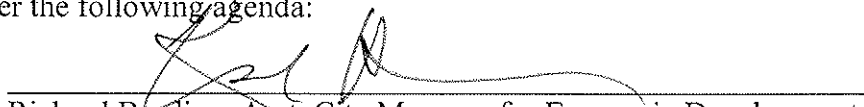


PUBLIC NOTICE

DEVELOPMENT CORPORATION OF ABILENE, INC.

A regular meeting of the Development Corporation of Abilene, Inc. will be held on **Wednesday**, May 2, 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

May 2, 2012
1:30 p.m.

Abilene Life Sciences Accelerator
1325 Pine St.

1. Call the meeting to order.
2. Approval of minutes from the April 10, 2012 and April 16, 2012, board meetings.
3. Sales tax for April 2012 and Status of Funds report for March 2012.
4. Executive Session: Pursuant to Tex. Gov't Code Sec. 551.087, an executive session may be held (1) to discuss or deliberate regarding commercial or financial information that the governmental body has received from a business prospect that the governmental body seeks to have locate, stay, or expand in or near the territory of the governmental body and with which the governmental body is conducting economic development negotiations; or (2) to deliberate the offer of a financial or other incentive to a business prospect described by Subdivision (1). After discussion in executive session, any action or vote will be taken in public.

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

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

6. Adjournment.

CERTIFICATE

I hereby certify that the above notice of meeting was posted on the bulletin board at the City Hall of Abilene, Texas, on the _____ day of _____, 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
APRIL 10, 2012

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

STAFF PRESENT: Richard Burdine Kim Tarrant
Mindy Patterson Don Green

GUESTS PRESENT: Brennan Peel, Abilene Reporter-News
Diane Terrell, Davis, Kinard & Co., PC

1. **CALL TO ORDER.** President Paul Cannon called the meeting to order at 12:10 pm in the former Affiliated Foods Building, 4109 Vine Street, Abilene, Texas.
2. **APPROVAL OF MINUTES FROM THE MARCH 13, 2012 BOARD MEETING.** An error in the name of an attendee was pointed out. It should read "Garner" Roberts from the Abilene Reporter-News, not Gavin. A motion was made by Mike Schweikhard to approve the minutes from the March 13, 2012 board meeting as corrected. Dani Ramsay seconded the motion. Motion carried.
3. **STATUS OF FUNDS REPORT FOR FEBRUARY 2012.** On the status of funds report for February 2012, Director of Finance Mindy Patterson, reviewed several major expenditures; most of which were for capital investment and job creation incentive payments. \$261,798 was for Hangar 4 construction and 4109 Vine Street incurred a \$55,457 lighting expense. This leaves an undesignated fund balance of nearly \$13.3 million as of the end of February.
4. **PRESENTATION OF THE FY11 AUDIT PERFORMED BY DAVIS, KINARD & CO., P.C.** Diane Terrell with Davis Kinard presented the supplemental information for the DCOA as part of the annual financial audit for the City of Abilene for FY 2011. Total assets were about \$65.6 million with 22% in cash and investments. Total notes receivable were \$15.8 million. Capital assets net of depreciation were \$33.5 million, net assets restricted for contractual obligations were \$19.5 million, and, unrestricted net assets were \$11.6 million. Fifty-two percent of total net assets (\$33.5 million) were net capital assets. From 2010 to 2011, sales tax revenue increased by 15.7% while expenses remained fairly consistent in both years.

Richard Burdine announced the Pactiv item is pulled and will return after further discussion with Pactiv.

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 April 10, 2012, and the time is 12:21 p.m.

At 12:23 pm Mr. Burdine informed the audience (Brennan Peel) that the Pactiv item will be considered after all.

Mr. Cannon later announced the date is still April 10, 2012, and the time is 1:24 p.m. No vote or action was taken in Executive Session.

- 6. DISCUSSION AND POSSIBLE APPROVAL OF A REVISED LETTER OF SUPPORT FOR THE CPRIT GRANT APPLICATION FOR ALSA OPERATIONS.** Last month the board approved a funding commitment of up to \$2,180,788 over the next three years as a partial match for a requested total CPRIT grant request of \$8,361,576 and to authorize the board president to sign a letter supporting the CPRIT application that was to have been submitted by the original 3/15/12 deadline.

