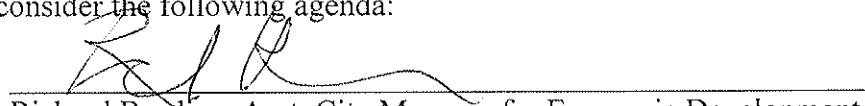


## PUBLIC NOTICE

### DEVELOPMENT CORPORATION OF ABILENE, INC.

A regular meeting of the Development Corporation of Abilene, Inc. will be held on Friday, December 16, 2011, in the Abilene Life Sciences Accelerator, 1325 Pine St., Abilene, Texas, commencing at 10:00 a.m. to consider the following agenda:

SIGNED:

  
Richard Burdine, Asst. City Manager for Economic Development

### AGENDA

December 16, 2011  
10:00 a.m.

Abilene Life Sciences Accelerator  
1325 Pine St.

1. Call the meeting to order.
2. Approval of minutes from the November 22, 2011, board meeting.
3. Sales tax report for December 2011 and Preliminary Status of Funds report for October 2011.
4. Presentation of the Emergent Technologies, Inc. annual report of activities by David Sougstad, Dale Gannaway, and Tommy Harlan.
5. Presentation by Dr. Jon Weidanz from TTUHSC School of Pharmacy and Richard Burdine, CEO of the DCOA, on the status of the biotech eco system in Abilene.
6. 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.

7. Discussion and possible approval of a resolution authorizing funds for lighting improvements to the DCOA-owned warehouse space located at 4109 Vine St., Abilene, TX.
8. Discussion and possible approval of a resolution authorizing funds for replacement of broken skylights in Hangars 1 and 2, roof repairs to Hangar 3, and parking lot repairs to Hangar 1 at the Abilene Regional Airport, all occupied by Eagle Aviation Services, Inc.
9. Discussion and possible approval of a resolution authorizing payment of building lease costs on behalf of the U.S. Postal Service Abilene facility for up to 10 years in exchange for retention of Automated Mail Processing Center jobs.
10. Adjournment.

### CERTIFICATE

I hereby certify that the above notice of meeting was posted on the bulletin board at the City Hall of Abilene, Texas, on the \_\_\_\_\_ day of \_\_\_\_\_, 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 22, 2011**

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

**MEMBER ABSENT:** Scott Senter

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

**GUESTS PRESENT:** 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 NOVEMBER 8, 2011 BOARD MEETING.** Marelyn Shedd moved to approve the minutes from the November 8, 2011 board meeting. Dani Ramsay seconded and the motion carried.
3. **SALES TAX REPORT FOR NOVEMBER 2011 AND PRELIMINARY STATUS OF FUNDS REPORT FOR SEPTEMBER 2011.** Mindy Patterson reported that the City's sales tax rebate of \$3.86 million received in November represents September sales and is up 24.52% from last November. The sales tax rebate for economic development was \$964,808.
4. **PRESENTATION AND POSSIBLE APPROVAL OF THE DCOA ANNUAL REPORT OF ACTIVITIES FOR FY 2011.** Richard Burdine focused on the assistance chart within the Annual Report of Activities for FY11. He noted that while FY 2011 may not have been the *best* year for the DCOA in terms of expanding local businesses and recruiting new companies to Abilene, it was not the *worst* year either, considering the economic downtown causing businesses to layoff employees. And in spite of the job layoffs, many companies have discovered ways to still make money with fewer employees. Companies are wary of their improved status, speculating that it may be temporary and therefore, being cautious about rehiring previously laid off employees and/or hiring new ones.

Projects reviewed were Pepsi Beverages who bought Abtex Beverages, Teleperformance USA, Cooperative Response Center, Genesis Networks Solutions, Enavail, Docket Navigator, Project CD, Smith Pipe, TTUHSC School of Nursing-Abilene, TTUHSC School of Pharmacy-Abilene and Center for Immunotherapeutics Research, Project MBO, and Project ML. For FY 2011, 54% of total DCOA assistance was to Abilene companies with total committed job retention of 354 and total job creation of 1,038. The DCOA also assisted ACU with their fourth annual 2011 Springboard Ideas Challenge and helped the Texas Manufacturing Assistance Center with its Abilene training program.

Discussion followed about changing the information reported on the DCOA assistance chart to help people better understand financial assistance from the DCOA. The DCOA would like the general public to understand that these companies have made commitments to Abilene and must fulfill them in order to receive their funding. Some suggestions include showing projects that have signed contracts and those that are still pending, while still reflecting that the DCOA has approved assistance and has reserved that money.

5. **EXECUTIVE SESSION.** I hereby announce we are going into Executive Session pursuant to Texas Government Code Sections 551.071, .072, and .087 to consult with our legal counsel, discuss real property transactions, and discuss economic development negotiations involving a business prospect, as set forth on the agenda. Any vote or action will be taken in open session.

President Paul Cannon announced the date is November 22, 2011, and the time is 2:05 p.m. Mr. Cannon later announced the date is still November 22, 2011, and the time is 2:49 p.m. No vote or action was taken in Executive Session.

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.** The Anita Thigpen Perry School of Nursing (SON) at Texas Tech University Health Sciences Center (TTUHSC) in Abilene is temporarily housed in the DCOA-owned Grant Building at 302 Pine St. Hendrick Medical Center recently opened bids to construct a 32,000 sq ft facility to house the SON permanently as an addition to the School of Pharmacy Building at the corner of Pine and North 17<sup>th</sup> Streets. The campus will have enough space for 200 students and support a total of 36 faculty and staff once fully developed. In May of this year, the DCOA approved infrastructure assistance of \$1,732,100 based on *estimated* qualifying infrastructure expenditures at the time. Bids were opened and the *actual* cost of qualified infrastructure improvements has increased by \$152,256 to \$1,884,356.

Staff recommends the DCOA approve revising the infrastructure assistance and increasing it by \$152,256, from \$1,732,100 to \$1,884,356.

A motion was made by Mike Schweikhard to approve Resolution No. DCOA-2012.04 as presented. Marelyn Shedd seconded and the motion carried.

7. **ADJOURNMENT.** The next meeting is December 16<sup>th</sup>. There being no further business, the meeting was adjourned.

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Paul Cannon, President

**MEMORANDUM**

December 7, 2011

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

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The sales tax rebate for December is \$2,901,103.99 which represents October sales. This is 12.08% above last year. The breakdown of the December rebate is \$2,175,827.99 to the General Fund and \$725,276.00 for economic development. Of this rebate, \$15,617 is from prior periods, audit payments, future payments, and unidentified payments. Based on this rebate, sales tax is 23.83% above last year for the period of October through December. 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**

<b>Accounting Period Month</b>	<b>GENERAL FUND Actual 2010-11</b>	<b>ECONOMIC DEVELOPMENT Actual 2010-11</b>	<b>TOTAL 2010-11</b>	<b>GENERAL FUND Actual 2011-12</b>	<b>ECONOMIC DEVELOPMENT Actual 2011-12</b>	<b>TOTAL 2011-12</b>
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
December	1,941,356.20	647,118.73	2,588,474.93	2,175,827.99	725,276.00	2,901,103.99
<b>YTD</b>	<b>\$6,251,445.79</b>	<b>\$2,083,815.26</b>	<b>\$8,335,261.05</b>	<b>\$7,741,409.27</b>	<b>\$2,580,469.75</b>	<b>\$10,321,879.02</b>
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			
<b>FY TOTAL</b>	<b>\$27,887,455.87</b>	<b>\$9,295,818.61</b>	<b>\$37,183,274.48</b>			

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.

