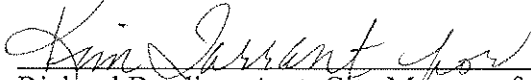


## PUBLIC NOTICE

### DEVELOPMENT CORPORATION OF ABILENE, INC.

A regular meeting of the Development Corporation of Abilene, Inc. will be held on **Tuesday**, May 22, 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 22, 2012  
1:30 p.m.

Abilene Life Sciences Accelerator  
1325 Pine St.

1. Call the meeting to order.
2. Approval of minutes from the May 2, 2012, board meeting.
3. Sales tax report for May 2012.
4. Presentation of semi-annual reports for 6 months ended March 31, 2012 by:
  - Abilene Industrial Foundation
  - City of Abilene Airport Business Development Management Program
  - TTU Small Business Development Center
5. Discussion and possible approval of the DCOA's Semi-Annual Report of Activities ending March 31, 2012.
6. Appointment of 2012 Project Evaluation and Budget & Finance Standing Committees of the DCOA.
7. 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.

8. Discussion and possible approval of a contract and funding to replace the fire suppression system in Warehouse C and D and the offices at 4109 Vine St.
9. 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  
MAY 2, 2012**

**MEMBERS PRESENT:** Paul Cannon Mike Schweikhard  
Scott Senter Marelyn Shedd

**MEMBER ABSENT:** Dani Ramsay

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

**GUESTS PRESENT:** Bill Ehrie, Abilene Industrial Foundation  
Glorie Furrow, Abilene Christian University  
Gina Benitez, KRBC TV

1. **CALL TO ORDER.** President Paul Cannon called the meeting to order in the conference room of the Abilene Life Sciences Accelerator, 1325 Pine Street, Abilene, Texas.
2. **APPROVAL OF MINUTES FROM THE APRIL 10, 2012 AND APRIL 16, 2012, BOARD MEETINGS.** Scott Senter moved to approve the minutes from both the April 10, 2012 and April 16, 2012 board meetings. Mike Schweikhard seconded and the motion carried.
3. **SALES TAX FOR APRIL 2012 AND STATUS OF FUNDS REPORT FOR MARCH 2012.** Mindy Patterson reviewed this information. The sales tax rebate for April (which represents February sales) was \$769,064 for economic development and is up nearly 20% above last April. Cumulatively, sales tax is up nearly 23% above last year for the period of October through April. Of the top twenty Texas cities, Abilene had the fourth highest increase and Midland had the highest, with a nearly 34% increase. The average state increase was about 15%.

March revenues reflected an \$8,844.00 incentive payment from AEP for lighting retrofit at 4109 Vine St. Highlighted expenses included \$18,843 for welder job training classes to TSTC; \$137,421 for EASI construction expense for improving fire safety at the hangars; \$70,000 capital investment funding for Pepsi Beverage Co.; and \$158,850 was for Vine St. parking lot repairs and improvements.

4. **EXECUTIVE SESSION, SESSION 1.** I hereby announce we are going into Executive Session pursuant to Texas Government Code Sections 551.071, .072, and .087 to consult with our legal counsel, discuss real property transactions, and discuss economic development negotiations involving a business prospect, as set forth on the agenda. Any vote or action will be taken in open session.

President, Paul Cannon announced the date is May 2, 2012, and the time is 1:39 p.m. Mr. Cannon left Executive Session during discussion. A short break was taken until 2:06 pm. Session 2 resumed at 2:08 pm. Vice President, Mike Schweikhard later announced the date is still May 2, 2012, and the time is 2:20 p.m. No vote or action was taken in Executive Session. Paul Cannon recused himself from discussing and voting on the next agenda item. He turned the meeting over to Vice President Schweikhard, and then left the public meeting.

5. **DISCUSSION AND POSSIBLE APPROVAL OF A RESOLUTION AUTHORIZING ASSISTANCE FOR RENTECH BOILER SYSTEMS.** Rentech Boiler Systems, Inc. (Rentech) is a local company established in June 1996 by Jack and Becky Rentz. They design and manufacture their products in a state-of-the-art plant on E. Hwy 80 and have three more offices across the country. They have provided boilers to customers all over the world.

The DCOA has assisted Rentech several times since 1998 with purchases of real estate and equipment, and expansion projects. Their job creation commitment has increased from 50 in 1998 to current employment of 290 workers.

Rentech needs to expand and recently purchased the property immediately to the west of its plant. When Peerless Manufacturing (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 buy the entire Peerless property for \$925,000, which includes the original 7.8 acres and building plus another 17.39 acres to the east. He will also purchase additional equipment and make minor improvements totaling about \$75,000, for a total investment of \$1 million. He plans to retain approximately 25 of the existing Peerless employees and create 10 new jobs for a total of 35 in job creation.

Staff recommends the DCOA approve a total assistance package for Rentech of \$500,000 as follows: up to \$350,000 in job creation incentive for 35 FTEs over the existing 290 jobs, earned at \$10,000/each over 5 years; and up to \$150,000 at 15% of total capital investment of \$1 million earned over 5 years at \$30,000/year.

Scott Senter made a motion to approve Resolution No. DCOA-2012.19 as presented. The motion was seconded by Marelyn Shedd; motion passed.

6. **ADJOURNMENT.** The next regularly scheduled meeting is May 22, 2012. There being no further business, the meeting was adjourned.

