

PUBLIC NOTICE

DEVELOPMENT CORPORATION OF ABILENE, INC.

A regular meeting of the Development Corporation of Abilene, Inc. will be held on Wednesday, May 15, 2013, in the Abilene Laboratories, 1325 Pine St., Abilene, Texas, commencing at 1:30 p.m. to consider the following agenda:

SIGNED:


Richard Burdine, Asst. City Manager for Economic Development

AGENDA

May 15, 2013
1:30 p.m.

Abilene Laboratories
1325 Pine St.

1. Call the meeting to order.
2. Approval of minutes from the April 30, 2013, board meeting.
3. Sales tax report for May 2013.
4. Presentation of the FY12 audit performed by Davis Kinard & Co, P.C.
5. Presentation of semi-annual reports for 6 months ended March 31, 2013 by:
 - City of Abilene Airport Business Development Management Program
 - Abilene Industrial Foundation
6. Discussion and possible approval of the DCOA's Semi-Annual Report of Activities ending March 31, 2013.
7. Executive Session: Pursuant to Tex. Gov't Code Sec. 551.087, an executive session may be held (1) to discuss or deliberate regarding commercial or financial information that the governmental body has received from a business prospect that the governmental body seeks to have locate, stay, or expand in or near the territory of the governmental body and with which the governmental body is conducting economic development negotiations; or (2) to deliberate the offer of a financial or other incentive to a business prospect described by Subdivision (1). After discussion in executive session, any action or vote will be taken in public.

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

Pursuant to Tex. Gov't Code Sec. 551.071, an executive session may be held to consult with the DCOA attorney regarding pending or contemplated litigation or a settlement offer regarding

DCOA funded projects or on a matter in which the duty of the attorney to the governmental body under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with Chapter 551 of the Government Code. After discussion of the contemplated legal matters in executive session, any action or vote will be taken in public.

8. Discussion and possible approval of a resolution authorizing funding for the Enterprise Drive extension right-of-way acquisition and putting the Enterprise Drive extension construction project out to bid.
9. Adjournment.

CERTIFICATE

I hereby certify that the above notice of meeting was posted on the bulletin board at the City Hall of Abilene, Texas, on the _____ day of _____, 2013, at _____.

City Secretary

NOTICE

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

DEVELOPMENT CORPORATION OF ABILENE, INC.
BOARD MEETING MINUTES
APRIL 30, 2013

MEMBERS PRESENT: Paul Cannon Scott Senter
Dani Ramsay Marelyn Shedd
Dave Copeland

STAFF PRESENT: Richard Burdine Kim Tarrant
Stan Smith

GUESTS PRESENT: Ed Merrifield, Enavail & ETI
Kat M.
Bill Ehrie, Abilene Industrial Foundation
Paul P., Holiday Inn Express, I-20
John Mangalonzo, Abilene Reporter-News
Jennifer Kendall, KTXS-TV
Jesse Smith, KTXS-TV
Jon Weidanz, TTUHSC
Lee Ann Woods, Consultant

1. **CALL THE MEETING TO ORDER.** President Paul Cannon called the meeting to order at 1:33 p.m. in the conference room of the Abilene Laboratories, 1325 Pine Street, Abilene, Texas.
2. **APPROVAL OF MINUTES FROM THE APRIL 2, 2013, BOARD MEETING.** Dave Copeland moved to approve the minutes from the April 2, 2013 board meeting. Scott Senter seconded and the motion carried.
3. **APRIL 2013 SALES TAX REPORT AND MARCH 2013 STATUS OF FUNDS REPORT.** Richard Burdine reviewed the reports. The total City sales tax rebate for April is \$3,203,853, which represents February sales. This amount is 4.5% above last year and 9.68% above the projected FY13 budget amount. The breakdown is \$2,402,890 to the General Fund and \$800,963 for economic development. For the period October 2012 through April 2013, sales tax revenue is 5.06% below last year and 4.76% above the projected FY 13 budget amount.

In addition to sales tax, another major source of revenue in March was the \$146,115 received in lease income. Aside from routine monthly expenses, several major expenses in March include the following: \$176,434 in incentive payments to Tower Tech (Broadwind Towers); \$62,844 to Cooperative Response Center in incentive payments; \$170,000 to Fehr Foods in incentive payments, a little over \$46,000 for Pactiv's compressor relocation construction project, and about \$77,546 spent on Vine St. construction and repairs.

4. **EXECUTIVE SESSION 1.** I hereby announce we are going into Executive Session pursuant to Texas Government Code Sections 551.071, .072, and .087 to consult with our legal counsel, discuss real property transactions, and discuss economic development

negotiations involving a business prospect, as set forth on the agenda. Any vote or action will be taken in open session.

President Paul Cannon announced the date is April 30, 2013, and the time is 1:41 p.m. Later, President Cannon announced the date is still April 30, 2013, and the time is 2:15 p.m. No vote or action was taken in Executive Session.

5. **DISCUSSION & POSSIBLE APPROVAL OF A RESOLUTION AUTHORIZING ASSISTANCE FOR PROJECT RN.** Project RN is a multinational oil and gas services corporation with headquarters in Houston offering wireline, cementing, perforating, coiled tubing, logging, and hydraulic fracturing. Phase 1 of the company's expansion to Abilene will include establishment of an open hole (wireline) shop and office in a 6,000 sq. ft. building with 11 new jobs all earning over \$60k/year. Capital investment in construction, trucks and associated wireline equipment, lab equipment, and support vehicles will total about \$2.82MM. They have enough business in the area to justify this operation without consideration for the Cline Shale formation activity.

If Cline Shale development takes off, the Company will quickly move into Phase 2, which will establish the site as a "superbase" and will include separate facilities and equipment necessary for its other services. A rail spur will also be needed to accommodate sand being shipped in for use in hydro-fracturing. Phase 2 job creation could reach 132 more jobs with most earning over \$50k/year, and capital investment in construction, equipment, cranes, light duty trucks, etc. could total \$51.6MM.

Staff recommends total Phase I funding for Project RN of \$585,000 as follows: 1) land totaling 3-5 acres in Five Point Business Park valued at \$15,000/acre, or \$45,000 to \$75,000, sold to the Company and financed under a 3-year earnable note at 0% interest. The company would be given an exclusive 4-year option to the balance of land needed for Phase 2, up to 25 more acres. The DCOA will retain a right of first refusal to repurchase any excess land the company may decide to offer for sale in the future at the original sales price of \$15,000/acre; 2) job creation incentives of \$303,000 for the creation of 11 new jobs; and 3) capital investment incentives of \$282,000 for the construction of the initial 6,000 sq. ft. structure, purchase of office and lab equipment, and purchase of specialized equipment and support vehicles earned over 3 years at 10% of Project RN's proposed investment of \$2.82MM. All earned Job Creation and Capital Investment Incentives will be applied first toward the outstanding balance due under the note for purchase of the land.

In lieu of providing direct incentives for Phase 2, staff recommended the DCOA establish an "Infrastructure Reserve Fund" of \$5MM for improvements in Five Points Business Park needed for the company's operations, including installing railroad spur tracks, extending utilities to the property line, and making storm water drainage improvements. Also recommended is land valued up to \$375,000 for up to 25 acres more. All earned Job Creation and Capital Investment Incentives will be applied toward the outstanding

balance due under the note for purchase of the Phase 2 land with the remainder applied to the Infrastructure Reserve Fund. No cash will be disbursed.

Marelyn Shedd moved to approve Resolution No. DCOA-2013.19 REVISED as presented. Scott Senter seconded and the motion carried.

6. **DISCUSSION & POSSIBLE APPROVAL OF A RESOLUTION AUTHORIZING FUNDING TO FINISH-OUT SPACE IN WAREHOUSE C AT 4109 VINE ST. FOR FEHR FOODS.** The DCOA-owned building at 4109 Vine St. consists of 3 large connecting warehouses B, C and D plus adjoining offices. Fehr Foods is leasing Warehouse A at 4009 Vine St. and the adjoining Warehouse B at 4109 Vine St., and recently executed an addendum to the Lease Agreement to add 21,915 sq. ft. of warehouse space (part of Warehouse C) and 1,356 sq. ft. of dock space, including two dock doors to address their immediate need for more space. In order to accommodate Fehr, Warehouse C will be subdivided using plans developed by Jacob & Martin, Ltd., which will result in a new Warehouse E. Staff recommended the DCOA ratify contracts and approve total funding of \$62,606.25 to prepare the space for occupancy by Fehr Foods.