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

<b>Accounting Period Month</b>	<b>Actual 2010-11</b>	<b>Actual 2011-12</b>	<b>% Change</b>
October	\$661,859	\$890,386	34.53%
November	774,838	964,808	24.52%
December	647,119	725,276	12.08%
<b>YTD</b>	<b>\$2,083,815</b>	<b>\$2,580,470</b>	<b>23.83%</b>
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		
<b>FY TOTAL</b>	<b>\$9,295,819</b>		

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 December '11 represents October '11 sales. Approximately \$3,904 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*

<b>Accounting Period Month</b>	<b>Actual 2007-08</b>	<b>Actual 2008-09</b>	<b>Actual 2009-10</b>	<b>Actual 2010-11</b>	<b>Actual 2011-12</b>
October	\$676,406	\$703,442	\$671,904	\$661,859	\$890,386
November	764,578	893,442	758,231	774,838	964,808
December	644,727	707,339	602,230	647,119	725,276
Year-to-Date Total	<u>\$2,085,710</u>	<u>\$2,304,223</u>	<u>\$2,032,366</u>	<u>\$2,083,815</u>	<u>\$2,580,470</u>
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	
<b>FY TOTAL</b>	<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>\$ 2,580,470</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.



# DEVELOPMENT CORPORATION OF ABILENE, INC.

## BOARD AGENDA

MEETING DATE: December 16, 2011

**PROJECT:** Vine St. Warehouse Lighting Improvements

**STAFF:** Richard Burdine, CEO

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### THE PROJECT

AEP Texas North Company offers its Commercial Solutions Program, aimed at improving the energy efficiency of business facilities and has contracted with CLEAResult Consulting, Inc. to sponsor, promote and administer the Program. The program is designed to help reduce energy bills, freeing up operating dollars for other needs and improving the work environment for employees. In August, CLEAResult conducted a walk-through of Warehouses B, C, D, and the Ryder building all located at 4109 Vine in order to identify cost effective energy efficiency improvements that can help make the properties less costly to operate. In September, CLEAResult submitted an Opportunity Assessment for lighting retrofit.

### THE REQUEST

Effective July 15, 2011, Affiliated Foods closed its business and vacated the DCOA-owned building at 4109 Vine, which consists of 3 large connecting warehouses and adjoining offices. Since then, staff has worked to clean up the property and make it ready to lease again, including removal of two underground fuel storage tanks. Ryder Trucks was subleasing from Affiliated Foods a separate building at the south end with a wash bay totaling about 8,058 sq ft and expressed a desire to remain in the building. We are working with the Ryder corporate structure to get a new lease agreement in place.

Fehr Foods has leased Warehouse A (70,000 sq ft) at 4009 Vine, which adjoins Warehouse B (42,362 sq ft), since 2004 paying monthly rent that increased from \$1.50/sq ft/year to the current \$1.67/sq ft/year. In order to accommodate its growth, Fehr Foods entered into a new lease effective October 1, 2011, for both Warehouses A and B, paying \$1.67/sq ft/year. The remainder of the space (offices and Warehouses C and D) remains vacant; however, staff continues to work to clean up the space, make it more tenant-friendly, and find other tenants.

CLEAResult's Opportunity Assessment has two options to consider for lighting retrofit of Warehouses B, C, D and Ryder's facility:

Option A: This option evaluated the retrofitting of all T12 fixtures to a reduced Watt T8 lamp with premium efficiency ballasts. In the applications where these replace 8 foot T12's this differs from Option B in that it uses four 4-foot lamps in combination with a reduced-output ballast. This option has excellent economics and will increase light output in the facility. The total project cost is \$56,822.75, which will result in annual energy savings estimated at \$26,140. CLEAResult will refund to the DCOA \$8,400 as program incentive resulting in a net cost to the DCOA of \$48,422.75.

Option B: This option evaluated the retrofitting of all T12 fixtures to a High Lumen 32 Watt T8 lamp with premium efficiency ballasts. In the applications where these replace 8 foot T12's, this

differs from Option A in that it uses two 4-foot lamps in combination with a reflector kit. This option has higher incentives, higher energy savings, and an overall better economics, but will only maintain, at best, the light output in the facility which is somewhat dim in the warehouse space. The total project cost is \$52,677, which will result in annual energy savings estimated at \$30,260. CLEAResult will refund to the DCOA \$9,750 as program incentive, resulting in a net cost to the DCOA of \$42,927.

I authorized staff to proceed with Option B in order to take advantage of the program incentive before the end of the calendar year to avoid having to re-apply for a new year. Option B, though it won't result in increased lighting output, should be more than adequate for any future tenants. The warehouses are currently very dark because ¼ to 1/3 of the existing lighting fixtures don't work or lamps need to be replaced. Hendrix Electric has been contracted to perform the work and expects to begin this week. I am requesting now that the DCOA ratify the work and associated expense to take advantage of an incentive program while performing much needed upgrades to the lighting at 4109 Vine.

**FISCAL IMPACT**

Hendrix Electric for lighting upgrades	\$52,677
Less Program Incentive from CLEAResult	<u>\$ 9,750</u>
TOTAL	\$42,927

**STAFF RECOMMENDATION**

Staff recommends approval of resolution DCOA-2012.05 ratifying a contract with Hendrix Electric and funding of \$52,677 to upgrade lighting in Warehouses B, C, D and Ryder at 4109 Vine St. and acceptance of a Program Incentive of \$9,750 from CLEAResult.

**ATTACHMENTS**

- Resolution DCOA-2012.05
- Opportunity Assessment dated 9-23-11 for 4109 Vine Lighting Retrofit by CLEAResult.
- Warehouse layout for 4109 Vine.

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**RESOLUTION NO. DCOA-2012.05**

A RESOLUTION OF THE DEVELOPMENT CORPORATION OF ABILENE, INC. (DCOA), ABILENE, TEXAS RATIFYING A CONTRACT WITH HENDRIX ELECTRIC AND APPROVING FUNDING TO PERFORM LIGHTING UPGRADES IN WAREHOUSES B, C, D AND RYDER'S FACILITY LOCATED AT 4109 VINE ST., ABILENE, TEXAS, IN ORDER TO TAKE ADVANTAGE OF THE AEP TEXAS COMMERCIAL SOLUTIONS INCENTIVE PROGRAM.

WHEREAS, effective July 15, 2011, Affiliated Foods closed its business and vacated the DCOA-owned building at 4109 Vine, which consists of 3 large connecting warehouses and adjoining offices. Since then, staff has worked to clean up the property and make it ready to lease again, including removal of two underground fuel storage tanks; and,

WHEREAS, AEP Texas North Company offers its Commercial Solutions Program, aimed at improving the energy efficiency of business facilities and has contracted with CLEAResult Consulting, Inc. to sponsor, promote and administer the Program; and,

WHEREAS, in August, CLEAResult conducted a walk-through of Warehouses B, C, D, and the Ryder building all located at 4109 Vine in order to identify cost effective energy efficiency improvements that can help make the properties less costly to operate. In September, CLEAResult submitted an Opportunity Assessment for lighting retrofit; and,

WHEREAS, CLEAResult's Opportunity Assessment has two options to consider for lighting retrofit of Warehouses B, C, D and Ryder's facility: Option A includes retrofitting all T12 fixtures to a reduced Watt T8 lamp with premium efficiency ballasts which will increase light output in the facility at a total project cost of \$56,822.75. CLEAResult will refund to the DCOA \$8,400 as program incentive resulting in a net cost to the DCOA of \$48,422.75, and Option B includes retrofitting all T12 fixtures to a High Lumen 32 Watt T8 lamp with premium efficiency ballasts, which will only maintain, at best, the light output in the facility at a total project cost of \$52,677. CLEAResult will refund to the DCOA \$9,750 as program incentive, resulting in a net cost to the DCOA of \$42,927; and,

WHEREAS, Richard Burdine, CEO of the DCOA, authorized staff to proceed with Option B in order to take advantage of the program incentive before the end of the calendar year to avoid having to re-apply for a new year; and,

WHEREAS, staff requests the DCOA ratify the work and associated expense under Option B to take advantage of an incentive program while performing much needed upgrades to the lighting at 4109 Vine.

