

PUBLIC NOTICE

DEVELOPMENT CORPORATION OF ABILENE, INC.

A regular meeting of the Development Corporation of Abilene, Inc. will be held on Tuesday, June 11, 2013, at 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

June 11, 2013
1:30 p.m.

Abilene Laboratories
1325 Pine St.

1. Call the meeting to order.
2. Approval of minutes from the May 15, 2013, board meeting.
3. Status of Funds for April 2013.
4. Appointment by President Cannon of FY13 standing committees; Project Evaluation and Budget & Finance.
5. Presentation of semi-annual report for 6 months ended March 31, 2013 by Texas Tech University Small Business Development Center.
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 an amended resolution which authorized assistance for Project RN.
8. Discussion and possible approval of a resolution authorizing a contract with Enprotec/Hibbs & Todd to provide surveying and other work for location of a railroad spur, provide replat services, and develop a drawing of the Five Points Business Park depicting lots and tracts owned by the DCOA.
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
MAY 15, 2013

MEMBERS PRESENT: Paul Cannon Scott Senter
Dani Ramsay Marelyn Shedd

MEMBER ABSENT: Dave Copeland

STAFF PRESENT: Richard Burdine Kim Tarrant
Mindy Patterson Daniel Santee
Don Green

GUESTS PRESENT: Gary Robinett, Abilene Industrial Foundation
Chuck Zollars, visitor
Lori Herrick, Davis Kinard & Co. PC
John Mangalonzo, Abilene Reporter-News

1. **CALL THE MEETING TO ORDER.** President Paul Cannon called the meeting to order at 1:37 p.m. in the conference room of the Abilene Laboratories, 1325 Pine Street, Abilene, Texas.
2. **APPROVAL OF MINUTES FROM THE APRIL 30, 2013, BOARD MEETING.** Dani Ramsay moved to approve the minutes from the April 30, 2013 board meeting. Scott Senter seconded and the motion carried.
3. **SALES TAX REPORT FOR MAY 2013.** Director of Finance Mindy Patterson reviewed the report. The total City sales tax rebate for May is \$3,860,227, which represents March sales. This amount is 1.27% below last year and 1.99% above the projected FY13 budget amount. The breakdown is \$2,895,169 to the General Fund and \$965,056 for economic development. For the period October 2012 through May 2013, sales tax revenue is 4.55% below last year and 4.36% above the projected FY 13 budget amount. Abilene is back in the top 20 cities in Texas.
4. **PRESENTATION OF THE FY12 AUDIT PERFORMED BY DAVIS KINARD & CO., P.C.** Lori Herrick from Davis Kinard & Co., P.C. reviewed the DCOA's audit for FY12. Total Current Assets were \$18.8 million. Total Assets were \$69.6 million which is about \$4.5 million more (7% increase) than FY11. Net Assets Invested in Capital totaled nearly \$36.5 million (53% of Total Net Assets). Net Assets Restricted for Contractual Obligations totaled \$14 million and Net Assets Unrestricted for Future Use totaled \$18.7 million. Total Net Assets were \$69.3 million which again is about \$4.5 million or 7% higher than FY11.

Sales tax revenue for FY12 increased by about \$598,000 or 6.2% from the prior year. Expenses are on a full-accrual basis and consistent with the prior year. Revenues exceeded expenditures by \$1.9 million for FY12. There was a total of \$24 million obligated in FY12 and \$9.9 million disbursed, leaving a balance of slightly over \$14 million.

5. **PRESENTATION OF SEMI-ANNUAL REPORTS FOR 6 MONTHS ENDED MARCH 31, 2013 BY: CITY OF ABILENE AIRPORT BUSINESS DEVELOPMENT MANAGEMENT PROGRAM AND ABILENE INDUSTRIAL FOUNDATION.** Don Green reviewed the FY13 Semi-Annual Report from the Abilene Regional Airport Business Development Program. He informed the board that Melissa Murphy resigned. She was in charge of airport marketing and he wants to fill that vacancy as soon as possible. YTD enplanements are flat for the first six months of FY13. Rental car revenue is down 2% while parking lot revenue is up 4%.

