

PUBLIC NOTICE

DEVELOPMENT CORPORATION OF ABILENE, INC.

The annual meeting of the Development Corporation of Abilene, Inc. will be held on Tuesday, January 10, 2012, 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

January 10, 2012
1:30 p.m.

Abilene Life Sciences Accelerator
1325 Pine St.

1. Call the meeting to order.
2. Approval of minutes from the December 16, 2011, board meeting.
3. Preliminary Status of Funds report for November 2011.
4. Officer elections: President, Vice President, Secretary/Treasurer.
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 additional assistance for Coca Cola Refreshments USA, Inc.
7. Discussion and possible approval of a resolution authorizing a 2012 sponsorship of the Springboard Ideas Challenge.
8. 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 _____, 2012, 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
December 16, 2011

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

STAFF PRESENT: Richard Burdine Kim Tarrant
Dan Santee

GUESTS PRESENT: Michelle Frizalone, KTXS News
David Farrar, USPS
Lewis Alambar, USPS
Dr. Jon Weidanz, TTUHSC/Receptor Logic
Bill Ehrie, Abilene Industrial Foundation
Dale Gannaway, ETI
Jaime Adame, Abilene Reporter-News
David Sougstad, ETI

1. **CALL TO ORDER.** Paul Cannon called the meeting to order at about 10:00 am in the conference room of the Abilene Life Sciences Accelerator, 1325 Pine Street, Abilene, Texas.
2. **APPROVAL OF MINUTES FROM THE NOVEMBER 22, 2011 BOARD MEETING.** Mike Schweikhard moved to approve the minutes from the November 22, 2011 board meeting. Dani Ramsay seconded and the motion carried.
3. **SALES TAX REPORT FOR DECEMBER 2011 AND PRELIMINARY STATUS OF FUNDS REPORT FOR OCTOBER 2011.** In the absence of a Finance Dept. representative, Richard Burdine reviewed the Sales Tax Report and noted that the City's sales tax rebate of \$2.9 million received in December represents October sales. The sales tax rebate for economic development was \$725,276 and is up 12.08% from last December and is 23.83% higher than the period October through December of last year.

Kim Tarrant reviewed the Balance Sheet as of October 31, 2011. Total assets were \$60.9 million and the DCOA had an undesignated fund balance of \$8.9 million. Total monthly revenues were \$981,346. Among the monthly expenditures were the annual capital investment payment to Tower Tech, the quarterly payment for the ETI contract and EASI Hangar 4 construction costs.

4. **PRESENTATION OF THE EMERGENT TECHNOLOGIES, INC. ANNUAL REPORT OF ACTIVITIES BY DAVID SOUGSTAD AND DALE GANNAWAY.** Dale Gannaway, President of Innovation Services with Emergent Technologies, Inc. (ETI) and David Sougstad, Executive Director of the Abilene Life Sciences Accelerator (ALSA), presented a report of activities. In March 2010, ETI presented a strategic plan for business development for the ALSA. They identified seven long-term business goals and objectives, the first four of which are reviewed as follows (examples of goal met): 1. Develop, retain, and attract top level intellectual talent. (Receptor Logic, Enavail); 2. Assist in the development of a strong life sciences community image. (ReInvent Abilene, Abilene Leaders of Tomorrow, relationship with Rain Dance); 3. Assist and drive the efforts to develop a well-connected network of resources at the city, regional, state, and federal levels to develop a culture

of innovation. (state level: Texas Healthcare & Bioscience Institute; regional level: BioDFW); and 4. Assist in the development of a well-organized regional private equity investment network to broaden the capital base. (NASVF, 3rd Annual Texas Angel Day).

A video was shown about the progress of the Abilene Life Sciences Accelerator (ALSA) and the state-of-the-art facility it has become. Also highlighted was the common equipment available to future tenants plus all the amenities the city of Abilene has to offer.

- 5. PRESENTATION BY DR. JON WEIDANZ FROM TTUHSC SCHOOL OF PHARMACY AND RICHARD BURDINE, CEO OF THE DCOA, ON THE STATUS OF THE BIOTECH ECOSYSTEM IN ABILENE.** Dr. Weidanz highlighted several local achievements via a power point presentation. These include the \$2 million grant received by Receptor Logic by the Texas Emergent Technology Fund, a \$750,000 grant from CPRIT to a faculty member that's been in Abilene for just one year, collaboration with local universities on various projects and bio sciences and life sciences career paths, and creating the Center for Immunotherapeutic Research (CITR) which now has five research faculty members.