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

**PART 1.** DCOA hereby ratifies a contract with Hendrix Electric to perform lighting upgrades as defined in Option B of the AEP Texas Commercial Solutions Program Opportunity Assessment dated September 23, 2011 for the warehouses at 4109 Vine St, Abilene, TX. The DCOA also approves funding of Fifty-Two Thousand Six Hundred Seventy-Seven and no/100's Dollars (\$52,677) to perform the lighting upgrades and acceptance of the program

incentive payment of \$9,750 from CLEAResult, resulting in a net project cost of \$42,927.

**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 16th day of December, 2011.

ATTEST:

\_\_\_\_\_  
Marelyn Shedd  
Secretary/Treasurer

\_\_\_\_\_  
Paul Cannon  
President

APPROVED:

\_\_\_\_\_  
T. Daniel Santee, City Attorney

S:\DCOA\Resolution\FY 2012\2012.05 Vine St Warehouse lighting upgrades 12-16-11.DOC

# Opportunity Assessment

AEP Texas Commercial Solutions Program

**Development Corporation of Abilene**

4109 Vine St. Lighting Retrofit

September 23, 2011

# Opportunity Assessment

AEP Texas Commercial Solutions Program

# Summary

Partner: Development Corporation of Abilene  
 Project(s): 4109 Vine St. Lighting Retrofit

**Option A**  
 This option evaluated the retrofitting of all T12 fixtures to a reduced Watt T8 lamp with premium efficiency ballast. In the applications where these replace 8 foot T12s this differs from Option B in that it uses 4 - 4 Foot lamps in combination with a reduced output ballast. This option has excellent economics, and will increase overall light output in the facility

**Option B**  
 This option evaluated the retrofitting of all T12 fixtures to a High Lumen 32 Watt T8 lamp with premium efficiency ballast. In the applications where these replace 8 foot T12s this differs from Option A in that it uses 2 - 4 Foot lamps in combination with a reflector kit. This option has higher incentives, higher energy savings, and an overall better economics, but will only maintain, at best, the light output in the facility which is somewhat dim in the warehouse space

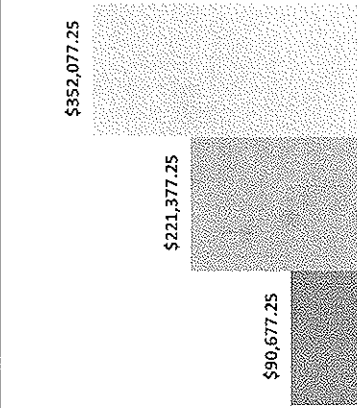
### Potential Incentive & Energy Savings

Program Incentive	\$8,400.00	Est. kW Savings	56.00
Annual Energy Savings (50.1 per kWh)	\$26,140.00	Est. kWh Savings	261,400
Est. Net Project Cost	\$48,422.75	Simple Payback (yrs)	2
IRR	54%		

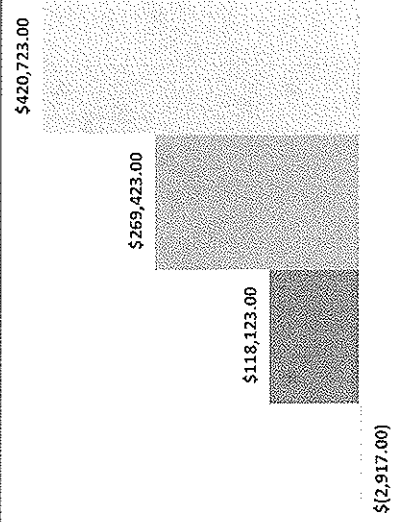
Program Incentive	\$9,750.00	Est. kW Savings	65.00
Annual Energy Savings (50.1 per kWh)	\$30,260.00	Est. kWh Savings	302,600
Est. Net Project Cost	\$42,927.00	Simple Payback (yrs)	1
IRR	70%		

### Projected 15 Year Cash Flow

1 Year: Annual Energy Savings - Net Cost	\$450,000.00
5 Years: 5 Years Annual Energy Savings - Net Cost	\$300,000.00
10 Years: 10 Years Annual Energy Savings - Net Cost	\$150,000.00
15 Years: 15 Years Annual Energy Savings - Net Cost	\$50,000.00
	\$-
	\$(50,000.00)



### Option B



### Cost of Waiting

Monthly	\$2,178.33	Annually	\$26,140.00
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Monthly	\$2,521.67	Annually	\$30,260.00
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### Annual Carbon Impact

35	cars off the road, or
20,259	gallons of gasoline, or
418	barrels of oil, or
38	acres of pine forests

41	cars off the road, or
23,452	gallons of gasoline, or
484	barrels of oil, or
44	acres of pine forests

\*Calculated through the Environmental Protection Agency

7.6

# Energy Savings Comparison

Building	est. kW saved	Annual kWh saved	INCENTIVE	Annual Energy Savings	Est. Project Cost	Est. Project		Simple Payback (yrs)	Cost of Waiting (monthly)	IRR
						Cost Less Incentive	Cost			
Option A	56	261,400	\$8,400.00	\$26,140.00	\$56,877.75	\$48,477.75	1.85	\$2,178.33	54%	
Option B	65	302,600	\$9,750.00	\$30,260.00	\$52,677.00	\$42,927.00	1.42	\$2,521.67	70%	

7.7

# Lighting Retrofit

# Summary

AEP Texas Commercial Solutions Program

The potential program incentives and annual energy savings that we have calculated are based on fixture replacements described below. These represent the fixture count executed by Mike Johnson at Hendrix Electric, for the following buildings: Fehr Foods, Ryder, and the currently vacant former Affiliated Foods Warehouse Space on Vine St.

The following savings figures only reflect **Indoor** fixtures. Incandescent fixtures can be easily replaced with compact fluorescents (CFLs), and we are not counting those fixtures in this report. A table showing recommended wattages for replacing incandescents with CFLs is included at the end of this assessment.

These calculations are not exact, and should only be used to formulate a decision on whether or not to pursue a lighting retrofit. You should consult a professional lighting company on these technology upgrades to ensure proper light levels, as well as to calculate the cost of the project.

Once a contractor has been identified for the project, we can assist in analyzing the energy savings associated with the replacement plan, as well as further consultation on the project.

## Energy Saving Opportunities

### **Linear Fluorescents: Retrofitting T12s to 'Super T8s'**

The existing linear fluorescents present a sizable opportunity for energy savings. Going from the existing 4-Lamp T12 fluorescents with magnetic ballasts, to 2 Lamp 'Super' T8s, which involve High-Output 32W T8s (3,100 Lumens) combined with premium electronic instant start ballasts, will save around 100 Watts per fixture, and cut energy costs by more than half. T12 fixtures with 2 lamps can be easily retrofitted to 2 lamp 'Super' T8s. T12 fixtures with 8 foot lamps can also be retrofitted to 2 Lamp, 4 Foot 'Super' T8s. These retrofits should not require replacing the existing fixtures, and therefore allow a quicker return on investment.

### **High-Bay Lighting: Replacing with High-Output Linear Fluorescents**

There are excellent opportunities for improved lighting in buildings that currently have Metal Halide fixtures for lighting "High-Bay" areas, such as Gyms, Warehouses, Swimming Centers, etc. Replacing the existing metal halide lamps with either 'Super' T8s, which involve High-Output 32W T8 Linear fluorescents combined with premium electronic instant start ballasts, or High-Output T5s, will cut the lighting costs for these areas by more than half. The fluorescents will not produce as much heat as the metal halides, which will reduce the cooling costs in the buildings. Additionally, the fluorescents do not require a warm-up period which allows users to turn the lights off when not in use, or to install occupancy sensors.

Summary of Individual Facilities on the following pages...