They have done six presentations/events so far this FY, including hosting the Sweetwater Chamber Coffee and attending a Brownwood Chamber Luncheon. Airport staff attended the Network USA conference and met with United Airlines, Boutique Air, Allegiant and American Eagle. The Airport contracted with Pink Goose Media for production of new commercial spots, an operations video and a passenger process video. Mr. Burdine pointed out that Airport staff continually compares Abilene's fares with Midland and D/FW to stay competitive.

Discussion continued about Abilene's old and air traffic control towers, the air traffic controllers nationwide and possible changes to Abilene Airport's budget in FY14.

Gary Robinett reviewed the FY13 Semi-Annual Report from the Abilene Industrial Foundation. The marketing budget so far is on track. As in prior years, spending is usually about 30-35% of the marketing budget for the first half of the fiscal year. Things tend to really ramp up during the spring and summer. Activity has increased with more viable inquiries and leads to which the AIF has responded. In the first six months of FY13 AIF staff has spent a considerable amount of time on retention visits because 70% of job creation comes from existing companies. He reports that all our manufacturers are in very good shape and have grown.

The AIF has completely rebuilt their website in the year and made it more site-selector friendly. They have added functions such as a report builder and build their own report. They have added a property search function. They are in the process of updating and converting the Dyess video into high definition.

AIF staff has focused their attendance at trade shows, conferences and networking activities that are specific to Abilene and its target market. Many of the small workshops are related to the Cline Shale development.

Mr. Robinett stressed the importance of having available property and buildings to show and sell to prospective clients when they come to Abilene.

6. **DISCUSSION AND POSSIBLE APPROVAL OF THE DCOA'S SEMI-ANNUAL REPORT OF ACTIVITIES ENDING MARCH 31, 2013.** Richard Burdine reviewed this report. Among the projects highlighted were Pactiv's expansion, the Enterprise

Drive extension, The Center at Abilene Labs - TTUHSC SOP, TMAC, Vine Street property renovations and repairs, Eagle Aviation Services Inc., Five Points Business Park improvements, Blue Cross Blue Shield, and Fehr Foods expansion.

Marelyn Shedd asked if the DCOA is still funding the welding training. Mr. Burdine answered that yes, the DCOA had previously approved funding for 6 more welder training sessions, which have yielded success for most graduates in obtaining jobs as welders. Meetings will be held soon with the parties involved to assess the need for continued welder training. All parties want to make sure there will be welder jobs available in the future before deciding to conduct more training sessions.

Scott Senter moved to approve, by oral resolution, the DCOA's Semi-Annual Report of Activities ending March 31, 2013 as presented. The motion was seconded by Marelyn Shedd. Motion carried.

7. **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 May 15, 2013, and the time is 2:15 p.m. Later, President Cannon announced the date is still May 15, 2013, and the time is 2:46 p.m. No vote or action was taken in Executive Session.

8. **DISCUSSION & 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.** TxDOT is in the process of converting the access roads for I-20 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. 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 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, making it a round trip of almost five miles and increasing their operating costs by an estimated \$500,000/year. This puts the Abilene plant at a competitive disadvantage with its Coca Cola "sister" plants.

Because of the construction of new retail stores, Hwy 351 has become increasingly busy, making left turns difficult and sometimes dangerous from either direction onto and from Hwy 351.

A viable solution is to extend Enterprise Dr. from Hwy 351 to E. Lowden Rd. and installing 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. WindStar would extend 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 allow Coke's trucks to travel back to the plant using a shorter route.

The land needed to extend Enterprise Dr. to E. Lowden Rd. is owned by Region 14 Education Service Center. The 1.86 acres needed was appraised at \$890,000, which 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.