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Paul Cannon, President

**MEMORANDUM**

May 9, 2012

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

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The sales tax rebate for May is \$3,909,845.59 which represents March sales. This is 3.06% above last year. The breakdown of the May rebate is \$2,932,384.19 to the General Fund and \$977,461.40 for economic development. Of this rebate, \$67,329 is from prior periods, audit payments, future payments, and unidentified payments. Based on this rebate, sales tax is 19.76% above last year for the period of October through May. 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	GENERAL FUND	ECONOMIC DEVELOPMENT	TOTAL
	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
May	2,845,240.04	948,413.35	3,793,653.39	2,932,384.19	977,461.40	3,909,845.59
<b>YTD</b>	<b>\$17,975,553.38</b>	<b>\$5,991,851.12</b>	<b>\$23,967,404.50</b>	<b>\$21,528,386.87</b>	<b>\$7,176,128.94</b>	<b>\$28,704,515.81</b>
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 purposed.

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%
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%
May	948,413	977,461	3.06%
<b>YTD</b>	<u>\$5,991,851</u>	<b>\$7,176,129</b>	<b>19.76%</b>
June	741,634		
July	749,767		
August	1,013,393		
September	799,173		
<b>FY TOTAL</b>	<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 May '12 represents March '12 sales. Approximately \$16,832 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
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
May	824,194	793,424	814,964	948,413	977,461
Year-to-Date Total	<u>\$5,711,792</u>	<u>\$5,933,183</u>	<u>\$5,560,400</u>	<u>\$5,991,851</u>	<u>\$7,176,129</u>
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>\$ 7,176,129</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: May 22, 2012**

**PROJECT: Semi-Annual Reports for FY12**

**STAFF: Richard Burdine, CEO**

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**GENERAL INFORMATION**

Since 1990, the DCOA has contracted with the Abilene Industrial Foundation (AIF) for promotion and marketing services for Abilene and the immediate vicinity. The AIF administers a marketing program which includes magazine advertisements, e-newsletters, promotional videos, web-site management, trade shows, visits to consultants and/or prospects, retention visits to existing Abilene businesses, and hosting visits to Abilene by consultants and/or prospects.

The Texas Tech University Small Business Development Center (SBDC) has also contracted with the DCOA since 1990, providing business counseling services to clients in a 17-county region, free-of-charge. The DCOA began partial funding of the Airport Business Development Management Program in FY02. The Airport Master Plan recommends pursuit of a marketing program that will help the airport build activity within its business segments.

**SPECIAL CONSIDERATIONS**

The FY12 contracts expire 9-30-12. Attached are reports covering activities during the first one-half of the fiscal year, primarily from 10-1-11 through 3-31-12.

**FUNDING/FISCAL IMPACT**

None.

**STAFF RECOMMENDATION**

None.

**ATTACHMENT**

Abilene Industrial Foundation FY12 Mid-Year Progress Report, 10/11 through 3/12  
Abilene Regional Airport FY12 Semi-Annual Report  
Small Business Development Center Mid Year FY12 Report

COPY



# Develop Abilene

Abilene Industrial Foundation

RECEIVED  
APR 16 2012  
ECONOMIC DEVELOPMENT

Abilene Industrial Foundation, Inc.  
P.O. Box 2281, Abilene, Texas 79604  
174 Cypress Street, Suite 300  
Abilene, Texas 79601  
Tel.: 325/673-7349  
800/299-0005  
Fax: 325/673-9193  
Website: www.developabilene.com

April 16, 2012

Mr. Richard Burdine  
Assistant City Manager  
City of Abilene  
P. O. Box 60  
Abilene, TX 79604

Dear Richard:

In accordance with the terms of the Development Corporation of Abilene contract with the Abilene Industrial Foundation, the following progress report is submitted for the period of October 1, 2011 to March 31, 2012 inclusive.

This report covers all categories listed in the AIF Marketing Plan. A brief summary of the data is as follows:

Marketing Budget .....	\$140,000.00
Spent to Date .....	\$43,348.27
Leads Received.....	16
Leads AIF Responded to .....	10
Prospect Visits to Abilene.....	6
New Prospect Files Opened.....	2
Retention Visits .....	50
Retention/Expansion Luncheon (November).....	55
Visits to Consultant/Prospects.....	10

Of note, as in years past a majority of the marketing budget is spent in the latter half of the yearly cycle.

The attachments reflect mid-year marketing summary, marketing and retention activities, and the marketing budget report for this period.

If you have any questions we will address them at the monthly DCOA meeting.

Sincerely,

William J. Ehle, CEcD  
President

cc: Kim Tarrant ✓  
Gary Robinett

Enclosures

**Abilene Industrial Foundation**  
FY 11-12 Mid-Year Marketing Summary  
October 1, 2011 – March 31, 2012

**ADVERTISEMENTS PLACEMENT**

- Total advertisement submissions – 6
- Total advertisement placement costs – \$18,750.00 (\$8500.00 includes prepaid ads thru Dec 2012)

**LEAD ACTIVITY**

- Leads received from all sources – 16
- Leads AIF responded to – 10

**PROSPECT ACTIVITY**

- Prospects visits to Abilene – 6
- New prospect files opened – 2

**WEBSITE & ELECTRONIC MARKETING**

- E-Newsletter distributions – 2,687
- E-Newsletter costs – \$318.24
- Economic Development Directory website hits – 536 (Oct. 2011 thru Feb. 2012)
- Website/electronic marketing changes & enhancements – \$318.80

**TRADE SHOW / CONFERENCE / NETWORKING ACTIVITIES**

- TMCN Annual Conference - Abilene
- TEDC Annual Conference – Ft. Worth
- Solar Power International 2011 – Dallas
- Fabtech – Chicago
- WINDPOWER 2012 Exhibitor's Meeting – Atlanta, GA
- IEDC – Alexandria, VA