## Option A

### Summary of Existing/Recommended Fixture Types and Counts, and Estimated Costs

Fixture Type:	(1) 2-Lamp 8 Foot T-12s w/ Magnetic Ballasts	Fixture Count:	431
Rec'd Retrofit:	(1) 4-Lamp 4 Foot 28W T8	Fixture Count:	431
Est. Cost per Fixture	\$20.17	Est. Project Cost	\$8,693.27
Fixture Type:	(1) 400 W Metal Halide w/ Magnetic Ballast	Fixture Count:	8
Rec'd Retrofit:	(1) 6-Lamp High Output T8	Fixture Count:	8
Est. Cost per Fixture	\$200.00	Est. Project Cost	\$1,600.00
Fixture Type:	(1) 400 W Metal Halide w/ Magnetic Ballast	Fixture Count:	4
Rec'd Retrofit:	(1) 6-Lamp High Output T8 (Wet)	Fixture Count:	4
Est. Cost per Fixture	\$200.00	Est. Project Cost	\$800.00
Fixture Type:	(1) 2-Lamp T-12s w/ Magnetic Ballasts	Fixture Count:	20
Rec'd Retrofit:	(1) 2-Lamp 4 Foot 28W T8	Fixture Count:	20
Est. Cost per Fixture	\$50.00	Est. Project Cost	\$1,000.00
Fixture Type:	(1) 4-Lamp T-12s w/ Magnetic Ballasts	Fixture Count:	114
Rec'd Retrofit:	(1) 2-Lamp 4 Foot 28W T8	Fixture Count:	114
Est. Cost per Fixture	\$90.00	Est. Project Cost	\$10,260.00
Fixture Type:	(1) 2-Lamp 2 Foot T-12 w/ Magnetic Ballast	Fixture Count:	10
Rec'd Retrofit:	(1) 2-Lamp 2 Foot 17W T8	Fixture Count:	20
Est. Cost per Fixture	\$40.00	Est. Project Cost	\$400.00

Est. Energy Savings

Program Incentive	\$8,400.00	Est. kW Savings	56
Annual Energy Savings	\$26,140.00	Est. kWh Savings	261400

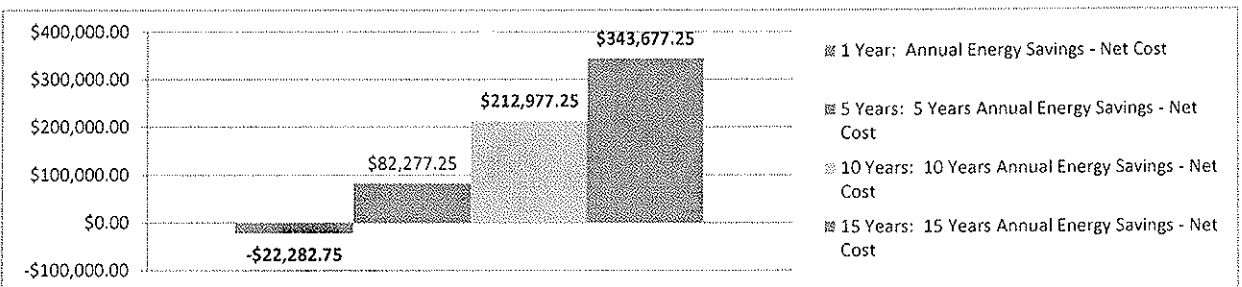
Est. Simple Payback

Est. Total Cost	Net Cost	Simple Payback (yrs)
\$56,822.75	\$48,422.75	1.85

(\$0.1 per kWh)  
(initial cost - incentive)      (net cost / annual energy savings)

### Projected 15 Year Cash Flow

IRR 54%	1 Year: Annual Energy Savings - Net Cost	-\$22,282.75
	5 Years: 5 Years Annual Energy Savings - Net Cost	\$82,277.25
	10 Years: 10 Years Annual Energy Savings - Net Cost	\$212,977.25
	15 Years: 15 Years Annual Energy Savings - Net Cost	\$343,677.25



<b>Cost of Waiting</b>	<b>Monthly</b>	<b>Annually</b>
	\$2,178.33	\$26,140.00

## Option B

### Summary of Existing/Recommended Fixture Types and Counts, and Estimated Costs

Fixture Type:	(1) 2-Lamp 8 Foot T-12s w/ Magnetic Ballasts	Fixture Count:	431
Rec'd Retrofit:	(1) 2-Lamp 4 Foot 'Super' T8	Fixture Count:	431
Est. Existing Fixture	\$33,000	Est. Retrofit Cost	\$20,667.00
Fixture Type:	(1) 400 W Metal Halide w/ Magnetic Ballast	Fixture Count:	8
Rec'd Retrofit:	(1) 6-Lamp High Output T8	Fixture Count:	8
Est. Existing Fixture	\$1,000.00	Est. Retrofit Cost	\$1,600.00
Fixture Type:	(1) 400 W Metal Halide w/ Magnetic Ballast	Fixture Count:	4
Rec'd Retrofit:	(1) 6-Lamp High Output T8 (Wet)	Fixture Count:	4
Est. Existing Fixture	\$7,000.00	Est. Retrofit Cost	\$2,800.00
Fixture Type:	(1) 4-Lamp T-12 w/ Magnetic Ballast	Fixture Count:	20
Rec'd Retrofit:	(1) 2-Lamp 4 Foot 'Super' T8	Fixture Count:	20
Est. Existing Fixture	\$53,715	Est. Retrofit Cost	\$16,720
Fixture Type:	(1) 4-Lamp T-12 w/ Magnetic Ballast	Fixture Count:	114
Rec'd Retrofit:	(1) 2-Lamp 4 Foot 'Super' T8	Fixture Count:	114
Est. Existing Fixture	\$39,015	Est. Retrofit Cost	\$9,270.00
Fixture Type:	(1) 2-Lamp 2 Foot T-12 w/ Magnetic Ballast	Fixture Count:	10
Rec'd Retrofit:	(1) 2-Lamp 2 Foot 17W T8	Fixture Count:	20
Est. Existing Fixture	\$8,500	Est. Retrofit Cost	\$18,000

Est. Energy Savings

Program Incentive	\$9,750.00	Est. kW Savings	65
Annual Energy Savings	\$30,260.00	Est. kWh Savings	302600

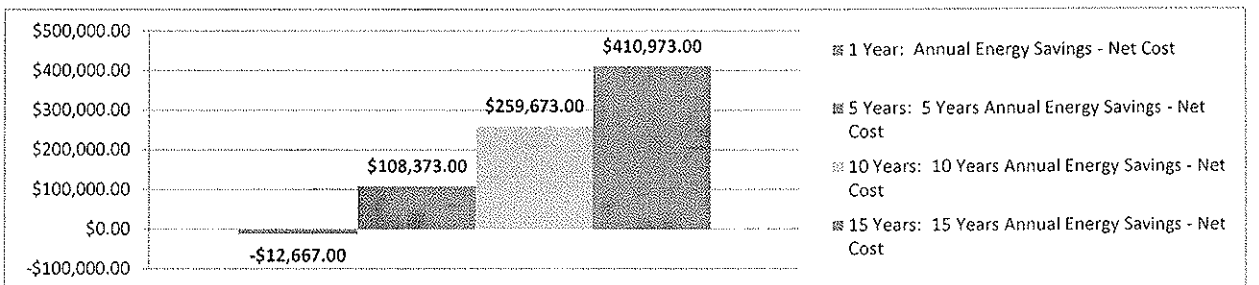
(\$0.1 per kWh)

Est. Simple Payback

Est. Total Cost	Net Cost	Simple Payback (yrs)
\$52,677.00	\$42,927.00	1.42
(initial cost - Incentive)	(net cost / annual energy savings)	

### Projected 15 Year Cash Flow

IRR 70%	1 Year: Annual Energy Savings - Net Cost	-\$12,667.00
	5 Years: 5 Years Annual Energy Savings - Net Cost	\$108,373.00
	10 Years: 10 Years Annual Energy Savings - Net Cost	\$259,673.00
	15 Years: 15 Years Annual Energy Savings - Net Cost	\$410,973.00