In September 2011, Cisco College started its Biotech Certification Program with the goal of placing interns with Receptor Logic and the CITR in the spring of 2012. Also, the lab space at the TTUHSC School of Pharmacy Abilene (SOP) is currently under expansion, resulting in a total of 16,000 to 17,000 sq ft of research lab space, which is enough to accommodate approximately 40 biomedical life sciences researchers.

Dr. Weidanz further went on to point out the impressive credentials and project interests of the five research faculty members and how vitally important it is for scientists to publish their experiments and findings to receive funding. As a feather in Abilene's cap, the Abilene research team has published over 15 peer-reviewed articles in many prestigious scientific and medical journals since 2008.

The TTUHSC Graduate School of Biomedical Sciences has recently come to Abilene. This is a **huge** development for Abilene in order to have a sustainable environment which is nurturing and supportive to growth. The ultimate goal is to be able to offer a PhD in biotechnology right here in Abilene.

- 6. EXECUTIVE SESSION NO. 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 December 16, 2011, and the time is 11:12 am. Mr. Cannon later announced the date is still December 16, 2011, and the time is 11:45 am. No vote or action was taken in Executive Session.

- 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.** AEP North Texas Co. 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, which is designed to help reduce energy bills.

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 cleaned up the property to make it ready to lease again.

After CLEAResult conducted a walk-through of Warehouses B, C, D, and the Ryder building all located at 4109 Vine St., they submitted an Opportunity Assessment for lighting retrofit with two Options:

Option A: This option evaluated the retrofitting of all T12 fixtures to a reduced Watt T8 lamp with premium efficiency ballasts and uses four 4-foot lamps combined with a reduced-output ballast. It will increase light output in the facility and will cost \$56,822.75, resulting in estimated annual energy savings of \$26,140. CLEAResult will refund to the DCOA \$8,400 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 and uses two 4-foot lamps combined with a reflector kit. It will only maintain at best, the dim light output in the warehouse and will cost \$52,677, resulting in estimated annual energy savings of \$30,260. CLEAResult will refund to the DCOA \$9,750 as program incentive, resulting in a net cost to the DCOA of \$42,927.

In order to take advantage of the program incentive before the end of the calendar year, Mr. Burdine authorized staff to proceed with Option B. Hendrix Electric has been contracted to perform the work necessary to upgrade the lighting in Warehouses B, C, & D at 4109 Vine St.

A motion was made by Scott Senter to approve Resolution No. DCOA-2012.05 ratifying a contract with Hendrix Electric and funding of \$52,677 as presented. Marelyn Shedd seconded and the motion carried.

- 8. DISCUSSION AND POSSIBLE APPROVAL OF A RESOLUTION AUTHORIZING FUNDS FOR PLACEMENT 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.** The terrible storm on Easter Sunday of this year resulted in damaged roofs all over the region. At the Abilene Regional Airport, Hangar 1 suffered 24 broken skylights and Hangar 2 had 28 broken skylights, which now all leak when it rains. Hangar 2 also sustained roof damage, as did Hangar 3.

Because of the large amount of roofing work still available, Barr Roofing was the only local commercial roofing contractor that responded to bid requests for the needed repairs. The total bid for repairs to Hangars 1, 2, and 3 is \$25,455. Staff recommends the DCOA authorize a contract with Barr Roofing and funding of \$25,455 to make the necessary repairs to the 3 mentioned hangars.

During the process of constructing the new Hangar 4, some driveway and parking areas required resurfacing. In addition, a concrete sidewalk and handicap parking spaces had to be installed (along the front of Hangar 1) to comply with ADA requirements. While installing the sidewalk, a 9' strip of already-failing asphalt was damaged further and needs repair. However, the entire parking lot for Hangar 1 has been in poor condition for many years.

Thomas Hicks Construction (THC) prepared bids to repair the 9' strip (cost \$5,802) and to rebuild the entire parking lot (cost \$32,812). Staff recommends the DCOA authorize funding of \$32,812 for a change order to the existing contract with THC to rebuild the parking lot at Hangar 1.