The application deadline was extended to April 19, 2012. The correct amount that should have been requested is actually \$2,365,788. Staff mentioned including existing SBIR/STTR encumbered funds of \$185,000 to leverage CPRIT matching funds of \$370,000 but failed to add the two numbers together in the first letter.

Therefore, staff now recommends the board reauthorize President Cannon to sign a letter of support with a DCOA commitment not to exceed \$2,365,788 for an application to CPRIT for a possible Texas Life Science Incubator Infrastructure Award for the Abilene Life Sciences Accelerator. Potential CPRIT funding of up to \$8,731,576 could result from a successful application.

Marelyn Shedd made a motion to approve, by oral resolution, a revised Letter of Support to be signed by DCOA President Paul Cannon in an amount not to exceed \$2,365,788 as recommended above. The motion was seconded by Dani Ramsay and passed.

- 7. DISCUSSION AND POSSIBLE APPROVAL OF A RESOLUTION AUTHORIZING REVISED ASSISTANCE FOR PACTIV (FORMERLY PWP INDUSTRIES).** The DCOA has previously approved financial assistance for Pactiv for tenant improvements, capital construction investment incentives, capital equipment investment incentives and job creation incentives for Phases 1 and 2. Most of Phase 1 has been funded. After a prior revision to the assistance package, the current Phase 2 incentives package totals \$1,676,000 as follows: \$1,500,000 capital equipment incentives and \$176,000 job creation incentives, none of which has been funded.

Pactiv's Abilene facility plans to convert part of the Phase 2 warehouse space to allow for an additional manufacturing line include moving its air compressors to the exterior of the building and adding more. Pactiv has approved a budget of \$560,000 for this purpose.

Based on this new information, staff recommends the Board reduce the Phase 2 capital equipment incentive from \$1,500,000 to \$250,000 and extend the funding expiration to June 30, 2013. The funds will be reimbursed at 15% of Pactiv's actual cost up to \$1,660,000 based on invoices submitted and paid in arrears over five years. The job creation incentive of \$176,000 will stay in place and will expire in March 2013.

Scott Senter moved to approve Resolution No. DCOA-2012.16 as presented. Mike Schweikhard seconded and the motion carried.

8. **TOUR OF 4109 VINE STREET.** Staff, including Pancho Perez, Construction Project and Property Manager, guided the DCOA board members on a detailed tour of the offices and unoccupied warehouse space at 4109 Vine Street. Various previous, current and future repairs and improvements were explained in great detail along the tour.
9. **ADJOURNMENT.** The next regularly scheduled meeting is April 24th at 3:00 pm to accommodate schedules. There being no further business, the meeting was adjourned.

Paul Cannon, President

DEVELOPMENT CORPORATION OF ABILENE, INC.
BOARD MEETING MINUTES
APRIL 16, 2012

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

STAFF PRESENT: Richard Burdine Kim Tarrant

GUESTS PRESENT: Brennan Peel, Abilene Reporter-News
Bill Ehrie, Abilene Industrial Foundation

1. **CALL TO ORDER.** President Paul Cannon called the meeting to order in the Develop Abilene conference room, 174 Cypress Street, third floor, Abilene, Texas, at 2:49 pm.
2. **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 April 16, 2012, and the time is 2:50 p.m. Mr. Cannon later announced the date is still April 16, 2012, and the time is 3:40 p.m. No vote or action was taken in Executive Session.

3. **DISCUSSION AND POSSIBLE APPROVAL OF A RESOLUTION AUTHORIZING AMENDED ASSISTANCE FOR PROJECT CD.** On April 16, 2011, the DCOA approved a total incentives package for Phase 1 of \$2,750,000 based on job creation and capital investment projections, and including a lease/purchase agreement for the Spec 3 building. The board also approved up to \$150,000 to pay annual Letter of Credit (L/C) renewal fees. The L/C will be used to secure an upfront loan of \$2.5 million. The board also approved additional incentives for Phase 2 where Project CD would purchase Spec 3 and expand it. Employment would increase to 400 after the expansion.

Delays in arranging U.S. financing and preparations for the public offering have caused Project CD to make the initial phase in Abilene on a smaller scale to reduce startup costs. The company now wants to begin its U.S. distribution operations by occupying and leasing Warehouses C and D and the offices in the 4109 Vine St. building.

Mr. Burdine outlined several options for the start up phase, Phase 1 and Phase 2 Expansion, ranging from leasing space at 4109 Vine St., lease and purchase of the Spec 3 building, or construction of a new building should Spec 3 not be available when Project CD needs it. Discussion followed on these options and various possible incentive financing packages.

