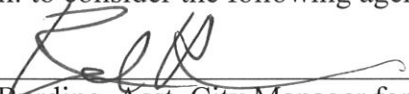


PUBLIC NOTICE

DEVELOPMENT CORPORATION OF ABILENE, INC.

A regular meeting of the Development Corporation of Abilene, Inc. will be held on Tuesday, November 13, 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

November 13, 2012
1:30 p.m.

Abilene Life Sciences Accelerator
1325 Pine St.

1. Call the meeting to order.
2. Approval of minutes from the October 30, 2012, board meeting.
3. November 2012 sales tax report and preliminary Status of Funds report for September 2012.
4. Presentation of Annual Reports for Fiscal Year Ended September 30, 2012 by:
 - City of Abilene Airport Business Development
 - Texas Tech University Small Business Development Center
5. Presentation and possible approval of the FY12 Annual Report of Activities of the Development Corporation of Abilene, Inc.
6. Executive Session: Pursuant to Tex. Gov't Code Sec. 551.087, an executive session may be held (1) to discuss or deliberate regarding commercial or financial information that the governmental body has received from a business prospect that the governmental body seeks to have locate, stay, or expand in or near the territory of the governmental body and with which the governmental body is conducting economic development negotiations; or (2) to deliberate the offer of a financial or other incentive to a business prospect described by Subdivision (1). After discussion in executive session, any action or vote will be taken in public.

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

Pursuant to Tex. Gov't Code Sec. 551.071, an executive session may be held to consult with the DCOA attorney regarding pending or contemplated litigation or a settlement offer regarding DCOA funded projects or on a matter in which the duty of the attorney to the governmental body under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas

clearly conflicts with Chapter 551 of the Government Code. After discussion of the contemplated legal matters in executive session, any action or vote will be taken in public.

7. Discussion and possible approval of a resolution authorizing a contract with Tittle Luther Partnership/Parkhill Smith Cooper to design modifications to Hangars 0, 1 and 3 occupied by Eagle Aviation Services, Inc. to accommodate larger aircraft.
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
OCTOBER 30, 2012

MEMBERS PRESENT: Paul Cannon Mike Schweikhard
Marelyn Shedd Dani Ramsay

MEMBER ABSENT: Scott Senter

STAFF PRESENT: Richard Burdine Kim Tarrant
Dan Santee Mindy Patterson

GUESTS PRESENT: Al Sammann, TMAC/TTU
Harley Hall, Eagle Aviation Services
John Mangavonzo, Abilene Reporter-News
Larry Lowe, citizen

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 OCTOBER 9, 2012, BOARD MEETING.** Marelyn Shedd moved to approve the minutes from the October 9, 2012 board meeting. Dani Ramsay seconded and the motion carried.
3. **SALES TAX REPORT FOR OCTOBER 2012.** City of Abilene Finance Director Mindy Patterson reported the sales tax rebate for October for economic development was \$855,868 which represents August sales. This is 3.88% below last year; however it is 5.06% above the projected FY13 budgeted amount.
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.

President Paul Cannon announced the date is October 30, 2012, and the time is 1:38 p.m. President Paul Cannon later announced the date is still October 30, 2012, and the time is 2:28 p.m. No vote or action was taken in Executive Session.

5. **DISCUSSION AND POSSIBLE APPROVAL OF A RESOLUTION AUTHORIZING FY13 FUNDING FOR THE TEXAS MANUFACTURING ASSISTANCE CENTER (TMAC).** Al Sammann, with the Texas Manufacturing Assistance Center (TMAC) presented information on TMAC's request for additional funding. The program is hosted by seven partner institutions, including Texas Tech University (TTU). TMAC West Texas is located in Lubbock and is affiliated with TTU, covering 90,000 square miles. It is also associated with the Small Business Development Center (SBDC) system. TMAC places emphasis on small to mid-sized

manufacturers delivering training, providing technical assistance and implementing best business practices that improve efficiency, quality and productivity.

The DCOA first assisted TMAC with funding in June 2004 and has continued to support TMAC with additional funding several times since then. A third “jump start” day was added in 2011 to TMAC’s initial 2-day training program, and the annual rate was increased from \$7,500/company to \$11,000/company for the new longer program. The DCOA had previously approved a contract and funding of \$88,000 for TMAC for FY12; however, only three manufacturers were assisted leaving an unfunded balance of \$55,000, which has since been released from encumbrance.

Innovation Engineering is a new program that will help companies develop new products faster and cheaper, sift through internal product ideas more efficiently, and speed technology transfer through the National Innovation Marketplace System (NIMS). Another new initiative is the Family Business Advisor Program, which will help family-owned and operated businesses transition successfully from one generation to the next.

TMAC requests and staff recommends the DCOA approve a renewal contract and funding for FY13 in the amount of \$110,000 payable at up to \$11,000/company for the 3-day “jump start” program. TMAC also requests the option to return to the DCOA for additional funding on a case-by-case basis for companies that qualify for the new Innovation Engineering and/or Family Business Advisor Programs.

Dani Ramsay moved to approve Resolution No. DCOA-2013.02 as presented. Mike Schweikhard seconded and the motion carried.

6. **DISCUSSION AND POSSIBLE APPROVAL OF A RESOLUTION AUTHORIZING CONTRACTS AND FUNDING FOR RENOVATION OF THE VACANT OFFICES AND WAREHOUSE SPACE AT 4109 VINE, PLUS A CONTRACT AND FUNDING FOR REPAIRS TO THE FACILITY AT 4125 VINE OCCUPIED BY RYDER TRUCKS.** The DCOA-owned building at 4109 Vine consists of three large connecting warehouses and adjoining offices. Since December 2011, the DCOA has made several much-needed improvements and repairs to this property which include warehouse lighting upgrades, parking lot rebuild, design services for fire suppression & renovation, demo & asbestos abatement, and fire suppression rebuild. Total funding approved was \$645,061 and the total amount spent was \$655,801, with a total of \$10,740 in unexpected costs necessary to prepare the facility for renovation.

The lease agreement with Ryder Trucks at 4125 Vine requires repairs to the roof, replacement of broken skylights, repairs to the truck wash bay overhead door and replacement of corroded metal on exterior walls of the wash bay. Bids were solicited for the repairs and Thomas Hicks Construction is the only responsible bidder at a total cost of \$9,030.

Staff requests the DCOA approve contracts and funding under Resolution DCOA-2013.03 as follows: \$10,740 for additional work done in preparation for renovations, and \$9,030 plus

\$1,000 contingency (total of \$10,030) for a contract with Thomas Hicks Construction and funding for repairs to the Ryder Truck building at 4125 Vine St.

Several businesses have expressed an interest in renting office space in the main building. On Oct. 17, 2012 staff received written bids for renovation work required to bring the building up to code, including plumbing, electrical, mechanical, flooring, general trade work, some demolition, concrete, and wall covering and paint. Bids did not include roof repairs or millwork. Bids for the various components of the project were solicited separately with the intention that staff would act as the general contractor to save money on the overall project.

During the meeting, Richard Burdine presented and reviewed the bids. Staff recommends the DCOA authorize contracts and total funding of \$331,733.60 under Resolution DCOA-2013.04 as follows: 1) \$85,441.00 to Thomas Hicks Construction for some demolition work, concrete work, and some general trades work; 2) \$114,483.60 to Harris Acoustics for some demolition work, most of the general trades work, and all of the wall covering and paint work; 3) \$20,995.00 to Long Electric for electrical work; 4) \$67,000.00 to Batjer & Associates for mechanical and plumbing work; 5) \$13,814.00 to Callaway's Carpets for flooring work; and 6) \$30,000.00 contingency for unknowns.

Mike Schweikhard made a motion to approve Resolution No. DCOA-2013.03 and Resolution No. DCOA-2013.04 as presented. Marelyn Shedd seconded and the motion carried.