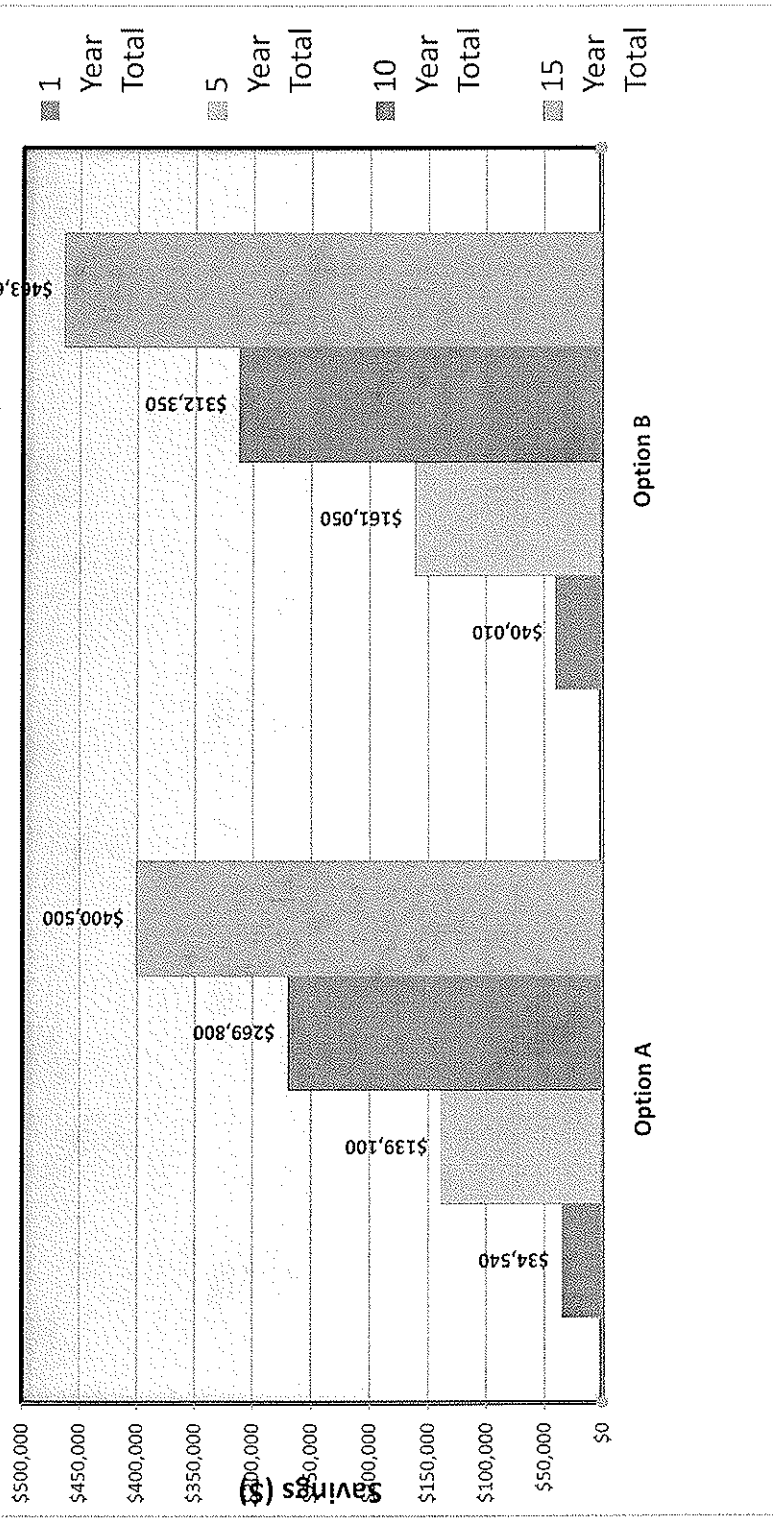


<b>Cost of Waiting</b>	<b>Monthly</b>	<b>Annually</b>
	\$2,521.67	\$30,260.00

Project: 4109 Vine St. Lighting Retrofit

Branch	Option A	Option B
Average Blended \$/kWh rate:	\$0.100	
Demand Reduction (kW)	56	65
Energy Reduction (kWh)	261,400	302,600
<b>Annual Energy Savings</b>	<b>\$26,140</b>	<b>\$30,260</b>
<b>Program Incentive Amt.</b>	<b>\$8,400</b>	<b>\$9,750</b>
1 Year Total	\$34,540	\$40,010
5 Year Total	\$139,100	\$161,050
10 Year Total	\$269,800	\$312,350
15 Year Total	\$400,500	\$463,650

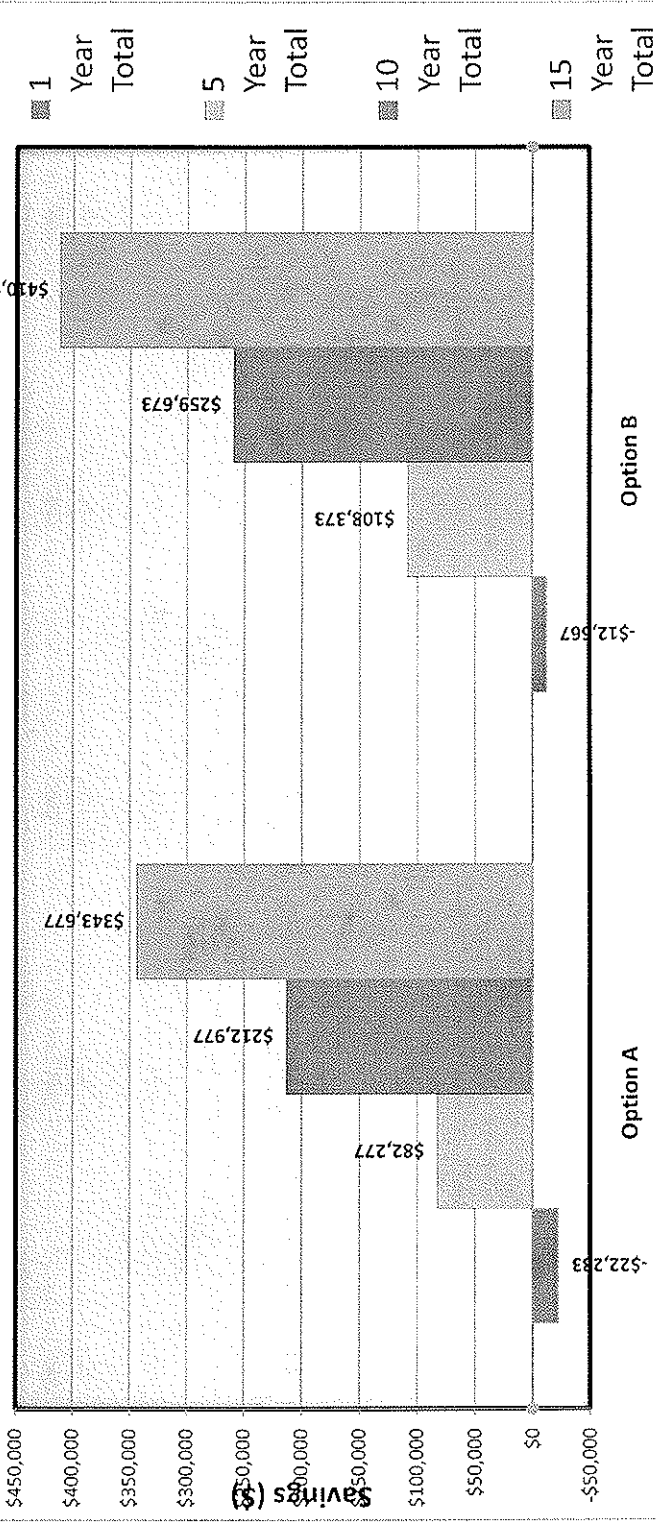
Estimated Energy Savings Potential by Facility