There is a metal storage structure on this land through which the street extension will cut, that needs to be demolished. The appraiser estimates it will cost \$14,000 to demolish, assuming no environmental issues are present. The construction cost estimate for the extension of Enterprise Dr. is \$225,000.

Staff requests funding and authorization to purchase 1.86 acres of land from Region 14 for \$840,000, demo the existing meal structure for \$14,000, 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. Also requested and recommended is \$2,450 for a market appraisal of the land and \$20,000 contingency for closing costs, environmental studies, abatement, etc., for total funding of \$876,450.

Note: Dani Ramsay left the meeting at 2:54 pm before the vote was taken.

Marelyn Shedd moved to approve Resolution No. DCOA-2013.20 as presented. Scott Senter seconded and the motion carried.

9. **ADJOURNMENT.** The next regularly scheduled meeting is June 11th and is okay with Marelyn Shedd, Paul Cannon and Scott Senter. There being no further business the meeting was adjourned.

Paul Cannon, President

CITY OF ABILENE, TEXAS
DEVELOPMENT CORPORATION OF ABILENE, INC.
Balance Sheet
April 30, 2013

ASSETS:

Cash and Investments	\$17,089,984
Notes receivable	16,953,999
Accounts receivable	35,293
Due from other governments	1,738,931
Prepaid Expense	130
	\$35,818,337
Total Current Assets	\$35,818,337

OTHER ASSETS:

Fixed assets	
Land	\$1,529,724
Construction in Progress	\$2,610,279
Buildings & Improvements	\$27,479,023
Improvements other than Buildings	\$9,965,830
Leasehold improvements	\$1,366,201
Machinery & Equipment	\$310,099
Vehicles	\$18,011
Accumulated depreciation	(6,814,309)
	\$36,464,858
Total Other Assets	\$36,464,858
TOTAL ASSETS	\$72,283,195

LIABILITIES:

Accounts payable	\$49,802
Total Liabilities	\$49,802

FUND BALANCES:

Investment in general fixed assets	\$36,464,858
Reserved for contractual obligations(external)	10,804,167
Reserved for obligated programs(internal)	1,364,540
Undesignated Balance	23,599,828
	\$72,233,393
Total Fund Balance	\$72,233,393
TOTAL LIABILITIES AND FUND BALANCES	\$72,283,195

DEVELOPMENT CORPORATION OF ABILENE
STATUS OF FUNDS @ APRIL 30, 2013

(MARCH, 1990)

REVENUE-TO-DATE	Object	Beginning I-T-D Revenues	Current Month Revenues	Current FY Revenues	Ending I-T-D Revenues
City Sales Tax	40201	\$ 147,668,569.04	\$ 796,757.55	\$ 5,853,662.67	\$ 153,522,231.71
Sales Tax Retained	40202	506,821.56	4,205.64	31,152.87	537,974.43
Princ. - Loans & Assess	40902	3,268,528.27	-	-	3,268,528.27
Int. - Loans & Assess	46003	2,314,633.98	-	15.65	2,314,649.63
Interest on Investments	46004	7,020,340.95	2,926.90	22,329.22	7,042,670.17
Land Lease	47201	17,296.11	773.69	3,126.38	20,422.49
Building/Space Rent	47203	7,347,601.67	9,191.67	528,288.93	7,875,890.60
Miscellaneous Federal Grant	41490	1,322,526.00	-	264,308.47	1,586,834.47
Miscellaneous State Grants	41690	26,500.00	-	-	26,500.00
Other Contributions	47105	140,712.60	-	-	140,712.60
Interfund Recovery	47217	1,534,976.08	-	-	1,534,976.08
Miscellaneous Recovery	47219	2,186,438.50	-	-	2,186,438.50
Miscellaneous Prior Year	47241	61,292.02	-	-	61,292.02
Miscellaneous Revenue	47244	1,019,770.10	-	25,620.76	1,045,390.86
Sale of Land	48201	475,593.50	-	-	475,593.50
Sale of Buildings & Equipment	48203	3,976,326.19	-	-	3,976,326.19
Gain (loss) Sale of Asset	48204	600,000.00	-	-	600,000.00
GASB 22 Restatement		355,634.89	-	-	355,634.89
GASB 34 Adjustment		2,403,949.11	-	-	2,403,949.11
		\$ 182,247,510.57	\$ 813,855.45	\$ 6,728,504.95	\$ 188,976,015.52

