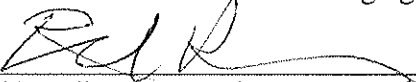


PUBLIC NOTICE

DEVELOPMENT CORPORATION OF ABILENE, INC.

A regular meeting of the Development Corporation of Abilene, Inc. will be held on Tuesday, November 22, 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

November 22, 2011
1:30 p.m.

Abilene Life Sciences Accelerator
1325 Pine St.

1. Call the meeting to order.
2. Approval of minutes from the November 8, 2011, board meeting.
3. Sales tax report for November 2011 and Preliminary Status of Funds report for September 2011.
4. Presentation and possible approval of the DCOA Annual Report of Activities for FY 2011.
5. 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.

6. Discussion and possible approval of a resolution authorizing revised infrastructure assistance for construction of the Anita Thigpen Perry School of Nursing at Texas Tech University Health Sciences Center-Abilene.

7. Adjournment.

CERTIFICATE

I hereby certify that the above notice of meeting was posted on the bulletin board at the City Hall of Abilene, Texas, on the _____ day of _____, 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
November 8, 2011

MEMBERS PRESENT: Paul Cannon Dani Ramsay
Marelyn Shedd Scott Senter

MEMBER ABSENT: Mike Schweikhard

STAFF PRESENT: Richard Burdine Kim Tarrant
Mindy Patterson Melissa Murphy

GUESTS PRESENT: Judy Wilhelm, Small Business Development Center
Bill Ehrie, Abilene Industrial Foundation/Mil. Affairs Comm.
Jaime Adame, Abilene Reporter-News

1. **CALL TO ORDER.** Paul Cannon called the meeting to order at about 1:30 p.m. in the conference room of the Abilene Life Sciences Accelerator, 1325 Pine Street, Abilene, Texas.
2. **APPROVAL OF MINUTES FROM THE OCTOBER 11, 2011 BOARD MEETING.** Scott Senter moved to approve the minutes from the October 11, 2011 board meeting. Marelyn Shedd seconded and the motion carried.
3. **SALES TAX REPORT FOR OCTOBER 2011.** Mindy Patterson pointed out that the City's sales tax rebate of \$3.56 million received in October represents August sales and is up 34.53% from last October. The sales tax rebate for economic development was \$890,386.
4. **PRESENTATION OF ANNUAL REPORTS FOR FISCAL YEAR ENDED SEPTEMBER 30, 2011 BY: ABILENE INDUSTRIAL FOUNDATION, CITY OF ABILENE AIRPORT BUSINESS DEVELOPMENT AND TEXAS TECH UNIVERSITY SMALL BUSINESS DEVELOPMENT CENTER.** Bill Ehrie presented the FY 2011 Annual Report for the Abilene Industrial Foundation (AIF). Of the \$140,000 marketing budget, \$106,060 was spent. The AIF made 85 local retention visits and 89 consultant visits. Of the 72 leads received, 32 were responded to and four prospect files were opened. Given that low number, Mr. Ehrie explained that there are many companies that have projects waiting but are not willing to execute at this time due to the current economic situation and the uncertainty in Washington about tax laws and healthcare reform. He predicts more activity by November 2012. Mr. Ehrie reviewed the success of several projects including Broadwind Towers and BlueCross BlueShield of Texas. The AIF continues its marketing efforts with advertisements, trade show and conference participation and website and electronic marketing. 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 2011 Annual 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 (heavily concentrating on Brownwood), 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, social media and outdoor billboards.

The *ABI-VIP Passenger Rewards Program* continues to do well and keeps growing. There are currently 1,080 passengers registered in the program, compared to 1,000 last year. 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 2011, enplanements were up 11% for the first three quarters. However, 7% of this is attributed to fire fighters flying out of Abilene to help out in the rest of the state with the large volume of fires this year. Therefore, true trending is about a 3 to 4% increase. Rental car revenue was down 7.38% YTD and parking lot revenue was up .72% YTD. And finally, Abilene Christian University's Mass Communications Dept. has taken on Abilene Regional Airport as their class project this fall. They will be putting together a marketing campaign for the airport.

Judy Wilhelm presented the FY 2011 Annual Report from the Texas Tech University Small Business Development Center (SBDC). The SBDC has contracted with the DCOA since 1990, providing free business counseling services to clients in a 17-county region and has been in Abilene for 25 years. In FY11 the SBDC focused on assisting with local contracting awards for Dyess AFB. For FY12 the SBDC will be focusing primarily on assisting with exporting from Abilene. Of the 804 clients the SBDC served in FY11, 365 were new clients and 439 were returning clients. The SBDC helped clients open 86 new businesses and create 252 jobs. Capital formation totaled about \$6.5 million. In addition to performing their contractual obligations, the SBDC is highly involved in the community.

5. **PRESENTATION BY BILL EHRIE OF THE ANNUAL STATUS UPDATE ON ACTIVITIES OF TWO CONSULTANTS HIRED TO ASSIST WITH MAINTAINING EXISTING AND GAINING NEW MISSIONS AT DYESS AFB.** Bill Ehrie presented the annual status update from Rich Leidl and Jim Casey with Team Concepts, two consultants who contract with the Abilene Industrial Foundation to help maintain existing and gain new missions at Dyess AFB. Dyess AFB has now realized the success of a new mission that started about two to three years ago: the retention upgrade of the C130 to the new C130J aircraft. The first 12 C130Js will arrive by this December with Dyess eventually having a total of 26. Construction projects have been strong with the Armed Forces Reserve Center opening and the new C130J hangar, which should be completed in January 2012. Dyess continues with the retention of the B1s. Base housing has been completely replaced.
6. **EXECUTIVE SESSION 1.** 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 8, 2011, and the time is 2:27 p.m. Mr. Cannon later announced the date is still November 8, 2011, and the time is 2:59 p.m. No vote or action was taken in Executive Session.

7. **DISCUSSION AND POSSIBLE APPROVAL OF CHANGES TO THE DEVELOPMENT CORPORATION OF ABILENE'S INCENTIVE GUIDELINES, WHICH ARE USED WHEN DETERMINING THE AMOUNT OF ASSISTANCE AVAILABLE TO ELIGIBLE PROJECTS.** Richard Burdine reviewed the current Incentive Guidelines. The proposed change is for capital investment assistance for companies outside the city limits and within the five-mile extra-territorial jurisdiction (ETJ). Staff recommends changing the Incentive Guidelines to provide no

more than 7% of actual capital investment cost as capital investment incentive for companies in the ETJ.