**CONSULTANT / RETENTION / EXPANSION ACTIVITY**

- Visits to Consultant/Prospect – 10
- Manufacturers Luncheon (Nov. 2011) – 55

**MARKETING VIDEOS**

- Dyess DVD update (add'l expenses) - \$907.95

**EXISTING BUSINESS ACTIVITY**

- Retention Visits – 50

**Abilene Industrial Foundation**  
Marketing & Retention Activities  
October 1, 2011 – March 31, 2012

- Monthly updates of all printed marketing/informational materials for Abilene General Information File, including Economic Indicators, Labor Market Review, Cost of Living, Building Permits, Wage Surveys, Sales & Use Tax, Living Units Available, etc.
- Commercial Property Snapshot – updates
- Hosted Manufacturer Luncheon
- Development and update of current building inventory materials
- Development and preparation of individual prospect packages
- Hosting of prospect visits to Abilene including tours to specific sites
- Visits to site selection consultants and/or prospects – Dallas/Ft. Worth and Riverside, CA
- Trade Show attendance
  - Solar International, Dallas
  - Fabtech, Chicago
  - WINDPOWER 2012 Exhibitor’s Meeting, Atlanta
- Conference attendance
  - IEDC, Alexandria
  - TEDC, Fort Worth
  - TMCN, Abilene
- Texas Midwest Community Network
  - Executive Committee Board Member and Council Meetings
  - Economic Development Alliance Board Member and Alliance meetings
- Presentations
  - Abilene Advertising Club
  - Logistic McGp, Dyess AFB
  - Abilene Board of Realtors
  - Leadership Abilene
  - Lion’s Club

<b>Category</b>	<b>Allocation</b>	<b>10/1/11 to 3/31/12</b>	<b>4/1/12 to 9/30/12</b>	<b>YTD</b>
Advertisements (1)	\$ 30,000.00	\$ 18,750.00	\$ -	\$ 18,750.00
Internet (2)	\$ 4,000.00	\$ 318.80	\$ -	\$ 318.80
Marketing Material (3)	\$ 10,000.00	\$ 2,436.75	\$ -	\$ 2,436.75
Trade Show/Conferences (10)	\$ 50,000.00	\$ 13,002.66	\$ -	\$ 13,002.66
Site Consultant Activity (12)	\$ 35,000.00	\$ 6,881.07	\$ -	\$ 6,881.07
Newsletter Mailings(13)	\$ 2,000.00	\$ 318.24	\$ -	\$ 318.24
Existing Business Activity (14)	\$ 5,000.00	\$ -	\$ -	\$ -
Contingency	\$ 2,000.00	\$ 618.75	\$ -	\$ 618.75
Public Awareness Campaign (8)	\$ 2,000.00	\$ 1,022.00	\$ -	\$ 1,022.00
<b>Total</b>	<b>\$ 140,000.00</b>	<b>\$ 43,348.27</b>	<b>\$ -</b>	<b>\$ 43,348.27</b>

**Abilene Regional Airport's  
FY 2012 Semi-Annual Report  
To  
Development Corporation of Abilene**

The Business Development Management program continues to work to increase airline passenger enplanements, improve air carrier service and encourage economic growth for the airport. We believe the more visible marketing campaign, including TV and radio ads, is having its intended effect of getting people to consider Abilene Regional Airport first when making flight reservations and will help us recover some of our lost passenger base.

Abilene Regional Airport appreciates the continued assistance received from DCOA, supporting our goal of improving air service and growing our customer base.

**FY12 YTD Business Development Activity**

Business Development activities have been and will continue to make community outreach through speaking engagements to various civic organizations a priority, focusing on the advantages of flying from Abilene versus driving to another airport. Presentations made during these engagements highlight the operations of the airport, construction updates, air service needs and fare comparisons.

We will continue to stay in contact with our regional community leaders and make ourselves available to speak at various events.

**Presentations/Events this year include:**

October 5	Hosted Sweetwater Chamber Coffee at Sweetwater Newspaper
October 11	Early Chamber Annual Banquet Sponsors
October 19	Texas Midwest Community Network Conference
November 10	Haskell Rotary Presentation
December 16	Brownwood Chamber Luncheon
February 1	Sponsored Abilene Chamber Wake Up Wednesday Event
April 2	Sweetwater Rotary Presentation

## **Network USA**

Airport staff attended this conference with airlines and met individually with two prospective airlines to discuss their future service interests. This meeting was included in the FY12 DCOA contract with the airport.

## **Marketing the Airport**

### **Television**

We have continued to reach out to our catchment area with television advertising. We have aired commercials comparing the cost of driving to DFW to flying out of Abilene and promoting the ABI-VIP Passenger Rewards Program.

Commercials aired with KRBC, KTAB, KTXS, FOX, and Suddenlink in programs that have high viewership in our target demographics.

### **Radio**

Radio stations running audio spots on Cumulus Broadcasts: KBCY The Best Country, as well as ACU's KACU.

### **Newspaper**

ARN – Video Big Box on News Page of ARN Website and on YAHOO local home page. We have had very positive results with ARN's Search Engine Marketing program.

Sweetwater News Website – Internet Banner Ad

ARN Business Profiles– print ad

### **Social Media**

Our website has been updated and now offers a fare watcher, which constantly features real-time discount fares from Abilene to various destinations.

This year we focused on driving passengers to our website for information.