DEVELOPMENT CORPORATION OF ABILENE
STATUS OF FUNDS @ APRIL 30, 2013

Project	Beginning I-T-D Expenditures	Current Month Expenditures	Current FY Expenditures	Ending I-T-D Expenditures	Outstanding Contracts
CONTRACTS ENCUMBERED/ EXPENDITURES-TO-DATE					
Prior Years Programs	\$ 90,691,899.08	\$ -	\$ -	\$ 90,691,899.08	
Business Services Division Div 2760	9,067,992.94	56,392.74	395,278.92	9,463,271.86	10,000.00
Life Sciences Property - Pine Div 2765	1,867,386.28	126,182.85	429,453.03	2,296,839.31	15,674.02
DCOA Annual Contracts Div 2775	2,823,494.98	10,110.17	175,141.58	2,998,636.56	-
Abilene Industrial Foundation 2775-62571	13,888,018.57	51,494.89	307,882.54	14,195,901.11	438,967.46
TTU Small Business Dev Cntr 2775-62572	3,055,608.55	17,456.25	87,356.25	3,142,964.80	162,643.75
Chamber Military Affairs 2775-62573	1,326,511.16	15,139.48	15,139.48	1,341,650.64	84,860.52
Airport Business Dev Mgr 2775-62574	897,833.70	10,196.09	57,135.88	954,969.58	-
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	3,712,530.00	-	-	3,712,530.00	-
CBER Website 5240	7,067.07	-	-	7,067.07	1,249.93
TTU Pharmacy School 5242	658,436.00	-	265,823.00	924,259.00	-
Pactiv (formerly PWP) 5251	2,507,898.97	-	-	2,507,898.97	426,000.00
SBIR/STTR ? 5263	86,200.16	-	-	86,200.16	184,991.87
TTU HSC Research 5273	2,187,988.66	-	133,000.00	2,320,988.66	679,011.34
Energy Maintenance Serv (Broadwind Serv) 5282	248,270.07	-	-	248,270.07	601,295.53
Genesis Network Phase II 5284	22,924.00	0.18	0.18	22,924.18	1,269,000.00
Tower Tech (Broadwind Towers) 5285	3,596,278.51	-	297,634.41	3,893,912.92	1,408,802.68
Coca Cola Abilene 5296	-	-	-	-	2,020,000.00
ETI Contract 5304	1,236,265.25	-	(3,504.48)	1,232,760.77	-
TTU 842 Pine 5308	233,155.10	-	22,000.00	255,155.10	-
AIC Eq Lease 5312	164,128.01	-	-	164,128.01	-
Nation Wide Prod 5313	62,366.67	-	42,416.67	104,783.34	-
Enavail, LLC 5316	379,990.57	10,416.71	10,416.71	390,407.28	31,765.15
Texas Metals '10 5317	14,683.33	-	14,683.33	29,366.66	-
Cisco College Biotech Training 5318	45,701.55	-	18,884.00	64,585.55	3,064.45
Energy Maintenance Serv-Gearbox 5319	289,660.00	140,000.00	140,000.00	429,660.00	19,569.11
EASI Hangar 4 Design 5320.1	339,901.07	-	-	339,901.07	-
EASI Hangar 4 Construction 5320.2	4,473,442.44	-	-	4,473,442.44	-
EASI Hangar Fire Safety 5320.3	1,712,275.34	-	114,579.22	1,826,854.56	-
Pepsi Beverage Co. T5321	70,000.00	-	-	70,000.00	280,000.00
Cooperative Response Center 5324	71,748.18	-	62,844.42	134,592.60	161,907.40
Land 922 N 13th Street 5325	35,735.00	500.00	12,750.00	48,485.00	-