7. ADJOURNMENT.

Paul Cannon, President

MEMORANDUM

November 7, 2012

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

The sales tax rebate for November is \$3,567,822.83 which represents September sales. This is 7.55% below last year and 2.36% below the projected FY 13 budget amount. The breakdown of the November rebate is \$2,675,867.12 to the General Fund and \$891,955.71 for economic development. Of this rebate, \$54,758 is from prior periods, audit payments, future payments, and unidentified payments. For the period of October through November, sales tax is 5.79% below last year and 1.14% above the projected FY 13 budget amount. 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 2011-12	Actual 2011-12		Actual 2012-13	Actual 2012-13	
October	\$2,671,157.84	\$890,385.94	\$3,561,543.78	\$2,567,604.30	\$855,868.10	\$3,423,472.40
November	2,894,423.44	964,807.81	3,859,231.25	2,675,867.12	891,955.71	3,567,822.83
YTD	\$5,565,581.28	\$1,855,193.75	\$7,420,775.03	\$5,243,471.42	\$1,747,823.81	\$6,991,295.23
December	2,175,827.99	725,276.00	2,901,103.99			
January	2,823,199.08	941,066.36	3,764,265.44			
February	3,527,637.94	1,175,879.31	4,703,517.25			
March	2,196,565.64	732,188.54	2,928,754.18			
April	2,307,190.75	769,063.58	3,076,254.33			
May	2,932,384.19	977,461.40	3,909,845.59			
June	2,300,833.44	766,944.48	3,067,777.92			
July	2,270,657.66	756,885.89	3,027,543.55			
August	2,760,289.25	920,096.42	3,680,385.67			
September	2,400,600.79	800,200.26	3,200,801.05			
FY TOTAL	<u>\$31,260,768.01</u>	<u>\$10,420,255.99</u>	<u>\$41,681,024.00</u>			

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

Accounting Period Month	Actual 2011-12	Actual 2012-13	% Change
October	\$890,386	\$855,868	-3.88%
November	964,808	891,956	-7.55%
YTD	\$1,855,194	\$1,747,824	-5.79%
December	725,276		
January	941,066		
February	1,175,879		
March	732,189		
April	769,064		
May	977,461		
June	766,944		
July	756,886		
August	920,096		
September	800,200		
FY TOTAL	\$10,420,256		

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 November '12 represents September '12 sales. Approximately \$13,690 of the rebate is from prior periods, audit, and future payments.

Audit Payments: Larger businesses submit sales tax collections to the State Comptroller every month and smaller ones either quarterly or annually. The Comptroller audits the books of these businesses on a four year cycle to determine if sales tax was collected on all taxable sales. Audit collections represent the sales tax revenue from prior sales and submitted or refunded subsequent to the audit.

DEVELOPMENT CORPORATION OF ABILENE, INC.
1/2 CENT SALES TAX REVENUE
Five Year Comparison

Accounting Period Month	Actual 2008-09	Actual 2009-10	Actual 2010-11	Actual 2011-12	Actual 2012-13
October	\$703,442	\$671,904	\$661,859	\$890,386	\$855,868
November	893,442	758,231	774,838	964,808	891,956
December	707,339	602,230	647,119	725,276	
January	660,623	594,761	693,114	941,066	
February	955,889	898,241	978,890	1,175,879	
March	602,464	618,659	646,308	732,189	
April	616,560	601,410	641,310	769,064	
May	793,424	814,964	948,413	977,461	
June	653,711	612,963	741,634	766,944	
July	598,036	660,806	749,767	756,886	
August	799,090	829,188	1,013,393	920,096	
September	653,828	649,391	799,173	800,200	
FY TOTAL	<u>\$8,637,848</u>	<u>\$8,312,748</u>	<u>\$9,295,819</u>	<u>\$10,420,256</u>	<u>\$1,747,824</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.

Preliminary

CITY OF ABILENE, TEXAS

DEVELOPMENT CORPORATION OF ABILENE, INC.

Balance Sheet
September 30, 2012

ASSETS:

Cash and Investments	\$16,329,439
Notes receivable	14,294,387
Accounts receivable	35,293
Due from other governments	1,846,504
Prepaid Expense	300
Total Current Assets	<u>\$32,505,923</u>

OTHER ASSETS:

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

TOTAL ASSETS

\$66,079,983

LIABILITIES:

Accounts payable	\$343,986
Total Liabilities	<u>\$343,986</u>

FUND BALANCES:

Investment in general fixed assets	\$33,574,060
Reserved for contractual obligations(external)	9,956,862
Reserved for obligated programs(internal)	3,356,358
Undesignated Balance	18,848,717
Total Fund Balance	<u>\$65,735,997</u>

TOTAL LIABILITIES AND FUND BALANCES

\$66,079,983

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
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 @ SEPTEMBER 30, 2012

Preliminary

Object	(MARCH, 1990)			
	Beginning I-T-D Revenues	Current Month Revenues	Current FY Revenues	Ending I-T-D Revenues
REVENUE-TO-DATE				
City Sales Tax	\$ 137,410,600.66	\$ 795,610.89	\$ 10,365,766.38	\$ 147,776,367.04
Sales Tax Retained	452,331.95	4,589.37	54,489.61	506,821.56
Princ. - Loans & Assess	3,119,599.24	-	148,929.03	3,268,528.27
Int. - Loans & Assess	2,242,615.88	8.65	72,018.10	2,314,633.98
Interest on Investments	6,979,819.62	3,435.97	40,521.33	7,020,340.95
Land Lease	16,019.76	-	1,276.35	17,296.11
Building/Space Rent	6,368,901.57	105,859.50	978,700.10	7,347,601.67
Miscellaneous Federal	1,322,526.00	-	-	1,322,526.00
Miscellaneous State Grants	26,500.00	-	-	26,500.00
Other Contributions	140,712.60	-	-	140,712.60
Interfund Recovery	1,534,976.08	-	-	1,534,976.08
Miscellaneous Recovery	2,176,501.50	-	9,937.00	2,186,438.50
Miscellaneous Prior Year	27,720.38	-	33,571.64	61,292.02
Miscellaneous Revenue	991,664.20	10,553.45	28,105.90	1,019,770.10
Sale of Land	392,446.27	-	83,147.23	475,593.50
Sale of Buildings & Equipment	3,976,326.19	-	-	3,976,326.19
Gain (loss) Sale of Asset	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	\$ 920,057.83	\$ 11,816,462.67	\$ 182,355,308.57