Mike Schweikhard moved to approve Resolution No. DCOA-2012.06 authorizing a contract with Barr Roofing for repairs to hangars as stated plus funding of \$25,455. Also authorized is a change order to the contract with Thomas Hicks Construction and funding of \$32,812 to rebuild the parking lot of Hangar 1. Dani Ramsay seconded and the motion carried.

- 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.** The U.S. Postal Service (USPS) 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 people. The digital age has impacted the USPS 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 MPCs around the country. Abilene's MPC may be on the hit list to be closed and operations moved to Midland or Austin.

The USPS could potentially qualify for up to \$1.43 million under the DCOA's job creation/retention guidelines. The CEO proposes 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 retaining the existing 119 jobs. Staff recommends the DCOA authorize the CEO open negotiations with USPS for offsetting some of its operating costs in exchange for job retention. If a deal can be struck to retain the MPC and its jobs, the CEO will return to the board for final funding approval.

Marelyn Shedd made a motion to approve Resolution No. DCOA-2012.07 as presented. The motion was seconded by Scott Senter and passed by unanimous consent.

- 6. EXECUTIVE SESSION NO. 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 still December 16, 2011, and the time is 12:02 pm. Mr. Cannon later announced the date is still December 16, 2011, and the time is 1:42 pm. No vote or action was taken in Executive Session.

- 10. ADJOURNMENT.** The next regularly scheduled meeting is January 10, 2012. There being no further business, the meeting was adjourned.

Paul Cannon, President

CITY OF ABILENE, TEXAS

DEVELOPMENT CORPORATION OF ABILENE, INC.

Balance Sheet

November 30, 2011

ASSETS:

Cash and Investments	\$14,271,717
Notes receivable	15,572,051
Accounts receivable	35,292
Due from other governments	1,427,749
Prepaid Expense	0
Total Current Assets	<u>\$31,306,809</u>

OTHER ASSETS:

Fixed assets	\$39,567,941
Accumulated depreciation	(5,993,881)
Total Other Assets	<u>33,574,060</u>

TOTAL ASSETS**\$64,880,869****LIABILITIES:**

Vouchers payable	\$42,940
Total Liabilities	<u>\$42,940</u>

FUND BALANCES:

Investment in general fixed assets	\$33,574,060
Reserved for contractual obligations(external)	18,389,859
Reserved for obligated programs(internal)	2,531,764
Undesignated Balance	10,342,246
Total Fund Balance	<u>\$64,837,929</u>

TOTAL LIABILITIES AND FUND BALANCES**\$64,880,869****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
922 N. 13th Street	35,735			35,735
Buildings and Improvements:				
2601 Airport Blvd.	1,563,210	540,633	471,853	1,631,990
2809 Airport Blvd.	396,519	444,583	369,157	471,945
2841 Airport Blvd.	456,736	62,923	309,030	210,629
4002 Loop 322	1,290,916	2,384,892	1,536,343	2,139,465
Five Pts Bus Park	0	8,227,560	755,599	7,471,961
6450 Five Points Parkway	5,809,354	7,016,797	1,595,349	11,230,802
Grant Bldg 341 Pine	147,194	405,726	224,282	328,638
2742 Lance Dr. (EASI Storage)	2,527,408	9,987	379,844	2,157,551
4109 Vine St	583,524	180,855	108,220	656,159
4009 Vine St	583,524	0	87,529	495,995
Leasehold improvements	1,366,201		113,850	1,252,351
Equipment	116,660	0	24,814	91,846
Vehicle: 2005 Dodge Caravan	18,011	0	18,011	0
Construction in Progress		3,908,792		3,908,792
TOTAL FIXED ASSETS	<u>\$16,385,193</u>	<u>\$23,182,748</u>	<u>\$5,993,881</u>	<u>\$33,574,060</u>