Project: 4109 Vine St. Lighting Retrofit

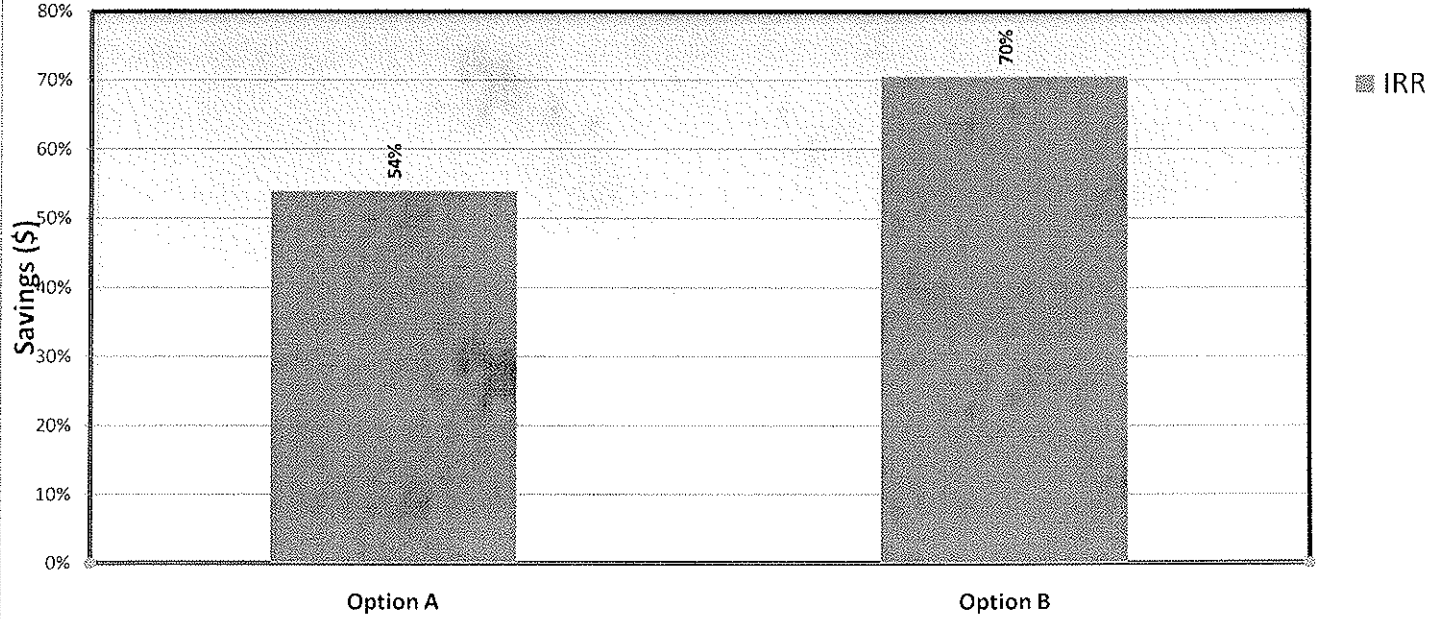
Average Blended \$/kWh rate:	Option A	Option B
Branch	56	65
Demand Reduction (kW)	261400	302600
Energy Reduction (kWh)	\$26,140	\$30,260
Annual Energy Savings	\$8,400	\$9,750
Program Incentive Amt.	\$48,423	\$42,927
Est. Net Project Cost	-\$22,283	-\$12,667
1 Year Total	\$82,277	\$108,373
5 Year Total	\$212,977	\$259,673
10 Year Total	\$343,677	\$410,973
15 Year Total		

Estimated 15 Year Cash Flow by Facility



7.12

Estimated IRR by Facility



# NOTES

The purpose of this document is to inform the Program partner of opportunities available by upgrading to more energy efficient equipment. The recommendations in this document are for planning purposes only, and all decisions on equipment to be purchased and installed are the sole responsibility of the partner.

All savings estimates are based on existing equipment to be replaced, as well as deemed savings provided by the Public Utilities Commission of Texas (PUCT). Actual savings may differ based on post-installation inspection of new equipment. Furthermore, annual kWh use may differ as these figures are averages based on building type use hours, established by the PUCT.

Savings figures reflect the additional energy savings associated with installing energy efficient equipment above what are considered the efficiency baselines by the PUCT. They do not reflect the cost of the equipment, installation costs, labor, etc.

The calculations include the Program's cash incentives for peak kW reduced, which are: \$150 per kW of peak demand reduced, and \$0 per kWh saved. Additionally, to calculate the annual kWh savings, an average blended rate of \$0.1 per kWh was used. This number is only an average and can be changed to reflect the partner's actual average kWh cost.

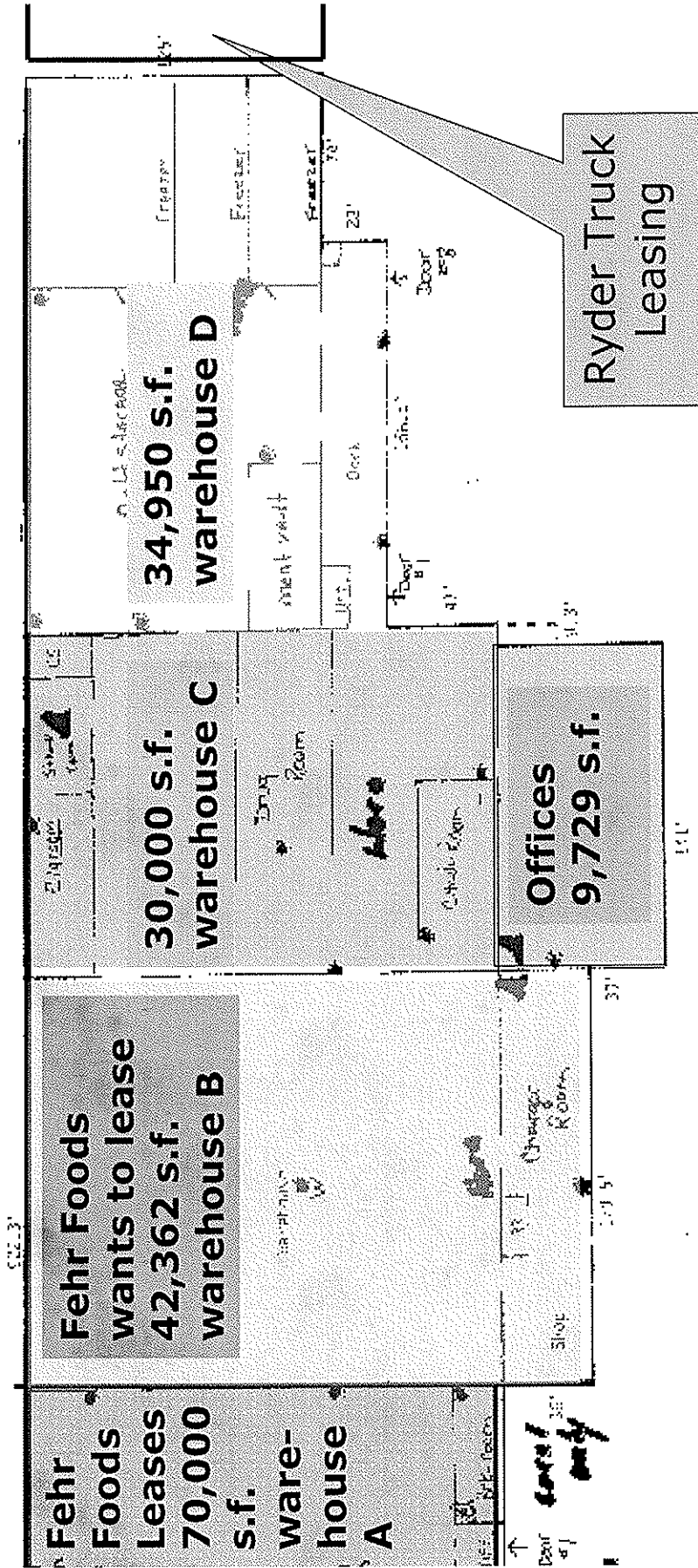
## Energy Star Recommended CFL Wattages for Replacing Incandescents