Scott Senter moved to change the Incentive Guidelines as recommended. Dani Ramsay seconded and the motion carried.

- 8. DISCUSSION AND POSSIBLE APPROVAL OF A RESOLUTION AUTHORIZING AMENDED ASSISTANCE FOR BROADWIND TOWERS (f/k/a TOWER TECH SYSTEMS, INC. dba TEXAS TTSTI).** The DCOA has previously assisted Broadwind Towers with a total of \$4,827,500 for job creation, capital investment, training and land & rail service incentives. Of this money \$2,382,973 has been paid to Broadwind over the last three years, leaving a balance of \$2,444,527. Due to the economic downturn, the company has experienced layoffs and furloughs of employees. The company recently signed a contract with Caterpillar (CAT) to manufacture masts for heavy oilfield trucks used in this area. Broadwind currently has 25 employees but needs an additional 97 welders at a higher welding skill level than is required for tower manufacturing, to fulfill the contract with CAT and to fulfill 2012 tower orders.

Staff recommends the board authorize a reallocation of job creation incentive funds for Broadwind Towers of \$20,500 to be used instead for advanced welder training for current and returning employees.

A motion was made by Marelyn Shedd to approve Resolution No. DCOA-2012.02 as presented. Dani Ramsay seconded and the motion carried.

EXECUTIVE SESSION 2. I hereby announce we are going back 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 8, 2011, and the time is 3:15 p.m. Mr. Cannon later announced the date is still November 8, 2011, and the time is 3:55 p.m. No vote or action was taken in Executive Session.

- 9. ADJOURNMENT.** The next meeting is November 22nd. There being no further business, the meeting was adjourned.

Paul Cannon, President

MEMORANDUM

November 9, 2011

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

The sales tax rebate for November is \$3,859,231.25 which represents September sales. This is 24.52% above last year. The breakdown of the November rebate is \$2,894,423.44 to the General Fund and \$964,807.81 for economic development. Of this rebate, \$72,674 is from prior periods, audit payments, future payments, and unidentified payments. Based on this rebate, sales tax is 29.13% 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, Deputy City Manager

**CITY OF ABILENE
SALES TAX COMPARISON**

| Accounting Period Month | GENERAL FUND Actual 2010-11 | ECONOMIC DEVELOPMENT Actual 2010-11 | TOTAL 2010-11 | GENERAL FUND Actual 2011-12 | ECONOMIC DEVELOPMENT Actual 2011-12 | TOTAL 2011-12 |
|----------------------------|--------------------------------------|--|------------------------|--------------------------------------|--|------------------|
| October | \$1,985,576.13 | \$661,858.71 | \$2,647,434.84 | \$2,671,157.84 | \$890,385.94 | \$3,561,543.78 |
| November | 2,324,513.46 | 774,837.82 | 3,099,351.28 | 2,894,423.44 | 964,807.81 | 3,859,231.25 |
| YTD | \$4,310,089.59 | \$1,436,696.53 | \$5,746,786.12 | \$5,565,581.28 | \$1,855,193.75 | \$7,420,775.03 |
| December | 1,941,356.20 | 647,118.73 | 2,588,474.93 | | | |
| January | 2,079,342.18 | 693,114.06 | 2,772,456.24 | | | |
| February | 2,936,669.76 | 978,889.92 | 3,915,559.68 | | | |
| March | 1,938,924.19 | 646,308.06 | 2,585,232.25 | | | |
| April | 1,923,931.42 | 641,310.47 | 2,565,241.89 | | | |
| May | 2,845,240.04 | 948,413.35 | 3,793,653.39 | | | |
| June | 2,224,901.30 | 741,633.77 | 2,966,535.07 | | | |
| July | 2,249,301.71 | 749,767.23 | 2,999,068.94 | | | |
| August | 3,040,179.23 | 1,013,393.08 | 4,053,572.31 | | | |
| September | 2,397,520.25 | 799,173.41 | 3,196,693.66 | | | |
| FY TOTAL | <u>\$27,887,455.87</u> | <u>\$9,295,818.61</u> | <u>\$37,183,274.48</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 revenue based upon the month the sales tax is paid by the vendor in accordance with GASB 33 requirements.

3.2

DEVELOPMENT CORPORATION OF ABILENE, INC.
1/2 CENT SALES TAX REVENUE
Monthly and Year-to-Year Comparisons

| Accounting Period Month | Actual 2010-11 | Actual 2011-12 | % Change |
|------------------------------------|---------------------------|---------------------------|---------------------|
| October | \$661,859 | \$890,386 | 34.53% |
| November | 774,838 | 964,808 | 24.52% |
| YTD | <u>\$1,436,697</u> | \$1,855,194 | 29.13% |
| December | 647,119 | | |
| January | 693,114 | | |
| February | 978,890 | | |
| March | 646,308 | | |
| April | 641,310 | | |
| May | 948,413 | | |
| June | 741,634 | | |
| July | 749,767 | | |
| August | 1,013,393 | | |
| September | 799,173 | | |
| FY TOTAL | <u><u>\$9,295,819</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 revenue based upon the month the sales tax is paid by the vendor in accordance with GASB 33 requirements.

Revenue for November '11 represents September '11 sales. Approximately \$18,169 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
Five Year Comparison

| Accounting Period Month | Actual 2007-08 | Actual 2008-09 | Actual 2009-10 | Actual 2010-11 | Actual 2011-12 |
|------------------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| October | \$676,406 | \$703,442 | \$671,904 | \$661,859 | \$890,386 |
| November | 764,578 | 893,442 | 758,231 | 774,838 | 964,808 |
| Year-to-Date Total | <u>\$1,440,984</u> | <u>\$1,596,884</u> | <u>\$1,430,136</u> | <u>\$1,436,697</u> | <u>\$1,855,194</u> |
| 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 | <u><u>\$ 8,641,443</u></u> | <u><u>\$ 8,637,848</u></u> | <u><u>\$ 8,312,748</u></u> | <u><u>\$ 9,295,819</u></u> | <u><u>\$ 1,855,194</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 revenue based upon the month the sales tax is paid by the vendor in accordance with GASB 33 requirements.

