package totaling \$521,790 as follows:

1. Job Creation Incentive – up to \$313,000 for the creation of 31 jobs paid over a 3-year period according to the table below.

Smith Pipe Job Creation Incentives - PHASE 3

Annual Salary Level*	Number of Jobs	Incentives per Job	Incentives Total
\$20 to \$30,000	2	\$ 4,000	\$ 8,000
\$30 to \$40,000	23	\$ 10,000	\$ 230,000
\$40 to \$50,000	5	\$ 12,000	\$ 60,000
\$50 to \$60,000	1	\$ 15,000	\$ 15,000
Over \$60,000 (below)	0	35%	
Total:	31		\$ 313,000

* Calculations based on salaries provided with health insurance (\$3,438/yr).

2. Capital Investment Incentive – up to \$208,790 based on 10% of company’s investment in land, construction utilities and capital equipment for the Phase 3 expansion as indicated in the table below. Annual payments over 3 years will not exceed \$69,597 each.

Smith Pipe Capital Investment Incentives - PHASE 3

Investment:		Incentives %	Incentives Total
Equipment	\$ 912,900	10%	\$ 91,290
Land & Building, including utilities	\$ 1,175,000	10%	\$ 117,500
Total:	\$ 2,087,900		\$ 208,790

Incentives Grand Total - Phase 3	\$ 521,790
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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 11th day of October, 2011.

ATTEST:

Marelyn Shedd
Secretary/Treasurer

Paul Cannon
President

APPROVED:

T. Daniel Santee, City Attorney