A motion was made by Dave Copeland to approve Resolution No. DCOA-2013.18 as presented. Dani Ramsay seconded and the motion carried.

EXECUTIVE SESSION 2. I hereby announce we are going into Executive Session pursuant to Texas Government Code Sections 551.071, .072, and .087 to consult with our legal counsel, discuss real property transactions, and discuss economic development negotiations involving a business prospect, as set forth on the agenda. Any vote or action will be taken in open session.

President Paul Cannon announced the date is April 30, 2013 and the time is 2:30 pm. Note: Mr. Cannon left the meeting during this time. Later, Vice President Scott Senter announced the date is still April 30, 2013 and the time is 3:42 pm. No vote or action was taken in Executive Session.

7. **ADJOURNMENT.** There being no further business the meeting was adjourned.

Paul Cannon, President

MEMORANDUM

May 8, 2013

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

The sales tax rebate for May is \$3,860,225.27 which represents March sales. This is 1.27% below last year and 1.99% above the projected FY 13 budget amount. The breakdown of the May rebate is \$2,895,168.95 to the General Fund and \$965,056.32 for economic development. Of this rebate, \$43,549 is from prior periods, audit payments, future payments, and unidentified payments. For the period of October through May, sales tax is 4.55% below last year and 4.36% 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 2011-12	GENERAL FUND	ECONOMIC DEVELOPMENT	TOTAL 2012-13
	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
December	2,175,827.99	725,276.00	2,901,103.99	2,319,312.29	773,104.09	3,092,416.38
January	2,823,199.08	941,066.36	3,764,265.44	2,186,131.29	728,710.43	2,914,841.72
February	3,527,637.94	1,175,879.31	4,703,517.25	3,038,055.04	1,012,685.01	4,050,740.05
March	2,196,565.64	732,188.54	2,928,754.18	2,464,587.05	821,529.01	3,286,116.06
April	2,307,190.75	769,063.58	3,076,254.33	2,402,889.56	800,963.19	3,203,852.75
May	2,932,384.19	977,461.40	3,909,845.59	2,895,168.95	965,056.32	3,860,225.27
YTD	\$21,528,386.87	\$7,176,128.94	\$28,704,515.81	\$20,549,615.60	\$6,849,871.86	\$27,399,487.46
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	\$31,260,768.01	\$10,420,255.99	\$41,681,024.00			

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.

3.2

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%
December	725,276	773,104	6.59%
January	941,066	728,710	-22.57%
February	1,175,879	1,012,685	-13.88%
March	732,189	821,529	12.20%
April	769,064	800,963	4.15%
May	977,461	965,056	-1.27%
YTD	\$7,176,129	\$6,849,872	-4.55%
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 May '13 represents March '13 sales. Approximately \$10,887 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	773,104
January	660,623	594,761	693,114	941,066	728,710
February	955,889	898,241	978,890	1,175,879	1,012,685
March	602,464	618,659	646,308	732,189	821,529
April	616,560	601,410	641,310	769,064	800,963
May	793,424	814,964	948,413	977,461	965,056
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><u>\$8,637,848</u></u>	<u><u>\$8,312,748</u></u>	<u><u>\$9,295,819</u></u>	<u><u>\$10,420,256</u></u>	<u><u>\$6,849,872</u></u>

Note: Report reflects the month sales tax is received from Austin.
Revenue is recorded on this basis for budgetary purposes.

The Comprehensive Annual Financial Report (CAFR) will reflect
revenue based upon the month the sales tax is paid by the vendor
in accordance with GASB 33 requirements.

3.4

CITY OF ABILENE, TEXAS

ANNUAL FINANCIAL REPORT

With Supplemental Information for
Development Corporation of Abilene

Year Ended September 30, 2012

CITY OF ABILENE, TEXAS
 Annual Financial Report
 Year Ended September 30, 2012

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INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor
Members of the City Council
City of Abilene, Texas:

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of City of Abilene, Texas, as of and for the year ended September 30, 2012, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Abilene, Texas' management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Abilene, Texas, as of September 30, 2012, and the respective changes in the financial position and cash flows, where applicable, thereof for the year then ended in conformity with the accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated February 11, 2013 on our consideration of the City of Abilene, Texas' internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information and other required supplementary information on pages 3 through 16 and 57 through 59 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Abilene, Texas' basic financial statements. The supplemental information for Development Corporation of Abilene on pages 60 through 66 is presented for purposes of additional analysis and is not a required part of the basic financial statements of the City of Abilene, Texas. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Dennis Kinard & Co., PC
Certified Public Accountants

Abilene, Texas
February 11, 2013

CITY OF ABILENE, TEXAS
Development Corporation of Abilene
Statement of Net Assets
September 30, 2012
With Comparative Totals for the Year Ended September 30, 2011

	<u>2012</u>	<u>2011</u>
CURRENT ASSETS:		
Cash and cash investments	\$ 10,745,086	\$ 14,365,965
Investments	6,360,419	-
Accounts receivable	35,293	35,293
Due from other governments	1,738,931	1,846,504
Prepaid expenses	300	988
	<u>18,880,029</u>	<u>16,248,750</u>
NONCURRENT ASSETS:		
Notes receivable	14,294,387	15,834,501
Capital assets not being depreciated	4,140,003	5,434,728
Capital assets net of accumulated depreciation	<u>32,324,855</u>	<u>28,139,332</u>
	<u>50,759,245</u>	<u>49,408,561</u>
TOTAL ASSETS	<u>69,639,274</u>	<u>65,657,311</u>
LIABILITIES:		
Current:		
Accounts payable	294,410	846,820
Accrued liabilities	<u>49,802</u>	<u>53,256</u>
	<u>344,212</u>	<u>900,076</u>
Total Current Liabilities	<u>344,212</u>	<u>900,076</u>
Total Liabilities	<u>344,212</u>	<u>900,076</u>
NET ASSETS:		
Invested in capital assets, net of related debt	36,464,858	33,574,060
Restricted for contractual obligations	14,089,286	19,525,046
Unrestricted, designated for purposes of trust	<u>18,740,918</u>	<u>11,658,129</u>
TOTAL NET ASSETS	<u>\$ 69,295,062</u>	<u>\$ 64,757,235</u>

CITY OF ABILENE, TEXAS
Development Corporation of Abilene
Statement of Revenues, Expenses and Changes in Net Assets
Year Ended September 30, 2012
With Comparative Totals for the Year Ended September 30, 2011

	<u>2012</u>	<u>2011</u>
REVENUES:		
Sales and use taxes	\$ 10,312,683	\$ 9,714,574
Rental income	979,976	1,022,890
Interest income	112,539	136,756
Gain on sale of capital assets	70,294	-
Intergovernmental revenue	-	142,500
Miscellaneous Revenue	432,670	356,012
	<u>11,908,162</u>	<u>11,372,732</u>
EXPENSES		
Current:		
Trust	<u>7,370,335</u>	<u>7,755,418</u>
Total Expenses	<u>7,370,335</u>	<u>7,755,418</u>
CHANGE IN NET ASSETS	4,537,827	3,617,314
NET ASSETS AT BEGINNING OF YEAR	<u>64,757,235</u>	<u>61,139,921</u>
NET ASSETS AT END OF YEAR	<u>\$ 69,295,062</u>	<u>\$ 64,757,235</u>

CITY OF ABILENE
Development Corporation of Abilene
Schedule of Revenues and Expenditures - Budget Basis
Year Ended September 30, 2012