CITY OF ABILENE, TEXAS

DEVELOPMENT CORPORATION OF ABILENE, INC.

Balance Sheet
September 30, 2011

ASSETS:

| | |
|----------------------------|---------------------|
| Cash and Investments | \$14,365,965 |
| Notes receivable | 15,834,501 |
| Accounts receivable | 35,292 |
| Due from other governments | 1,427,749 |
| Prepaid Expense | 988 |
| Total Current Assets | <u>\$31,664,495</u> |

OTHER ASSETS:

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

TOTAL ASSETS**\$62,024,982****LIABILITIES:**

| | |
|-------------------|--------------------|
| Vouchers payable | \$893,661 |
| Deferred revenues | <u>148,929</u> |
| Total Liabilities | <u>\$1,042,590</u> |

FUND BALANCES:

| | |
|--|---------------------|
| Investment in general fixed assets | \$30,360,487 |
| Reserved for contractual obligations(external) | 17,652,646 |
| Reserved for obligated programs(internal) | 1,872,401 |
| Undesignated Balance | <u>11,096,858</u> |
| Total Fund Balance | <u>\$60,982,392</u> |

TOTAL LIABILITIES AND FUND BALANCES**\$62,024,982****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 @ SEPTEMBER 30, 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 | \$ 794,830.46 | \$ 9,242,182.99 | \$ 137,410,600.66 |
| Sales Tax Retained | 398,696.33 | 4,342.95 | 53,635.62 | 452,331.95 |
| Princ. - Loans & Assess | 3,101,322.79 | 13,750.03 | 18,276.45 | 3,119,599.24 |
| Int. - Loans & Assess | 2,166,827.25 | 342.02 | 75,788.63 | 2,242,615.88 |
| Interest on Investments | 6,918,824.56 | 4,282.19 | 60,995.06 | 6,979,819.62 |
| Land Lease | 14,687.41 | - | 1,332.35 | 16,019.76 |
| Building/Space Rent | 5,347,343.09 | 79,855.08 | 1,021,558.48 | 6,368,901.57 |
| 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 | 23,000.00 | 96,163.03 | 991,664.20 |
| 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 | \$ 920,402.73 | \$ 10,972,281.20 | \$ 169,965,938.90 |

DEVELOPMENT CORPORATION OF ABILENE
STATUS OF FUNDS @ SEPTEMBER 30, 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 | 50,034.60 | 595,084.78 | 8,453,109.02 | 7,605.00 |
| Life Sciences Property - Pine | Div 2765 | 565,448.70 | 45,945.51 | 544,657.87 | 1,110,106.57 | 1,694.00 |
| DCOA Annual Contracts | Div 2775 | 2,229,877.84 | 86,148.89 | 232,478.91 | 2,462,356.75 | - |
| Abilene Industrial Foundation | 2775-62571 | 12,574,610.54 | 111,026.60 | 643,806.97 | 13,218,417.51 | 96,043.03 |
| TTU Small Business Dev Cntr | 2775-62572 | 2,630,621.05 | 37,800.00 | 220,706.25 | 2,851,327.30 | 29,293.75 |
| Chamber Military Affairs | 2775-62573 | 1,206,511.16 | 35,290.64 | 60,000.00 | 1,266,511.16 | - |
| Airport Business Dev Mgr | 2775-62574 | 605,052.74 | 23,351.94 | 148,164.81 | 753,217.55 | 15,665.19 |
| 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 | 526,590.00 | 526,590.00 | 3,161,220.00 | - |
| 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 | 95.00 | 957.38 | 85,535.86 | 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 | 2,469,000.00 |
| 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 | 11,000.00 | 33,000.00 | 59,000.00 | - |
| 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 | 51,501.83 | 51,501.83 | 173,181.72 | 40,318.28 |
| A/C Eq Lease | 5312 | 49,466.28 | 1,096.00 | 80,046.55 | 129,512.83 | - |
| 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 | - | 67,147.87 | 331,083.88 | 331,083.88 | 154,594.82 |
| Cisco College Biotech Training | 5318 | - | 6,262.73 | 11,184.80 | 11,184.80 | 56,465.20 |
| Energy Maintenance Serv-Gearbox | 5319 | - | - | 140,000.00 | 140,000.00 | 202,500.00 |
| EASI Hanger Design | 5320.1 | - | 8,314.56 | 347,109.34 | 347,109.34 | 54,703.47 |
| EASI Hanger Construction | 5320.2 | - | 594,797.20 | 2,310,367.60 | 2,310,367.60 | 2,454,081.87 |
| EASI Hanger Fire Safety | 5320.3 | - | 742,555.33 | 926,252.29 | 926,252.29 | 53,124.93 |
| 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 | - |
| Miscellaneous Activities | 2785 | 354,189.86 | - | - | 354,189.86 | - |
| TOTAL ENCUMB. / EXPENDITURES | | \$ 128,381,456.64 | \$ 2,398,958.70 | \$ 11,123,146.28 | \$ 139,504,602.92 | \$ 17,652,645.58 |
| TOTAL FUND BALANCE | | | | | \$ 30,461,335.98 | |
| UNENCUMBERED FUND BALANCE | | | | | | \$ 12,808,690.40 |