Staff has informed Project CD that the DCOA board requires it to secure the L/C for the \$2.5 million loan from a substantial U.S. financial institution as collateral for financial assistance from the DCOA. Project CD is not able to fulfill this requirement at this time. Therefore, staff recommends the board decline approval of any revised assistance.

Scott Senter moved to decline Resolution No. DCOA-2012.17 due to the lack of a U.S.-backed letter of credit as collateral, which terminates the DCOA's commitment. Marelyn Shedd seconded and the motion passed unanimously.

- 4. ADJOURNMENT.** The next regularly scheduled meeting is April 24, 2012. There being no further business, the meeting was adjourned.

Paul Cannon, President

MEMORANDUM

April 11, 2012

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

The sales tax rebate for April is \$3,076,254.33 which represents February sales. This is 19.92% above last year. The breakdown of the April rebate is \$2,307,190.75 to the General Fund and \$769,063.58 for economic development. Of this rebate, \$115,090 is from prior periods, audit payments, future payments, and unidentified payments. Based on this rebate, sales tax is 22.91% above last year for the period of October through April. 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	ECONOMIC DEVELOPMENT	TOTAL 2010-11	GENERAL FUND	ECONOMIC DEVELOPMENT	TOTAL 2011-12
	Actual 2010-11	Actual 2010-11		Actual 2011-12	Actual 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
December	1,941,356.20	647,118.73	2,588,474.93	2,175,827.99	725,276.00	2,901,103.99
January	2,079,342.18	693,114.06	2,772,456.24	2,823,199.08	941,066.36	3,764,265.44
February	2,936,669.76	978,889.92	3,915,559.68	3,527,637.94	1,175,879.31	4,703,517.25
March	1,938,924.19	646,308.06	2,585,232.25	2,196,565.64	732,188.54	2,928,754.18
April	1,923,931.42	641,310.47	2,565,241.89	2,307,190.75	769,063.58	3,076,254.33
YTD	<u>\$15,130,313.34</u>	<u>\$5,043,437.77</u>	<u>\$20,173,751.11</u>	<u>\$18,596,002.68</u>	<u>\$6,198,667.54</u>	<u>\$24,794,670.22</u>
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.

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%
December	647,119	725,276	12.08%
January	693,114	941,066	35.77%
February	978,890	1,175,879	20.12%
March	646,308	732,189	13.29%
April	641,310	769,064	19.92%
YTD	<u>\$5,043,438</u>	\$6,198,668	22.91%
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 April '12 represents February '12 sales. Approximately \$28,772 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
December	644,727	707,339	602,230	647,119	725,276
January	626,702	660,623	594,761	693,114	941,066
February	977,610	955,889	898,241	978,890	1,175,879
March	599,437	602,464	618,659	646,308	732,189
April	598,138	616,560	601,410	641,310	769,064
Year-to-Date Total	<u>\$4,887,598</u>	<u>\$5,139,760</u>	<u>\$4,745,436</u>	<u>\$5,043,438</u>	<u>\$6,198,668</u>
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>\$ 6,198,668</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

March 31, 2012

ASSETS:

Cash and Investments	\$15,651,188
Notes receivable	14,663,946
Accounts receivable	35,293
Due from other governments	1,846,504
Total Current Assets	<u>\$32,196,931</u>

OTHER ASSETS:

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

TOTAL ASSETS \$65,770,991

LIABILITIES:

Vouchers payable	\$49,355
Total Liabilities	<u>\$49,355</u>

FUND BALANCES:

Investment in general fixed assets	\$33,574,060
Reserved for contractual obligations(external)	17,776,118
Reserved for obligated programs(internal)	1,481,470
Undesignated Balance	12,889,988
Total Fund Balance	<u>\$65,721,636</u>