DEVELOPMENT CORPORATION OF ABILENE
STATUS OF FUNDS @ SEPTEMBER 30, 2012

	Project	Beginning I-T-D Expenditures	Current Month Expenditures	Current FY Expenditures	Ending I-T-D Expenditures	Outstanding Contracts	Preliminary
CONTRACTS ENCUMBERED/ EXPENDITURES-TO-DATE							
Prior Years Programs		\$ 83,011,481.01	\$ -	\$ -	\$ 83,011,481.01		
Business Services Division	Div 2760	8,453,109.02	55,519.35	614,883.92	9,067,992.94	3,000.00	
Life Sciences Property - Pine	Div 2765	1,110,106.57	77,785.92	757,279.71	1,867,386.28	5,859.85	
DCOA Annual Contracts	Div 2775	2,462,356.75	9,789.35	361,138.23	2,823,494.98	-	
Abilene Industrial Foundation	2775-62571	13,218,417.51	131,341.92	669,601.06	13,888,018.57	10,575.00	
TTU Small Business Dev Cntr	2775-62572	2,851,327.30	27,543.75	204,281.25	3,055,608.55	-	
Chamber Military Affairs	2775-62573	1,266,511.16	30,039.55	60,000.00	1,326,511.16	-	
Airport Business Dev Mgr	2775-62574	753,217.55	23,704.69	144,616.15	897,833.70	-	
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	551,310.00	551,310.00	3,712,530.00	-	
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	189.30	664.30	86,200.16	184,991.87	
EASI 7th Doc	5265	239,175.14	-	-	239,175.14	-	
TTU HSC Research	5273	1,623,721.66	-	564,267.00	2,187,988.66	812,011.34	
Spec 3 Construction	5276	5,432,320.65	-	-	5,432,320.65	-	
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	1,269,000.00	
Tower Tech	5285	2,622,973.37	6,525.00	973,305.14	3,596,278.51	1,586,437.09	
Texas Metal 08	5288	106,666.66	-	53,333.76	160,000.42	-	
Project BG	5295	-	-	-	-	-	
Coca Cola Abilene	5296	-	-	-	-	2,020,000.00	
ETI Contract	5304	807,685.54	-	428,579.71	1,236,265.25	-	
TTU 842 Pine	5308	173,181.72	59,973.38	59,973.38	233,155.10	-	
AIC Eq Lease	5312	129,512.83	98.10	34,615.18	164,128.01	-	
Nation Wide Prod	5313	31,150.00	-	31,216.67	62,366.67	42,883.33	
LM Wind Power	5314	-	-	-	-	-	
Texas Healthcare Linen	5315	118,891.00	-	-	118,891.00	-	
Enavail, LLC	5316	331,083.88	7,291.69	48,906.69	379,990.57	31,765.15	
Texas Metal 10	5317	-	-	14,683.33	14,683.33	-	
Cisco College Biotech Training	5318	11,184.80	-	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	-	(7,208.27)	339,901.07	-	
EASI Hanger Construction	5320.2	2,310,367.60	-	2,163,074.84	4,473,442.44	-	
EASI Hanger Fire Safety	5320.3	926,252.29	123,621.26	1,562,089.17	2,488,341.46	61,967.18	
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	-	-	75,500.00	75,500.00	520,990.00	
TTUHSC School of Nursing	5331	-	-	-	-	-	
ALSA Contribution	5332	53,918.00	-	-	53,918.00	-	
TMAC FY12	5333	-	11,000.00	33,000.00	33,000.00	-	
Vine St. Lighting Upgrades	5335.1	-	-	55,457.00	55,457.00	-	
Vine St. Fire Safety	5335.2	-	172,069.60	228,367.17	228,367.17	53,608.29	
Vine St. Parking Lot	5335.3	-	-	158,850.00	158,850.00	1,730.00	
Vine St. Construction	5335.4	-	-	32,610.00	32,610.00	1,980.00	
Vine St. Interior Demo	5335.5	-	-	121,698.03	121,698.03	4,880.00	
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	-	50,393.30	146,766.19	146,766.19	270,671.81	
Fehr Foods '12	5340	-	-	-	-	510,000.00	
Prospect Development	5341	-	-	1,216.00	1,216.00	-	
WTCIC '12	5343	-	-	2,500.00	2,500.00	-	
Pactiv Bldg Project	5344.1	-	10,500.00	10,500.00	10,500.00	9,256.00	
Miscellaneous Activities	2785	354,189.86	-	-	354,189.86	-	
TOTAL ENCUMB. / EXPENDITURES		\$ 139,504,602.92	\$ 1,348,696.16	\$ 10,688,770.18	\$ 150,193,373.10	\$ 9,956,861.78	
TOTAL FUND BALANCE					\$ 32,161,935.47		
UNENCUMBERED FUND BALANCE						\$ 22,205,073.69	

**DEVELOPMENT CORPORATION OF ABILENE
STATUS OF FUNDS @ SEPTEMBER 30, 2012**

Preliminary

	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	\$ 627,555.00	\$ -	\$ 55,519.35	\$ 614,883.92	\$ 3,000.00	\$ 9,671.08
Life Sciences Property -Pine	Div 2765	825,910.00	-	77,785.92	757,279.71	5,859.85	62,770.44
DCOA Annual Contracts	Div 2775	372,320.00	-	9,789.35	361,138.23	-	11,181.77
Abilene Industrial Foundation	2775-4950	680,176.06	-	131,341.92	669,601.06	10,575.00	-
TTU Small Business Dev Cntr	2775-4951	204,281.25	-	27,543.75	204,281.25	-	-
Chamber Military Affairs	2775-4952	60,000.00	-	30,039.55	60,000.00	-	-
Airport Business Dev Mgr	2775-4953	160,810.00	-	23,704.69	144,616.15	-	16,193.85
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	3,712,530.00	3,161,220.00	551,310.00	551,310.00	-	-
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	1,841,200.00	658,436.00	-	-	-	1,182,764.00
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	189.30	664.30	184,991.87	207.97
EASI 7th Doc	5265	239,176.00	239,175.14	-	-	-	0.86
TTU HSC Research	5273	3,000,000.00	1,623,721.66	-	564,267.00	812,011.34	-
Spec 3 Construction	5276	5,432,321.00	5,432,320.65	-	-	-	0.35
Energy Maintenance Service	5282	869,894.00	185,246.60	-	63,023.47	621,623.53	0.40
Genesis Network Phase II	5284	1,291,924.00	22,924.00	-	-	1,269,000.00	-
Tower Tech	5285	5,302,716.00	2,622,973.37	6,525.00	973,305.14	1,586,437.09	120,000.40
Texas Metal 08	5288	160,001.00	106,666.66	-	53,333.76	-	0.58
Run Energy	5295	-	-	-	-	-	-
Coca Cola Abilene	5296	2,020,000.00	-	-	-	2,020,000.00	-
ETI Contract	5304	1,236,266.00	807,685.54	-	428,579.71	-	0.75
TTU 842 Pine	5308	233,156.00	173,181.72	59,973.38	59,973.38	-	0.90
AIC Equipment Lease/Purchase	5312	164,128.00	129,512.83	98.10	34,615.18	-	(0.01)
Nation Wide Products	5313	105,250.00	31,150.00	-	31,216.67	42,883.33	-
LM Wind Power	5314	-	-	-	-	-	-
Texas Healthcare Linen	5315	118,891.00	118,891.00	-	-	-	-
Enavail, LLC	5316	411,756.00	331,083.88	7,291.69	48,906.69	31,765.15	0.28
Texas Metal 10	5317	14,684.00	-	-	14,683.33	-	0.67
Cisco College Biotech Training	5318	67,650.00	11,184.80	-	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	339,902.00	347,109.34	-	(7,208.27)	-	0.93
EASI Hanger Construction	5320.2	4,473,443.00	2,310,367.60	-	2,163,074.84	-	0.56
EASI Hanger Fire Safety	5320.3	2,592,097.00	926,252.29	123,621.26	1,562,089.17	61,967.18	41,788.36
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 Ph 1, 2, 3	5330	596,490.00	-	-	75,500.00	520,990.00	-
TTUHSC School of Nursing	5331	1,884,356.00	-	-	-	-	1,884,356.00
ALSA Contribution	5332	53,918.00	53,918.00	-	-	-	-
TMAC FY12	5333	33,000.00	-	11,000.00	33,000.00	-	-
Vine St. Warehouse	5335.1	55,457.00	-	-	55,457.00	-	-
Vine St. Fire Safety	5335.2	291,216.00	-	172,069.60	228,367.17	53,608.29	9,240.54
Vine St. Parking Lot	5335.3	160,580.00	-	-	158,850.00	1,730.00	-
Vine St. Construction	5335.4	34,590.00	-	-	32,610.00	1,980.00	-
Vine St. Interior Demo	5335.5	130,489.00	-	-	121,698.03	4,880.00	3,910.97
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	-	50,393.30	146,766.19	270,671.81	-
Fehr Foods '12	5340	510,000.00	-	-	-	510,000.00	-
Prospect Development	5341	1,216.00	-	-	1,216.00	-	-
WTCIC '12	5343	2,500.00	-	-	2,500.00	-	-
Pactiv Bldg Project	5344.1	19,756.00	-	10,500.00	10,500.00	9,256.00	-
Miscellaneous Activities	2785	354,189.86	354,189.86	-	-	-	-
BALANCE OF OBLIGATED PROGRAMS		\$ 50,380,066.17	\$ 26,378,076.05	\$ 1,348,696.16	\$ 10,688,770.18	\$ 9,956,861.78	\$ 3,356,358.16
UNDESIGNATED FUND BALANCE							\$ 18,848,715.53
(unencumbered balance less obligated programs and contingent liabilities)							
DCOA Board approved projects waiting for signed contracts			Expiration Date				
West Texas Innovation Network	5328	15,000	3/31/2013				
Marketing for 2nd Airline	5334	200,000	3/31/2013				
Bridgestone Bandag		315,300	3/31/2013				
Project JH		351,000	12/12/2012				
Smith Pipe Ph 4		400,000	1/24/2013				
		<u>1,281,300</u>					

DEVELOPMENT CORPORATION OF ABILENE, INC.
BOARD AGENDA
MEETING DATE: November 13, 2012

PROJECT: Annual Reports for FY12

STAFF: Richard Burdine, CEO

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. In addition, the AIF contracts separately with Richard J. Liedl, PC and Team Concepts, consultants in the Washington D.C. area who perform activities in pursuit of retention of the existing level of operations at Dyess Air Force Base and possible expansion of missions.