	Year Ended September 30, 2012	Inception To-Date
REVENUES:		
Sales and use taxes	\$ 10,420,256	\$ 148,283,189
Principal on loans and assessments	148,929	3,268,528
Interest on loans and assessments	72,018	2,314,634
Interest on investments	40,521	7,020,341
Land lease	1,276	17,296
Sale of land and buildings	83,148	5,051,920
Building/space rent	978,700	7,347,601
Miscellaneous recovery	9,937	2,186,438
Miscellaneous revenue	28,106	1,019,770
Miscellaneous prior year	33,572	61,292
Federal grants	-	1,322,526
Miscellaneous state grants	-	26,500
Interfund recovery	-	1,534,976
GASB 22 restatement	-	355,635
GASB 34 restatement	-	2,403,949
Other contributions	-	140,713
Total Revenues	<u>11,816,463</u>	<u>182,355,308</u>
EXPENDITURES:		
Current:		
Prior year programs	-	83,011,481
Business Services Division	614,884	9,067,993
Life Sciences Property	757,280	1,867,386
DCOA Annual Contracts	361,138	2,823,495
Abilene Industrial Foundation	669,601	13,888,019
TTU Small Business Development Center	204,281	3,055,609
Chamber Military Affairs	60,000	1,326,511
Airport Business Development MGR	144,616	897,834
Murf Systems	-	199,665
EASI 04	-	2,131,546
Fehr Foods	551,310	3,712,530
Bandag Building Improvements	3,100	11,100
Reg Website	-	7,067
TTU Pharmacy School	-	658,436
PWP Industries	-	2,507,899
Genesis Network	-	1,615,417
SBIR/STTR	664	86,200
EASI 7th Doc	-	239,175
TTU HSC Research	564,267	2,187,989
Spec 3 Construction	-	5,432,321
Energy Maintenance Service	63,023	248,270
Genesis Network Phase II	-	22,924
Tower Tech	973,305	3,596,279
Texas Metal 08	53,334	160,000

CITY OF ABILENE
Development Corporation of Abilene
Schedule of Revenues and Expenditures - Budget Basis
Year Ended September 30, 2012

EXPENDITURES - continued:	Year Ended September 30, 2012	Inception To-Date
	<u> </u>	<u> </u>
Current - continued:		
ETI Contract	\$ 428,580	\$ 1,236,265
TTU 842 Pine	59,973	233,155
AIC Eq Lease	34,615	164,128
Nationwide Products	31,217	62,367
Texas Healthcare Linen	-	118,891
Enavail, LLC	48,909	379,991
Texas Metal 10	14,683	14,683
Cisco College Biotech Training	34,516	45,702
Energy Maintenance Service	149,660	289,660
EASI Hanger Design	(7,208)	339,901
EASI Hanger Construction	2,163,075	4,473,442
EASI Hanger Fire Safety	786,023	1,712,275
Pepsi Beverage Co.	70,000	70,000
Cooperative Response Center	71,748	71,748
Land 922 N. 13th Street	-	35,735
Teleperformance USA	92,550	92,550
Smith Pipe Ph 1 & 2	75,500	75,500
ALSA Contribution	-	53,918
TMAC 12	33,000	33,000
Vine St. Lighting Upgrades	55,457	55,457
Vine St. Fire Safety	228,367	228,367
Vine St. Parking Lot	158,850	158,850
Vine St. Construction	32,610	32,610
Vine St. Interior Demo	121,698	121,698
EASI HanGar Skylight	25,455	25,455
Springboard Challenge	5,000	5,000
Land 2 Acres Hwy 36	16,641	16,641
Welder Training	146,766	146,766
Prospect Development	1,216	1,216
WTCIC 12	2,500	2,500
Pactive Bldg Project	10,500	10,500
Miscellaneous Activities	-	354,190
	<u>9,912,704</u>	<u>149,417,307</u>
Total Expenditures		
	<u>9,912,704</u>	<u>149,417,307</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES-BUDGET BASIS	1,903,759	\$ 32,938,001
	<u>1,903,759</u>	<u>\$ 32,938,001</u>
Add: Fixed Assets Capitalized	3,724,079	
Add: Gain in sale of capital assets	70,294	
Less: Change in Sales Tax Revenue Accrual	(107,573)	
Less: Proceeds from sale of land	(83,147)	
Less: Change in accrued expense	(229)	
Less: GASB 34 Adjustment	(148,929)	
Less: Depreciation	(820,427)	
	<u>3,724,079</u>	
CHANGE IN NET ASSETS-GAAP BASIS	\$ 4,537,827	
	<u>\$ 4,537,827</u>	

CITY OF ABILENE, TEXAS
Development Corporation of Abilene
Schedule of Obligated Fund Balance - Budget Basis
Year Ended September 30, 2012

	FY 2012 Obligated	FY 2012 Amount Disbursed	Balance
OBLIGATED PROGRAMS:			
Business Services Division	\$ 627,555	\$ 614,884	\$ 12,671
Life Sciences Property	825,910	757,280	68,630
DCOA Annual Contracts	372,320	361,138	11,182
Abilene Industrial Foundation	680,176	669,601	10,575
TTU Small Business Development Center	204,281	204,281	-
Chamber Military Affairs	60,000	60,000	-
Airport Business Development MGR	160,810	144,616	16,194
EASI 04	345,392	-	345,392
Fehr Foods	551,310	551,310	-
Bandag Building Improvements	3,100	3,100	-
Reg Website	1,250	-	1,250
TTU Pharmacy School	1,182,764	-	1,182,764
PWP Industries	426,000	-	426,000
SBIR/STTR	185,864	664	185,200
TTU HSC Research	1,376,279	564,267	812,012
Energy Maintenance Service	684,647	63,023	621,624
Genesis Network Phase II	1,269,000	-	1,269,000
Tower Tech	2,679,743	973,305	1,706,438
Texas Metal 08	53,334	53,334	-
Coca Cola Abilene	2,020,000	-	2,020,000
ETI Contract	428,580	428,580	-
TTU 842 Pine	59,973	59,973	-
AIC Eq Lease	34,615	34,615	-
Nation Wide Products	74,100	31,217	42,883
Enavail, LLC	80,675	48,909	31,766
Texas Metal 10	14,683	14,683	-
Cisco College Biotech Training	56,466	34,516	21,950
Energy Maintenance Service-Gearbox	342,500	149,660	192,840
EASI Hanger Design	(7,208)	(7,208)	-
EASI Hanger Construction	2,163,075	2,163,075	-
EASI Hanger Fire Safety	1,665,846	786,023	879,823
Pepsi Beverage Co.	350,000	70,000	280,000
Cooperative Response Center	296,500	71,748	224,752
Land 922 N. 13th Street	14,265	-	14,265
Teleperformance USA	375,000	92,550	282,450
Docket Navigator	159,000	-	159,000
SPA Coating (Smith Pipe)	596,490	75,500	520,990
TTUHSC School of Nursing	1,884,356	-	1,884,356
TMAC 12	33,000	33,000	-
Vine St. Lighting Upgrades	55,457	55,457	-
Vine St. Fire Safety	291,216	228,367	62,849

CITY OF ABILENE, TEXAS
Development Corporation of Abilene
Schedule of Obligated Fund Balance - Budget Basis
Year Ended September 30, 2012

	FY 2012 Obligated	FY 2012 Amount Disbursed	Balance
OBLIGATED PROGRAMS - continued			
Vine St. Parking Lot	\$ 160,580	\$ 158,850	\$ 1,730
Vine St. Construction	34,590	32,610	1,980
Vine St. Interior Demo	130,489	121,698	8,791
EASI Hangar Skylight	25,455	25,455	-
Springboard Challenge	5,000	5,000	-
Land 2 Acres Hwy 36	16,642	16,641	1
Welder Training	417,438	146,766	270,672
Fehr Foods '12	510,000	-	510,000
Prospect Development	1,216	1,216	-
WTCIC 12	2,500	2,500	-
Pactive Bldg Project	19,756	10,500	9,256
Total Obligated Programs	\$ 24,001,990	\$ 9,912,704	\$ 14,089,286

CITY OF ABILENE, TEXAS
Development Corporation of Abilene
Schedule of Capital Assets
September 30, 2012