[www.abilenetx.com/airport](http://www.abilenetx.com/airport)

The airport now has a presence on Twitter that is primarily used for flight diversion and delay updates, but may have future marketing/promotional applications.

[www.twitter.com/cityofabilene](http://www.twitter.com/cityofabilene)

Facebook continues to be a marketing tool that we use to communicate with our passengers and the general public. [www.facebook.com/abileneairport](http://www.facebook.com/abileneairport)

### **Print Ads**

We have ads in the following publications:

Diamond Back Golf Course Guide

Artfully Abilene

Abilene Living

Abilene Chamber of Commerce Directory

### **Outdoor Billboards**

We currently have outdoor billboards in 2 locations:

Eastland County on I-20

Brown County on HWY 279N and on US 67

### **Sponsorships**

We have made efforts to connect with the community and increase top of mind awareness by sponsoring various events last year and will continue to do so this year as follows:

Center for Contemporary Arts – ArtWalk Sponsor

The Grace Museum – Exhibit Sponsor

Buffalo Gap Historic Village – Erinshire Festival Sponsor

Abilene Philharmonic Association – Program Sponsor

Abilene Zoo – Boo at the Zoo Sponsor

### **Partnerships**

ACU – Airport has a presence on campus with a sign at the Moody Coliseum entrance. We also have had a web presence with ads on the Sports Live Stats page.

Abilene Ruff Riders – Airport sponsors the team and receives tickets for games for our VIP members and advertising at games.

### **Special Programs**

The **ABI-VIP Passenger Rewards Program** started January 1, 2009. Rewards are donated by local businesses and are mailed to passengers after flying out of Abilene Regional Airport 2 times. Currently, there are approximately 1080 passengers registered in the program. The local businesses have been very responsive in donating rewards and we have received positive feedback from our passengers.

The program's objectives are to grow customer loyalty and develop a database of passenger information, giving them the opportunity to subscribe to email communications. We have utilized this database to survey our most frequently flying passengers to determine destinations and flight preferences.

Based on the results of a survey conducted by the ACU Marketing class, our VIP members would like more opportunities to be treated as VIPs throughout the year. In response to this, we have created a tier rewards program which gives passengers the



opportunity to receive more rewards including discounts to local businesses, free parking, and free water or coffee upon departure based upon the number of flights they logged out of ABI the previous year.

**Enplanements:**

Enplanements for the Calendar Year 2011 were up 8%.  
YTD enplanements are up 4%.

**Revenues:**

Major revenue sources to the airport are the car rental concessions and the parking lot.

Rental Car Revenue is up 10%. YTD.  
Parking lot revenue is up 8% YTD.

**EASI Parking Revenue Invoiced @\$0.70**

January	3795 Entries	\$2,656.50
February	3349 Entries	\$2,344.30
March	3052 Entries	\$2,136.40
Total	10,196 Entries	\$7,137.20

**Business Development Outlook:**

The effects of high fuel prices are going to contribute to airlines' reluctance to expand this year across the country. However, we are optimistic that a near-term opportunity exists for future growth and we want to be positioned to take advantage of that opportunity when it comes.

# Texas Tech Small Business Development Center

Mid Year FY 12 Report

## **CURRENT MID-YEAR COMPARISON:**

	FY12	FY11	FY10
<i>Businesses Opened</i>	39	44	40
<i>Job Creation</i>	108	114	121
<i>Capital Formation</i>	4.5 mm	2.5mm	4.3mm

## **COMMUNITY ASSISTANCE REQUESTS:**

*Springboard: Assisted both community and student applicants.*

*Cisco College: Request for more office efficiencies.*

*City of Abilene: Sandy Bowen, Neighborhood Initiatives Mgr. requests information in support of federal grant.*

*Local established company: Training, Policies Manual and Office efficiency processes.*

## **WEST TEXAS INNOVATION NETWORK: (WTIN)**

*WTIN is a Workforce initiative to organize other agencies to assist WTIN members and develop a mentoring program.*

*WTIN has held all mentoring sessions in conjunction with the SBDC.*

*TTUSBDC has had to decline any funds from the WTIN program but continue to assist.*

## **DYESS:**

*Provide workshops at the request of the Support Services at Dyess.*

*Continue to provide contracting workshops, building relationships between contractors and Dyess contracting.*

*Continue meeting with contracting officials from Dyess to provide more opportunities to small businesses in the Abilene area.*

## **JOBS Bill: (Jumpstart Our Business Startups) HB 3606**

*Crowd funding – via internet (Interstate vs Intrastate)*

*SEC is currently developing guidelines for this type of funding*

*Guidelines such as the amount anyone person can contribute toward business start, defined amount of contributed money a company can accept, etc.*

**TECHNOLOGY:** *Process of developing more online presence in the form of information and possible webinars.*

**COMMUNITY INVOLVEMENT/ASSISTANCE:** Lengthy list available upon request.

# DEVELOPMENT CORPORATION OF ABILENE, INC.

BOARD AGENDA

MEETING DATE: May 22, 2012

**SUBJECT: DCOA Semi-Annual Report of Activities Through 3-31-12**

**FROM: Richard Burdine, CEO**

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**GENERAL INFORMATION:**

As required in the by-laws of the corporation, a report of activities for the first one-half of the current fiscal year has been prepared. The report covers the 6-month period beginning 10-1-11 and ended 3-31-12.

**SPECIAL CONSIDERATIONS:**

None.

**FISCAL IMPACT:**

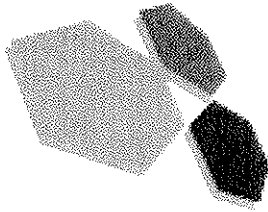
None.