TOTAL LIABILITIES AND FUND BALANCES \$65,770,991

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 @ MARCH 31, 2012

		Beginning I-T-D	Current Month	Current FY	(MARCH, 1990)
	Object	Revenues	Revenues	Revenues	Ending I-T-D
					Revenues
REVENUE-TO-DATE					
City Sales Tax	40201	\$ 137,410,600.66	\$ 727,696.83	\$ 5,402,302.29	\$ 142,812,902.95
Sales Tax Retained	40202	452,331.95	4,491.71	27,301.67	479,633.62
Princ. - Loans & Assess	40902	3,119,599.24	-	148,929.03	3,268,528.27
Int. - Loans & Assess	46003	2,242,615.88	18.75	570.15	2,243,186.03
Interest on Investments	46004	6,979,819.62	2,628.78	19,873.98	6,999,693.60
Land Lease	47201	16,019.76	494.35	1,276.35	17,296.11
Building/Space Rent	47203	6,368,901.57	91,221.50	476,704.16	6,845,605.73
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	8,844.00	8,844.00	2,185,345.50
Miscellaneous Prior Year	47241	27,720.38	-	33,571.64	61,292.02
Miscellaneous Revenue	47244	991,664.20	-	6,968.41	998,632.61
Sale of Land	48201	392,446.27	-	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		2,333,950.11	-	-	2,333,950.11
		\$ 170,468,846.90	\$ 835,395.92	\$ 6,209,488.91	\$ 176,678,335.81

DEVELOPMENT CORPORATION OF ABILENE
STATUS OF FUNDS @ MARCH 31, 2012

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	8,453,109.02	72,468.92	317,331.86	8,770,440.88	10,000.00	
Life Sciences Property - Pine	1,110,106.57	25,558.21	415,969.27	1,526,075.84	-	
DCOA Annual Contracts	2,462,356.75	17,216.26	310,869.71	2,773,226.46	3,650.00	
Abilene Industrial Foundation	2775-62571	13,218,417.51	51,915.59	252,160.28	13,470,577.79	-
TTU Small Business Dev Cntr	2775-62572	2,851,327.30	39,675.00	80,868.75	2,932,196.05	169,131.25
Chamber Military Affairs	2775-62573	1,266,511.16	9,786.99	9,786.99	1,276,298.15	50,213.01
Airport Business Dev Mgr	2775-62574	753,217.55	10,542.67	54,031.85	807,249.40	-
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	3,100.00	3,100.00	11,100.00	-
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	95.00	380.00	85,915.86	185,384.49
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	-	63,023.47	248,270.07	621,623.53
Genesis Network Phase II	5284	22,924.00	-	-	22,924.00	2,469,000.00
Tower Tech	5285	2,622,973.37	18,743.00	417,676.14	3,040,649.51	2,142,066.09
Texas Metal 08	5288	106,666.66	-	53,333.76	160,000.42	-
Project BG	5295	-	-	-	-	748,000.00
Coca Cola Abilene	5296	-	-	-	-	2,020,000.00
ETI Contract	5304	807,685.54	-	230,546.22	1,038,231.76	341,948.24
TTU 842 Pine	5308	173,181.72	-	-	173,181.72	40,318.28
AIC Eq Lease	5312	129,512.83	805.00	19,289.86	148,802.69	-
Nation Wide Prod	5313	31,150.00	-	31,216.67	62,366.67	42,883.33
LM Wind Power	5314	-	-	-	-	566,250.00
Texas Healthcare Linen	5315	118,891.00	-	-	118,891.00	-
Enavail, LLC	5316	331,083.88	4,375.00	41,615.00	372,698.88	110,632.82
Texas Metal 10	5317	-	-	14,683.33	14,683.33	-
Cisco College Biotech Training	5318	11,184.80	-	2,809.15	13,993.95	53,656.05
Energy Maintenance Serv-Gearbox	5319	140,000.00	-	9,660.00	149,660.00	192,840.00
EASI Hanger Design	5320.1	347,109.34	-	4,157.28	351,266.62	50,546.19
EASI Hanger Construction	5320.2	2,310,367.60	-	2,011,536.50	4,321,904.10	439,145.00
EASI Hanger Fire Safety	5320.3	926,252.29	137,421.02	364,735.61	1,290,987.90	1,160,179.10
Pepsi Beverage Co.	T5321	-	70,000.00	70,000.00	-	280,000.00
Cooperative Response Center	5324	-	-	-	-	296,500.00
Land 922 N 13th Street	5325	35,735.00	-	-	35,735.00	-
Teleperformance USA	5326	-	-	92,550.00	92,550.00	282,450.00
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
Vine St. Warehouse	5335.1	-	-	55,457.00	55,457.00	-
Vine St. Fire Safety	5335.2	-	2,600.00	2,600.00	2,600.00	2,300.00
Vine St. Parking Lot	5335.3	-	158,850.00	158,850.00	158,850.00	1,730.00
Vine St. Construction	5335.4	-	-	-	-	25,300.00
Vine St. Interior Demo	5335.5	-	1,918.28	1,918.28	1,918.28	97,429.50
EASI hanger Skylight	5336	-	-	-	-	25,455.00
Springboard Challenge	5337	-	-	5,000.00	5,000.00	-
Land 2 Acres Hwy 36	5338	-	-	1,000.00	1,000.00	17,000.00
Welder Training	5339	-	-	-	-	417,438.00
Miscellaneous Activities	2785	354,189.86	-	-	354,189.86	-
TOTAL ENCUMB. / EXPENDITURES	\$ 139,504,602.92	\$ 625,070.94	\$ 5,096,156.98	\$ 144,530,759.90	\$ 17,776,117.74	
TOTAL FUND BALANCE				\$ 32,147,575.91		
UNENCUMBERED FUND BALANCE					\$ 14,371,458.17	