DEVELOPMENT CORPORATION OF ABILENE
STATUS OF FUNDS @ NOVEMBER 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	\$ 137,410,600.66	\$ 960,651.73	\$ 1,846,066.64	\$ 139,256,667.30
Sales Tax Retained	452,331.95	4,156.08	9,127.11	461,459.06
Princ. - Loans & Assess	3,119,599.24	148,929.03	148,929.03	3,268,528.27
Int. - Loans & Assess	2,242,615.88	25.31	485.27	2,243,101.15
Interest on Investments	6,979,819.62	3,732.64	7,576.20	6,987,395.82
Land Lease	47201 16,019.76	-	782.00	16,801.76
Building/Space Rent	47203 6,368,901.57	72,584.50	158,114.29	6,527,015.86
Miscellaneous Federal	41490 1,322,526.00	-	-	1,322,526.00
Miscellaneous State Grants	41690 26,500.00	-	-	26,500.00
Other Contributions	47105 140,712.60	-	-	140,712.60
Interfund Recovery	47217 1,534,976.08	-	-	1,534,976.08
Miscellaneous Recovery	47219 2,176,501.50	-	-	2,176,501.50
Miscellaneous Prior Year	47241 27,720.38	-	-	27,720.38
Miscellaneous Revenue	47244 991,664.20	121.00	466.35	992,130.55
Sale of Land	48201 392,446.27	83,147.23	83,147.23	475,593.50
Sale of Buildings & Equipment	48203 3,976,326.19	-	-	3,976,326.19
Gain (loss) Sale of Asset	48204 600,000.00	-	-	600,000.00
GASB 22 Restatement	355,634.89	-	-	355,634.89
GASB 34 Adjustment	1,831,042.11	-	-	1,831,042.11
	\$ 169,965,938.90	\$ 1,273,347.52	\$ 2,254,694.12	\$ 172,220,633.02

DEVELOPMENT CORPORATION OF ABILENE
STATUS OF FUNDS @ NOVEMBER 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		\$ 83,011,481.01	\$ -	\$ -	\$ 83,011,481.01	
Business Services Division	Div 2760	8,453,109.02	50,829.38	94,328.01	8,547,437.03	2,630.00
Life Sciences Property - Pine	Div 2765	1,110,106.57	102,360.46	197,296.87	1,307,403.44	86,085.45
DCOA Annual Contracts	Div 2775	2,462,356.75	28,745.96	192,258.34	2,654,615.09	-
Abilene Industrial Foundation	2775-62571	13,218,417.51	7,014.40	58,934.12	13,277,351.63	96,043.00
TTU Small Business Dev Cntr	2775-62572	2,851,327.30	-	-	2,851,327.30	29,293.75
Chamber Military Affairs	2775-62573	1,266,511.16	-	-	1,266,511.16	60,000.00
Airport Business Dev Mgr	2775-62574	753,217.55	-	-	753,217.55	-
Murf Systems	4998	199,665.00	-	-	199,665.00	-
EASI 04	5213	2,131,546.52	-	-	2,131,546.52	345,391.14
Fehr Food	5220	3,161,220.00	-	-	3,161,220.00	-
Bandag Building Improv	5228	8,000.00	-	-	8,000.00	-
CBER Website	5240	7,067.07	-	-	7,067.07	1,249.93
TTU Pharmacy School	5242	658,436.00	-	-	658,436.00	-
PWP (Project LF)	5251	2,507,898.97	-	-	2,507,898.97	1,676,000.00
Genesis Network	5258	1,615,416.69	-	-	1,615,416.69	-
SBIR/STTR	5263	85,535.86	190.00	190.00	85,725.86	185,574.49
EASI 7th Doc	5265	239,175.14	-	-	239,175.14	34,081.10
TTU HSC Research	5273	1,623,721.66	-	-	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	22,924.00	-	-	22,924.00	2,469,000.00
Tower Tech	5285	2,622,973.37	-	120,000.00	2,742,973.37	2,439,742.23
Texas Metal 08	5288	106,666.66	-	-	106,666.66	-
Project BG	5295	-	-	-	-	748,000.00
Coca Cola Abilene	5296	-	-	-	-	900,000.00
ETI Contract	5304	807,685.54	-	124,374.84	932,060.38	448,119.62
TTU 842 Pine	5308	173,181.72	-	-	173,181.72	40,318.28
AIC Eq Lease	5312	129,512.83	6,664.74	7,377.26	136,890.09	-
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	331,083.88	198.50	29,967.55	361,051.43	126,569.77
Cisco College Biotech Training	5318	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	347,109.34	2,078.64	2,078.64	349,187.98	52,624.83
EASI Hanger Construction	5320.2	2,310,367.60	-	571,044.90	2,881,412.50	1,883,036.80
EASI Hanger Fire Safety	5320.3	926,252.29	183,997.54	214,876.97	1,141,129.26	1,304,310.62
Pepsi Beverage Co.	T5321	-	-	-	-	350,000.00
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
Smith Pipe (SPA Coat.) Ph 1 & 2	5330	-	-	-	-	928,868.00
ALSA Contribution	5332	53,918.00	-	-	53,918.00	-
TMAC FY12	5333	-	-	-	-	88,000.00
Miscellaneous Activities	2785	354,189.86	-	-	354,189.86	-
TOTAL ENCUMB. / EXPENDITURES		\$ 139,504,602.92	\$ 382,079.62	\$ 1,612,727.50	\$ 141,117,330.42	\$ 18,389,858.90
TOTAL FUND BALANCE					\$ 31,103,302.60	
UNENCUMBERED FUND BALANCE						\$ 12,713,443.70