	Land	Buildings	Improvements	Equipment and Vehicles	Total
Land, Buildings and Improvements:					
2601 Airport Blvd.	\$ -	\$ 1,563,210	\$ 540,633	\$ -	\$ 2,103,843
2809 Airport Blvd.	-	396,519	444,583	-	841,102
2841 Airport Blvd.	-	456,736	62,923	-	519,659
EASI Hangar 4	-	-	4,812,512	-	4,812,512
4002 Loop 322	-	2,690,915	984,892	-	3,675,807
444.473 acres-Five Points Business Park	476,654	-	2,606,743	-	3,083,397
Five Points Spec Bldg 2	-	12,826,151	97,831	-	12,923,982
Five Points Spec Bldg 3	-	5,522,986	-	-	5,522,986
304 Pine - Grant Bldg	-	147,194	405,726	-	552,920
Vine Street (4009 / 4109)	-	1,347,904	-	-	1,347,904
EASI Storage Building	-	2,527,408	9,987	-	2,537,395
303.53 Acres Hwy 36 & FM 18	449,239	-	-	-	449,239
1.995 Acres Hwy 36	16,641	-	-	-	16,641
121.93 acres Moses Williams Survey	482,238	-	-	-	482,238
5.6 acres N Five Points Business Park	69,217	-	-	-	69,217
922 N. 13th Street	35,735	-	-	-	35,735
Leasehold Improvements	-	-	1,366,201	-	1,366,201
Machinery & Equipment	-	-	-	310,099	310,099
Vehicle - 2005 Dodge Caravan	-	-	-	18,011	18,011
Construction-in-Progress	-	-	2,610,279	-	2,610,279
TOTAL CAPITAL ASSETS	\$ 1,529,724	\$ 27,479,023	\$ 13,942,310	\$ 328,110	\$ 43,279,167

DEVELOPMENT CORPORATION OF ABILENE, INC.
BOARD AGENDA
MEETING DATE: May 15, 2013

PROJECT: Semi-Annual Reports for FY13

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. The AIF administers a marketing program which includes magazine advertisements, e-newsletters, promotional videos, web-site management, trade shows, visits to consultants and/or prospects, retention visits to existing Abilene businesses, and hosting visits to Abilene by consultants and/or prospects.

The DCOA began partial funding of the Airport Business Development Management Program in FY02. The Airport Master Plan recommends pursuit of a marketing program that will help the airport build activity within its business segments.

SPECIAL CONSIDERATIONS

The FY13 contracts expire 9-30-13. Attached are reports covering activities during the first one-half of the fiscal year, primarily from 10-1-12 through 3-31-13.

FUNDING/FISCAL IMPACT

None.

STAFF RECOMMENDATION

None.

ATTACHMENT

Abilene Industrial Foundation FY13 Mid-Year Progress Report, 10/12 through 3/13
Abilene Regional Airport FY13 Semi-Annual Report



Develop Abilene

Abilene Industrial Foundation

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

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APR 18 2013

ECONOMIC DEVELOPMENT

April 18, 2013

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

Dear Richard:

In accordance with the terms of the Development Corporation of Abilene contract with the Abilene Industrial Foundation, the following progress report is submitted for the period of October 1, 2012 to March 31, 2013 inclusive.

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

Marketing Budget	\$140,000.00
Spent to Date	\$38,019.59
Leads Received.....	22
Leads AIF Responded to	12
Prospect Visits to Abilene.....	12
New Prospect Files Opened.....	3
Retention Visits	45
Retention/Expansion Luncheon (November).....	49
Visits to Consultant/Prospects.....	65

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

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

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

Sincerely,

William J. Ehrie, CEcD
President

cc: Kim Tarrant
Gary Robinett

Enclosures

Abilene Industrial Foundation
FY12-13 Mid-Year Marketing Summary
October 1, 2012 – March 31, 2013

ADVERTISEMENTS PLACEMENT

- Total advertisement submissions – 7
- Total advertisement placement costs – \$22,532.50 (\$8,500.00 includes prepaid ads thru Dec 2013)

LEAD ACTIVITY

- Leads received from all sources – 22
- Leads AIF responded to – 12

PROSPECT ACTIVITY

- Prospects visits to Abilene – 12
- New prospect files opened – 3

WEBSITE & ELECTRONIC MARKETING

- E-Newsletter distributions – 268 (changed to quarterly publication)
- E-Newsletter costs – \$313.44
- Website/electronic marketing changes & enhancements – \$657.05
- Texas Economic Development Directory hits to website – 604
- Site Selection Magazine web banner
- Web banner on Expansion Solutions Magazine economic development directory page
- Trade & Industry ED Agency web listing

TRADE SHOW / CONFERENCE / NETWORKING ACTIVITIES

- IEDC Annual Conference - Houston
- IAMC Professional Forum – Omaha
- SEMA – Las Vegas
- ICSC - Dallas
- Fabtech – Las Vegas
- Transmission Summit - Sweetwater
- Cline Shale Workshop – San Angelo
- Plastics West – Anaheim
- Eagle Ford Consortium – San Antonio
- IAMC Professional Forum – Charleston, SC
- Southwest Energy Summit – Sweetwater

CONSULTANT / RETENTION / EXPANSION ACTIVITY

- Visits to Consultant/Prospect – 65
- Manufacturers Luncheon (Nov. 2012) – 49

EXISTING BUSINESS ACTIVITY

- Retention Visits – 45

Abilene Industrial Foundation
Marketing & Retention Activities
October 1, 2012 – March 31, 2013

- Monthly updates of all printed marketing/informational materials for Abilene General Information File, including Economic Indicators, Labor Market Review, Cost of Living, Building Permits, Wage Surveys, Sales & Use Tax, Living Units Available, etc.
- Commercial Property Snapshot – updates
- Continued development of DevelopAbilene website
- Host Manufacturer Luncheon
- Development and update of current building inventory materials
- Development and preparation of individual prospect packages
- Hosting of prospect visits to Abilene including tours to specific sites
- Visits to site selection consultants – IAMC Professional Forum, Charleston, SC; Plastics West, Anaheim
- Trade Show attendance
 - SEMA – Las Vegas
 - Fabtech – Las Vegas
 - Plastics West – Anaheim
- Conference attendance
 - IEDC, Houston
 - IAMC, Omaha
 - ICSC, Dallas
 - Transmission Summit, Sweetwater
 - Cline Shale Workshop, San Antonio
 - Eagle Ford Consortium, San Antonio
 - IAMC Professional Forum, Charleston, SC
 - Southwest Energy Summit, Sweetwater
 - Cline Shale Alliance, Sweetwater
- Texas Midwest Community Network
 - Executive Committee Board Member and Council Meetings
 - Economic Development Alliance Board Member and Alliance meetings
 - Economic Development Alliance Dinner & Conversation
 - TMCN Planning Sessions
- Presentations
 - Leadership Abilene

Category	Allocation	10/1/12 to 3/31/13	4/1/13 to 9/30/13	YTD
Advertisements (1)	\$ 30,000.00	\$ 22,532.50	\$ -	\$ 22,532.50
Internet (2)	\$ 14,000.00	\$ 1,577.05	\$ -	\$ 1,577.05
Marketing Material (3)	\$ 10,000.00	\$ 1,270.75	\$ -	\$ 1,270.75
Trade Show/Conferences (10)	\$ 40,000.00	\$ 6,321.51	\$ -	\$ 6,321.51
Site Consultant Activity (12)	\$ 35,000.00	\$ 3,854.60	\$ -	\$ 3,854.60
Newsletter Mailings(13)	\$ 2,000.00	\$ 313.44	\$ -	\$ 313.44
Existing Business Activity (14)	\$ 5,000.00	\$ 1,596.24	\$ -	\$ 1,596.24
Contingency	\$ 1,000.00	\$ -	\$ -	\$ -
Public Awareness Campaign (8)	\$ 3,000.00	\$ 553.50	\$ -	\$ 553.50
Total	\$ 140,000.00	\$ 38,019.59	\$ -	\$ 38,019.59

**Abilene Regional Airport's
FY 2013 Semi-Annual Report
To
Development Corporation of Abilene**

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

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

FY13 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:

Oct 3	Hosted Sweetwater Chamber Coffee
Oct 19	Presenting Sponsor of Brownwood Chamber Luncheon
Nov 27	Lunch meeting with AE Rep and DAFB Travel Agents
Nov 28	Hosted Brownwood Lunch Meeting with AE Rep
Mar 22	Attended Brownwood Chamber Luncheon
Mar 27	Booth at Abilene Chamber Business Expo

Network USA

Airport staff attended this conference with airlines. Staff met with United Airlines, Boutique Air, Allegiant and American Eagle. This meeting was included in the FY13 DCOA contract with the airport.