**DEVELOPMENT CORPORATION OF ABILENE
STATUS OF FUNDS @ SEPTEMBER 30, 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 | \$ - | \$ 50,034.60 | \$ 595,084.78 | \$ 7,605.00 | \$ 36,465.22 |
| Life Sciences Property -Pine | Div 2765 | 710,290.00 | - | 45,945.51 | 544,657.87 | 1,694.00 | 163,938.13 |
| DCOA Annual Contracts | Div 2775 | 232,590.00 | - | 86,148.89 | 232,478.91 | - | 111.09 |
| Abilene Industrial Foundation | 2775-4950 | 739,850.00 | - | 111,026.60 | 643,806.97 | 96,043.03 | - |
| TTU Small Business Dev Cntr | 2775-4951 | 250,000.00 | - | 37,800.00 | 220,706.25 | 29,293.75 | - |
| Chamber Military Affairs | 2775-4952 | 60,000.00 | - | 35,290.64 | 60,000.00 | - | - |
| Airport Business Dev Mgr | 2775-4953 | 163,830.00 | - | 23,351.94 | 148,164.81 | 15,665.19 | - |
| 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 | 3,161,220.00 | 2,634,630.00 | 526,590.00 | 526,590.00 | - | - |
| 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 | 95.00 | 957.38 | 185,764.49 | 99.65 |
| 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 | 2,491,924.00 | 7,725.00 | - | 15,199.00 | 2,469,000.00 | - |
| 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 | 59,000.00 | 26,000.00 | 11,000.00 | 33,000.00 | - | - |
| 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 | 507,090.00 | 341,732.35 | - | 165,357.40 | - | 0.25 |
| 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 | 51,501.83 | 51,501.83 | 40,318.28 | - |
| AIC Equipment Lease/Purchase | 5312 | 165,000.00 | 49,466.28 | 1,096.00 | 80,046.55 | - | 35,487.17 |
| 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 | 487,980.00 | - | 67,147.87 | 331,083.88 | 154,594.82 | 2,301.30 |
| Cisco College Biotech Training | 5318 | 67,650.00 | - | 6,262.73 | 11,184.80 | 56,465.20 | - |
| Energy Maintenance Serv-Gearbox | 5319 | 342,500.00 | - | - | 140,000.00 | 202,500.00 | - |
| EASi Hanger Design | 5320.1 | 403,272.00 | - | 8,314.56 | 347,109.34 | 54,703.47 | 1,459.19 |
| EASi Hanger Construction | 5320.2 | 4,770,000.00 | - | 594,797.20 | 2,310,367.60 | 2,454,081.87 | 5,550.53 |
| EASi Hanger Fire Safety | 5320.3 | 2,592,097.00 | - | 742,555.33 | 926,252.29 | 53,124.93 | 1,612,719.78 |
| 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 | - | - |
| Miscellaneous Activities | 2785 | 354,189.86 | 354,189.86 | - | - | - | - |
| BALANCE OF OBLIGATED PROGRAMS | | \$ 51,115,361.86 | \$ 20,467,168.83 | \$ 2,398,958.70 | \$ 11,123,146.28 | \$ 17,652,645.58 | \$ 1,872,401.17 |

UNDESIGNATED FUND BALANCE (unencumbered balance less obligated programs and contingent liabilities) \$ 10,936,289.23

| 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 |
| | <u>10,411,008</u> |

3.8

DEVELOPMENT CORPORATION OF ABILENE, INC.
BOARD AGENDA
MEETING DATE: November 22, 2011

PROJECT: DCOA Annual Report of Activities for FY11

STAFF: Richard Burdine, CEO

GENERAL INFORMATION:

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

SPECIAL CONSIDERATIONS:

The DCOA's FY11 Annual Report covers activities for the period ended 9-30-11 and is the twenty second annual report submitted by DCOA since its inception. The City Council will consider the report on December 1, 2011.

FISCAL IMPACT:

None.

STAFF RECOMMENDATION:

Staff recommends the Board approve the DCOA's FY11 Annual Report.

ATTACHMENT:

DCOA's FY11 Annual Report of Activities

S:\DCOA\Meeting Memos\FY 2012\FY11 DCOA Ann rpt 11-22-11.DOC

ANNUAL
REPORT OF
ACTIVITIES

SEPTEMBER 2011

Development
Corporation
of Abilene

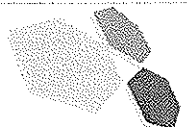


Develop Abilene

DEVELOPMENT CORPORATION OF ABILENE, INC.
ANNUAL REPORT OF ACTIVITIES
OCTOBER 2010 – SEPTEMBER 2011

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DEVELOPMENT CORPORATION OF ABILENE, INC.

Mission Statement:

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

Board of Directors:

President:

Paul Cannon

Vice President:

Mike Schweikhard

Secretary/Treasurer:

Marelyn Shedd

Members:

Scott Senter

Dani Ramsay

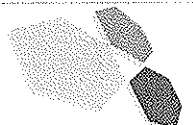
Goals:

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

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

Organization:

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



Progress Made Toward Goals

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

The DCOA continues to work toward competitiveness with other communities by funding the marketing efforts of the Abilene Industrial Foundation and by contracting with Emergent Technologies, Inc. to market and operate the Abilene Life Sciences Accelerator (ALSA). Annual sponsorship of the Springboard Ideas Challenge and assistance for the WTIN help foster new entrepreneurship in Abilene. Funding to help market the Airport on behalf of a second air carrier increases Abilene's attractiveness to potential new industry.

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

The DCOA approved assistance for eleven companies who have committed to retain 354 jobs and create 1,038 new positions. Pepsi Beverage Co., Teleperformance USA, Genesis Networks Solutions, Docket Navigator, Smith Pipe of Abilene, TTUHSC School of Pharmacy-Abilene and Project MBO are the seven local companies.

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

The DCOA approved training funds for Cooperative Response Center and infrastructure funding to construct the new TTUHSC School of Nursing and expansion of the School of Pharmacy. The Texas Manufacturing Assistance Center was granted funds to continue delivering training and providing technical assistance for local manufacturers.

4. To strengthen and revitalize downtown Abilene.

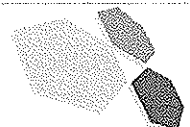
Genesis Networks Solutions is located in downtown Abilene, and the DCOA approved lease space in the Grant Building for the WTIN program and the TTUHSC SON.

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

The DCOA contracts annually with the Small Business Development Center (SBDC) for counseling services provided free of charge to Abilene residents and businesses. In addition, the SBDC can assist businesses desiring to sell products or services to any level of government. Also, for the 4th consecutive year the DCOA approved a sponsorship of ACU's Springboard Ideas Challenge competition and approved assistance for the new West Texas Innovation Network, both of which are designed to promote entrepreneurial drive and spirit in Abilene. Also approved was funding for administrative costs for the West Texas Center for Innovation and Commercialization.

6. To effectively administer the sales tax revenue.

During the report period (10-01-10 through 09-30-11), the DCOA approved \$14,844,908.00 in funding to assist companies with growth and retention in Abilene, anticipating retained employment of 354 positions plus the creation of 1,038 new jobs.