DEVELOPMENT CORPORATION OF ABILENE
STATUS OF FUNDS @ MARCH 31, 2012

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	\$ 626,895.00	\$ -	\$ 72,468.92	\$ 317,331.86	\$ 299,563.14	
Life Sciences Property -Pine	Div 2765	825,910.00	-	25,558.21	415,969.27	409,940.73	
DCOA Annual Contracts	Div 2775	297,320.00	-	17,216.26	310,869.71	(17,199.71)	
Abilene Industrial Foundation	2775-4950	746,850.00	-	51,915.59	252,160.28	494,689.72	
TTU Small Business Dev Cntr	2775-4951	250,000.00	-	39,675.00	80,868.75	169,131.25	
Chamber Military Affairs	2775-4952	60,000.00	-	9,786.99	9,786.99	50,213.01	
Airport Business Dev Mgr	2775-4953	160,813.00	-	10,542.67	54,031.85	106,781.15	
Murf Systems	4998	199,665.00	199,665.00	-	-	-	
EASI 04	5213	2,476,938.00	2,131,546.52	-	-	345,391.44	
Fehr Food	5220	3,161,220.00	3,161,220.00	-	-	-	
Bandag Building Improv	5228	11,100.00	8,000.00	3,100.00	3,100.00	-	
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	
Genesis Network	5258	1,615,417.00	1,615,416.69	-	-	0.31	
SBIR/STTR	5263	271,400.00	85,535.86	95.00	380.00	185,384.49	
EASI 7th Doc	5265	273,257.00	239,175.14	-	-	34,081.10	
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	
Energy Maintenance Service	5282	869,894.00	185,246.60	-	63,023.47	621,623.53	
Genesis Network Phase II	5284	2,491,924.00	22,924.00	-	-	2,469,000.00	
Tower Tech	5285	5,182,716.00	2,622,973.37	18,743.00	417,676.14	2,142,066.09	
Texas Metal 08	5288	160,001.00	106,666.66	-	53,333.76	-	
Run Energy	5295	748,000.00	-	-	-	748,000.00	
Coca Cola Abilene	5296	2,020,000.00	-	-	-	2,020,000.00	
ETI Contract	5304	1,380,180.00	807,685.54	-	230,546.22	341,948.24	
TTU 842 Pine	5308	213,500.00	173,181.72	-	-	40,318.28	
AIC Equipment Lease/Purchase	5312	165,000.00	129,512.83	805.00	19,289.86	-	
Nation Wide Products	5313	105,250.00	31,150.00	-	31,216.67	42,883.33	
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	331,083.88	4,375.00	41,615.00	110,632.82	
Texas Metal 10	5317	14,684.00	-	-	14,683.33	-	
Cisco College Biotech Training	5318	67,650.00	11,184.80	-	2,809.15	53,656.05	
Energy Maintenance Serv-Gearbox	5319	342,500.00	140,000.00	-	9,660.00	192,840.00	
EASI Hanger Design	5320.1	403,272.00	347,109.34	-	4,157.28	50,546.19	
EASI Hanger Construction	5320.2	4,770,000.00	2,310,367.60	-	2,011,536.50	439,145.00	
EASI Hanger Fire Safety	5320.3	2,592,097.00	926,252.29	137,421.02	364,735.61	1,160,179.10	
Pepsi Beverage Co.	5321	350,000.00	-	70,000.00	70,000.00	280,000.00	
Cooperative Response Center	5324	296,500.00	-	-	-	296,500.00	
Land 922 N 13th Street	5325	50,000.00	35,735.00	-	-	-	
Teleperformance USA	5326	375,000.00	-	-	92,550.00	282,450.00	
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	
Vine St. Warehouse	5335.1	55,457.00	-	-	55,457.00	-	
Vine St. Fire Safety	5335.2	4,900.00	-	2,600.00	2,600.00	2,300.00	
Vine St. Parking Lot	5335.3	160,580.00	-	158,850.00	158,850.00	1,730.00	
Vine St. Construction	5335.4	25,300.00	-	-	-	25,300.00	
Vine St. Interior Demo	5335.5	100,489.00	-	1,918.28	1,918.28	97,429.50	
EASI hanger Skylight	5336	25,455.00	-	-	-	25,455.00	
Springboard Challenge	5337	5,000.00	-	-	5,000.00	-	
Land 2 Acres Hwy 36	5338	18,000.00	-	-	1,000.00	17,000.00	
Welder Training	5339	417,438.00	-	-	-	417,438.00	
Miscellaneous Activities	2785	354,189.86	354,189.86	-	-	-	
BALANCE OF OBLIGATED PROGRAMS		\$ 50,731,820.86	\$ 26,378,076.05	\$ 625,070.94	\$ 5,096,156.98	\$ 17,776,117.74	\$ 1,481,470.09

