

PUBLIC NOTICE

DEVELOPMENT CORPORATION OF ABILENE, INC.

A regular meeting of the Development Corporation of Abilene, Inc. will be held on Tuesday, July 10, 2012, in the Abilene Life Sciences Accelerator, 1325 Pine St., Abilene, Texas, commencing at 1:30 p.m. to consider the following agenda:

SIGNED:


Richard Burdine, Asst. City Manager for Economic Development

AGENDA

July 10, 2012
1:30 p.m.

Abilene Life Sciences Accelerator
1325 Pine St.

1. Call the meeting to order.
2. Approval of minutes from the June 12, 2012, board meeting.
3. Status of Funds report for May 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 a contract and funding for architectural/engineering services associated with the relocation of the air compressors to an exterior structure for Pactiv at 6450 Five Points Parkway.
6. Discussion and possible approval of a resolution authorizing funding to the West Texas

Coalition for Innovation and Commercialization (WTCIC) for FY2012.

7. DCOA Strategic Planning Session and possible approval of changes to Incentive Guidelines.
8. Adjournment.

CERTIFICATE

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

City Secretary

NOTICE

Persons with disabilities who would like special assistance or need special accommodations to participate in this meeting should contact Department of Economic Development, (325) 676-6390, at least forty-eight (48) hours in advance of this meeting. Telecommunication device for the deaf is (325) 676-6360.

DEVELOPMENT CORPORATION OF ABILENE, INC.
BOARD MEETING MINUTES
JUNE 12, 2012

MEMBERS PRESENT: Mike Schweikhard Marelyn Shedd
Dani Ramsay

MEMBER ABSENT: Paul Cannon Scott Senter

STAFF PRESENT: Richard Burdine Kim Tarrant
Mindy Patterson Stanley Smith
Don Green Melissa Murphy

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

1. **CALL TO ORDER.** Vice President Mike Schweikhard called the meeting to order at 1:35 p.m. in the conference room of the Abilene Life Sciences Accelerator, 1325 Pine Street, Abilene, Texas.
2. **APPROVAL OF MINUTES FROM THE MAY 22, 2012, BOARD MEETING.** Dani Ramsay moved to approve the minutes from the May 22, 2012 board meeting. Mike Schweikhard seconded and the motion carried.
3. **JUNE 2012 SALES TAX REPORT AND STATUS OF FUNDS REPORT FOR APRIL 2012.** Mindy Patterson reviewed first the June Sales Tax Report. The sales tax rebate for June (which represents April sales) was \$766,944 for economic development and is up 3.41% above last June. Cumulatively, sales tax is up nearly 18% above last year for the period of October through June.

On the April 2012 Status of Funds Report, Mindy pointed out some major expenditures, such as \$103,274 for the quarterly payment of the ETI Contract, \$140,000 in principal reduction for Energy Maintenance Service and \$119,882 in construction expenses for the fire safety improvements at the airport. Several million dollars had been previously approved and obligated for Project CD, waiting on signed contracts. Richard Burdine pointed out that these funds have been removed from this category and returned to the undesignated fund balance as available funds.

4. **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.

Vice President, Mike Schweikhard announced the date is June 12, 2012, and the time is 1:44 p.m. A short break was taken right before returning to open session. Vice President,

Mike Schweikhard then announced the date is still June 12, 2012, and the time is 2:55 p.m. No vote or action was taken in Executive Session.

5. **DISCUSSION AND POSSIBLE APPROVAL OF A RESOLUTION AUTHORIZING FINANCIAL ASSISTANCE FOR PROJECT JH.** Richard Burdine noted that Project JH has been in Abilene since 1971, growing from the founder as the sole employee to 30 current employees. Most of these employees earn over \$30,000/year. The Company provides many services including drill collar threading, CNC and general machining, and water well drilling swivels. Some of the products manufactured include National N-69 swivels, 250 ton hook and block combos, and hydraulic over mechanical rig jacks.

The Company wants to expand by constructing a new building and purchasing additional equipment necessary to manufacture more components. Project JH will retain its existing 30 jobs and create 22 more. The Company will also invest \$850,000 in land, construction, and capital equipment purchases.

Staff proposes an incentives package totaling \$351,000 as follows: 1) up to \$266,000 for the creation of 22 new jobs earned over three years; and 2) up to \$85,000 based on 10% of the company's actual investment in land, construction and capital equipment costs, estimated to be \$850,000, paid over three years. Annual payments will not exceed \$28,333.