Project Summaries

Pepsi Beverages Co. (Project AP)

Pepsi Beverages Co. is an established employer for Abilene that has been in operation for over 70 years, currently employing approximately 250 people at its Abilene facility located at 650 Colonial Drive. The DCOA agreed in October 2010 to provide \$350,000 paid out over 5 years, which includes a \$200,000 capital investment incentive payment for upgrades to the can line to improve productivity and capacity, and a \$150,000 capital investment incentive payment for a new pH treatment system to improve its current pH standards and product quality, and recycling equipment to reduce its effluent output and improve its recycling rate. No additional employment is expected. Pepsi will invest about \$3.2 million.

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

Teleperformance USA

Teleperformance USA (TPUSA) is a worldwide leader in outsourced customer relationship management and contact center services. Subject to assistance from the DCOA, TPUSA was awarded a contract to serve customers of TXU Energy from the Abilene facility, which will result in the hiring of up to 250 new employees. In January 2011, the DCOA approved job creation incentives of \$1,500 per new job, paid to TPUSA at \$500/job for three years, for a total of \$375,000. Two hundred fifty thousand (\$250,000) in unearned funds from the agreement executed in 2006 was reallocated to this project, and the DCOA approved new funding of \$125,000.

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

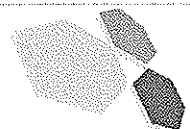
Cooperative Response Center (Project PT)

Cooperative Response Center (CRC) is a contact center with several sites throughout the U.S. providing 24/7 services to its utility company associate members. In January 2011, the DCOA approved total funding of \$296,500 including a job training grant to be paid over three years to help establish a center in Abilene and create 17 new jobs. Most employees will need to be bilingual. The company will invest \$605,000 for tenant improvements and capital equipment

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

Genesis Networks Solutions, Inc.

Genesis Networks Solutions, Inc. (GNS) was formed in 2006 and is a fast-growing high tech firm in West Texas that delivers proven, end-to-end IT solutions for companies in need of software testing and development. The DCOA approved an assistance package in



2006 to help the company establish operations in exchange for the creation of 143 new jobs. In 2008, because the company was experiencing rapid growth, the DCOA approved assistance for Phase 2 expansion of the operation and 150 additional jobs.

In March 2010, the economic downturn affected operations and some customers moved projects to India to save money, so the DCOA revised the Phase 1 and Phase 2 assistance downward to reflect fewer projected jobs in both phases. Recently, GNS secured a major 6-year contract with other smaller 3-year contracts pending, which require rapid job hiring of 253 to comply with contract terms. All projects must be staffed this year.

In March 2011, in order to accommodate the new projects and provide GNS with much-needed cash for up-front expenses, the DCOA approved a second revision to the Phase 2 assistance, increasing it again by \$2,874,185.

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

Enavail, LLC

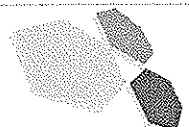
Enavail, LLC was formed in 2009 for the purpose of applying patented drug development technologies from research to manufacturing for clinical trials and commercial sales. The company has developed several technologies to improve the therapeutic efficacy of drugs, thereby reducing side effects, dosing variations and the affects of food. In June 2010, the DCOA approved total assistance of \$994,105 and a 7-year lease for 1,824 sq ft in the Abilene Life Sciences Accelerator (ALSA), including \$180,000 for leasehold improvements, in exchange for 28 new jobs within 4 years. The cash funding available for job creation, after Enavail has earned \$250,000, is \$164,105.

Soon after plans and cost estimates were developed for the leasehold improvements and clean room space, it became evident that actual costs were going to exceed the original \$180,000 estimate by \$187,919. In March 2011, the DCOA approved applying the \$164,105 available cash funding for job creation plus an additional \$23,814 to the previously approved \$180,000 for total funding of \$367,919 for leasehold improvements and clean room space. Lease payments will be deferred for the first year. In years 2 through 7 Enavail will pay back 1/3 of the total amount approved for leasehold improvements, or \$122,640, at the rate of \$20,440/year in its monthly lease payments.

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

Docket Navigator (Project DT)

Hopkins Bruce Research Corp. owns Docket Navigator and is a local company that has been in business for several years. Docket Navigator is a set of powerful research and reporting tools for U.S. patent litigation which tracks patent infringement cases in U.S. district courts. The owners had been offering this service on the Internet free-of-charge and soon



discovered that customers are willing to pay for subscriptions, so they now focus full time on this product. They have experienced rapid growth and now plan to expand in Abilene, adding 4 new employees earning at least \$90,000/year and investing an estimated \$50,000 in capital equipment. In April 2011, the DCOA approved a total assistance package of \$159,000 for job creation and capital investment incentives.

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

Project CD

Project CD is an established and successful foreign company that offers not only a proven and comprehensive weight loss and maintenance system, but is working to become a major provider of health-care solutions. They are expanding into the U.S. in order to capitalize on the current market demand for effective weight loss products and a new natural anti-viral remedy. The Company wants to lease the Spec 3 building because of its availability and potential for future expansion and as a central distribution point for the U.S. Phase 1 will include build-out of Spec 3 for offices and warehousing plus the creation of 200 new jobs earning at least \$30,000/year.

In April 2011, the DCOA approved a 5-year, triple-net lease for the Spec 3 building with an annual lease amount of about \$612,720, with the option to purchase Spec 3 for \$6 million plus the actual cost for finish out for 5 years from the effective date of the lease agreement. Also approved was a Phase 1 total incentives package of \$2,750,000 for job creation (in the form of a loan secured by a letter of credit) and capital investment incentives plus an additional \$150,000 for annual letter of credit renewal fees.

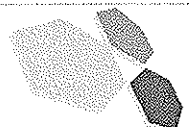
Project CD plans to eventually expand Spec 3 by adding another 100,000 to 150,000 sq ft for manufacturing and laboratory space, thereby increasing employment to 400 after the expansion. The DCOA also approved a Phase 2 total incentives package of \$3,400,000 for capital investment and job creation incentives. The DCOA authorized the CEO to enter into a contract with The Tittle Luther Partnership for architectural/engineering services for the build-out of Spec 3 and total funding of \$346,965 (which includes \$10,000 for reimbursables).