UNDESIGNATED FUND BALANCE

(unencumbered balance less obligated programs and contingent liabilities)

\$ 12,889,988.08

DCOA Board approved projects waiting for signed contracts	Expiration Date
West Texas Innovation Network	5328 15,000 09/30/2012
Project CD-Phase 1	5329 2,900,000 09/30/2012
Project CD-Phase 2	3,400,000 09/30/2012
Project CD-Spec 3 Buildout	4,558,965 09/30/2012
TTUHSC School of Nursing	5331 1,884,356 09/30/2012
TTUHSC School of Pharm expansion	5242 916,941 09/30/2012
Marketing for 2nd Airline	5334 200,000 09/30/2012
Project ML	297,000 09/30/2012
Fehr Foods '12	510,000 08/14/2012
Bridgestone Bandag	315,300 08/27/2012
	<u>14,997,562</u>

3.8

DEVELOPMENT CORPORATION OF ABILENE, INC.
BOARD AGENDA
MEETING DATE: May 2, 2012

PROJECT: Rentech Boiler Systems, Inc.

STAFF: Richard Burdine, Chief Executive Officer

THE COMPANY

Rentech Boiler Systems, Inc. (Rentech) began operations in June 1996 and is owned by Jack and Becky Rentz. Jack Rentz has many years of experience in this industry. Rentech designs and manufactures its products in a state-of-the-art plant at 5025 E. Hwy 80 in Abilene and has offices in Lincoln, NE., Tulsa, OK., and Sacramento, CA. They recently completed the third expansion of the Abilene plant, giving them more than 100,000 square feet of manufacturing space. Their products are manufactured at one location, which improves quality control, and it includes: 1) a heavy bay with 43,585 square feet, two 50-ton bridge cranes and other features, and 2) a light bay with 41,400 square feet, two 25-ton bridge cranes and other features.

Rentech's central location is another benefit in that they have direct access to rail, cross-country trucking routes and shipping facilities to better serve domestic and international markets. It also means access to customers who rely on Rentech to repair boilers in the field. They have provided boilers to customers across the U.S. and in Canada, Mexico, Venezuela, Columbia, Argentina, Chile, Jamaica, Australia, Korea, Indonesia, China, Russia, Algeria, Nigeria and the Middle East.

The DCOA has assisted Rentech several times since 1998 with purchase of real estate and equipment, and expansion projects. Rentech's job creation commitment has increase from 50 in 1998 to 269 in 2005. All assistance was fully earned with a job certification through 12-31-08 when the Company certified a total of 301.5 FTEs. Currently the company employs 290 workers.

THE PROJECT

The company needs to expand and recently purchased the property immediately to the west of its plant. However, when Peerless recently announced its plans to close the Abilene plant also on E. Hwy 80, Jack Rentz saw an opportunity to expand his company virtually overnight and keep most of Peerless' 30 employees working. Contingent on DCOA assistance, he will purchase the entire Peerless property for \$925,000, which includes the original 7.8 acres and buildings plus another 17.39 acres to the east. He will also purchase additional equipment and make other minor improvements totaling about \$75,000 for a total investment of \$1 million. He will retain approximately 25 of the existing Peerless employees and create 10 new jobs for a total of 35.