Marelyn Shedd moved to approve Resolution No. DCOA-2012.21 as presented. Dani Ramsay seconded and the motion carried.

6. **DISCUSSION AND POSSIBLE APPROVAL OF A RESOLUTION AUTHORIZING REVISED MARKETING ASSISTANCE AS AN INCENTIVE FOR RECRUITING A SECOND AIR CARRIER TO ABILENE.** Don Green and Richard Burdine reviewed this item with the board. In the past, Abilene has competed successfully for the U.S. Dept. of Transportation's Small Community Air Service Development (SCASD) grants. Unfortunately, the last grant expired on August 2, 2011 without an award for the Abilene Regional Airport to help recruit a second air carrier. Although the Airport has an incentive policy that allows all airport fees to be waived for a new carrier for up to two years, this is not enough to attract a new air carrier.

Last July the DCOA authorized funding of up to \$200,000 as an incentive to recruit a second air carrier to Abilene. The funds would be expended for marketing on behalf of a new air carrier by the Airport's Business Development Office rather than paid to the carrier. Additionally, if the City was unsuccessful in getting a SCASD grant in 2011, the DCOA's commitment would remain in place for another SCASD grant in 2012, or if a second air carrier is recruited without a SCASD grant.

There are many benefits of having a second air carrier, including: 1) increased retention of potential passengers in our service area (now 56%), reducing our “leakage” to other airports; 2) increased fare competition; and 3) providing American Eagle opportunities to bid on additional ground service contracts.

A consulting firm has proposed a Travel Bank as an alternate incentive instead of a revenue guarantee to the carrier. This would be set up with funds from local users, made up of 12-month individual and corporate commitments to travel to a specific hub airport; in this case Denver, to provide service to the west. These commitments are realized by placing funds in a bank which issues a debit card to the user. Funds not used within the first 12 months of service are forfeited to the airline.

Staff recommends the DCOA provide a 15% match to private commitments to the Airline Travel Bank, not to exceed \$112,500 (or 15% of \$750,000) to be taken from the \$200,000 previously approved by the DCOA for marketing. This will match funds committed by any company or individual in the Abilene Airport service area. The Airport has applied to the USDOT for a SCASD grant to support new air service with an anticipated grant award by September 2012. No funding will be deposited by either potential users or the DCOA until a second air carrier commits to provide air service. The DCOA’s match will be the incentive for pre-paying into the Travel Bank. Because it is expected to take 12 to 18 months to get commitments from the community for the Travel Bank, staff recommends the DCOA extend the sunset provision from September 30, 2013 to September 30, 2015.

Dani Ramsay moved to approve Resolution No. DCOA-2012.18 as presented. Marelyn Shedd seconded and the motion carried.

7. **DISCUSSION AND POSSIBLE APPROVAL OF A RESOLUTION AMENDING THE ASSISTANCE TO CISCO COLLEGE ORIGINALLY APPROVED TO HELP WITH THE SET UP OF A BIOTECH TECHNICAL CERTIFICATION TEACHING LAB.** Richard Burdine reminded the board that in July of 2010, the DCOA authorized a grant to Cisco College of \$67,650 as a 50% match to the state grant in support of their one-year Biotech Technician Certification Program. To date, \$45,702 has been disbursed for the purchase of necessary equipment, mobile lab benches and stools, and the construction of the new classroom and lecture hall on the existing second floor. The remaining balance is \$21,948.

The first graduating class of the program will be at the end of August 2012. In order to give the students “hands-on” experience, Cisco College and Dr. Laurence Wood with the TTUHSC Center for Immunotherapeutic Research (CITR) have partnered to develop a 10-week internship program to allow students to work with research assistants at TTUHSC CITR as the internship site. Cisco College has signed an Interagency Cooperation Agreement with TTUHSC that includes \$17,000 to cover the internship expenses of four adjunct research instructors (\$10,000) and reagents & supplies (\$7,000).

The remaining \$4,948 balance is needed to cover the costs of readying the classroom across the hall from the lab for the Biotechnology program.

Staff recommends the DCOA approve the reallocation of the remaining \$21,948 as follows: \$17,000 for the new Biotechnology Internship program and \$4,948 for improvements to the newly dedicated Biotechnology Internship classroom at Cisco College.