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.

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.

SPECIAL CONSIDERATIONS

The FY12 contracts expired 9-30-12, and the DCOA approved funding for new FY13 contracts. Attached are reports covering activities during FY12 through 9-30-12 for the SBDC and Airport Business Development Management Program only. The AIF report will be presented at a later time.

FUNDING/FISCAL IMPACT

None.

STAFF RECOMMENDATION

Staff recommends the board approve the attached reports.

ATTACHMENT

Abilene Regional Airport's FY12 End of Year Report
Texas Tech Small Business Development Center-Abilene Fiscal Year 2012 Annual Report

**Abilene Regional Airport's
FY 2012 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
March 28	Abilene Chamber Business Expo Booth
April 2	Sweetwater Rotary Presentation
May 18	Sweetwater Chamber Appreciation Luncheon
May 23	Sponsored Brownwood Economic Development Workshop
June 5	Stamford Rotary Presentation
June 19	Sweetwater Chamber - Travel Bank Presentation
June 26	KTAB on the Road event in Ballinger
June 27	KTAB on the Road event in Clyde
June 28	KTAB on the Road event in Cross Plains

July 12 Attended Sweetwater Chamber Coffee
August 3 Albany Chamber – Travel Bank Presentation
August 7 Stamford Rotary – Travel Bank Presentation
August 23 HSU Student Info Fair Booth
August 28 Hispanic Business Council
September 6 Brownwood Business Showcase Booth
September 24 Sweetwater Chamber Banquet
September 28 Early Chamber 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

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

Facebook continues to be a marketing tool that we use to communicate with our passengers and the general public. 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.

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 1429 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:

YTD enplanements are down 5%.

Revenues:

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

Rental Car Revenue is down 13% YTD.

Parking lot revenue is up 9% YTD.

EASI Parking Revenue Invoiced @\$0.70

October	3379	entries	\$2,365.30
November	3784	entries	\$2,648.80
December	3857	entries	\$2,699.90
January	3795	entries	\$2,656.50
February	3349	entries	\$2,344.30
March	3052	entries	\$2,136.40
April	2803	entries	\$1,962.10
May	2650	entries	\$1,855.00
June	2425	entries	\$1,697.50
July	2166	entries	\$1,516.20
August	2451	entries	\$1,715.70
September	2093	entries	\$1,465.10
Total	35,804	Entries	\$25,062.80

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 – Abilene

Fiscal Year End (FY12) Comparisons (October 1, 2012 – September 30, 2012)

	FY12	FY11	FY10
Businesses Opened	63	86	81
Jobs Creation	176	252	251
Capital Formation	6.2mm	6.6mm	7.0mm

Average cost per job creation to DCOA \$1100 Vs. State of Texas

Dyess:

Continuous involvement with Dyess has been to develop a relationship that had been somewhat misconstrued regarding the working relationship with Dyess contracting. Purpose of the lengthy undertaking was to overcome any past contractors to move into the prime contracting awards from Dyess. Great strides in overcoming a reputation amongst the general contracting community that Dyess is not interested in working with the Abilene contracting community. Accomplished through face to face meetings with the Dyess Contracting officials and the contractors to explain how to work with Dyess, what is on the horizon, the assistance that is available at no charge to the contractor/vendors. Contractors were offered assistance from the Small Business Development Center with back up from the Procurement Assistance Center (PAC)-SBDC's Lubbock Region office, and the U.S. Small Business Administration.

An additional outcome of the meeting was the opportunity to reinstate the Dyess Vendor's Fair which had been championed by the Abilene Chamber of Commerce. Our thanks to Mike McMahan for his involvement but more so for taking on the vendor's fair event.

West Texas Innovation Network:

Continue to support the West Texas Innovation Network (WTIN) in their Fast Trac program for individuals who are considering a business but feel more comfortable utilizing the 10 week course. Of the first group to finish the classes and ready to move forward with their idea several are coming to the SBDC as they are finding the need further assistance when compiling a business plan in the area of in tax, projections, depreciation, costs, etc., primarily financial areas. The WTIN program has been somewhat of a benefit as it has allowed a place for the individuals who are undecided and possible unemployed to seek initial assistance. This has relieved some of the burden from the SBDC program while in the rebuilding stage.

New Employee:

Gayla Fullerton, CPA has joined the SBDC program. She has been recently employed with Davis Kinard and has owned her own business. She is a Certified Quick Book Pro Advisor as well as a varied background in small business accounting and bookkeeping that will be very beneficial to the SBDC program.

Minority Services:

Nominated an African American women business owner, Joyce Ayars, Neece's Cosmetology School, for the U S Small Business Award and she was presented that award in June of this year.

Continue to support the Hispanic Community through the Hispanic Business Council and the various events that the organization offers.

Support other minority clients and events as requested.

Rural Community Assistance:

Although not included in the Extra Territorial Jurisdiction stated in the DCOA contract I feel it is important to comment on rural assistance that has a significant financial impact for Abilene.

- 38 jobs/\$900,000 project in Munday/Knox City, Texas
 - \$2mm Project in Breckenridge
 - Assisting with the preparation of the oil and gas entry into the Colorado City, Sweetwater, Snyder area.
-

Workshops:

State of Texas Comptroller's office - Taxes
Quick Books
Human Resource (Hiring/Firing)
Exporting
Deciding on the Right Business for You
Business Start up
SBA Lender's Round Table, SBA lending updates, etc.

Additional Community Assistance:

Assistance Given to Spring Board Competition -ACU
Local Universities
Center for Economic Opportunity

Housing Authority of Abilene
HUD Report for the City of Abilene
Others Upon Request

According to the Kauffman Index of Entrepreneurial Activity entrepreneurship dipped in 2011, but remains above pre-prerecession levels. 2012 results have not be provided at this time. Kauffman Foundation reports that" new 2011 data, coupled with previous reports since 1996 reveals important shifts in the national level of entrepreneurial activity". Kauffman Index is a leading indicator of new business creation in the United States. The Kauffman foundation has been affiliated with the Association of Small Business Development Centers from the beginning of the Association.

DEVELOPMENT CORPORATION OF ABILENE, INC.
BOARD AGENDA
MEETING DATE: November 13, 2012

PROJECT: DCOA Annual Report of Activities for FY12

STAFF: Richard Burdine, CEO

GENERAL INFORMATION:

The By-laws of the DCOA require an annual status report be submitted to the City Council.

SPECIAL CONSIDERATIONS:

The DCOA's FY12 Annual Report covers activities for the period ended 9-30-12 and is the twenty third annual report submitted by DCOA since its inception. The City Council will consider the report on December 6, 2012.

FISCAL IMPACT:

None.

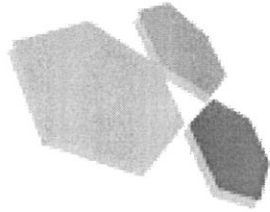
STAFF RECOMMENDATION:

Staff recommends the Board approve the DCOA's FY12 Annual Report.

ATTACHMENT:

DCOA's FY12 Annual Report of Activities

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Develop Abilene

**ANNUAL REPORT
OF ACTIVITIES**

SEPTEMBER 2012

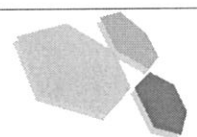
***Development
Corporation
of Abilene***

DEVELOPMENT CORPORATION OF ABILENE, INC.