To determine which ENERGY STAR qualified light bulbs will provide the same amount of light as your current incandescent light bulbs, consult the following chart:

INCANDESCENT LIGHT BULBS	MINIMUM LIGHT OUTPUT	COMMON ENERGY STAR QUALIFIED LIGHT BULBS
WATTS	LUMENS	WATTS
40	450	9 - 13
60	800	13 - 15
75	1,100	18 - 25
100	1,600	23 - 30
150	2,600	30 - 52

# Affiliated Foods Real Estate Update

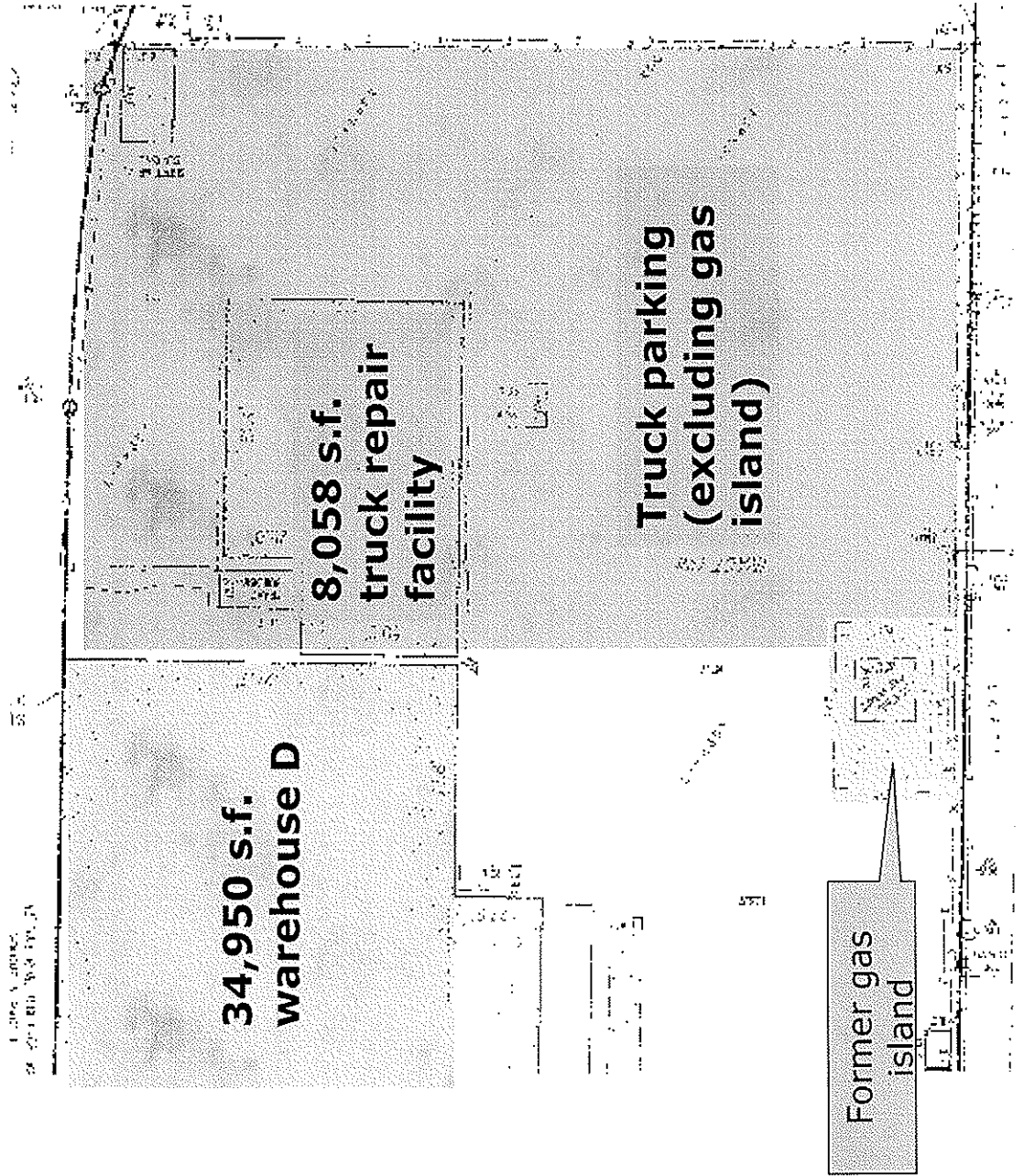
Total square feet = 117,041



4109 Vine Street



# Affiliated Foods Real Estate Update



# DEVELOPMENT CORPORATION OF ABILENE, INC.

## BOARD AGENDA

MEETING DATE: December 16, 2011

**PROJECT:** Replacement of Broken Skylights, Roof Repairs, and Parking Lot Repairs – EASI Hangars

**STAFF:** Richard Burdine, CEO

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### BROKEN SKYLIGHTS AND ROOF REPAIRS

The infamous Easter Day storm of 2011 resulted in damaged roofs all over the region. Hangars 1, 2 and 3 at the Abilene Regional Airport, occupied by Eagle Aviation Services, Inc. (EASI), are no exception. Twenty-four skylights in Hangar 1 and 28 skylights in Hangar 2 were broken and now leak when it rains. Hangar 2 also suffered damage to roof flashing, and Hangar 3 requires minor repairs to sheet metal and flashing also.

Because of the large amount of roofing work still available, Barr Roofing is the only local commercial roofing contractor that responded to our requests for bids to make the needed repairs. The total bid for repairs to Hangars 1, 2, and 3 is \$25,455 as described in the Fiscal Impact section below. With the lift charge factored in, the price per skylight is \$441.44. I propose the board authorize funding and a contract with Barr Roofing to make the repairs.

### PARKING LOT REPAIRS

During the process of constructing the new Hangar 4, some driveway and parking areas required resurfacing, and a concrete sidewalk was installed along the front of Hangar 1's parking lot to comply with ADA and accommodate the newly installed handicap parking slots with wheel stops. In the process of installing the sidewalk, a 9' strip of already-failing-asphalt was damaged further and needs to be repaired. However the entire parking lot for Hangar 1 has been in poor shape for many years.

Thomas Hicks Construction (THC) prepared a bid to repair the 9' strip as a change order to the existing Hangar 4 construction contract at a total cost of \$5,802. THC also bid to rebuild the entire parking lot (about 12,740 sf) for \$32,812. The rebuild will include grinding up the existing asphalt and combining it with existing base, compacting it, then repaving with 1 1/2" of new asphalt, restriping and re-installing the existing wheel stops. Because of the poor condition of the asphalt, I recommend rebuilding the entire parking lot as described and additional funds be allocated to the Hangar 4 contract for this maintenance work as the lot was in poor condition for several years prior to the Hangar 4 project.

### FISCAL IMPACT

Hangar 1 replacement of broken skylights-Barr Roofing	\$ 9,636.20
Hangar 2 replacement of broken skylights and roof repairs-Barr Roofing	\$12,742.30
Hangar 3 roof repair – Barr Roofing	\$ 2,500.00
Lift charge – Barr Roofing	\$ 576.50
<u>Hangar 1 parking lot repairs – Thomas Hicks Construction</u>	<u>\$32,812.00</u>
TOTAL	\$58,267.00

**STAFF RECOMMENDATION**

Staff recommends approval of resolution DCOA-2012.06 authorizing \$25,455 for a contract with Barr Roofing to replace broken skylights and make roof repairs in Hangars 1, 2, and 3. Also recommended is funding of \$32,812 for a change order to the existing contract with Thomas Hicks Construction to rebuild the parking lot at Hangar 1.