Marelyn Shedd moved to approve Resolution No. DCOA-2012.22 as presented. The motion was seconded by Dani Ramsay and carried.

8. THERE BEING NO FURTHER BUSINESS, THE MEETING WAS ADJOURNED.

Mike Schweikhard, Vice President

CITY OF ABILENE, TEXAS

DEVELOPMENT CORPORATION OF ABILENE, INC.

Balance Sheet

May 31, 2012

ASSETS:

Cash and Investments	\$15,813,514
Notes receivable	14,491,726
Accounts receivable	35,293
Due from other governments	1,846,504
Total Current Assets	<u>\$32,187,037</u>

OTHER ASSETS:

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

TOTAL ASSETS \$65,761,097

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)	16,029,806
Reserved for obligated programs(internal)	743,527
Undesignated Balance	15,364,349
Total Fund Balance	<u>\$65,711,742</u>

TOTAL LIABILITIES AND FUND BALANCES \$65,761,097

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 @ MAY 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	\$ 972,804.09	\$ 7,139,747.69	\$ 144,550,348.35
Sales Tax Retained	40202	452,331.95	4,657.31	36,381.25	488,713.20
Princ. - Loans & Assess	40902	3,119,599.24	-	148,929.03	3,268,528.27
Int. - Loans & Assess	46003	2,242,615.88	15.42	602.66	2,243,218.54
Interest on Investments	46004	6,979,819.62	3,593.76	26,886.61	7,006,706.23
Land Lease	47201	16,019.76	-	1,276.35	17,296.11
Building/Space Rent	47203	6,368,901.57	82,666.79	626,400.74	6,995,302.31
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	2,185,345.50
Miscellaneous Prior Year	47241	27,720.38	-	33,571.64	61,292.02
Miscellaneous Revenue	47244	991,664.20	-	7,921.06	999,585.26
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		2,403,949.11	-	-	2,403,949.11
		\$ 170,538,845.90	\$ 1,063,737.37	\$ 8,113,708.26	\$ 178,652,554.16

DEVELOPMENT CORPORATION OF ABILENE
STATUS OF FUNDS @ MAY 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	51,240.90	417,953.04	8,871,062.06	7,000.00	
Life Sciences Property - Pine	1,110,106.57	34,266.51	563,668.01	1,673,774.58	3,886.40	
DCOA Annual Contracts	2,462,356.75	8,319.71	326,921.47	2,789,278.22	3,650.00	
Abilene Industrial Foundation	2775-62571	13,218,417.51	56,609.84	372,885.62	13,591,303.13	373,964.38
TTU Small Business Dev Cntr	2775-62572	2,851,327.30	17,325.00	119,456.25	2,970,783.55	130,543.78
Chamber Military Affairs	2775-62573	1,266,511.16	-	9,786.99	1,276,298.15	50,213.01
Airport Business Dev Mgr	2775-62574	753,217.55	13,397.83	86,885.83	840,103.38	-
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	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	426,000.00
Genesis Network	5258	1,615,416.69	-	-	1,615,416.69	-
SBIR/STTR	5263	85,535.86	95.00	475.00	86,010.86	185,289.49
EASI 7th Doc	5265	239,175.14	-	-	239,175.14	34,081.10
TTU HSC Research	5273	1,623,721.66	266,667.00	266,667.00	1,890,388.66	1,109,611.34
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	1,343.00	419,019.14	3,041,992.51	2,140,723.09
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	-	333,820.26	1,141,505.80	238,674.20
TTU 842 Pine	5308	173,181.72	-	-	173,181.72	40,318.28
AIC Eq Lease	5312	129,512.83	-	19,845.86	149,358.69	-
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	-	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	31,707.60	34,516.75	45,701.55	21,948.45
Energy Maintenance Serv-Gearbox	5319	140,000.00	-	149,660.00	289,660.00	192,840.00
EASI Hanger Design	5320.1	347,109.34	-	4,157.28	351,266.62	-
EASI Hanger Construction	5320.2	2,310,367.60	102,366.48	2,163,074.84	4,473,442.44	287,533.08
EASI Hanger Fire Safety	5320.3	926,252.29	381,733.04	866,351.03	1,792,603.32	668,056.51
Pepsi Beverage Co.	T5321	-	-	70,000.00	70,000.00	280,000.00
Cooperative Response Center	5324	-	-	71,748.18	71,748.18	224,751.82
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	2,300.00
Vine St. Parking Lot	5335.3	-	-	158,850.00	158,850.00	1,730.00
Vine St. Construction	5335.4	-	-	-	-	25,300.00
Vine St. Interior Demo	5335.5	-	91,331.75	109,100.03	109,100.03	7,177.25
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	-	-	16,641.17	16,641.17	-
Welder Training	5339	-	40,752.76	40,752.76	40,752.76	376,685.24
Fehr Foods '12	5340	-	-	-	-	510,000.00
Prospect Development	5341	-	-	-	-	-
Miscellaneous Activities	2785	354,189.86	-	-	354,189.86	-
TOTAL ENCUMB. / EXPENDITURES	\$ 139,504,602.92	\$ 1,097,156.42	\$ 7,010,270.74	\$ 146,514,873.66	\$ 16,029,805.52	
TOTAL FUND BALANCE				\$ 32,137,680.50		
UNENCUMBERED FUND BALANCE					\$ 16,107,874.98	