**ANNUAL REPORT OF ACTIVITIES
OCTOBER 2011 - SEPTEMBER 2012**

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DEVELOPMENT CORPORATION OF ABILENE, INC.

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

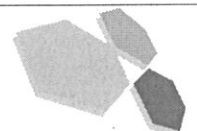
Goals:

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.

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 1st and ends September 30th.



Progress Made Toward Goals

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 providing funds for a Travel Bank at the Airport to help attract additional air service. An application for a state CPRIT grant was submitted to help provide the resources necessary to create a stable team environment that will foster additional growth in the life sciences business sector.

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

The DCOA approved assistance for eight companies, all of which are local: Broadwind Towers, Smith Pipe, Coca Cola Refreshments, Fehr Foods, Bridgestone Bandag, Pactiv Corp., Rentech Boiler Systems, and Owens Machine & Tool.

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. Also, the DCOA reallocated unspent funds to Cisco College for the new Biotechnology Internship Program conducted at the TTUHSC Center for Immunotherapeutic Research. Infrastructure assistance was approved for construction of the new TTUHSC School of Nursing building on Pine St.

4. To strengthen and revitalize downtown Abilene.

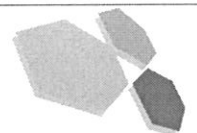
The Anita Thigpen Perry School of Nursing at Texas Tech University Health Sciences Center in Abilene is temporarily housed in the DCOA-owned Grant Building at 302 Pine St at a rental rate of \$0.

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. For the fourth consecutive year the DCOA approved a sponsorship of ACU's Springboard Ideas Challenge competition and approved operating funds for the Regional Center of the WTCIC.

6. To effectively administer the sales tax revenue.

During the reporting period (10-01-11 through 09-30-12), the DCOA approved \$1,168,888.00 in funding to assist companies with growth and retention in Abilene, anticipating retained employment of 454 positions plus the creation of 68 new jobs.



Project Summaries

Smith Pipe

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 Smith Pipe (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.

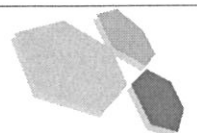
On February 27, 2012 the DCOA approved a revised assistance package for all three phases by increasing the capital investment incentive for Phase 3 by \$12,000 and eliminating the job creation incentives totaling \$941,668 for all three phases. Also approved was advancing Phases 2 and 3 capital investment 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.

Smith Pipe is expanding its tank manufacturing operation and has purchased 35 more acres of land. They began constructing a 45,000 sq ft building with plans to purchase additional equipment estimated to cost \$4 million and expect to add 50 additional jobs. In July 2012, the DCOA approved funding of 10% up to \$400,000 as capital investment incentive for Phase 4 construction and equipment purchases.

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 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 company's supervisory team.

Goals addressed: 2. To create new jobs and retain existing jobs by providing assistance to existing and emerging businesses, and 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.

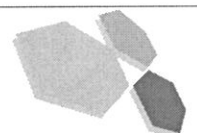
The USPS could have potentially qualified for up to \$1.43 million under the DCOA's job creation/retention guidelines. The CEO proposed payment of up to \$1.3 million in lease costs over ten years at the Windstar facility to reduce operating costs in exchange for retaining the existing 119 jobs. On December 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.

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.

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 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 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.

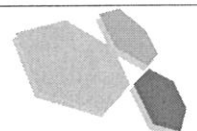
In October 2010, Grupo Nutresa, a Colombian company, purchased Fehr Foods and its affiliates. Grupo Nutresa has invested \$900,000 in the Abilene facility since 2010, and plans to invest an additional \$4.1 million for Project El Dorado, which is the addition of a new cream cookie line, increasing cream 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.*

Pactiv Corporation (formerly PWP)

The DCOA previously approved financial assistance for Pactiv for tenant improvements, capital construction investment incentives, capital equipment investment incentives and job creation incentives for Phases 1 and 2. The Phase 2 incentives package included \$1.5 million capital equipment incentives, none of which has been funded. Pactiv's Abilene facility plans to convert part of the Phase 2 warehouse space to allow for an additional manufacturing line, to include moving its air compressors to the exterior of the building. Pactiv has approved a budget of \$560,000 for this purpose.

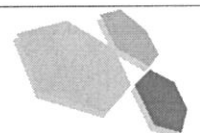
On April 10, 2012, the DCOA approved reducing the capital equipment incentive from \$1.5 million to \$250,000 and extended the funding expiration to June 30, 2013. The job creation incentive of \$176,000 will remain in place and expires in March 2013.

On July 10, 2012, the DCOA authorized a contract with Tittle Luther Partnership/ Parkhill Smith & Cooper plus funding of \$19,756 to design improvements to the Spec 2 building at 6450 Five Points Parkway for relocation of Pactiv's air compressors to the exterior of the building, making room for an additional thermo former in the warehouse space.

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.*

Rentech Boiler Systems

Rentech Boiler Systems, Inc. (Rentech) was established in Abilene 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 is expanding and recently purchased the property immediately to the west of its plant. When Peerless Manufacturing (Peerless) announced its plans to close the Abilene plant, also on E. Hwy 80, there was an opportunity for the Rentzes to expand their company virtually overnight and keep most of Peerless' 30 employees working. With the DCOA's assistance, they bought the entire Peerless property for \$925,000, which includes the original 7.8 acres and building plus another 17.39 acres to the east. They will also purchase additional equipment and make minor improvements totaling about \$75,000, for a total investment of \$1 million. The Rentzes plan to retain approximately 25 of the existing Peerless employees and create 10 new jobs for a total of 35 in new job creation.

On May 2, 2012, the DCOA approved a total assistance package for Rentech of \$500,000 as follows: 1) up to \$350,000 in job creation incentive for 35 FTEs over the existing 290 jobs, and 2) up to \$150,000 at 15% of total capital investment of \$1 million.

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.*

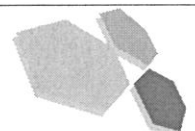
Owens Machine & Tool (Project JH)

Owens Machine & Tool (Owens) 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. Owens 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.

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

On June 12, 2012, the DCOA approved an incentives package totaling \$351,000 as follows: 1) up to \$266,000 for the creation of 22 new jobs, and 2) up to \$85,000 based on 10% of the company's actual investment in land, construction and capital equipment 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.*



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 37,000 sq. ft. facility to house the SON permanently as an addition to the School of Pharmacy Building at the corner of Pine and North 17th Streets. Construction is expected to be completed in January 2013. 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.

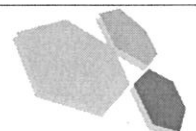
Goals addressed: *3. To strengthen and expand the skills of the Abilene labor force; and 6. To effectively administer the sales tax revenue.*

<i>FY12 DCOA Approved Assistance through September 2012</i>			
Company	DCOA Assistance Reserved ¹	Committed Job Retention/ Job Creation	Projected Annual Payroll²/Capital Investment³
Smith Pipe-Phases 1, 2 & 3 expansion	(\$929,668.00)	N/A	\$1,135,000/\$2,207,900
Smith Pipe – Phase 4 expansion	\$400,000.00	N/A	N/A/\$4,000,000
TTUHSC SON (infrastructure - additional funding)	\$152,256.00	N/A	N/A/N/A
Coca Cola Refreshments, USA - additional funding	\$1,120,000.00	N/A	NA/\$11,200,000
Fehr Foods	\$510,000.00	N/A	NA/\$5,100,000
Bridgestone Bandag	\$315,300.00	134/11	\$558,000/\$1,500,000
Pactiv Ph. 2 (fka PWP Industries)	(\$1,250,000.00)	00/00	N/A/\$1,660,000
Rentech Boiler Systems	\$500,000.00	290/35	\$1,050,000/\$1,000,000
Owen Machine & Tool (Project JH)	\$351,000.00	30/22	\$660,000/\$850,000
TOTAL	\$1,168,888.00	454/68	\$3,403,000/\$27,517,900
100% to Abilene companies (names in bold)			

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

4109 Vine Street – Warehouses/Offices

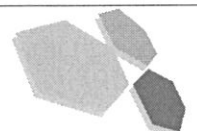
Effective July 15, 2011, Affiliated Foods closed its business and vacated the DCOA-owned building at 4109 Vine St., which consists of 3 large connecting warehouses and adjoining offices. Since then, staff has cleaned up the property to make it ready to lease again. This has involved extensive work and 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 Truck'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 collected 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. Also approved was 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.