Note: This company remains un-named due to coordination difficulties experienced by the company in setting up operations in the U.S. No formal agreement between the DCOA and the company has been executed.

Goals addressed: 2. To create new jobs and retain existing jobs by providing assistance to existing and emerging businesses; 5. To increase the number and size of minority-owned, woman-owned, small and entrepreneurial businesses in Abilene; and 6. To effectively administer the sales tax revenue.

Smith Pipe of Abilene (Project BC)

Smith Pipe 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 manufacture new storage tanks and pressure vessels, employing 200 full-time persons. Smith Pipe is buying more land for construction of a 40,500 sq ft facility adjacent to the existing facility for internal pipe coating, a new operation that will support and enhance the current operation and add 24 new jobs. A Phase 2 expansion is expected to begin in early 2012 that will move the pipe coating into a 24-hour operation and add another 20 jobs for a total of 44.

In May 2011, the DCOA Board approved a total assistance package of \$1,155,368 for job creation incentives and capital investment incentives for both Phases 1 and 2.

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

TTUHSC School of Nursing-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 DCOA-owned 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 17th 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.

In August 2011, the DCOA approved a 1-yr lease in the Grant Building at \$0/month with TTUHSC for the SON-Abilene until the SON building is completed, estimated to be in December 2012. Under state law, the DCOA is allowed to help with qualified infrastructure improvements which include streets and roads, utilities, drainage, site improvements and telecommunications and internet improvements. In May 2011, the DCOA approved total assistance of up to \$1,732,100 for infrastructure improvements in the form of a 7-year, 0% interest forgivable loan.

Note: On November 7, 2011 the Groundbreaking Ceremony for the TTUHSC School of Nursing – Abilene was held.

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

TTUHSC School of Pharmacy-Abilene & CITR

On May 20, 2011, the TTUHSC School of Pharmacy-Abilene (SOP) at 1717 Pine St. graduated its first class of Doctors of Pharmacy, realizing a community vision for health education and academic research in Abilene. In October 2006, the DCOA approved



infrastructure assistance of \$1,044,622 for construction of the SOP. In 2007, the DCOA approved \$3 million for establishment of the Center for Immunotherapeutic Research (CITR), which is also located in the SOP. Anticipated employment was the Center Director and 4 research faculty. Research space in the SOP is full, so for the CITR to grow toward long-term sustainability, additional research and office space is essential, along with more academic researchers and support personnel. Research-related employment is now projected to create 22 jobs (Center Director, 5 research faculty and 16 support staff) and a payroll impact of almost \$1.3 million per year.

In July 2011, the DCOA approved \$653,180 for infrastructure improvements to more than double the existing research labs and office space in the SOP. The DCOA also approved amending the current agreement for the CITR for additional research job creation funding of \$263,761. Finally, the DCOA authorized the CEO to provide academic lab space in the Abilene Life Sciences Accelerator at no charge for new research faculty until the SOP expansion project is completed in late 2012.

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

Project MBO

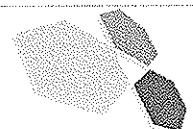
Project MBO is a new local company formed this year to build on the owners' success in fabrication and service of oilfield equipment and provision of oil & gas support services. The company wants to locate on 20 acres of DCOA-owned property fronting on Interstate 20 and immediately west of the Abilene Drag Strip, valued at \$300,000. Project MBO has already hired 34 employees and anticipates hiring 40 more over the next 3 years, with a capital investment of \$750,000.

In August 2011, the DCOA approved total assistance of up to \$765,000 paid annually in arrears over 5 years. \$300,000 of the total will be through the DCOA deeding the 20-acre lot on Interstate 20 to the company and retaining a \$300,000 note and lien on the property.

Goals addressed: *2. To create new jobs and retain existing jobs by providing assistance to existing and emerging businesses; 5. To increase the number and size of minority-owned, woman-owned, small and entrepreneurial businesses in Abilene; and 6. To effectively administer the sales tax revenue.*

Project ML

Project ML was recently formed around the technology for organic accelerants for microbial growth. A faculty member from the Lubbock TTUHSC School of Pharmacy, who possesses this intellectual property, recently relocated to the Abilene campus to become a member of the Center for Immunotherapeutic Research team. Once in full production, Project ML will lease space in the Abilene Life Sciences Accelerator (ALSA) with rental payments being deferred for the first 12 months of a 36-month lease.



In August 2011 the DCOA approved total assistance of \$297,000 for the creation of 13 new jobs all earning \$30,000+/year, capital investment projected to be \$660,000, and relocation assistance to help the company president relocate laboratory equipment and his household from Lubbock to Abilene. The DCOA assistance is contingent on a private sector investment of \$1 million.

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

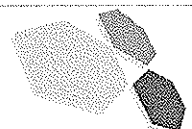
| DCOA-Approved Assistance through September 2011 | | | |
|---|-------------------|---------------------------------------|--|
| Company | Assistance Amount | Committed Job Retention/ Job Creation | Actual to Date Job Retention/ Job Creation |
| Pepsi Beverages (Project AP) | \$ 350,000.00 | 00/00 | 00/00 |
| Teleperformance USA | \$ 125,000.00 | 00/250 | 00/00 |
| Cooperative Response Center (Project PT) | \$ 296,500.00 | 00/17 | 00/00 |
| Genesis Networks Solutions | \$ 2,874,185.00 | 115/253 | 115/02 |
| Enavail, LLC | \$ 23,814.00 | 00/00 | 00/00 |
| Docket Navigator (Project DT) | \$ 159,000.00 | 00/04 | 00/00 |
| Project CD – Phase 1 | \$ 2,750,000.00 | 00/200 | 00/00 |
| Project CD – Phase 2 | \$ 3,400,000.00 | 00/200 | 00/00 |
| Smith Pipe (Project BC) – Phases 1 & 2 | \$ 1,155,368.00 | 200/44 | 200/00 |
| TTUHSC School of Nursing-Abilene (infrastructure) | \$ 1,732,100.00 | 00/00 | 00/00 |
| TTUHSC School of Pharmacy-Abilene and CITR (infrastructure and job creation) | \$ 916,941.00 | 05/17 | 04/00 |
| Project MBO | \$ 765,000.00 | 34/40 | 34/00 |
| Project ML | \$ 297,000.00 | 00/13 | 00/00 |
| TOTAL | \$ 14,844,908.00 | 354/1038 | 353/02 |
| % to Abilene companies (names in bold) 54 % | | | |

Administrative / Other

Eagle Aviation Services, Inc. – Hangar 4 Construction

To meet the expected demand of Eagle Aviation Services, Inc. (EASI) for more hangar space, construction of the new Hangar 4 must be completed as soon as possible. During the September 20, 2010 meeting, the DCOA voted to allow the CEO to arrange for soils testing and a topographical survey for a hangar to be constructed next to Hangar 1.