DEVELOPMENT CORPORATION OF ABILENE
STATUS OF FUNDS @ MAY 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	\$ -	\$ 51,240.90	\$ 417,953.04	\$ 7,000.00	\$ 201,941.96
Life Sciences Property -Pine	Div 2765	825,910.00	-	34,266.51	563,668.01	3,886.40	258,355.59
DCOA Annual Contracts	Div 2775	297,320.00	-	8,319.71	326,921.47	3,650.00	(33,251.47)
Abilene Industrial Foundation	2775-4950	746,850.00	-	56,609.84	372,885.62	373,964.38	-
TTU Small Business Dev Cntr	2775-4951	250,000.00	-	17,325.00	119,456.25	130,543.78	(0.03)
Chamber Military Affairs	2775-4952	60,000.00	-	-	9,786.99	50,213.01	-
Airport Business Dev Mgr	2775-4953	160,813.00	-	13,397.83	86,885.83	-	73,927.17
Murf Systems	4998	199,665.00	199,665.00	-	-	-	-
EASI 04	5213	2,476,938.00	2,131,546.52	-	-	345,391.14	0.34
Fehr Food	5220	3,161,220.00	3,161,220.00	-	-	-	-
Bandag Building Improv	5228	11,100.00	8,000.00	-	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	2,933,899.00	2,507,898.97	-	-	426,000.00	0.03
Genesis Network	5258	1,615,417.00	1,615,416.69	-	-	-	0.31
SBIR/STTR	5263	271,400.00	85,535.86	95.00	475.00	185,289.49	99.65
EASI 7th Doc	5265	273,257.00	239,175.14	-	-	34,081.10	0.76
TTU HSC Research	5273	3,000,000.00	1,623,721.66	266,667.00	266,667.00	1,109,611.34	-
Spec 3 Construction	5276	5,736,500.00	5,432,320.65	-	-	304,179.35	(0.00)
Energy Maintenance Service	5282	869,894.00	185,246.60	-	63,023.47	621,623.53	0.40
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	1,343.00	419,019.14	2,140,723.09	0.40
Texas Metal 08	5288	160,001.00	106,666.66	-	53,333.76	-	0.58
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	-	333,820.26	238,674.20	-
TTU 842 Pine	5308	213,500.00	173,181.72	-	-	40,318.28	-
AIC Equipment Lease/Purchase	5312	165,000.00	129,512.83	-	19,845.86	-	15,641.31
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	-	41,615.00	110,632.82	4,648.30
Texas Metal 10	5317	14,684.00	-	-	14,683.33	-	0.67
Cisco College Biotech Training	5318	67,650.00	11,184.80	31,707.60	34,516.75	21,948.45	-
Energy Maintenance Serv-Gearbox	5319	482,500.00	140,000.00	-	149,660.00	192,840.00	-
EASI Hanger Design	5320.1	403,272.00	347,109.34	-	4,157.28	-	52,005.38
EASI Hanger Construction	5320.2	4,770,000.00	2,310,367.60	102,366.48	2,163,074.84	287,533.08	9,024.48
EASI Hanger Fire Safety	5320.3	2,592,097.00	926,252.29	381,733.04	866,351.03	668,056.51	131,437.17
Pepsi Beverage Co.	5321	350,000.00	-	-	70,000.00	280,000.00	-
Cooperative Response Center	5324	296,500.00	-	-	71,748.18	224,751.82	-
Land 922 N 13th Street	5325	50,000.00	35,735.00	-	-	-	14,265.00
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	2,300.00	-
Vine St. Parking Lot	5335.3	160,580.00	-	-	158,850.00	1,730.00	-
Vine St. Construction	5335.4	25,300.00	-	-	-	25,300.00	-
Vine St. Interior Demo	5335.5	130,489.00	-	91,331.75	109,100.03	7,177.25	14,211.72
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	16,642.00	-	-	16,641.17	-	0.83
Welder Training	5339	417,438.00	-	40,752.76	40,752.76	376,685.24	-
Fehr Foods '12	5340	510,000.00	-	-	-	510,000.00	-
Prospect Development	5341	1,216.00	-	-	-	-	1,216.00
Miscellaneous Activities	2785	354,189.86	354,189.86	-	-	-	-
BALANCE OF OBLIGATED PROGRAMS		\$ 50,161,678.86	\$ 26,378,076.05	\$ 1,097,156.42	\$ 7,010,270.74	\$ 16,029,805.52	\$ 743,526.55