DEVELOPMENT CORPORATION OF ABILENE
STATUS OF FUNDS @ NOVEMBER 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	\$ 630,220.00	\$ -	\$ 50,829.38	\$ 94,328.01	\$ 2,630.00	\$ 533,261.99
Life Sciences Property -Pine	Div 2765	825,910.00	-	102,360.46	197,296.87	86,085.45	542,527.68
DCOA Annual Contracts	Div 2775	297,320.00	-	28,745.96	192,258.34	-	105,061.66
Abilene Industrial Foundation	2775-4950	841,043.00	-	7,014.40	58,934.12	96,043.00	686,065.88
TTU Small Business Dev Cntr	2775-4951	279,294.00	-	-	-	29,293.75	250,000.25
Chamber Military Affairs	2775-4952	60,000.00	-	-	-	60,000.00	-
Airport Business Dev Mgr	2775-4953	165,000.00	-	-	-	-	165,000.00
Murf Systems	4998	199,665.00	199,665.00	-	-	-	-
EASI 04	5213	2,476,938.00	2,131,546.52	-	-	345,391.14	0.34
Fehr Food	5220	3,161,220.00	3,161,220.00	-	-	-	-
Bandag Building Improv	5228	8,000.00	8,000.00	-	-	-	-
CBER Website	5240	8,317.00	7,067.07	-	-	1,249.93	-
TTU Pharmacy School	5242	658,436.00	658,436.00	-	-	-	-
PWP (Project LF)	5251	4,183,899.00	2,507,898.97	-	-	1,676,000.00	0.03
Genesis Network	5258	1,615,417.00	1,615,416.69	-	-	-	0.31
SBIR/STTR	5263	271,400.00	85,535.86	190.00	190.00	185,574.49	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	1,623,721.66	-	-	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	22,924.00	-	-	2,469,000.00	-
Tower Tech	5285	5,182,726.00	2,622,973.37	-	120,000.00	2,439,742.23	10.40
Texas Metal 08	5288	160,001.00	106,666.66	-	-	-	53,334.34
Run Energy	5295	748,000.00	-	-	-	748,000.00	-
Coca Cola Abilene	5296	900,000.00	-	-	-	900,000.00	-
ETI Contract	5304	1,380,180.00	807,685.54	-	124,374.84	448,119.62	-
TTU 842 Pine	5308	213,500.00	173,181.72	-	-	40,318.28	-
AIC Equipment Lease/Purchase	5312	165,000.00	129,512.83	6,664.74	7,377.26	-	28,109.91
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	-	-	-	-
Enavaail, LLC	5316	487,980.00	331,083.88	198.50	29,967.55	126,569.77	358.80
Cisco College Biotech Training	5318	67,650.00	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	347,109.34	2,078.64	2,078.64	52,624.83	1,459.19
EASI Hanger Construction	5320.2	4,770,000.00	2,310,367.60	-	571,044.90	1,883,036.80	5,550.70
EASI Hanger Fire Safety	5320.3	2,592,097.00	926,252.29	183,997.54	214,876.97	1,304,310.62	146,657.12
Pepsi Beverage Co.	5321	350,000.00	-	-	-	350,000.00	-
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	-
Smith Pipe (SPA Coat.) Ph 1 & 2	5330	928,868.00	-	-	-	928,868.00	-
ALSA Contribution	5332	53,918.00	53,918.00	-	-	-	-
TMAC FY12	5333	88,000.00	-	-	-	88,000.00	-
Miscellaneous Activities	2785	354,189.86	354,189.86	-	-	-	-
BALANCE OF OBLIGATED PROGRAMS		\$ 48,912,426.86	\$ 26,378,076.05	\$ 382,079.62	\$ 1,612,727.50	\$ 18,389,858.90	\$ 2,531,764.41