On May 22, 2012, the DCOA authorized a contract with The CFP Group to install a new dry-pipe fire suppression system and total funding of \$269,615.46. Completion of installation is expected in October 2012.

- 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. In May 2012, the board approved another \$30,000 for additional demolition work necessary to prepare the property for renovations.

Eagle Aviation Services Hangars

The terrible storm on Easter Sunday of 2011 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

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.

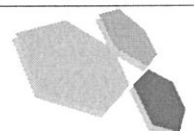
The DCOA was a gold level sponsor of this event (\$5,000) for each of the first three years. On January 10, 2012, the DCOA approved by oral resolution, a gold level sponsorship of the 2012 Springboard Ideas Challenge in the amount of \$5,000.

Officer Elections

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.

Incentive Guidelines Revisions

On July 10, 2012, the DCOA approved the following changes to its Incentive Guidelines: 1) lower the capital investment incentive amount to 7% for those companies located outside the city limits because Abilene's tax base does not benefit,



and 2) raise the capital investment incentive percentage to 15% for local companies for land and construction and keep it at 10% for equipment purchases.

Fast Track Welding Program

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 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. On January 31, 2012, the DCOA approved funding of up to \$417,438 for six sessions of welder training for up to 84 trainees.

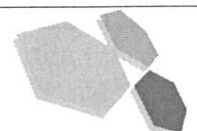
Cancer Prevention and Research Institute of Texas (CPRIT)

Earlier in the year, staff worked 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 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 DCOA committed approximately \$2.18 million in March 2012, which represents the Abilene Life Sciences Accelerator (ALSA) operating funding support for the next three years, which the DCOA already funds. Local investors will commit to another \$2.0 million for a total local grant match of \$4.18 million. The application requested twice that amount from CPRIT, making a total grant request of about \$8.36 million. 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. The board also authorized the board president to sign a letter supporting the CPRIT application.

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.

NOTE: CPRIT chose not to fund any of the grant applications submitted in April and will publish a new Request for Applications in November 2012.



Abilene Regional Airport

In the past, Abilene competed successfully for the U.S. Dept. of Transportation's (USDOT) 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. In July 2011 the DCOA authorized funding of up to \$200,000 as an incentive to recruit a second air carrier to Abilene. 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.

A consulting firm proposed a travel bank as an alternate incentive instead of a revenue guarantee to the carrier. The travel bank would be set up with funds from local users, made up of twelve-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 twelve months of service are forfeited to the airline.

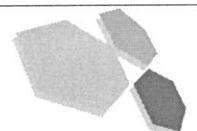
On June 12, 2012, the DCOA approved a 15% match to private commitments to the Airline Travel Bank, not to exceed \$112,500 (or 15% of \$750,000) to be taken from the \$200,000 previously approved by the DCOA for marketing. This will match funds committed by any company or individual in the Abilene Airport service area. 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 twelve to eighteen months to get commitments from the community for the travel bank, the DCOA also approved extending the sunset provision from September 30, 2013 to September 30, 2015. The remaining \$87,500 shall be expended on behalf of a new air carrier for marketing purposes.

NOTE: The Abilene Regional Airport applied this year to the USDOT for a SCASD grant to support new air service but was recently denied.

Cisco College

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. As of June of this year, \$45,702 had 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 was \$21,948.

The first class of the program graduated in August of this year. In order to give the students "hands-on" experience, Cisco College and 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 (inside the School of Pharmacy building) as the internship site.



Cisco College had signed an Interagency Cooperation Agreement with TTUHSC that includes \$17,000 to cover the internship expenses of four adjunct research instructors (\$10,000) plus reagents and supplies (\$7,000). Funding was also needed to cover the costs of readying the classroom across the hall from the lab for the Biotechnology program.

On June 12, 2012, the DCOA approved 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.

West Texas Coalition for Innovation and Commercialization (WTCIC)

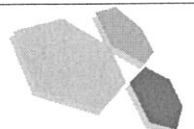
The WTCIC is one of seven regional centers supporting 83 counties that review applications to the Texas Emerging Technology Fund (TETF), a multi-million dollar fund established to encourage research and commercialization of technology. However, no funds were allocated for the cost of operating the Regional Centers of Innovation and Commercialization (RCIC). The DCOA has assisted the WTCIC with operating funds before. On July 10, 2012, the DCOA approved funding of \$2,500 to support operations from April through August 2012.

STAFF:

Chief Executive Officer	Richard Burdine
Business Services Mgr.	Kim Tarrant
Construction Project Mgr.	Pancho Perez
Construction Project Mgr.	Eddie Richards
Sec. to Assist. City Mgr.	Susan Cardonita

FOR MORE INFORMATION CONTACT:

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Abilene, Texas 79604-0060
325.676.6390
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DEVELOPMENT CORPORATION OF ABILENE, INC.
BOARD AGENDA
MEETING DATE: November 13, 2012

PROJECT: Contract to Design Modifications to Hangars 0, 1 and 3 Occupied by Eagle Aviation Services, Inc.

STAFF: Richard Burdine, CEO

BACKGROUND INFORMATION:

The DCOA began its relationship with Eagle Aviation Services, Inc. (EASI) in June 1994 when the DCOA purchased Hangars 2 and 3 at the Abilene Regional Airport and began leasing space to EASI for its aircraft maintenance operation, providing maintenance checks service for American Eagle Airline's ATR fleet. EASI committed to 100 aircraft maintenance jobs. Since then, the relationship has grown so that now EASI occupies 5 hangars for maintenance checks and a separate building for records and parts storage, all within close proximity of each other. EASI operates 5 dock lines and employs about 450 maintenance and support personnel. Also, the DCOA's assistance to EASI has benefited the Abilene community and surrounding region by the addition of regional jet service to and from D/FW Airport.

In the wake of American Airlines' bankruptcy, American Eagle and EASI will likely be spun-off as independent entities, allowing EASI to pursue maintenance work with other regional airlines. We are in a good position for potential new growth. EASI can soon begin contracting for work with other airlines and can accommodate most regional jets right now with the hangar layout and ceiling heights we have.

SPECIAL CONSIDERATIONS:

The forecast for new aircraft orders by regional airlines is for larger planes with taller tail sections that won't fit inside any of the hangars currently occupied by EASI. EASI's competition has the advantage of being able to accommodate the larger aircraft. To avoid the loss of future business, I recommend we contract with Tittle Luther Partnership/Parkhill Smith Cooper (TLP/PSC) to design modifications to Hangars 0, 1 and 3 to allow for aircraft with the taller tail sections. Attached is a proposal from TLP/PSC describing the proposed work and a total cost estimate of \$4,140,600, including TLP/PSC's basic design fees which total \$400,000.

The proposal also includes the option for additional services as follows:

1. Feasibility study for the removal of the structural column centered in the existing hangar doors of Hangar 1 for a cost not to exceed \$10,000. For several years, we have considered the possibility of removing the center column because of the difficulty it presents while maneuvering aircraft in and out of the hangar. I recommend we proceed with this study.
2. Replacing old fall protection systems – For a cost not to exceed \$10,000, TLP/PSC will design and specify a track system similar to the one installed in Hangar 4 to replace the current systems in all 3 hangars. I recommend we not pursue this additional cost at this time.

Some surveying and soils testing will likely be necessary before and during construction for the

modifications, so I am requesting to contract separately for that work at an estimated cost of \$8,000.