UNDESIGNATED FUND BALANCE

(unencumbered balance less obligated programs and contingent liabilities)

\$ 15,364,348.43

DCOA Board approved projects waiting for signed contracts

Expiration Date

West Texas Innovation Network	5328	15,000	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
Bridgestone Bandag		315,300	08/27/2012
Rentech Boilers '12	5342	500,000	11/02/2012
Vine St. Fire Suppression	5335.2	269,615	11/22/2012
		<u>4,398,212</u>	

3.4

DEVELOPMENT CORPORATION OF ABILENE, INC.
BOARD AGENDA
MEETING DATE: July 10, 2012

PROJECT: Pactiv Air Compressor Relocation Project – A/E Fees

STAFF: Richard Burdine, CEO

BACKGROUND

Pactiv Corporation is a leader in the consumer and foodservice/food packaging markets it serves. Pactiv's foodservice/food packaging offering is one of the broadest in the industry, including both custom and stock products in a variety of materials. These products are sold through a wide range of channels including wholesalers, supermarkets, take-out food restaurants, caterers and packer processors. Pactiv is an indirect wholly-owned subsidiary of Reynolds Group Holdings Limited.

On April 10, 2012, the DCOA Board approved resolution DCOA-2012.16, which authorized a second revision to the Phase 2 assistance by reducing the total amount by \$1,250,000 to \$426,000 and extending the funding expiration to June 30, 2013, to assist with the installation of a 7th thermoformer and conversion of part of the Phase 2 warehouse space to allow for an additional manufacturing line.

THE REQUEST

In order to convert space in the warehouse for a new manufacturing line, the existing air compressors will have to be moved outside the building into a new enclosure. Tittle Luther Partnership/Parkhill Smith & Cooper (TLP/PSC) have met with the local plant manager and developed a cost estimate for a new metal building structure and foundations at the existing west platform, ventilation system, replacing the existing breaker panel with a larger one, extending conduit and conductors, and lights and power receptacles. Also included in the cost estimate is a new transformer and panel for the new building and modifications to the existing fire sprinkler system and fire alarm controls.

The cost for such improvements is estimated at \$179,600. The A/E fees at 10% of estimated cost plus 1% for reimbursables and additional services is \$19,756. I am requesting the DCOA approve a contract with TLP/PSC and funding of \$19,756 to design the improvements. I also request authorization to solicit bids for the work and return to the board for construction authorization. Pactiv will participate in the project at a funding level to be negotiated once actual bid costs are known and Pactiv has provided paid invoices for recent capital investments that may generate capital investment incentives adequate to fund the project.

FISCAL IMPACT

A/E fees for Compressor Relocation Project \$19,756

STAFF RECOMMENDATION

Staff recommends DCOA approve resolution DCOA-2012.24 authorizing a contract with Tittle Luther Partnership/Parkhill Smith & Cooper for architectural and engineering services for design of a lean-to for relocation of the air compressors at Pactiv, 6450 Five Pts Parkway. Also authorized is solicitation of bids for construction of the improvements, which will be presented to the board at a later time for consideration.