**STAFF RECOMMENDATION:**

Staff recommends the Board approve by oral resolution the attached report of activities for the 6-month period ended 3-31-12.

**ATTACHMENT:**

Development Corporation of Abilene, Inc.  
Report of Activities for period ended 3-31-12



# Develop Abilene

SEMI-ANNUAL  
REPORT OF  
ACTIVITIES

MARCH 2012

Development  
Corporation  
of Abilene

**DEVELOPMENT CORPORATION OF ABILENE, INC.**  
*SEMI-ANNUAL REPORT OF ACTIVITIES*  
*OCTOBER 2011 – MARCH 2012*

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# DEVELOPMENT CORPORATION OF ABILENE, INC.

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## Mission Statement:

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

## Board of Directors:

President:

**Paul Cannon**

Vice President:

**Mike Schweikhard**

Secretary/Treasurer:

**Marelyn Shedd**

Members:

**Scott Senter**

**Dani Ramsay**

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## Goals:

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

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

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## Organization:

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



## Progress Made Toward Goals

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

The DCOA continues to work toward competitiveness with other communities by funding the marketing efforts of the Abilene Industrial Foundation and by contracting with Emergent Technologies, Inc. to market and operate the Abilene Life Sciences Accelerator (ALSA). An application for a Texas state CPRIT grant was submitted to help provide the ALSA with the resources necessary to create a stable team environment that will foster additional growth in the life sciences business sector.

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

The DCOA approved assistance for five companies, all of which are local: Broadwind Towers, Smith Pipe, Coca Cola Refreshments USA, Fehr Foods and Bridgestone Bandag.

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

The DCOA approved training grants for Broadwind Towers and the Fast Track Welding Program to provide skilled welders for Abilene's industries.

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4. To strengthen and revitalize downtown Abilene.

The Anita Thigpen Perry School of Nursing at Texas Tech University Health Sciences Center in Abilene is temporarily housed in the DCOA-owned Grant Building at 302 Pine St.

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

The DCOA contracts annually with the Small Business Development Center (SBDC) for counseling services provided free of charge to Abilene residents and businesses. In addition, the SBDC can assist businesses desiring to sell products or services to any level of government. Also, for the fourth consecutive year the DCOA approved a sponsorship of ACU's Springboard Ideas Challenge competition.

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6. To effectively administer the sales tax revenue.

During the report period (10-01-11 through 03-31-12), the DCOA approved \$1,167,888.00 in funding to assist companies with growth and retention in Abilene, anticipating retained employment of 134 positions plus the creation of 11 new jobs.



## Project Summaries

### Smith Pipe

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

In May 2011, the DCOA Board approved assistance for Project BC of \$1,155,368 for Phase 1 construction and Phase 2 expansion of a new 40,500 sq ft facility for its new pipe coating operation that will support and enhance their current operation. The company pledged to add another 44 jobs total and invest \$5,267,000 in capital. In October 2011, the DCOA approved Phase 3 assistance totaling \$521,790 for the purchase of more land and construction of a 15,000 sq ft main shop and a 5,000 sq ft paint and sand blasting shop for the company's new tank fabrication operation. Plans are to create 31 new jobs in Phase 3, in addition to the 44 jobs to be created in Phases 1 and 2 combined.

On February 27, 2012 the DCOA approved a revised assistance package for all three phases by increasing the capital investment incentive for Phase 3 by \$12,000 and eliminating the job creation incentives totaling \$941,668 for all three phases. Also approved was advancing Phases 2 and 3 capital investment incentives upon completion of the phase with the assistance structured under separate forgivable notes. The net financial effect is a reduction in total assistance for all three phases by \$929,668, which leaves \$747,490 to be funded.

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

### Broadwind Towers (formerly Tower Tech Systems)

---

Broadwind Towers (Broadwind) manufactures utility-scale wind tower, monopole & wind turbine structures and assemblies in Abilene's Five Points Business Park. The DCOA has previously assisted Broadwind with a total of \$4,827,500 for job creation, capital investment, training and land & rail service incentives. Of this money, \$2,382,973 has been paid to Broadwind over the last three years, leaving a balance of \$2,444,527. Due to the economic downturn, the company has experienced layoffs and furloughs of employees. Last year the company signed a contract with Caterpillar (CAT) to manufacture masts for heavy oilfield trucks used in this area. Broadwind currently has 25 employees; however, to fulfill the contract with CAT plus existing 2012 tower orders, the company needs an additional 97 welders at a higher welding skill level than is required for tower manufacturing.





On November 8, 2011, the DCOA approved a reallocation of previously approved job creation incentive funds of \$20,500 to be used instead for advanced welder training for current and returning employees. On February 27, 2012, the DCOA approved the reallocation of another \$38,400 from job creation incentive funds to be used instead for advanced welded training for 20 new employees and leadership training for the supervisory team.

**Goals addressed:** 3. To strengthen and expand the skills of the Abilene labor force.

### U.S.P.S. Abilene Mail Processing Center

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 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 included closing as many as 252 similar MPCs around the country. Abilene's MPC was potentially on the "hit list" to be closed and operations moved to Midland or Austin.

The USPS could have potentially qualified for up to \$1.43 million under the DCOA's job creation/retention guidelines. The CEO proposed payment of up to \$1.3 million in lease costs over ten years at the Windstar facility to reduce operating costs in exchange for retaining the existing 119 jobs. On December 16, 2011, the DCOA authorized the CEO to open negotiations with USPS for offsetting some of its operating costs in exchange for job retention, returning to the DCOA for approval of a final deal if negotiations were successful.