In October 2010, the DCOA authorized contracts with Tittle Luther Partnership (TLP) for \$382,272 for design of a new hangar, Jacob & Martin, Ltd for \$3,000 for a topographical survey, and Enprotec/Hibbs & Todd for \$10,000 for soils analysis work. Also authorized was total funding of \$403,272 which includes the above contracted amounts as specified, plus an estimated \$8,000 for A/E reimbursables and reproduction costs.



In November 2010, the DCOA approved a resolution which authorized a contract with Thomas Hicks Construction, Inc. (THC) for a pre-engineered metal hangar building and total funding of \$743,125 (includes a 5% contingency). Subsequently, THC developed a proposal for the general contract work on the hangar at a total cost below the low estimate of \$4,638,300, including the previously-awarded structural steel package.

In January 2011, the DCOA rescinded the previously approved resolution and awarded a general contract to THC for construction of Hangar 4 on a cost plus basis with a guaranteed maximum of \$4.5 million, plus a 6% contingency of \$270,000 for total funding of \$4,770,000. During pre-construction review, it was determined that several fire safety issues had to be addressed in order to proceed with construction:

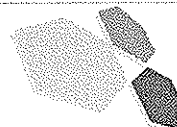
1. Existing Fire Suppression System – the existing foam/water fire suppression system in Hangar 0 does not work properly and needs significant upgrades.
2. Fire Flow Volume – Extension of a 12-inch water line into the Airport and installation of two (2) 100,000 gallon ground storage tank(s) are needed 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.

In order to address these issues, the DCOA approved contracts April 2011 with Tittle Luther Partnership, Enprotec/Hibbs & Todd, and Coker Engineering plus funding of \$178,500 to design the necessary improvements and manage the installation of said improvements. Also in April 2011, the Abilene City Council approved a Developer Participation Agreement with the DCOA allowing the DCOA to construct the fire safety improvements and the City will participate in 30% of the total project cost, estimated to be \$945,000 (30% of \$3.15 million). During the remaining months of FY 2011, the DCOA approved contracts and funding to manufacture and install the fire pumps and pump house, two ground storage tanks, a fire apparatus road, domestic and fire water lines, and fire suppression for Hangars 0 and 1.

Completion of the hangar and the majority of the fire safety improvements is expected in January 2012.

West Texas Coalition for Innovation and Commercialization (WTCIC)

The WTCIC is one of eight regional centers supporting 83 counties that review applications to the Texas Emerging Technology Fund (TETF). TETF is a multi-million dollar fund established several years ago to encourage research and commercialization of technology. However, no funds were allocated for the cost of operating the regional review committees. In January 2011, the DCOA approved funding of \$5,000 to support WTCIC operations through August 2011, as did many of the other economic development corporations in the region.



Purchase of 922 North 13th Street

The Abilene Improvement Corporation (AIC) recently acquired 922 North 13th St., located at the northwest corner of North 13th and Walnut Streets and is behind the Abilene Life Sciences Accelerator (ALSA). As the ALSA fills up with tenants, additional parking will be needed. The lot has a small brick structure on it and until the lot is needed for overflow parking, the structure can be used for storage for the ALSA. In January 2011, the DCOA authorized the purchase of this property from the AIC for \$35,000 plus an additional \$15,000 for closing costs, minor improvements, asbestos survey, and other related expenses.

Officer Elections

In January 2011, the following DCOA officers were re-elected for 2011: President – Paul Cannon, Vice President – Mike Schweikhard, and Secretary/Treasurer – Marelyn Shedd.

Springboard Ideas Challenge

The Springboard Ideas Challenge is a mini-business plan competition for the Abilene community and institutions of higher learning, with the mission of increasing the entrepreneurial spirit in the Abilene community. Springboard is the brainchild of James R. Porter, Entrepreneur-in-Residence at Abilene Christian University (ACU). The College of Business Administration at ACU has hosted Springboard since 2008. The DCOA has granted a Gold level sponsorship of \$5,000 in each of the last three years. In February 2011, the DCOA again approved a Gold level sponsorship of \$5,000 for the 2011 Springboard Ideas Challenge.

West Texas Innovation Network

The success of Springboard generated a lot of discussion last year to train entrepreneurs and encourage new business development. In December 2010, the Texas Workforce Commission (TWC) issued an RFP for entrepreneurship training projects. Our Workforce Board and the TTUSBDC are the grant applicants and have established the West Texas Innovation Network (WTIN) as the region's response to the RFP.

The many partners comprising the WTIN Consortium include local workforce boards, entrepreneurship training, foundations, economic development corporations, business services, community-based organizations and faith-based organizations. The WTIN will provide pre-assessment, development of customized training plans, entrepreneurship training, one-on-one counseling, post-assessment, and mentoring.

In February 2011, the DCOA authorized cash participation of \$5,000/year over three years (\$15,000) and DCOA in-kind contribution of office space in the Grant Building (302 Pine Street) of \$12,000/year for three years (\$36,000), subject to approval of the Entrepreneurship Training Grant application by the TWC.



Texas Manufacturing Assistance Center (TMAC)

TMAC West Texas is located in Lubbock and is affiliated with Texas Tech University (TTU), serving 93 surrounding counties. TMAC places emphasis on small to mid-sized manufacturers and works with a wide range of individual firms delivering training, providing technical assistance and implementing best business practices.