ATTACHMENTS

Resolution DCOA-2012.24

RESOLUTION NO. DCOA-2012.24

A RESOLUTION OF THE DEVELOPMENT CORPORATION OF ABILENE, INC. (DCOA), ABILENE, TEXAS AUTHORIZING A CONTRACT FOR ARCHITECTURAL AND ENGINEERING FEES FOR THE AIR COMPRESSOR RELOCATION PROJECT AT 6450 FIVE POINTS PARKWAY FOR PACTIV CORPORATION (“PACTIV”).

WHEREAS, Pactiv is an indirect wholly-owned subsidiary of Reynolds Group Holdings Limited, which manufactures custom and stock foodservice/ food packaging products in a variety of materials and is leasing 6450 Five Points Parkway from the DCOA; and,

WHEREAS, on April 10, 2012, the DCOA Board approved resolution DCOA-2012.16, which authorized a second revision to the previously-approved Phase 2 assistance by reducing the total amount by \$1,250,000 to \$426,000 and extending the funding expiration to June 30, 2013, to assist with the installation of a 7th thermoformer and conversion of part of the warehouse space to allow for an additional manufacturing line; and,

WHEREAS, in order to convert space in the warehouse for a new manufacturing line, the existing air compressors will have to be moved outside the building into a new enclosure; and,

WHEREAS, Tittle Luther Partnership/Parkhill Smith & Cooper (TLP/PSC) have met with the local plant manager and developed a cost estimate for a new metal building structure and foundations at the existing west platform, ventilation system, replacing the existing breaker panel with a larger one, extending conduit and conductors, and lights and power receptacles. Also included in the cost estimate is a new transformer and panel for the new building and modifications to the existing fire sprinkler system and fire alarm controls; and,

WHEREAS, the cost for such improvements is estimated at \$179,600, and the architectural and engineering fees at 10% of estimated cost plus 1% for reimbursables and additional services total \$19,756; and,

WHEREAS, staff requests the DCOA authorize a contract with TLP/PSC and funding of \$19,756 to design the improvements. Also requested is authorization to solicit bids for the work and return to the board for construction authorization.

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

PART 1. DCOA hereby authorizes a contract with Tittle Luther Partnership/Parkhill Smith & Cooper (TLP/PSC) to design improvements to the building at 6450 Five Points Parkway, currently occupied by Pactiv Corporation, for relocation of air compressors to a newly constructed lean-to on the exterior of the building in order to accommodate a new manufacturing line inside the warehouse portion. Also approved is funding of Nineteen Thousand Seven Hundred Fifty-Six and no/100's Dollars (\$19,756), which includes a fee of 10% of the estimated construction cost of the improvements described above, plus 1% for additional services and reimbursables.

DCOA also authorizes the CEO to solicit bids for the improvements and return to the board

for construction approval and funding. Pactiv will participate in the project at a funding level to be negotiated once actual bid costs are known and Pactiv has provided paid invoices for recent capital investments that may generate capital investment incentives adequate to fund the project.

PART 2. Funding under this resolution is contingent upon execution of all necessary agreements. The funding commitment authorized under this resolution shall expire without notice 180 days from the date of adoption of same unless all required documents and agreements are executed prior to that expiration date or the commitment herein is extended in writing by the DCOA.

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

ADOPTED this the 10th day of July, 2012.

ATTEST:

Marelyn Shedd
Secretary/Treasurer

Paul Cannon
President

APPROVED:

T. Daniel Santee, City Attorney

S:\DCOAR\Resolution\FY 2012\2012.24 Pactiv Air Compressor Project 7-10-12.DOC

DEVELOPMENT CORPORATION OF ABILENE, INC.

BOARD AGENDA

MEETING DATE: July 10, 2012

PROJECT: **FY2012 Funding for the West Texas Center for Innovation and Commercialization (WTCIC)**

STAFF: **Richard Burdine, CEO**

BACKGROUND

The WTCIC is a regional center that supports the Texas Emerging Technology Fund (TETF) for 83 counties. Seven regions of the state have been established to administer the program through a "Regional Center of Innovation and Commercialization." The RCICs work with the Office of the Governor and the ETF Advisory Committee to identify, evaluate, and submit promising proposals from their respective regions to the ETF Advisory Committee. The ETF Advisory Committee makes final recommendation on awards. RCICs work closely with applicants in assisting with ETF proposal development, post-proposal debriefings, and commercialization activities.