UNDESIGNATED FUND BALANCE

(unencumbered balance less obligated programs and contingent liabilities)

\$ 10,181,679.29

DCOA Board approved projects waiting for signed contracts	Expiration Date		
West Texas Innovation Network	5328	15,000	08/03/2011
Project CD-Phase 1	5329	7,458,965	10/26/2011
TTUHSC School of Nursing	5331	1,884,356	05/22/2012
TTUHSC School of Pharm expansion	5242	916,941	01/12/2012
Marketing for 2nd Airline	5334	200,000	01/26/2012
Project ML		297,000	02/09/2012
Project MBO		765,000	02/23/2012
Smith Pipe Phase 3		521,790	04/11/2012
		<u>12,059,052</u>	

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DEVELOPMENT CORPORATION OF ABILENE, INC.

Board Agenda

Meeting Date: January 10, 2012

PROJECT: Coca Cola Refreshments USA, Inc. Additional Funding

STAFF: Richard Burdine, CEO

The bottling system for Coca Cola is made up of locally-rooted enterprises committed to quality. Coca Cola Enterprises, Inc. (Coke) is an established employer for Abilene that has been in operation on Highway 351 for many years and currently employs 312 people in manufacturing, distribution/transportation, and sales/marketing. In 2011, the company name changed to Coca Cola Refreshments USA, Inc.

SEWER MAIN PROJECT

In 2006, the board authorized funding of \$300,000 to install a new sewer main along the new road from the plant to I-20 and connect the Coke plant to the new main. This main only serves Coke, and by authorizing funding, the board set the stage for future investment in Abilene. All of the funding was advanced and fully earned by the company.

SYRUP LAB ROOM PROJECT

In February 2009, the board approved resolution DCOA-2009.09 authorizing \$500,000 to expand the Abilene plant, including a 900 sq ft lab room and improvements to the syrup room. The improvements will bring the plant up to corporate standards at an estimated cost of \$5 million and position it as an innovative research and development center that will help ensure the long-term success of the facility. The DCOA funding will also ensure an internal return on investment of 15% for the company; the ROI needed for the project to compete with other plants for the project. The funding is payable over 3 years upon receipt of invoices evidencing eligible expenses. Annual disbursements will be \$200,000 for year 1, \$150,000 for year 2 and \$150,000 for year 3. The company has invested a few thousand dollars in this project for A/E fees, but it was placed on hold while Coca Cola Enterprises was being purchased by Coca Cola Refreshments USA, Inc. (CCR). No funding has been advanced for this project.

SHRINK WRAP PROJECT

In April 2009, the board approved resolution DCOA-2009.14 authorizing another \$400,000 to help fund a Supply Chain innovation initiative designed to improve packaging and marketing flexibility. The continuous motion packaging equipment used in Abilene converts corrugated blanks into trays, which are then overwrapped with film and travel through a heat tunnel where the film shrinks to form a very robust and attractive package.

The Shrink Wrap project cost about \$4 million and is completed. No additional employment is associated with this project. By authorizing additional funding of \$400,000 for this project, the Abilene plant is an attractive location and is more financially viable. The funding of 10% up to \$400,000 for capital investment in the Shrink Wrap project was to be paid over 3 years at \$140,000 for year 1, \$130,000 for year 2, and \$130,000 for year 3. No funding has been advanced for this project, but we understand CCR is in the process of documenting project costs for partial reimbursement.

THE REQUEST

The Abilene production facility has been given the go-ahead for the Syrup Lab Room Project, which is now expanded from a cost of \$5 million to \$9.3 million. In addition, Abilene’s facility was approved for an upgrade of an existing processing line for a new Monster Energy Drink line at a cost of \$6.9 million.

I am requesting the DCOA approve additional funding of \$1,120,000 for CCR as follows:

1. Syrup Lab Room Project –new funding of \$430,000, which increases the DCOA’s commitment for this project from \$500,000 to \$930,000. The funds will be disbursed over a 3-year period in an amount up to \$310,000/year at the rate of 10% of CCR’s actual capital investment, projected to be \$9.3 million.
2. Monster Energy Drink Line Project – funding of \$690,000 disbursed over a 3-year period in an amount up to \$230,000/year at the rate of 10% of CCR’s actual capital investment, projected to be \$6.9 million.