**NOTE: The CEO has not opened negotiations with the USPS after it was announced in early 2012 that the Abilene Center would close this year. However, the USPS recently announced an extension of the closure to 2014, so negotiations are still a possibility.**

### Coca Cola Refreshments USA

Coca Cola has been in operation in Abilene 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. In the past several years, the DCOA has approved financial assistance for a couple of capital projects, including \$500,000 for a \$5 million syrup lab room, and \$400,000 for a \$4 million shrink wrap project.

CCR gave the Abilene production facility approval to proceed with the syrup lab room project, which has now expanded from \$5 million to \$9.3 million. Also, Abilene's production 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. These projects further solidify Abilene's position and support CCR's master plan to establish the Abilene production facility as an innovative research and development center for the entire CCR system.



On January 10, 2012, the DCOA approved total additional funding of \$1,120,000 as follows: 1) \$430,000 for the additional capital cost for the syrup lab room project, and 2) \$690,000 for the Monster Energy Drink line project, both paid over three years, in exchange for CCR's investment of \$11.2 million in the Abilene plant.

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

### Fehr Foods

Fehr Foods began with 27 employees when they first started operations in Abilene in 1992 Fehr manufacturing cookies that were sold under the name of Lil' Dutch Maid and private labels. Since that time, the DCOA has assisted with several changes and expansions to the cookie-making company. As of June 2011, Fehr had 264 full-time equivalent employment positions.

In October 2010, Grupo Nutresa, a Colombian company, purchased Fehr Foods and its affiliates. Grupo Nutresa has invested \$900,000 in the Abilene facility since 2010, and plans to invest an additional \$4.1 million for Project El Dorado, which is the addition of a new cream cookie line, increasing cream cookie capacity by 18 million pounds per year, a 30% increase. Grupo Nutresa also plans a \$1 million capital investment for plant improvements, for total capital investment of \$5.1 million.

On February 14, 2012, the DCOA authorized assistance of up to \$510,000 as follows: 1) \$410,000 for El Dorado capital investment project, and 2) \$100,000 for upgrades to plant, technology and equipment.

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

### Bridgestone Bandag

Bandag has been located in Abilene since 1971. After a merger in 2007 Bandag, Inc. became Bridgestone Bandag, LLC. The Abilene plant manufactures tire retreads that perform like new tires at a fraction of the price, with specialized tread patterns that match up with any terrain, and next-generation compounds that resist wear and tear. The DCOA has assisted Bandag several times since 2004 with plant expansion, job creation, equipment upgrade grants, training grants, real estate purchase and improvements, and real estate financing.

Bandag is considering construction of a 40,000 sq. ft. expansion of its Site 1 facility and adding a weekend crew (11 new jobs) to accommodate the additional capacity. They will invest \$1.5 million in construction and retain at least 134 FTEs.

On February 27, 2012, the DCOA approved an assistance package totaling \$315,300 as follows: 1) \$165,300 job creation incentive for the creation of 11 new jobs



and retention of 134 FTEs, and 2) \$150,000 capital investment incentive paid at 10% of actual costs.

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

<b>FY12 DCOA Approved Assistance through March 2012 - Pending</b>			
<b>Company</b>	<b>DCOA Assistance Reserved <sup>1</sup></b>	<b>Committed Job Retention/ Job Creation</b>	<b>Projected Annual Payroll<sup>2</sup>/Capital Investment<sup>3</sup></b>
<b>Smith Pipe-Phases 1, 2 &amp; 3 expansion</b>	<b>(\$929,668.00)</b>	<b>N/A</b>	<b>\$1,135,000/\$2,207,900</b>
<b>TTUHSC SON (infrastructure - additional funding)</b>	<b>\$152,256.00</b>	<b>N/A</b>	<b>N/A/N/A</b>
<b>Coca Cola Refreshments, USA - additional funding</b>	<b>\$1,120,000.00</b>	<b>N/A</b>	<b>NA/\$11,200,000</b>
<b>Fehr Foods</b>	<b>\$510,000.00</b>	<b>N/A</b>	<b>NA/\$5,100,000</b>
<b>Bridgestone Bandag</b>	<b>\$315,300.00</b>	<b>134/11</b>	<b>\$558,000/\$1,500,000</b>
<b>TOTAL</b>	<b>\$1,167,888.00</b>	<b>134/11</b>	<b>\$1,693,000/\$20,007,900</b>
<b>100% to Abilene companies (names in bold)</b>			

Notes: 1. Paid to company based on actual performance under the terms of the Agreement for Financial Assistance.

2. Annual Payroll figure is for total new jobs created only.

3. Capital Investment includes DCOA Capital Assistance Amount, typically 10%-15% of total.

## Administrative / Other

### TTUHSC School of Nursing

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 is constructing 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 2011, 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 increased by \$152,256 to \$1,884,356. On November 22, 2011, the DCOA approved revising the infrastructure assistance and increasing it by \$152,256, from \$1,732,100 to \$1,884,356.