**ATTACHMENTS**

Resolution DCOA-2012.06

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## **RESOLUTION NO. DCOA-2012.06**

A RESOLUTION OF THE DEVELOPMENT CORPORATION OF ABILENE, INC. (DCOA), ABILENE, TEXAS AUTHORIZING FUNDING AND CONTRACTS TO REPLACE BROKEN SKYLIGHTS, MAKE ROOF REPAIRS, AND REPAIR A PARKING LOT FOR HANGARS AT THE ABILENE REGIONAL AIRPORT OCCUPIED BY EAGLE AVIATION SERVICES, INC. ("EASI").

WHEREAS, Hangars 1, 2 and 3 at the Abilene Regional Airport suffered damage from the storms of Easter Day in April 2011. Twenty-four skylights in Hangar 1 and 28 skylights in Hangar 2 were broken, Hangar 2 suffered damage to roof flashing, and Hangar 3 requires minor repairs to the sheet metal and flashing; and,

WHEREAS, Barr Roofing is the only local commercial roofing contractor that responded to requests for bids to make the needed repairs; and,

WHEREAS, during the process of constructing the new Hangar 4, some driveway and parking areas required resurfacing, and a concrete sidewalk was installed along the front of Hangar 1's parking lot to comply with ADA and accommodate the newly installed handicap parking slots with wheel stops; and,

WHEREAS, in the process of installing the sidewalk, a 9' strip of already-failing-asphalt was damaged further and needs to be repaired; however the entire parking lot for Hangar 1 has been in poor shape for many years; and,

WHEREAS, Thomas Hicks Construction (THC) prepared a bid to repair the 9' strip as a change order to the existing Hangar 4 construction contract at a total cost of \$5,802. THC also bid to rebuild the entire parking lot (about 12,740 sf) for \$32,812; and,

WHEREAS, staff requests the DCOA authorize funding and a contract with Barr Roofing for skylight replacement and roof repairs to Hangars 1, 2, and 3, and a change order to the existing Thomas Hicks Construction contract to rebuild the parking lot for Hangar 1.

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

**PART 1.** DCOA hereby authorizes a contract with Barr Roofing to replace broken skylights in Hangars 1 and 2 and make needed other roof repairs to Hangars 2 and 3. Also approved is funding of Twenty-Five Thousand Four Hundred Fifty-Five and no/100's Dollars (\$25,455.00).

DCOA also authorizes a change order to the existing Hangar 4 construction contract with Thomas Hicks Construction (THC) to rebuild the entire parking lot (about 12,740 sq ft) for Hangar 1, to include grinding up the existing asphalt, combining with existing base, compacting, repaving with 1.5" of new asphalt, restriping and re-installing existing wheel stops. Funding of Thirty-Two Thousand Eight Hundred Twelve and no/100's Dollars (\$32,812.00) is hereby authorized for this work.

**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 16th day of December, 2011.

ATTEST:

\_\_\_\_\_  
Marelyn Shedd  
Secretary/Treasurer

\_\_\_\_\_  
Paul Cannon  
President

APPROVED:

\_\_\_\_\_  
T. Daniel Santee, City Attorney

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**DEVELOPMENT CORPORATION OF ABILENE, INC.**  
**BOARD AGENDA**

**MEETING DATE: December 16, 2011**

**PROJECT: Payment of U.S. Postal Service Automated Processing Center Lease**

**STAFF: Richard Burdine, CEO**

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**GENERAL INFORMATION:**

The U.S. Postal Service leases space in the Windstar facility on I-20 just west of Hwy 351 for its Abilene Customer Service Mail Processing Center (MPC), which currently employs 119. The digital age has impacted the Postal Service to the point of having to make drastic cuts to its operating budget in order to become self-supporting. That includes closing as many as 252 similar mail processing centers all over the U.S. Abilene's MPC has been identified as being one of those that may be closed and operations moved to Midland or Austin. USPS would cut 43 Abilene jobs and move the remaining 76 to the alternate facility; however, no Abilene employees are guaranteed a job at the alternate facility. That decision will be made by mid-May 2012.

On Tuesday evening, December 13<sup>th</sup>, the USPS hosted a public forum at the Abilene Civic Center and allowed citizens to voice their concerns and assist the USPS in finding ways to improve operations and cut costs. About 200 residents, USPS employees and business leaders attended the public forum.

**SPECIAL CONSIDERATIONS:**

During the public forum, I told Pat Williams, USPS Ft. Worth District Manager, that I was willing to propose to the DCOA Board payment of up to \$1.3 million in lease costs over ten years at the Windstar facility to reduce their operating costs in exchange for retention of the existing jobs.

I request that the DCOA authorize me to open negotiations with USPS for offsetting some of its operating costs. USPS could potentially qualify for up to \$1.43 million at \$12,000/FTE under the DCOA's job creation/retention guidelines. If a deal can be struck to retain the MPC and its jobs, I will return to the board for final funding approval.

**FISCAL IMPACT:**

Up to \$1.43 million, depending on terms of an assistance agreement with USPS and final DCOA Board approval thereof.

**STAFF RECOMMENDATION:**

Staff recommends the Board approve resolution DCOA-2012.07 authorizing the CEO to open negotiations with the USPS to offset the Abilene MPC operating costs in exchange for retention of local jobs.

**ATTACHMENT:**

Resolution DCOA-2012.07

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**RESOLUTION NO. DCOA-2012.07**

A RESOLUTION OF THE DEVELOPMENT CORPORATION OF ABILENE, INC. (DCOA), ABILENE, TEXAS AUTHORIZING THE CEO TO OPEN NEGOTIATIONS WITH THE U. S. POSTAL SERVICE (“USPS”) TO OFFSET THE ABILENE MAIL PROCESSING CENTER OPERATING (“MPC”) COSTS IN EXCHANGE FOR RETENTION OF LOCAL JOBS.

WHEREAS, the U.S. Postal Service leases space in the Windstar facility on I-20 just west of Hwy 351 for its Abilene Customer Service Mail Processing Center, which currently employs 119; and,

WHEREAS, the digital age has impacted the Postal Service to the point of having to make drastic cuts to its operating budget in order to become profitable again, which includes closing as many as 252 similar mail processing centers all over the U.S; and,

WHEREAS, Abilene’s MPC has been tagged as being one of those that may be closed and operations moved to Midland or Austin, whereby the USPS would cut 43 Abilene jobs and move the remaining 76 to the alternate facility; and,

WHEREAS, on Tuesday evening, December 13, 2011, the USPS hosted a public forum at the Abilene Civic Center and allowed citizens to voice their concerns and assist the USPS in finding ways to improve operations and cut costs; and,

WHEREAS, during the public forum, Richard Burdine, CEO, expressed to Pat Williams, USPS Ft. Worth District Manager, the DCOA’s willingness to help cut operating costs in Abilene by paying up to \$1.3 million in lease costs at the Windstar facility in exchange for retention of the existing jobs; and,

WHEREAS, staff requests the DCOA authorize the CEO to open negotiations with USPS for offsetting some of its operating costs. USPS could potentially qualify for up to \$1.4 million at \$12,000/FTE under the DCOA’s job creation/retention guidelines.

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

- PART 1.** DCOA hereby authorizes the CEO, Richard Burdine, to open negotiations with the U.S. Postal Service for offsetting some of its Abilene Mail Processing Center operating costs, proposing up to \$1.4 million for retention of 119 jobs paid at \$12,000/FTE. The CEO will return to the DCOA for approval of the final deal, if negotiations are successful.
- 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 16th day of December, 2011.

ATTEST:

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Marelyn Shedd  
Secretary/Treasurer

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Paul Cannon  
President

APPROVED:

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T. Daniel Santee, City Attorney

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