No new job creation is associated with the Syrup Lab Room Project and some job creation is possible with the Monster Energy Drink Line Project; however, it further solidifies Abilene’s position and supports CCR’s master plan to establish the Abilene production facility as an innovative research and development center for the entire CCR system.

FISCAL IMPACT

Shrink Wrap Project additional funding	\$ 430,000 paid over 3 years
Monster Energy Drink Line Project	\$ <u>690,000</u> paid over 3 years
TOTAL	\$1,120,000
 New capital investment by CCR	 \$11,200,000

STAFF RECOMMENDATION

Staff recommends approval of resolution DCOA-2012.08 authorizing total assistance of \$1,120,000 for Coca Cola Refreshments USA, Inc.; \$430,000 additional funds for the Syrup Lab Room Project expansion and \$690,000 new funds for the Monster Energy Drink Line Project in exchange for new capital investment of \$11,200,000.

ATTACHMENTS

Resolution DCOA-2012.08

RESOLUTION NO. DCOA-2012.08

A RESOLUTION OF THE DEVELOPMENT CORPORATION OF ABILENE, INC. (DCOA), ABILENE, TEXAS AUTHORIZING ADDITIONAL FUNDING FOR THE COCA COLA REFRESHMENTS USA, INC. ABILENE PRODUCTION FACILITY (“CCR”).

WHEREAS, Coca Cola Enterprises, Inc. is an established employer for Abilene that has been in operation on Highway 351 for many years and currently employs 312 people in manufacturing, distribution/transportation, and sales/marketing. In 2011, the company name changed to Coca Cola Refreshments USA, Inc.; and,

WHEREAS, in 2006, the board authorized funding of \$300,000 to install a new sewer main along the new road from the plant to I-20 and connect the CCR plant to the new main; and,

WHEREAS, in February 2009, the board approved resolution DCOA-2009.09 authorizing \$500,000 to expand the Abilene plant, including a 900 sq ft lab room and improvements to the syrup room (Syrup Lab Room Project). The company has invested a few thousand dollars in this project for A/E fees, but the project was placed on hold, and no funding has been advanced for this project; and,

WHEREAS, in April 2009, the board approved resolution DCOA-2009.14 authorizing another \$400,000 to help fund the Shrink Wrap Project, a Supply Chain innovation initiative designed to improve packaging and marketing flexibility. No funding has been advanced, but the project is completed and CCR is in the process of documenting project costs for partial reimbursement; and,

WHEREAS, the Abilene production facility has been given the go-ahead for the Syrup Lab Room Project, which is now expanded from a cost of \$5 million to \$9.3 million. In addition, Abilene’s facility was approved for an upgrade of an existing processing line for a new Monster Energy Drink line at a cost of \$6.9 million; and,

WHEREAS, staff requests the DCOA authorize additional funding of \$1,120,000 for CCR for the expanded Syrup Lab Room Project and the new Monster Energy Drink Line Project.

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

PART 1. DCOA hereby authorizes additional funding of One Million One Hundred Twenty Thousand and no/100’s Dollars (\$1,120,000.00) for Coca Cola Refreshments USA, Inc. Abilene production facility as depicted below in exchange for CCR’s new capital investment of \$11.2 million. No new job creation is associated with the Syrup Lab Room Project and some job creation is possible with the Monster Energy Drink Line Project; however, it further solidifies Abilene’s position and supports CCR’s master plan to establish the Abilene production facility as an innovative research and development center for the entire CCR system.

A. Syrup Lab Room Project –additional funding of \$430,000, which increases the DCOA’s commitment for this project from \$500,000 to \$930,000. The funds will be disbursed over a 3-year period in an amount up to \$310,000/year at the rate of 10% of

CCR's actual capital investment, projected to be \$9.3 million.

B. Monster Energy Drink Line Project – new funding of \$690,000 disbursed over a 3-year period in an amount up to \$230,000/year at the rate of 10% of CCR's actual capital investment, projected to be \$6.9 million.

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 10th day of January, 2012.