I request the DCOA consider an assistance package of \$500,000 to help with the purchase and growth of a strong existing Abilene company. The funding will be paid up front under a note receivable and earned over 5 years. The note will be 0% interest, secured by a first lien on the Peerless real estate, and the principal balance will be earned down as follows:

Job Creation Incentive – up to \$350,000 for 35 FTEs over and above the existing 290 Rentech jobs, earned at \$10,000/each over 5 years.

Capital Investment Incentive – up to \$150,000 at 15% of total investment of \$1,000,000 in real estate and equipment earned over 5 years in the amount of \$30,000/year.

FISCAL IMPACT

Job Creation Incentive	\$350,000
Capital Investment Incentive	<u>\$150,000</u>
TOTAL	\$500,000

STAFF RECOMMENDATION

Staff recommends approval of resolution DCOA-2012.19 authorizing assistance for Rentech in the amount of \$500,000 as described above.

ATTACHMENTS

Resolution DCOA-2012.19

S:\DCOAMeeting Memos\FY 2005\Rentech 0205.DOC

RESOLUTION NO. DCOA-2012.19

A RESOLUTION OF THE DEVELOPMENT CORPORATION OF ABILENE, INC. ("DCOA"), ABILENE, TEXAS, AUTHORIZING AN AGREEMENT FOR FINANCIAL ASSISTANCE WITH RENTECH BOILER SYSTEMS, INC. ("RENTECH").

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

WHEREAS, Rentech Boiler Systems, Inc. (Rentech) began operations in June 1996 and is owned by Jack and Becky Rentz; and,

WHEREAS, Rentech designs and manufactures its products in a state-of-the-art plant at 5025 E. Hwy 80 in Abilene and has offices in Lincoln, NE., Tulsa, OK., and Sacramento, CA; and,

WHEREAS, Rentech's central location is another benefit in that they have direct access to rail, cross-country trucking routes and shipping facilities to better serve domestic and international markets, and it means access to customers who rely on Rentech to repair boilers in the field; and,

WHEREAS, DCOA has assisted Rentech several times since 1998 with purchase of real estate and equipment, and expansion projects, and Rentech's job creation commitment has increase from 50 in 1998 to 269 in 2005. All assistance was fully earned with a job certification through 12-31-08 when the Company certified a total of 301.5 FTEs; and,

WHEREAS, when Peerless recently announced its plans to close the Abilene plant also on E. Hwy 80, Jack Rentz saw an opportunity to expand his company virtually overnight and keep most of Peerless' 30 employees working in Abilene; and,

WHEREAS, contingent on DCOA assistance, Jack Rentz will purchase the entire Peerless property for \$925,000, which includes the original 7.8 acres and buildings plus another 17.39 acres to the east, and he will purchase additional equipment and make other minor improvements totaling about \$75,000 for a total investment of \$1 million. He will retain approximately 25 of the existing Peerless employees and create 10 new jobs for total job retention and creation of 35; and

WHEREAS, staff requests the DCOA approve an assistance package for Rentech totaling \$500,000 to help with purchase of real estate and equipment formerly owned by Peerless and retention/creation of jobs.

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

PART 1. DCOA authorizes an assistance package of Five Hundred Thousand and no/100's Dollars (\$500,000) to help with the purchase and growth of an existing strong Abilene company, Rentech Boiler Systems. The funding will be paid up front under a note receivable and earned over 5 years. The note will be 0% interest, secured by a first lien on the Peerless real estate on E. Hwy 80, and the principal balance will be earned down as follows:

Job Creation Incentive – up to \$350,000 for 35 FTEs over and above the existing 290 Rentech jobs, earned at \$10,000/each over 5 years.

Capital Investment Incentive – up to \$150,000 at 15% of total investment of \$1,000,000 in real estate and equipment earned over 5 years in the amount of \$30,000/year.

PART 2. Funding under this resolution is contingent upon execution of all necessary agreements and loan documentation. 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 CEO.

PART 3. The Chief Executive Officer of Development Corporation of Abilene, Inc. or his designee is hereby authorized to negotiate, enter into, and execute any contract and all related documents on behalf of the DCOA.

ADOPTED this 2nd day of May, 2012.

ATTEST:

Marelyn Shedd
Secretary/Treasurer

Paul Cannon
President

APPROVED:

T. Daniel Santee, Assistant City Attorney