## 4109 Vine Street – Warehouses and Offices Lighting Upgrade

Effective July 15, 2011, Affiliated Foods closed its business and vacated the DCOA-owned building at 4109 Vine St., 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. This has involved extensive work and significant cost for the many repairs and improvements that have been made and still need to be made. The following outlines some improvements authorized by the DCOA:

- Lighting Upgrades - December 16, 2011, the DCOA ratified a contract in the amount of \$52,677 with Hendrix Electric to upgrade the lighting in Warehouses B, C, D and Ryder's building. The new lighting is more energy-efficient and is part of a program incentive offered by AEP North Texas via CLEAResult Consulting, Inc. AEP refunded \$8,844 to the DCOA resulting in a net cost to the DCOA of \$43,833.
- Parking Lot Rebuild - The parking lot that services the offices, Warehouses C and D, and Ryder was failing with numerous potholes that collect water causing the base material to deteriorate. On January 31, 2012, after reviewing the four bids received to rebuild the parking lot, the DCOA approved a contract with J.H. Strain & Sons and funding of up to \$160,580 which includes an 8.5% contingency. Also approved is an additional \$75,000 to the budget for FY12 Property Maintenance to cover the additional expense load of the Vine St. property.
- Fire Suppression - Coker Engineering from Keller, TX was contracted in January 2012 to design a new dry pipe fire suppression system for Warehouses C & D and the offices. On February 24, 2012, staff received two bids from contractors using Coker's design specs to entirely replace the fire suppression system in Warehouses C & D and to install sprinkler heads in the office area in anticipation of occupancy. The two bids received were high due to the presence of asbestos-containing material in the insulated panels of some areas of the warehouses that must be removed first.

On February 27, 2012, the DCOA voted to reject both bids received in favor of contracting directly to remove the insulated panels and other obstructions then re-bidding the work in hopes of getting more favorable pricing. The DCOA also ratified the contract with Coker Engineering and approved funding of \$6,400. Also approved is a contract with Jacob & Martin plus funding of \$25,300 to prepare construction documents showing alterations required to satisfy TAS (Texas Accessibility Standards) for access to the building and restrooms plus compliance with building codes.

- Interior Demolition – Warehouses C and D and the offices can't be leased until the fire suppression system is replaced and the building is made ADA compliant. Extensive work requiring an electrician, a fire suppression contractor, and a demolition contractor is needed before the insulated panels are removed. In the interest of time and safety, on March 13, 2012, the DCOA ratified agreements and approved \$29,739 to get the work done as soon as possible. The DCOA also approved \$70,750 and contracts for asbestos consulting, abatement, demolition and removal, including a \$7,500 contingency.



## Eagle Aviation Hangars

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The terrible storm on Easter Sunday of last year resulted in damaged roofs all over the region. At the Abilene Regional Airport, Hangars 1 and 2 had many skylights broken, and Hangars 2 and 3 sustained roof damage. On December 16, 2011, the DCOA authorized 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 needed repair; however, the entire parking lot for Hangar 1 had been in poor condition for many years. On December 16, 2011, the DCOA authorized a change order to the contract with Thomas Hicks Construction and funding of \$32,812 to rebuild the parking lot of Hangar 1.

## Springboard Ideas Challenge 2012

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This is the fourth annual Springboard Ideas Challenge, which is hosted by Abilene Christian University's Griggs Center for Entrepreneurship and Philanthropy. It is a mini-business plan competition with the mission of stimulating innovation and economic development in our community and region.

The DCOA was a gold level sponsor of this event (\$5,000) for each of the first three years. On January 10, 2012, the DCOA approved by oral resolution, a gold level sponsorship of the 2012 Springboard Ideas Challenge in the amount of \$5,000.

## Officer Elections

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On January 31, 2012, the following DCOA officers were re-elected for 2012: President – Paul Cannon, Vice President – Mike Schweikhard, and Secretary/Treasurer – Marelyn Shedd.

## Fast Track Welding Program

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In 2006, the DCOA approved funding and partnered with Cisco College and the Workforce Center of West Central Texas to develop a pilot program for intensive welding training. The DCOA has subsequently approved funding for several more sessions to continue the successful program needed to assist local manufacturers find and hire qualified welders.

The recent oil and gas “boom” is pulling welders out of Abilene, causing a shortage of qualified welders to fill the needs of our local manufacturers. Cisco College and the Workforce Center have proposed six more training sessions (14 trainees each) in 2012 and have increased the training program from five weeks to six weeks. This will allow enough time for trainees to obtain four certifications as requested by employers. With the additional certifications come cost increases in several areas including



supplies and materials, drug testing, and background checks, to name a few. On January 31, 2012, the DCOA approved funding of up to \$417,438 for six sessions of welder training for up to 84 trainees.

### Cancer Prevention and Research Institute of Texas (CPRIT)

Staff has been working with Dr. Jon Weidanz, TTUHSC Pharmacy School and a representative from The University of Texas on an application for a Texas Life Sciences Incubator Infrastructure Award, solicited by the Cancer Prevention and Research Institute of Texas (CPRIT). CPRIT's objective is to establish a network of incubators for life science companies in the state.

The DCOA would be committing approximately \$2.18 million, which represents the Abilene Life Sciences Accelerator (ALSA) operating funding support for the next three years that the DCOA has already committed to. Local investors will commit to another \$2.0 million for a total local match of \$4.18 million. The application would request twice that amount from CPRIT, making a total grant request of about \$8.36 million. CPRIT will foster cancer research as well as product and service development in Texas by providing financial support for a wide variety of projects relevant to cancer. The end game benefit for Abilene is that a stable team will be created in our life sciences incubator that can be available to help companies grow.

On March 13, 2012, the DCOA approved funding of up to \$2,180,788 over the next three years as a partial match for a requested total CPRIT funding of \$8,361,576 and authorized the board president to sign a letter supporting the CPRIT application, to have been submitted by the March 15, 2012 deadline. On April 10, 2012, the DCOA approved 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, that was submitted by the revised April 19, 2012, CPRIT application deadline.