FISCAL IMPACT:

• Basic design services by TLP/PSC	\$400,000
• Additional Service fee for Hangar 1 center column removal feasibility study	\$ 10,000
• Reimbursable expenses	\$ 5,000
• Survey and soils testing	\$ 8,000
TOTAL	\$423,000

STAFF RECOMMENDATION:

Staff recommends approval of resolution DCOA-2013.05 authorizing a contract with Tittle Luther Partnership/Parkhill Smith Cooper for design services for modifications to Hangars 0, 1 and 3 to accommodate larger regional jets with taller tail sections, plus an additional service fee for a feasibility study to allow the removal of the structural column in Hangar 1. Also approved is funding for surveying and soils testing and reimbursable expenses.

ATTACHMENT:

Proposal for Professional Services from Tittle Luther Partnership/Parkhill Smith Cooper dated 11-8-12
Resolution DCOA-2013.05

PROPOSAL FOR PROFESSIONAL SERVICES

EASI HANGER MODIFICATIONS FOR THE DEVELOPMENT CORPORATION OF ABILENE ABILENE, TEXAS

November 8, 2012

- SCOPE OF THE PROJECT:

Scope of Services

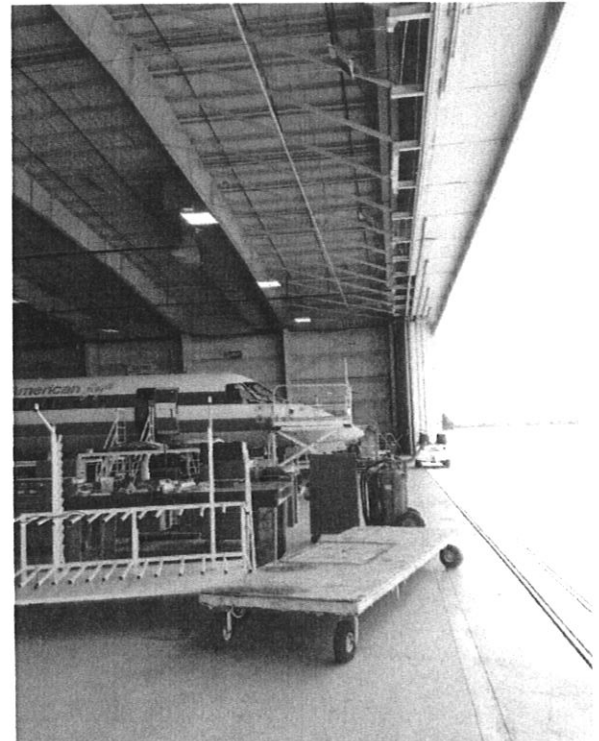
The Development Corporation of Abilene (DCOA) intends to modify three existing hangars at the Abilene Regional Airport to accommodate the larger regional jets to be serviced by Eagle Aviation Services. Hangars to be modified include Hangar 0, Hangar 1 and Hangar 3. Improvements are planned to accommodate the Embraer ERJ 195 which has approximate dimensions of:

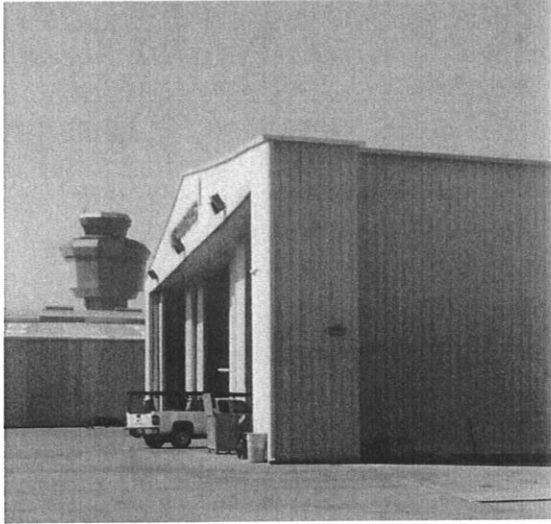
Wingspan 95ft
Tail Height 35ft
Length 126'-10"

The intent of DCOA is to use the Design-Bid-Build delivery method. The scope of services provided by the Tittle Luther Partnership/Parkhill, Smith and Cooper, Inc. (TLP/PSC) will include design, bidding, and construction administration (CA) services, and design services will include Schematic Design (SD), Design Development (DD), and Construction Documents (CD). All services are proposed to be provided on a lump sum basis. Anticipated design time is five months. During construction, the improvements will be phased such that only one hangar is unusable at any time. Approximate construction duration for each hangar is four to five months.

Hangar 0

Hangar 0 is approximately 207ft wide x 133ft deep. Although the interior dimensions of the hangar appear to be sufficient for the larger aircraft, the clearance at the sliding doors is prohibitive. The scope of the Hangar 0 improvements will include removal and replacement of the south wall/door structure in order to accommodate 40ft tall sliding doors. The intent is to reuse the existing door tracks. Structural modifications will open up the first bay inside the sliding doors, creating clearance of approximately 41ft to the bottom of the purlin. Modifications to fire suppression system will also be included as necessary. It is anticipated that two of the larger aircraft can be accommodated in Hangar 0.





Hangar 1

Hangar 1 is approximately 204ft wide x 98ft deep. Access is restricted by a column at the center point of the east sliding doors. In order to accommodate the larger aircraft, the hangar will be extended an additional 40ft to the east and 40ft tall sliding doors will be installed on a new track system. Modifications will be made to the fire suppression system where necessary. The expansion of Hangar 1 will also require construction of additional concrete apron along the east side of the hangar. The additional apron will be approximately 100ft x 100ft and will allow for adequate maneuvering room for aircraft

entering the hangar. It is anticipated that two of the larger aircraft can be accommodated in Hangar 1. The project may include structural modifications which will allow removal of the center column if the client chooses to pursue this option after TLP/PSC performs a feasibility study to determine the economic and structural feasibility of this option. This study will be performed as an Additional Service should DCOA choose to approve this additional work.

Hangar 3

Hangar 3 is approximately 109ft wide x 130ft deep. In order to accommodate the tail height of the larger aircraft, modifications to the sliding doors and east-most bay will be necessary. The scope will include raising the first bay inside the doors to create a minimum internal clearance of 40ft. Foundation improvements are anticipated. New 40ft tall sliding doors will also be installed on the existing tracks and modifications will be made to the fire suppression system as necessary. No modification to the adjacent apron is anticipated. One of the larger aircraft can be accommodated in Hangar 3.

Note:

If DCOA chooses to replace and/or install new fall protection systems in all three hangars, this scope will be included as an Additional Service with a Lump Sum fee as described in this Proposal under the Compensation section.