This year TMAC revised its program in Abilene to add a third "jump start" day to ensure the client companies begin transformation immediately, giving them an initiation phase to ensure sustainability. The three-day training program has an increased rate of \$11,000/company/fiscal year, up from two-days at \$7,500/company/fiscal year. In July 2011, the DCOA approved amending the current agreement with TMAC to pay the increased rate of \$11,000 for the three-day program to each of three companies through September 30, 2011. The DCOA also approved funding of \$88,000 for FY12 to assist eight companies at the increased rate of \$11,000 for the three-day program.

Airport Regional Airport

In the past, the City of Abilene has competed successfully for U.S. Dept. of Transportation's Small Community Air Service Development (SCASD) grants. Unfortunately, the last grant expired before Abilene was able to recruit an air carrier. The Abilene Regional Airport's Director of Aviation and his staff submitted a grant application to SCASD on August 2, 2011.

In July 2011, the DCOA Board approved \$200,000 marketing assistance as an incentive for recruiting a second air carrier to Abilene. If the City does not get a SCASD grant this year, the DCOA's commitment will remain in place for another SCASD grant application next year or recruiting a second air carrier without a SCASD grant, if possible. The DCOA's commitment will end after two years on September 30, 2013 if a second air carrier hasn't been recruited to Abilene by then.

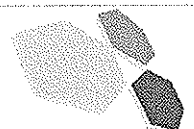
STAFF:

| | |
|---------------------------|------------------------|
| Chief Executive Officer | Richard Burdine |
| Business Services Mgr. | Kim Tarrant |
| Contracts Administrator | Kim Tarrant |
| Construction Project Mgr. | Pancho Perez |
| Construction Project Mgr. | Eddie Richards |
| Sec. to Assist. City Mgr. | Susan Campbell |

FOR MORE INFORMATION

CONTACT:

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Abilene, Texas 79604-0060
325.676.6390
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DEVELOPMENT CORPORATION OF ABILENE, INC.
BOARD AGENDA
MEETING DATE: November 22, 2011

PROJECT: Revised Infrastructure Assistance for the TTUHSC School of Nursing

STAFF: Richard Burdine, CEO

The Anita Thigpen Perry School of Nursing at Texas Tech University Health Sciences Center (TTUHSC) in Abilene (SON) is temporarily housed in the DCOA-owned Grant Building at 302 Pine St. Hendrick Medical Center recently opened bids to construct a 32,000 square foot facility to house the SON permanently as an addition to the School of Pharmacy building at the corner of Pine and North 17th Streets. The campus will contain space for 200 students and support a total faculty and staff of 36 once fully developed.

In May 2011, the DCOA approved resolution DCOA-2011.17 authorizing infrastructure assistance of \$1,732,100, based on estimated qualifying infrastructure expenditures at the time.

THE REQUEST

Bids were opened and the actual cost of qualified infrastructure improvements is \$1,884,356, an increase of \$152,256. Staff requests the board revise its assistance amount upward by \$152,256 from \$1,732,100 to \$1,884,356. DCOA assistance will be in the form of a seven (7) year forgivable loan at zero (0) percent interest up to \$1,884,356 with annual principal reductions of \$269,194 as long as the SON is in operation.

FISCAL IMPACT

Increased funding of \$152,256 to \$1,884,356.

STAFF RECOMMENDATION

Staff recommends approval of resolution DCOA-2012.04 which revises the infrastructure assistance approved in May 2011 under Resolution DCOA-2011.17 for the SON construction upward by \$152,256 from \$1,732,100 to \$1,884,356.

ATTACHMENTS

Resolution No. DCOA-2012.04

RESOLUTION NO. DCOA-2012.04

A RESOLUTION OF THE DEVELOPMENT CORPORATION OF ABILENE, INC. (DCOA), ABILENE, TEXAS AUTHORIZING REVISED INFRASTRUCTURE ASSISTANCE FOR THE ANITA THIGPEN PERRY SCHOOL OF NURSING AT TEXAS TECH UNIVERSITY HEALTH SCIENCES CENTER – ABILENE CAMPUS (“SON”).

WHEREAS, the SON is temporarily housed in the Grant Building at 302 Pine St; and,

WHEREAS, severe space limitations in the Grant Building prevent students from receiving the best educational experience, and prohibit the program from growing to its full potential; and,

WHEREAS, Hendrick Medical Center recently opened bids to construct a 32,000 square foot facility to house the SON permanently as an addition to the School of Pharmacy building at the corner of Pine and North 17th Streets. The campus will contain space for 200 students and support a total faculty and staff of 36 once fully developed; and,

WHEREAS, under state law, the DCOA can assist with expenditures for infrastructure improvements, limited to streets and roads, water and sewer utilities, electric utilities, gas utilities, drainage, site improvements and related improvements, and telecommunications and Internet improvements; and,

WHEREAS, in May 2011, the DCOA approved resolution DCOA-2011.17 authorizing infrastructure assistance of \$1,732,100, based on estimated qualifying infrastructure expenditures at the time; and,

WHEREAS, Bids were opened and the actual cost of qualified infrastructure improvements is \$1,884,356, an increase of \$152,256; and,

WHEREAS, staff requests the DCOA authorize additional infrastructure assistance for SON in the amount of \$152,256 for total assistance of \$1,884,356.

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

PART 1. DCOA hereby authorizes REVISED infrastructure assistance for The Anita Thigpen Perry School of Nursing at Texas Tech University Health Sciences Center-Abilene Campus in the amount of One Million Eight Hundred Eighty-Four Thousand Three Hundred Fifty-Six and no/100's Dollars (\$1,884,356), an increase of \$152,256 over the \$1,732,100 approved in May 2011 under resolution DCOA-2011.17. Such improvements are limited to streets and roads, water and sewer utilities, electric utilities, gas utilities, drainage, site improvements and related improvements, and telecommunications and Internet improvements. The SON will be constructed in the 1700 block of Pine St.

DCOA assistance is proposed in the form of a seven (7) year forgivable loan in the amount of \$1,884,356 at zero (0) percent interest with principal reductions of \$269,194 per year as long as the SON-Abilene is in operation.

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 22nd day of November, 2011.

ATTEST:

Marelyn Shedd
Secretary/Treasurer

Paul Cannon
President

APPROVED:

T. Daniel Santee, City Attorney

S:\DCOAResolution\FY 2012\2012.04 TTU\SC SON REVISED 11-22-11.DOC