#### STAFF:

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

#### FOR MORE INFORMATION

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# DEVELOPMENT CORPORATION OF ABILENE, INC.

BOARD AGENDA

MEETING DATE: May 22, 2012

**PROJECT: 2012 Standing Committee Appointments**

**STAFF: Richard Burdine, CEO**

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## **GENERAL INFORMATION:**

Each year, the DCOA President appoints standing committee members to serve for one-year terms. The standing committees include the Project Evaluation Committee, which reviews performance reports on the DCOA's contract agencies, and the Budget & Finance Committee, which recommends a budget for the DCOA.

## **SPECIAL CONSIDERATIONS:**

The two committees being reappointed today typically meet one time each year during the budget process (July or August).

## **FUNDING/FISCAL IMPACT:**

None.

## **STAFF RECOMMENDATION:**

None.

## **ATTACHMENT:**

Committee chart for 2012

**DEVELOPMENT CORPORATION OF ABILENE, INC.  
STANDING COMMITTEES**

(Committees appointed by Paul Cannon on 5-22-12)

**BUDGET & FINANCE COMMITTEE**

	<b>2011</b>	<b>2012</b>
1	Board Member (Dani Ramsay)*	Board Member (Marelyn Shedd)*
2	Board Member (Mike Schweikhard) *	Board Member (Scott Senter)*
3	Dave Copeland SIPCO	Ron Butler First Financial Bank-Abilene
4	John Stearns Quail Well Service	John Stearns Quail Well Service
5	Ray Ferguson Condley and Company	Ray Ferguson Condley and Company
6	Tucker Bridwell Mansefeldt Investment Corp.	Tucker Bridwell Mansefeldt Investment Corp.

**PROJECT EVALUATION COMMITTEE**

	<b>2011</b>	<b>2012</b>
1	Board Member (Dani Ramsay)*	Board Member (Marelyn Shedd)*
2	Board Member (Mike Schweikhard) *	Board Member (Scott Senter)*
3	Dave Copeland SIPCO	Ron Butler First Financial Bank-Abilene
4	John Stearns Quail Well Service	John Stearns Quail Well Service
5	Ray Ferguson Condley and Company	Ray Ferguson Condley and Company
6	Tucker Bridwell Mansefeldt Investment Corp.	Tucker Bridwell Mansefeldt Investment Corp.

\* Dani Ramsay and Mike Schweikhard will serve as a backup to Marelyn Shedd and Scott Senter as board members.

Rev. 5-17-12

S:\DCA\Board&Committees\FY07 thru\Committee chart 12.DOC



# DEVELOPMENT CORPORATION OF ABILENE, INC.

## BOARD AGENDA

MEETING DATE: May 22, 2012

**PROJECT:** Vine St. Warehouse Fire Suppression Improvements

**STAFF:** Richard Burdine, CEO

---

### **BACKGROUND**

Coker Engineering from Keller, TX was contracted in January 2012 to design a new dry pipe system for Warehouses C & D and the offices. On February 3, 2012, staff put out an RFP using Coker's design specs to solicit bids to entirely replace the fire suppression system in Warehouses C & D and to install sprinkler heads in the office area in anticipation of occupancy. All of Warehouse D was formerly used for cold/frozen food storage and had foam insulated wall and ceiling panels. The plan was to keep the wall panels in place to help maintain a desirable temperature in the warehouse and remove the ceiling panels to accommodate replacement of the fire suppression system. The RFP included an add alternate to remove the ceiling panels. Two bids were received from local contractors on February 24, 2012, to:

1. Demo existing systems in Warehouses C and D back to the riser room leaving only the stub in penetrating the concrete slab.
2. Install new dry pipe systems in Warehouses C and D and the offices.
3. Provide an alternate to include demo and disposal of existing ceiling panels in the cold storage areas of Warehouse D.

The bid prices including the add alternate were \$436,151.01 and \$452,872.00. The DCOA voted on February 27, 2012, to reject both bids in favor of staff contracting directly to remove the ceiling panels then re-bid the fire suppression replacement in hopes of getting much lower bids.

During the process of removing the ceiling panels, it was discovered the wall panels couldn't adhere to the warehouse walls independent of the ceiling panels, so they too had to come down. With the funds approved by the board for interior demolition, we were able to demo the ceiling and wall panels, the existing fire suppression system, the fire riser room (including asbestos abatement), the temporary structures in Warehouse C, the refrigerator/freezer units in Warehouse D, the bathrooms in both the office and warehouse areas, and perform asbestos abatement in the office area.

### **THE REQUEST**

With all obstructions out of the way, on May 17, 2012, staff received new bids from local contractors to replace the fire suppression system. Three bids were received and staff is in the process of evaluating them. The bids will be presented during the board meeting along with a recommendation for approval/rejection.

Additionally, as with most older structures, we encountered more interior demo work and asbestos abatement than we originally planned for, including removal of cinder block walls between freezer rooms, more asbestos containing mastic in floor tiles hidden underneath carpeting in the office area, removal of freezer doors, and demo of the frail dock office structures. All of the interior and exterior renovation work will be bid once we receive approved drawings and I'll return to the board for approval of funds. I am requesting the board approve

another \$30,000 now to cover the additional expenses incurred and anticipated for the extra interior demo work we have encountered.

**FISCAL IMPACT**

Additional interior demo work - \$30,000

**STAFF RECOMMENDATION**

Staff recommends the DCOA approve additional interior demo funding of \$30,000. Fire suppression system construction bids will be presented for consideration during the board meeting.

**ATTACHMENTS**

None.

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