ATTEST:

Marelyn Shedd
Secretary/Treasurer

Paul Cannon
President

APPROVED:

T. Daniel Santee, City Attorney

DEVELOPMENT CORPORATION OF ABILENE, INC.

BOARD AGENDA

MEETING DATE: January 3, 2012

PROJECT: Sponsorship of the 2012 ACU Springboard Ideas Challenge

STAFF: Richard Burdine, CEO

BACKGROUND INFORMATION:

The Springboard Ideas Challenge is a mini-business plan competition with the mission of stimulating innovation and economic development in our community and region. It is open to students and faculty from all institutions of higher learning and all other entrepreneurs in Abilene and the greater West Central Texas region. This competition challenges participants to organize a management team, work together to develop a business concept, and then present that plan to an expert panel of judges.

Springboard is hosted by Abilene Christian University's Griggs Center for Entrepreneurship and Philanthropy and is planned and directed by a committee comprised of both students and faculty at ACU. In its first three years, Springboard awarded \$30,000, \$40,000 and over \$50,000, respectively, in prize money to students, faculty, and community members.

Springboard is the brainchild of James R. Porter, Entrepreneur-in-Residence at ACU, in an effort to increase the entrepreneurial drive and spirit not only on ACU's campus, but across Abilene and the region.

Mr. Porter is a successful venture capitalist and executive brought to ACU to help establish its innovative Entrepreneurship and Philanthropy program.

The DCOA can sponsor the event under marketing to further the Board's goal, "to increase the number and size of minority-owned, woman-owned and entrepreneurial businesses in Abilene." As was the case in the last 4 years, staff recommends granting a \$5,000 sponsorship.

FISCAL IMPACT:

Gold sponsorship level - \$5,000.

STAFF RECOMMENDATION:

Staff recommends approval of an oral resolution authorizing sponsorship of the 2012 Springboard Ideas Challenge in the amount of \$5,000.

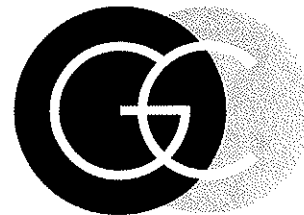
ATTACHMENTS:

Letter from Jim Litton, Director of the Griggs Center for Entrepreneurship and Philanthropy, dated November 1, 2011.

GRIGGS CENTER

FOR ENTREPRENEURSHIP & PHILANTHROPY

College of Business Administration
140 Mabee Business Building, ACU Box 29300, Abilene, Texas, 79699-9300
325-674-2245 • Fax 325-674-2564



November 1, 2011

Mr. Richard Burdine
Development Corporation of Abilene
174 Cypress, Suite 301
Abilene, TX 79601

Dear Richard,

ACU's Griggs Center for Entrepreneurship and Philanthropy is proud to announce the fifth-annual Springboard Ideas Challenge. The competition will take place in the spring and culminate at an awards dinner scheduled for Tuesday, April 17, 2012. I am writing to ask for your support of this competition and event that stimulates innovation and economic development in our region.

As you know, the competition challenges participants to organize a management team, work together to develop a business concept, and then present that plan to an expert panel of judges. Thanks to your support last year, we expanded the competition to students and community members across a 19-county area in the greater West Central Texas region. We were able to award over \$100,000 in prizes, including \$50,000 in cash prizes. This year we plan to combine our community divisions to offer a larger grand prize and introduce a new division for high school students.

In addition to your support, previous sponsors have included a number of other businesses, community organizations and individuals, including the following:

- Workforce Solutions of West Central Texas
- Bixby Enterprises and Mark Horn Enterprises
- Dian Graves Owen Foundation
- Dodge Jones Foundation
- Texas Tech Small Business Development Center
- Genesis Network Solutions
- First Financial Bank
- American State Bank
- Abilene Reporter-News
- RainDance Capital
- Senter, REALTORS
- McMurry University
- Shelton Family Foundation

We ask for your continued support of this great cause that promotes the entrepreneurial spirit in our region and enables aspiring entrepreneurs to realize their dreams of owning their own business. The levels of giving and associated benefits for your organization are outlined in the enclosed sponsor registration form. Thank you for your consideration of this charitable gift.

Sincerely,

Jim Litton

Director, Griggs Center for Entrepreneurship and Philanthropy
Abilene Christian University

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