Marketing the Airport

This year we contracted with Pink Goose Media for production of new commercial spots, an operations video and a passenger process video. Pink Goose subcontracted IThink Marketing to host and develop a new website and VIP Program which are still in process.

Social Media

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

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

Special Programs

The **ABI-VIP Passenger Rewards Program** continues to be a strong tool for communicating with 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.

We have recently changed to a Web-based VIP Program which is hosted and maintained by IThink Marketing.

Enplanements:

YTD enplanements are flat. Enplanements are up 3% over March of 2012.

Revenues:

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

Rental Car Revenue is down 2%.

Parking lot revenue is up 4%.

Business Development Outlook:

Airlines are adjusting fares to meet fuel and labor costs and are making changes in aircraft fleets to more fuel efficient aircraft. They have also made the majority of service reductions and available seats to underperforming markets. With revenues and load factors starting to creep up, along with a more stable national economy, airlines may start to look at growth again, but it will be to markets that are seeing considerable economic gains. ABI will continue to keep prospective airlines informed of economic developments in our market that could tip the scale to new service.

DEVELOPMENT CORPORATION OF ABILENE, INC.

BOARD AGENDA

MEETING DATE: May 15, 2013

SUBJECT: DCOA Semi-Annual Report of Activities Through 3-31-13

FROM: Richard Burdine, CEO

GENERAL INFORMATION:

As required in the by-laws of the corporation, a report of activities for the first one-half of the current fiscal year has been prepared. The report covers the 6-month period beginning 10-1-12 and ended 3-31-13.

SPECIAL CONSIDERATIONS:

None.

FISCAL IMPACT:

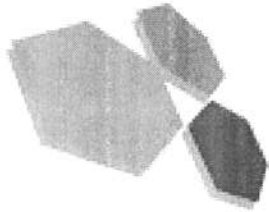
None.

STAFF RECOMMENDATION:

Staff recommends the Board approve by oral resolution the attached report of activities for the 6-month period ended 3-31-13.

ATTACHMENT:

Development Corporation of Abilene, Inc.
Report of Activities for period ended 3-31-13



Develop Abilene

SEMI-ANNUAL
REPORT OF
ACTIVITIES

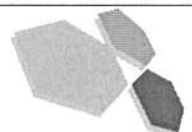
MARCH 2013

Development
Corporation
of Abilene

DEVELOPMENT CORPORATION OF ABILENE, INC.
SEMI-ANNUAL REPORT OF ACTIVITIES
OCTOBER 2012 – MARCH 2013

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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:

Scott Senter

Secretary/Treasurer:

Marelyn Shedd

Members:

Dani Ramsay

Dave Copeland

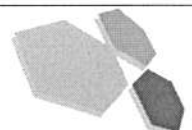
Goals:

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. The DCOA contracted with consultant Lee Ann Woods to develop a thorough understanding of the competitive environment in which services would be offered in Abilene Laboratories and develop a website, brochures and other marketing items, and business materials as well as attend industry meetings and trade shows.

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

The DCOA approved new capital investment assistance for long-time local company Fehr Foods, which plans to retain between 320-330 jobs. DCOA is constructing building improvements to accommodate Pactiv's addition of a new manufacturing line, and DCOA is assisting Coca Cola Refreshments by contracting for design services to extend Enterprise Dr., which will allow Coke's trucks a shorter route between the plant and warehouse, thus reducing transportation costs.

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

The DCOA approved FY13 funding to Texas Manufacturing Assistance Center to provide its new 3-day jump start training program to local manufacturing companies.

4. To strengthen and revitalize downtown Abilene.

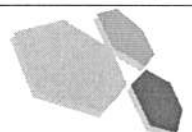
The DCOA did not directly assist any downtown Abilene companies.

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

The DCOA contracts annually with the Small Business Development Center (SBDC) for counseling services provided free of charge to Abilene residents and businesses. In addition, the SBDC can assist businesses desiring to sell products or services to any level of government. Also, for the fifth consecutive year the DCOA approved a sponsorship of ACU's Springboard Ideas Challenge competition. This year the DCOA also approved a sponsorship for Ads4Next's 2013 Summer Youth Entrepreneur Program, which encourages entrepreneurship in high school students.

6. To effectively administer the sales tax revenue.

During the report period (10-01-12 through 03-31-13), the DCOA approved \$240,000 to assist one local company with growth and retention in Abilene. In addition, approved were contracts and funding for several projects requiring A/E services, renovations, infrastructure improvements, etc.



Project Summaries

Fehr Foods

During 2013, Fehr Foods plans to make facility improvements, upgrade some of its equipment and purchase additional manufacturing equipment at a total capital cost of \$2.4 million. On January 30, 2013, the DCOA authorized a \$240,000 capital investment incentive payable over 3 years at 10% of the company's actual costs. Fehr Foods currently employs 320 to 330 in Abilene and 100 in Marietta, OK. They have reduced their voluntary turnover from well over 100%/yr to 59%/yr in 2012 and are aiming to reduce it further in 2013.

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

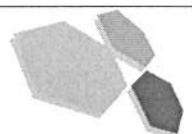
Previous DCOA assistance to Pactiv will enable them to install a 7th thermo former for another manufacturing line. A new metal structure on the exterior of the building at 6450 Five Points Parkway will allow Pactiv to move the existing air compressors so that warehouse space can be converted to accommodate the new manufacturing line. In addition to constructing the new metal structure, several improvements must be made. On Nov. 27, 2012, the DCOA approved a contract with Justice Construction for the construction of these improvements plus total funding of \$335,500, which includes a 10% contingency and additional design fee money, based on actual construction costs.

Because of said improvements, the DCOA as landlord, has the option to increase Pactiv's monthly lease payment to help pay for them. Instead however, staff negotiated with Pactiv a participation in this project whereby Pactiv will forego up to \$183,898 (or ½ of construction costs plus fees) of its previously approved and revised Phase 2 capital investment incentive.

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.*

Receptor Logic

Receptor Logic Inc. (RL) has 5 years left on its contract with the DCOA. They would like the ability to become the first customer of Texas Tech University Health Sciences Center School of Pharmacy's Center for Immunotherapeutic Research and Product Development ("The Center" as described below under Administrative/Other) by contracting for production of proteins thereby releasing its lab employees. However, without employees RL will not be able to earn reductions to the \$3 million relocation claw back clause built into their Agreement for Financial Assistance, which expires at



the end of 10 years (in 2017) or would be triggered if RL is sold before the end of the 10th year. Therefore an alternative method is needed to reduce the claw back balance.

On December 11, 2012 the DCOA authorized an amendment to the existing Agreement for Financial Assistance with RL, providing for an alternative method for RL to reduce the \$3 million relocation claw back as follows: 1) RL will contract for a minimum of \$250,000 work each year and any work valued above the \$250,000 threshold will be credited against this balance, and 2) RL would also receive full credit for all work recruited to The Center by RL or Emergent Technologies, Inc.

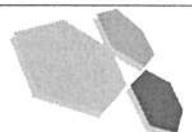
Goals addressed: 6. To effectively administer the sales tax revenue.

Coca-Cola Refreshments USA, Inc.

TxDOT is in the process of converting the access roads for I-20 (E. Overland Trail and E. Stamford St.) from 2-way to 1-way in an effort to reduce the number of traffic accidents caused by access road traffic not yielding to on and off ramp traffic. The improvements will also make this stretch of interstate consistent with traffic flow in other metropolitan areas of Texas. Coca Cola Refreshments USA, Inc. has a manufacturing plant on Enterprise Dr., on the north side of I-20, just south of State Hwy 351. Coke also leases warehouse space in WindStar, the large warehouse on the north access road of I-20. The change of traffic flow largely impacts the route taken by Coke's trucks returning to the plant from WindStar, requiring them to travel a round trip distance of almost 5 miles. This additional driving distance significantly impacts the efficiency of Coke's Abilene operation, thereby increasing their operating costs by an estimated \$500,000/year, which puts the Abilene plant at a competitive disadvantage with its Coca Cola "sister" plants.