TETF was created in 2005 by the Texas Legislature with the goal of creating more innovative ideas in Texas and keeping them here, from the laboratory to the marketplace. A 17-member advisory committee of high-tech leaders, entrepreneurs and research experts reviews potential projects and recommends funding allocations to the governor, lieutenant governor and speaker of the House. To date, the TETF has allocated more than \$192 million in funds to 133 early-stage companies, and nearly \$178 million in grant matching and research superiority funds to Texas universities.

The fund for 2012 has approximately \$80 million; however, no funds were allocated for the cost of operating the RCICs. To help with the necessary match to state funds, Steve Anderson, Executive Director of the WTCIC, asked the Economic Development Corporations which are the members of the WTCIC (Abilene, Amarillo, Lubbock, Midland, Odessa, and San Angelo) for operating funds. In July 2007, January 2010, and January 2011, the DCOA approved total participation funding of \$46,582 for operations through FY11. In return, the DCOA received a \$20,000 development grant in 2010 to promote entrepreneurship, technology business development, and the ETF, and offset the operating funds grant.

THE REQUEST

Mr. Anderson requests the DCOA provide \$2,500 to support operations from April through August 2012.

FISCAL IMPACT

FY12 funding request \$2,500

STAFF RECOMMENDATION

Staff recommends DCOA approve resolution DCOA-2012.23 authorizing participation in match funding for the WTCIC in the amount of \$2,500 for FY12 (through August 2012).

ATTACHMENTS

Letter from Steve Anderson, Executive Director of WTCIC, dated April 2, 2012
FY 2011 TETF Annual Report Executive Summary
Resolution DCOA-2012.23



NORTHWEST TEXAS SMALL BUSINESS DEVELOPMENT CENTER REGIONAL NETWORK

ABILENE

AMARILLO

LUBBOCK

MIDLAND/ODESSA

STEPHENVILLE

WICHITA FALLS

RECEIVED
APR 04 2012
ECONOMIC DEVELOPMENT



April 2, 2012

Mr. Richard Burdine
Assistance City Manager for Economic Development
Abilene Economic Development Foundation
P.O. Box 60
Abilene, TX 79604

Dear Mr. Burdine,

The West Texas Coalition for Innovation and Commercialization (WTCIC) is the regional center that supports the Texas Emerging Technology Fund (TETF) for eighty-three counties in West Texas. The TETF provides financial assistance to promote research and commercialization of new disruptive technology throughout Texas. The fund currently has approximately \$80M that will be used to provide equity investments for new technology companies.

The WTCIC is requesting from the Abilene Economic Development Corporation \$2,500.00 to provide partial matching funds for our operations from April through August 2012. Upon your board's approval we have provided you with the enclosed invoice.

I am always available to answer your questions and to assist any business that may have an opportunity to apply for TETF funding. I would be happy to make a presentation to your Board and staff regarding the Texas Emerging Technology Fund. Thank you for your continued support of the West Texas Coalition for Innovation and Commercialization and the Texas Emerging Technology Fund.

Sincerely Yours,

Steven B. Anderson
Executive Director
West Texas Coalition for Innovation Commercialization

cc: Dr. Allen Carrigo, Director of Operations
Northwest Texas Small Business Development Center Regional Network

6.2



OFFICE OF THE GOVERNOR
ECONOMIC DEVELOPMENT & TOURISM

RICK PERRY
GOVERNOR

January 30, 2012

Six years after its creation, the Texas Emerging Technology Fund is hard at work in laboratories throughout the state and on display in marketplaces across the world, pointing the way to the future of our economy as well as the future of the ways we'll live, work, diagnose and heal.

TETF companies can be found seeking and refining life-saving cancer vaccines and treatments; developing better body armor for our peace officers and members of our armed forces; improving computer server and cell phone technology; coming up with new ways for doctors to monitor and diagnose patients at home; and making our food supply safer and our water cleaner.

These investments have helped spark promising ventures in all of these areas of technology, and many more, while drawing the attention – and dollars – of venture capitalists realizing the value and potential of the projects we have backed, proving these innovative efforts can happen here, and not just in the Northeast or along the Pacific Coast.

TETF investments have also energized and vastly expanded research at Texas' institutions of higher learning, attracting world-class researchers and their research teams from all corners of the globe, and leveraged more than \$762 million in additional funding to fuel research throughout Texas.