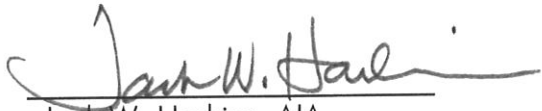
- **TITTLE LUTHER/PARKHILL, SMITH & COOPER WILL DEVELOP:**
 - **CONCEPTUAL SITE PLANS AND/OR FLOOR PLANS:** Based on the information provided by EASI, we will develop conceptual drawings and other documents that indicate the specific functional requirements of each Hangar modification.
 - **PRELIMINARY STATEMENTS OF ESTIMATED PROJECT COSTS:** Based upon the above conceptual designs and appropriate to this early stage of design, we will develop cost estimates for each Hangar modification.
 - **PROJECT SCHEDULES/PROJECT DELIVERY METHODS:** We will also work with you to determine the appropriate and most cost effective method of contracting that accommodates your Project Schedule.
- **SCOPE OF SERVICES (Full Architectural/Engineering Services):** Tittle Luther/Parkhill, Smith & Cooper, Inc. will provide architectural and normal structural, mechanical and electrical engineering services as outlined below:
 - **SCHEMATIC DESIGN:** Based on preliminary drawings we will develop conceptual drawings and other documents describing alternative design options. Additionally, we will provide an up-dated Opinion of Probable Cost (OPC) for your approval.
 - **DESIGN DEVELOPMENT:** Based on the approved Schematic Design documents we will develop drawings and other documents describing the specific systems and materials of the project. Additionally, we will provide an up-dated Opinion of Probable Cost (OPC) for your approval.
 - **CONSTRUCTION DOCUMENTS:** Based on the approved Design Development Documents, we will proceed with development of Construction Documents. These documents include drawings, specifications, bidding documents and final Opinion of Probable Cost (OPC).
 - **BIDDING/NEGOTIATIONS:** Based on your approval of the Bidding/Construction Documents, we will assist you in receiving bids and awarding a Construction Contract
 - **ADMINISTRATION OF THE CONSTRUCTION CONTRACT:** During the Construction Phase of the project, we will serve as your representative. We will administer the Construction Contract, review all submittals, observe the work of the Contractor, review all requests for payment, and assist you in the final close-out of the contract. Additionally, we will provide services in relation to the 1-year warranty for the project.
- **SCHEDULE:** Tittle Luther/Parkhill, Smith & Cooper, Inc. proposes the following schedule:
 - Design/Construction Documents: 5 months
 - Construction: To be determined by the final approved project scope and project delivery method. We estimate that the phased construction will average 4-5 months per hangar.
- **COMPENSATION:**
 - **FULL ARCHITECTURAL/ENGINEERING SERVICES:** For normal architectural and engineering services, we propose to provide the services outlined above and as further defined in "Standard Form of Agreement Between Owner and Architect, AIA B101" to be executed for this project, for compensation of a Lump Sum of \$400,000.
 - **ADDITIONAL SERVICES OPTION 1:** TLP/PSC will perform a study to determine the feasibility and technical requirements to modify the structure of Hangar 1 to allow the removal of the structural column centered in the existing hangar doors. We propose to do this feasibility study on an hourly basis not to exceed \$10,000.
 - **ADDITIONAL SERVICES OPTION 2:** If EASI/DCOA elects to replace the old fall protection systems in hangars 0, 1, & 3 with an approved system, TLP/PSC will design and specify a track

system similar to the one used in Hangar 4. The approximate construction cost to include these systems for the three hangars would be \$250,000 - \$300,000 and we propose a Lump Sum Fee of \$10,000 for Design Services related to this task. (Note: fall protection costs are not included in the attached "Opinion of Probable Costs".)

- **ADDITIONAL SERVICES:** Services due to changes in the scope of the work shall be compensated based on an hourly rate and additional work requiring the services of other than normal engineering consultants (such as environmental engineers) shall be provided for compensation computed at the rate of cost plus 15%.
- **REIMBURSABLE EXPENSES:** Expenses, such as travel and reproduction of plans, shall be reimbursable to the Architect at the rate of cost plus 15%.
- **AGREEMENT:** Following your approval of the general outline, we will submit a formal agreement (contract) for your review and signature. We use the "Standard Form of Agreement between Owner and Architect, AIA B101" for our projects.

One copy of this proposal, returned to our office, will serve as our notice to proceed with the project.

Sincerely,



Jack W. Harkins, AIA
Firm Principal
Tittle Luther/Parkhill, Smith & Cooper,
Inc.

Date: 11-8-12

Richard Burdine
The Development Corporation of Abilene

Date: _____

City of Abilene, Texas
 Abilene Regional Airport
 Eagle Aviation Services Incorporated
 Development Corporation of Abilene



EASI Hangar Modifications

September 20, 2012

Hangar / Work Description	Units	Quantity	Unit Cost	Amount
Hangar 0 -- replace south wall of hangar & install 40' tall sliding doors on existing tracks				
New Hangar Structure/Modifications and Concrete Foundation	LS	1	\$520,000	\$520,000
Fire Suppression System & Equipment	LS	1	\$109,500	\$109,500
Surveying and Testing	LS	1	\$2,500	\$2,500
Professional Architect/Engineer Services *	LS	1	\$85,000	\$85,000
Construction Contingency (20%)	20%	1	\$143,400	\$143,400
Total for Hangar 0 --				\$860,400
Hangar 1 -- add 40' to east side of hangar & install 40' tall sliding doors on new tracks; new conc. Paving				
New Hangar Structure/Modifications and Concrete Foundation	LS	1	\$1,054,000	\$1,054,000
Fire Suppression System & Equipment	LS	1	\$265,000	\$265,000
Concrete Apron Pavement (100'x100')	SY	1,200	\$145	\$174,000
Surveying and Testing	LS	1	\$3,000	\$3,000
Professional Architect/Engineer Services *	LS	1	\$200,000	\$200,000
Construction Contingency (20%)	20%	1	\$339,200	\$339,200
Total for Hangar 1 --				\$2,035,200
Hangar 3 -- increase roof height in east bent & install 40' tall sliding doors on existing tracks				
New Hangar Structure/Modifications and Concrete Foundation	LS	1	\$440,000	\$440,000
Fire Suppression System & Equipment	LS	1	\$480,000	\$480,000
Surveying and Testing	LS	1	\$2,500	\$2,500
Professional Architect/Engineer Services *	LS	1	\$115,000	\$115,000
Construction Contingency (20%)	20%	1	\$207,500	\$207,500
Total for Hangar 3 --				\$1,245,000
Total for Improvements to Hangars 0, 1 and 3				\$4,140,600

* Professional Architecture/Engineer Services may vary depending on project delivery method.

RESOLUTION NO. DCOA-2013.05

A RESOLUTION OF THE DEVELOPMENT CORPORATION OF ABILENE, INC. (DCOA), ABILENE, TEXAS AUTHORIZING A CONTRACT WITH TITTLE LUTHER PARTNERSHIP/PARKHILL SMITH COOPER FOR DESIGN OF HANGAR MODIFICATIONS TO HANGARS 0, 1, AND 3 AT THE ABILENE REGIONAL AIRPORT TO ACCOMMODATE LARGER AIRCRAFT WITH TALLER TAIL SECTIONS.

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

WHEREAS, the DCOA began its relationship with Eagle Aviation Services, Inc. (EASI) in June 1994 when the DCOA purchased Hangars 2 and 3 at the Abilene Regional Airport and began leasing space to EASI for its aircraft maintenance operation, providing maintenance checks service for American Eagle Airline's ATR fleet. EASI committed to 100 aircraft maintenance jobs; and,

WHEREAS, the relationship has grown so that now EASI occupies 5 hangars for maintenance checks and a separate building for records and parts storage, all within close proximity of each other, and operates 5 dock lines employing about 450 maintenance and support personnel; and,

WHEREAS, the DCOA's assistance to EASI has benefited the Abilene community and surrounding region by the addition of regional jet service to and from D/FW Airport; and,

WHEREAS, in the wake of American Airlines' bankruptcy, American Eagle and EASI will likely be spun-off as independent entities, allowing EASI to pursue maintenance work with other regional airlines. EASI can accommodate most regional jets right now with the existing hangar layout and ceiling heights; and,

WHEREAS, the forecast for new aircraft orders by regional airlines is for larger planes with taller tail sections that won't fit inside any of the hangars currently occupied by EASI; and,

WHEREAS, staff requests to DCOA consider authorizing a contract and funding to accomplish design work for possible construction of modifications to Hangars 0, 1 and 3 at the Abilene Regional Airport to accommodate the larger aircraft with taller tail sections to allow EASI to continue being competitive in the aircraft maintenance industry.

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

PART 1. DCOA approves a contract with Tittle Luther Partnership/Parkhill Smith Cooper (TLP/PSC) to design modifications to Hangars 0, 1 and 3 at the Abilene Regional Airport, currently occupied by Eagle Aviation Services, Inc., to accommodate larger aircraft with taller tail sections. Also approved is funding in the amount of Four Hundred Twenty Three Thousand and no/100's Dollars (\$423,000.00) as described below:

- a) \$400,000 – Basic design services fee to TLP/PSC for modifications to the hangars.

- b) \$10,000 – Additional service fee to TLP/PSC for a feasibility study for the possible removal of the structural column centered in Hangar 1.
- c) \$5,000 – Reimbursable expenses
- d) \$8,000 – Survey and soils testing necessary before construction of the modifications.

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 13th day of November, 2012.

ATTEST:

Marelyn Shedd
Secretary/Treasurer

Paul Cannon
President

APPROVED:

T. Daniel Santee, City Attorney

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