Hwy 351 has become increasingly busy with the construction of Wal-Mart, Cracker Barrel, Lowes, other retail stores and most recently, Chick-Fil-A. The increased traffic makes left turns difficult and sometimes dangerous from either direction onto and from Hwy 351. A viable solution is to extend Enterprise Drive from Hwy 351 to East Lowden Road and install a traffic signal at the intersection of Hwy 351 and Enterprise Dr. WindStar is proposing to extend its driveway south to intersect with East Lowden Rd. along with major renovations/additions to the warehouse space that Coca Cola leases at a cost of about \$5.2 million, which will give Coke trucks the ability to travel back to the plant using a shorter route. The new traffic signal and road extension will not only allow more direct access between Coke's plant and Windstar, but it will slow traffic on Hwy 351, making left turns to/from Hwy 351 between the I-20 access road and East Lake Road much easier and hopefully safer.

On January 8, 2013, the DCOA authorized a contract with Jacob & Martin, Ltd. to design an extension of Enterprise Dr. from Hwy 351 to East Lowden Road plus funding of \$30,800.



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.

FY13 DCOA Approved Assistance through March 2013 - Contracted			
Company	DCOA Assistance Reserved ¹	Committed Job Retention/ Job Creation	Projected Annual Payroll ² /Capital Investment ³
Fehr Foods	\$240,000.00	N/A	N/A/\$2,400,000.00
TOTAL	\$240,000.00	00/00	\$0/\$2,400,000.00
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.

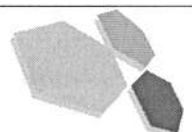
Administrative / Other

The Center at Abilene Labs

The DCOA is pursuing opportunities to work more closely with the Texas Tech University Health Sciences Center School of Pharmacy (TTUHSC SOP) and its Center for Immunotherapeutic Research and Product Development (The Center) to provide biotechnology services to private companies. A critical element of the strategic planning is a thorough understanding of the competitive environment in which these services would be offered.

On October 9, 2012, the DCOA approved an agreement for professional services with Lee Ann Woods and funding of \$10,000 plus \$4,000 for expenses, based on her proposal entitled Initiative: Life Sciences Industry Asset Inventory, Competitive Analysis & Outline Plan. Ms. Woods is a respected professional who has performed this kind of work and has extensive contacts in competing cities and state government. The next step was to establish a budget to implement the business development plan over the next 6 months; therefore, on January 22, 2013, the DCOA authorized funding of \$102,400, which includes website development and maintenance, brochures and other marketing items, business materials, industry associations/memberships, industry meetings and trade shows and a professional consulting services fee to Ms. Woods.

With the recession contributing to tighter funding for early stage biotech companies, there has been an increased demand to reduce costs, which is helping create demand for virtual companies. Virtual companies contract out most of their research and business functions, which also creates demand for university Contract Research Organizations (CROs) to perform those tasks.



TTUHSC will provide R&D services to virtual and regular companies via a CRO managed by the TTUHSC SOP through The Center at Abilene Laboratories (Ab Labs). This will become a source of jobs, as well as provide internships and faculty training opportunities. The CRO's proposed FY13 budget for management/personnel costs, research supplies and academic consulting fees is \$600,440, which includes employment of up to 7 people in the Ab Labs facility.

On December 11, 2012 the DCOA approved a 3-year contract with TTUHSC SOP through The Center for provision of life sciences services from Abilene Laboratories to private and public sector customers and establishment of a CRO. Also authorized is funding of \$450,330 for the remaining 9 months of FY13 for costs aforementioned. Funding for years 2 and 3 will be approved when TTUHSC establishes a new fiscal year budget for these costs.

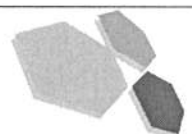
Texas Manufacturing Assistance Center (TMAC)

TMAC West Texas is located in Lubbock and is affiliated with Texas Tech University (TTU) and the Small Business Development Center (SBDC) system. TMAC places emphasis on small to mid-sized manufacturers and works with a wide range of individual firms delivering training, providing technical assistance and implementing best business practices. They have a wide array of services 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 to TMAC's initial two-day training program and the annual rate was increased from \$7,500/company to \$11,000/company for the new three-day program. TMAC has tested the "jump start" approach and determined that it substantially improves implementation, quality and speed. On October 30, 2012, the DCOA approved a renewal contract and funding for FY13 in the amount of \$110,000 payable at up to \$11,000/company/year for the 3-day "jump start" program.

Vine Street Property

The DCOA-owned building at 4109 Vine consists of 3 large connecting warehouses B, C and D and adjoining offices with 101,862 total square feet. Fehr Foods is leasing Warehouse A (70,000 sq ft) at 4009 Vine, and the adjoining Warehouse B at 4109 Vine (42,362 sq ft), paying monthly rent calculated at \$1.67/sq ft/year. The remaining 64,000 square feet (offices and Warehouses C and D) are under renovation now. Since December 2011, the DCOA has authorized \$1,195,748 for many, much-needed improvements and repairs to the building and parking lot. Written bids were solicited and received 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.



Gotta Go Trailways executed a lease for the approximately 1 acre triangular piece of land at the southern tip of this property (4141 Vine) to park and store up to 10 touring motor coaches. The lease also includes two offices in the main building that can be occupied when renovations are complete.

Approvals during FY2013 are as follows:

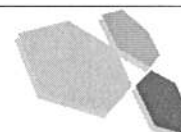
- October 30, 2012, the DCOA authorized funding of \$10,740 for expense overages incurred for work done in preparation for renovations and \$10,030 for a contract with Thomas Hicks Construction for repairs to the Ryder Trucks building at 4125 Vine St. Also approved were contracts and total funding of \$331,733.60 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 & plumbing work, 5) \$13,814.00 to Callaway's Carpets for flooring work, and 6) \$30,000.00 contingency for unknowns.
- January 30, 2013, the DCOA approved \$228,183 more to address the building's many surprises that continue to surface due to numerous renovations and additions made during the last 70+ years: 1) \$205,941 for additional known items in offices and Warehouses C & D at 4109 Vine; 2) \$2,742 for additional repairs to 4125 Vine (Ryder Trucks Bldg.); and 3) \$19,500 for an extension of the water/sewer lines plus installation of a dump station at 4141 Vine for new tenant Gotta Go Trailways.

Eagle Aviation Services Inc. (EASI)

Eagle Aviation Services currently occupies five aircraft hangars at the Abilene Regional Airport, otherwise known as Hangars 0, 1, 2, 3 and 4, to perform overnight checks and heavy maintenance on regional jets operated by American Eagle Airlines. The DCOA has assisted EASI in the past with several projects. 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.

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. To avoid the loss of future business, on November 13, 2012, the DCOA approved a contract with Tittle Luther Partnership/Parkhill Smith Cooper (TLP/PSC) to design modifications (called doghouses) to Hangars 0, 1 and 3 at the Abilene Regional Airport to allow for aircraft with the taller tail sections. Also approved was total funding of \$423,000 for basic design fees, a feasibility study, reimbursable expenses and survey and soils testing.

Federal regulations require that EASI de-fuel each aircraft before performing maintenance. The fuel is then placed back into that aircraft or one owned by the same carrier. Abilene Aero currently performs the de-fueling services for EASI an average of



15 times a month, using a truck temporarily on loan to them from AvFuel. At AvFuel's request, a permanent arrangement with compensation was proposed, whereby Abilene Aero will lease the truck from AvFuel. EASI is not in a position to purchase a truck and desires to continue its current arrangement with Abilene Aero for de-fueling services; however, the added cost to continue the arrangement is prohibitive because Abilene Aero will have to pass on its cost to lease and maintain the truck.

On February 26, 2013 the DCOA approved total funding of \$64,260 to allow monthly payments to Abilene Aero of \$1,750 for its cost to lease, maintain and insure the truck for up to 3 years, which also includes a small amount for a monthly increase of no more than 3% during years 2 and 3. Abilene Aero will continue to perform the services for EASI at \$50/de-fueling event for labor only.

Five Points Business Park

The Five Points Business Park located in far west Abilene is well on the way to becoming an important asset for Abilene's industrial development and a useful tool in the DCOA's arsenal for recruitment of new and expansion of existing industry. The Park's location on I-20 with rail service available could potentially become very desirable.

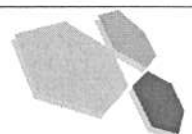
Devron Abilene, LLC extended an existing water line on Arnold Blvd. during construction of the new Fed Ex Ground facility in the Park. This construction was previously estimated to cost \$83,120. On December 11, 2012 the DCOA approved cost-sharing with Devron in the amount of \$41,560, or 50% of this estimated cost, because of the benefit to other parts of the Five Points Business Park.