The TETF investments also build on S.B. 275, passed by the Legislature in 2003, which required the Governor's Economic Development and Tourism Division to identify key industries that would be the engine for job creation and economic development in the 21st Century, and to focus state resources on the development and expansion of those industries. TETF investments have been made in each of those identified clusters: the semiconductor industry; information and computer technology; microelectromechanical systems; manufactured energy systems; nanotechnology; and biotechnology.

The benefits of the TETF, already demonstrated in terms of investment activity and expanded research, are only beginning to show their true value.



INVESTMENTS SHOWING VALUE

Through 2011, the TETF has invested in 133 high-tech companies – companies in which Texas retains an investment interest. As of August 31, 2011, the total value of the investments Texas holds in these companies was more than \$173.9 million, more than \$4.5 million above the \$169.3 million the state has invested in these firms.

To emphasize, the state's investment is worth significantly more than the state paid for it.

Further, TETF investments have helped prove the vitality of these projects, and are attracting exactly the sort of private-sector investment the fund was designed to encourage. In fact, the state's investments have attracted more than \$592.3 million in private sector and other funding to supplement these efforts, more than three times what the state has invested.

RESEARCH DRAWDOWNS

Through 2011, the TETF has invested more than \$177.3 million in research projects affiliated with or based in Texas universities. Participants have also leveraged more than \$4 in private and public sector matching and supplemental funding for every \$1 the state invested.

The TETF has also enabled Texas to attract teams of some of the most acclaimed researchers in the world, including Dr. Jan-Ake Gustafsson at The University of Houston; Dr. Darwin Prockop at Texas A&M; and Dr. John J. Vasselli at UT-Tyler, among so many others.

By investing in research – and in companies seeking to market the products of that research – Texas is sending a powerful message to the global community that our state is aggressive about securing and cultivating the best and brightest talent, and that the Lone Star State intends to be home to the next great wave of technology that will define the years and decades to come.

RESOLUTION NO. DCOA-2012.23

A RESOLUTION OF THE DEVELOPMENT CORPORATION OF ABILENE, INC. (DCOA), ABILENE, TEXAS AUTHORIZING FUNDING FOR FY 2012 OPERATING SUPPORT FOR THE WEST TEXAS COALITION FOR INNOVATION AND COMMERCIALIZATION (“WTCIC”) REGIONAL CENTER, WHICH SUPPORTS THE TEXAS EMERGING TECHNOLOGY FUND PROGRAM.

WHEREAS, the purpose of the DCOA is to make Abilene competitive in the attraction of business and industry in order to create new, sustainable jobs, and strengthen and expand the skills of the Abilene labor force; and

WHEREAS, WTCIC is one of 7 regional centers that supports the Texas Emerging Technology Fund (ETF); and,

WHEREAS, the DCOA approved resolution DCOA-2007.21 in July 2007 authorizing match participation funding of \$33,164 for 2 years to support operations of the WTCIC, resolution DCOA-2010.08 in January 2010 authorizing another \$8,418, and resolution DCOA 2011.05 in January 2011 authorizing \$5,000 for total funding support through FY11 of \$46,582; and,

WHEREAS, WTCIC is asking Amarillo, Lubbock, Midland, Odessa and San Angelo as well as Abilene to again provide partial match funds of \$2,500 for FY12 operations of WTCIC through August 2012; and,

WHEREAS, Staff proposes the DCOA provide funding to help match the state funding for regional center expenses to continue supporting participation in the ETF.

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

- PART 1.** DCOA authorizes Two Thousand Five Hundred and no/100’s Dollars (\$2,500) to participate in match funds necessary to operate the West Texas Coalition for Innovation and Commercialization (WTCIC) during FY12 through August 2012.

- PART 2.** Funding under this resolution is contingent upon execution of all necessary agreements. The funding commitment authorized under this resolution shall expire without notice 180 days from the date of adoption of same unless all required documents and agreements are executed prior to that expiration date or the commitment herein is extended in writing by the DCOA.

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

ADOPTED this the 10th day of July, 2012.

ATTEST:

Marelyn Shedd
Secretary/Treasurer

Paul Cannon
President

APPROVED:

T. Daniel Santee, City Attorney

S:\DCOA\Resolution\FY 2012\2012.23 WFCIC 7-10-12.DOC