On the east side of the Park, at the corner of Marigold St. and Wall St., are about 25 acres of developable land. The land is currently covered with trees and brush, and it was recently discovered that the land was once used heavily for illegal dumping of everything from old appliances and mattresses to blocks of concrete and roofing materials. Most prospects are on a short-time fuse for purchase and development of land, and many are not able to wait for land that must first be cleared before development can occur.

On February 26, 2013 the DCOA approved a contract with Best Tree Service, LLC and funding of \$35,160 (the lowest bid received), for removal of the debris from illegal dumping and clearing the land for future development. Also approved was a small contingency of \$2,000 to address any unknowns that may arise. The end product will be land that is free of organic material and ready for development.

Ads4Next

Ads4Next encourages entrepreneurship in high school students. On January 8, 2013, the DCOA approved a 2013 sponsorship for the Summer Youth Entrepreneur Program in the amount of \$2,500.



Springboard Ideas Challenge 2013

This is the fifth 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 four years. On January 8, 2013, the DCOA approved by oral resolution, a gold level sponsorship of the 2013 Springboard Ideas Challenge in the amount of \$5,000.

Blue Cross Blue Shield

The DCOA-owned building at 4002 Loop 322 has been occupied by Blue Cross Blue Shield of Texas (BCBSTX) since 1997. Since then, the DCOA has provided a total of \$4.7 million for various phases of improvements to the facility with BCBSTX investing about the same amount through 2003. The DCOA also replaced the roof and resurfaced the parking lot at about \$1 million more. BCBSTX maintains the facility very well at its own expense under a \$10/year lease agreement set to expire 5-31-15, but with an option to extend for an additional 7 years. BCBSTX employment in Abilene stands at 1,050.

Located adjacent to the south side of the main building is an abandoned wooden cooling tower on a gravel pad bound by concrete tilt-walls, which encloses an area of approximately 3,000 square feet. Several years ago BCBSTX invested its own funds to convert a similar area to a conditioned, usable space. On January 22, 2013, the DCOA authorized \$11,550 to test and abate the asbestos-containing materials and demolish the wooden structure.

DCOA Board/Officer Elections

On January 30, 2013, the DCOA said goodbye to long-time member Mike Schweikhard and hello to new board member Dave Copeland. On the same date the following DCOA officers were elected for 2013: President – Paul Cannon, Vice President – Scott Senter, and Secretary/Treasurer – Marelyn Shedd.

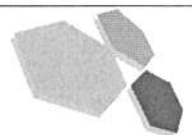
STAFF:

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:

Development Corporation of Abilene, Inc.
174 Cypress, Suite 301
P.O. Box 60
Abilene, Texas 79604-0060
325.676.6390
Fax 325.676.6377
www.developabilene.com



DEVELOPMENT CORPORATION OF ABILENE, INC.

BOARD AGENDA

MEETING DATE: May 15, 2013

PROJECT: **Extension of Enterprise Drive– Land Purchase and Construction Bid Authorization**

STAFF: **Richard Burdine, CEO**

BACKGROUND INFORMATION:

TxDOT is in the process of converting the access roads for I-20 (E. Overland Trail and E. Stamford St.) from 2-way to 1-way in an effort to reduce the number of traffic accidents caused by access road traffic not yielding to on and off ramp traffic. The improvements will also make this stretch of interstate consistent with traffic flow in other metropolitan areas of Texas.

Coca Cola Refreshments USA, Inc. has a manufacturing plant on Enterprise Dr., on the north side of I-20, just south of State Hwy 351. Coca Cola also leases warehouse space in WindStar, the large warehouse on the north access road of I-20. The change of traffic flow largely impacts the route taken by Coca Cola's trucks returning to the plant from WindStar. Trucks are now required to travel north on the access road to the next cross-over (West Lake Road FM 600) and back around to Hwy 351, a round trip distance of almost 5 miles. The additional driving distance significantly impacts the efficiency of Coke's Abilene operation, thereby increasing their operating costs by an estimated \$500,000/year, which puts the Abilene plant at a competitive disadvantage with its Coca Cola "sister" plants.

Hwy 351 has become increasingly busy with the construction of Wal-Mart, Cracker Barrel, Lowes and most recently, Chik-Fil-A, as well as other retail stores. The increased traffic makes left turns difficult and sometimes dangerous from either direction onto and from Hwy 351. A viable solution is to extend Enterprise Drive from Hwy 351 to East Lowden Road and install a traffic signal at the intersection of Hwy 351 and Enterprise Dr., the street that runs adjacent to Coke's plant and intersects with E. Overland Trail. Enterprise Drive is heavily used by trucks running from Coke's plant to WindStar. WindStar will extend its driveway south to intersect with East Lowden Rd. along with major renovations/additions to the warehouse space that Coca Cola leases at a cost of about \$5.22 million, which will give Coke trucks the ability to travel back to the plant using a shorter route. Enterprise Dr. would also be extended north to intersect with East Lowden Road, and a traffic signal will be installed at the intersection of Enterprise Drive and Hwy 351. The traffic signal and road extension will not only allow more direct access between Coke's plant and Windstar, but it will slow traffic on Hwy 351 making left turns safer.

On January 8, 2013, DCOA approved resolution DCOA-2013.11 authorizing \$30,800 and a contract with Jacob & Martin professional engineers to provide engineering and surveying services for the extension of Enterprise Dr. to East Lowden Road. TxDOT will design and contract for installation of the traffic signal subject to DCOA project funding.

REQUEST:

The land needed to extend Enterprise Dr. to E. Lowden Rd. is owned by Region 14 Education Service Center. Austin Huckabee & Associates conducted an appraisal of the 1.86 acres needed, which came back with a market value of \$11/sq ft or \$890,000. The value represents the top of the market for that area and includes not only the right-of-way (ROW) area totaling .905 acre for the extension of Enterprise Dr. but also a .955 acre parcel west of the ROW that will be severed from the Region 14 land and no longer useful

to Region 14. The severed parcel is prime retail space and will be sold by the DCOA to offset the ROW costs. Region 14 has agreed to accept \$840,000 for the ROW.

The attached Preliminary Site Plan indicates a metal storage structure, through which the street extension will cut, that will have to be demolished. The appraiser estimates it will cost \$14,000 to demolish, assuming no environmental issues are present. Staff will conduct an inspection and commission a study to determine if there are concerns that need to be addressed before contracting for demolition.

The construction cost estimate for the extension of Enterprise Drive is \$225,000. The signal work or participation in the signal work by TxDOT is not included; however, the conduit and boxes for the signal work will be installed.

Staff requests funding and authorization to purchase 1.86 acres of land from Region 14, demo the existing metal structure, and put the road construction project out for bid. Once received, the bids will be submitted to the DCOA for consideration and possible contract award.

FISCAL IMPACT:

Appraisal by Austin Huckabee & Assoc	\$ 2,450
Purchase of 1.86 acres land from Region 14	\$840,000
Demo of existing metal structure	\$ 14,000
Contingency (i.e. closing costs, environmental studies, abatement, etc.)	<u>\$ 20,000</u>
TOTAL COSTS	\$876,450
Less anticipated sales revenue from severed parcel	<u>-\$457,600</u>
Net cost to purchase land for Enterprise Dr. extension	\$418,850

STAFF RECOMMENDATION:

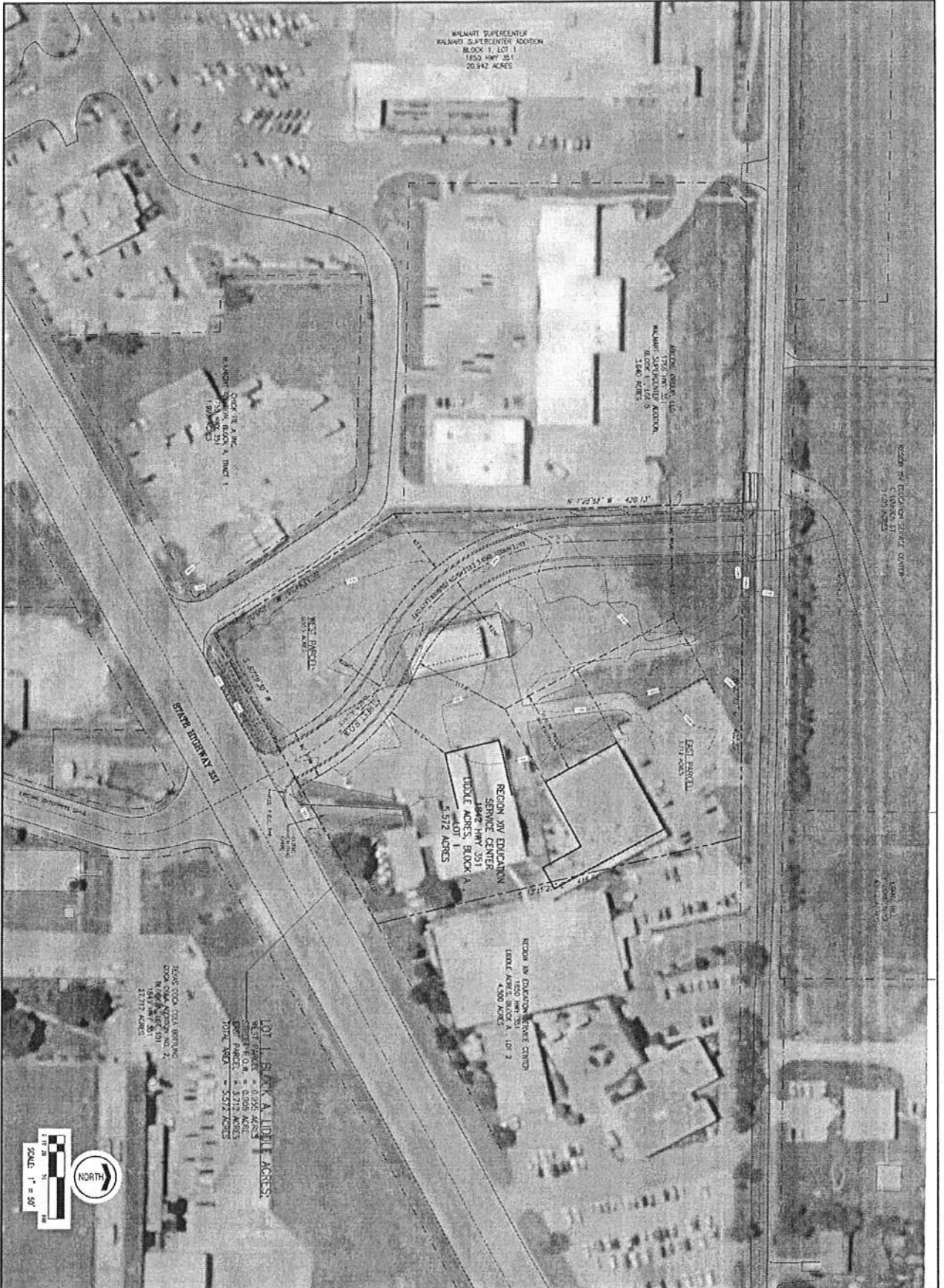
Staff recommends approval of resolution DCOA-2013.20 authorizing; 1) purchase of 1.86 acres of land from Region 14 at a cost of \$840,000, 2) \$36,450 for a market appraisal of the land, demolition of an existing metal structure, and contingency for closing costs, any needed environment studies, and other unknown costs, and 3) advertisement of bids for construction of the Enterprise Drive extension.

ATTACHMENTS:

Preliminary Site Plan of the extension of Enterprise Drive to East Lowden Road by Jacob & Martin.
Resolution DCOA-2013.20

S:\DCOA\Meeting\Memo\FY 2013\Enterprise Drive Exten purchase of ROW land and auth to put out for bid 5-13.doc

8.3



8.3

RESOLUTION NO. DCOA-2013.20

A RESOLUTION OF THE DEVELOPMENT CORPORATION OF ABILENE, INC. (“DCOA”), ABILENE, TEXAS AUTHORIZING FUNDS FOR THE PURCHASE OF LAND AND OTHER COSTS ASSOCIATED WITH THE EXTENSION OF ENTERPRISE DRIVE FROM HWY 351 TO EAST LOWDEN ROAD AND STREET CONSTRUCTION BID SOLICITATION.

WHEREAS, TxDOT is in the process of converting the access roads for I-20 (E. Overland Trail and E. Stamford St.) from 2-way to 1-way in an effort to reduce the number of traffic accidents caused by access road traffic not yielding to on and off ramp traffic; and,

WHEREAS, Coca Cola Refreshments USA, Inc. has a manufacturing plant on Enterprise Dr., on the north side of I-20, just south of State Hwy 351. Coca Cola also leases space in WindStar, the large warehouse on the north access road of I-20; and,

WHEREAS, the change of traffic flow largely impacts the route taken by Coca Cola’s trucks returning to the plant from WindStar, which are now required to travel north on the access road to the next cross-over (West Lake Road FM 600) and back around to Hwy 351, a round trip distance of almost 5 miles; and,

WHEREAS, the increased traffic on Hwy 351 makes left turns difficult and sometimes dangerous from either direction onto and from Hwy 351, and a viable solution is to extend Enterprise Drive from Hwy 351 to E. Lowden Road and install a traffic signal at the intersection of Hwy 351 and Enterprise Dr.; and,

WHEREAS, WindStar is extending its driveway south to intersect with E. Lowden Rd. along with major renovations/additions to the warehouse space that Coca Cola leases at a cost of about \$5.22 million, which will give Coke trucks the ability to travel back to the plant using a shorter route; and,

WHEREAS, the traffic signal and road extension will not only allow more direct access between Coke’s plant and Windstar, but it will slow traffic on Hwy 351 making left turns safer; and,

WHEREAS, on January 8, 2013, DCOA approved resolution DCOA-2013.11 authorizing a contract with Jacob & Martin, Ltd. and \$30,800 for general engineering and surveying services for the extension of Enterprise Drive from Hwy 351 and E. Lowden Street; and,

WHEREAS, a market value appraisal was conducted on the 1.86 acres of land owned by Region 14 Education Service Center needed to extend Enterprise Dr., yielding a value of \$11/sq ft or \$890,000; and,

WHEREAS, the value represents the top of the market for that area and includes not only the right-of-way (ROW) area totaling .905 acre for the extension of Enterprise Dr. but also a .955 acre parcel west of the ROW that will be severed from the Region 14 land and no longer useful to Region 14; and,

WHEREAS, Region 14 is willing to sell the land for \$840,000 with the DCOA contracting to demolish an existing metal structure that lies partly within the land; and,

WHEREAS, staff requests the DCOA authorize the purchase of 1.86 acres of land for the extension of Enterprise Dr. to E. Lowden Road, funds for demolition of a metal structure plus other costs, and putting the street construction project out for bid.

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

PART 1. DCOA authorizes Eight Hundred Seventy-Six Thousand Four Hundred Fifty and no/100's Dollars (\$876,450.00) and purchase of 1.86 acres of land from Region 14 Education Service Center located on Hwy 351 in Abilene, Texas. A portion, .905 acre, will be used for construction of an extension of Enterprise Dr. from Hwy 351 to E. Lowden Rd. and remaining .955 acre will be sold. Demolition of an existing metal structure lying partly on the land is authorized along with other costs as indicated below:

Appraisal by Austin Huckabee & Assoc.	\$ 2,450
Purchase of 1.86 acres land from Region 14	\$840,000
Demo of existing metal structure	\$ 14,000
Contingency (i.e. closing costs, environmental studies, abatement, etc.)	<u>\$ 20,000</u>
TOTAL COSTS	\$876,450

Also authorized is solicitation of bids by staff for construction of the extension of Enterprise Dr. Once bids are received, staff will return to the DCOA for consideration and possible approval of a contract plus funding.

PART 2. This resolution is contingent upon execution of all necessary agreements. The 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 any contract and all other related documents on behalf of the DCOA.

ADOPTED this the 15th day of May, 2013.

ATTEST:

Marelyn Shedd
Secretary/Treasurer

Paul Cannon
President

APPROVED:

T. Daniel Santee, City Attorney

S:\DCOAResolution2013\2013.20 Land purchase for Enterprise Dr extension 055-13.doc