Teleperformance USA 5326	92,550.00	-	90,550.00	183,100.00	191,900.00
Docket Navigator 5327	-	-	-	-	159,000.00
West Texas Innovation Network 5328	-	-	15,000.00	15,000.00	-
Smith Pipe Ph 1, 2, 3 & 4 5330	75,500.00	-	-	75,500.00	344,389.50
TTUHSC School of Nursing 5331	-	-	-	-	7,315.00
TMAC FY12 5333	33,000.00	-	-	33,000.00	-
Vine St. Lighting Upgrades 5335.1	55,457.00	-	-	55,457.00	-
Vine St. Fire Safety 5335.2	228,367.17	-	54,714.43	283,081.60	3,583.87
Vine St. Parking Lot 5335.3	158,850.00	-	-	158,850.00	-
Vine St. Construction 5335.4	32,610.00	63,192.00	226,115.51	258,725.51	220,922.11
Vine St. Interior Demo 5335.5	121,698.03	-	1,332.94	123,030.97	3,547.06
Vine St. Other Impr 5335.6	-	-	12,772.00	12,772.00	-
Vine Street Gotta Go Trailways 5335.7	-	-	15,500.00	15,500.00	4,000.00
Vine Street Fehr Foods 5335.8	-	-	-	-	-
Welder Training 5339	146,766.19	37,837.64	80,469.73	227,235.92	190,202.08
Fehr Foods '12 5340	-	-	170,000.00	170,000.00	340,000.00
Prospect Development 5341	1,216.00	-	-	1,216.00	-
Pactiv Compressor A/E 5344.1	10,500.00	1,599.58	19,235.97	29,735.97	2,560.03
Pactiv Compressor Construction 5344.2	-	91,061.30	242,327.90	242,327.90	51,069.25
Owens Machine & Tool 5345	-	-	-	-	351,000.00
Biotech Marketing and PR Plan 5346	-	4,898.00	52,553.22	52,553.22	38,164.04
TMAC FY13 5347	-	-	11,000.00	11,000.00	99,000.00
Hangar Doghouses 5348.1	-	-	97,967.50	97,967.50	321,760.00
Devron Water Line Extension 5349	-	-	41,560.00	41,560.00	-
2013 Springboard Sponsorship 5350	-	-	5,000.00	5,000.00	-
Ads 4 Next Youth Program Sponsor 5351	-	-	2,500.00	2,500.00	-
Enterprise Dr. Extension A/E 5352	-	2,450.00	2,450.00	2,450.00	30,800.00
BCBS Bldg Cooling Tower Demo 5353	-	-	11,550.00	11,550.00	-
EASI De-Fuel Truck 5354	-	1,750.00	3,500.00	3,500.00	60,760.00
Five Point Land Clearing 5355	-	35,160.00	35,160.00	35,160.00	-
Fehr Foods ' 13 5356	-	-	-	-	240,000.00
TTUHSC Center FY13 Operating 5357	-	-	-	-	-
Miscellaneous Activities 2785	354,189.86	-	-	354,189.86	-
TOTAL ENCUMB. / EXPENDITURES	\$ 149,417,306.98	\$ 675,837.88	\$ 3,790,174.34	\$ 153,207,481.32	\$ 10,804,167.29
TOTAL FUND BALANCE				\$ 35,768,534.20	
UNENCUMBERED FUND BALANCE					\$ 24,964,366.91

**DEVELOPMENT CORPORATION OF ABILENE
STATUS OF FUNDS @ APRIL 30, 2013**

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	\$ 641,360.00	\$ -	\$ 56,392.74	\$ 395,278.92	\$ 236,081.08	
Life Sciences Property -Pine	Div 2765	635,963.85	-	126,182.85	429,453.03	190,836.80	
DCOA Annual Contracts	Div 2775	308,810.00	-	10,110.17	175,141.58	133,668.42	
Abilene Industrial Foundation	2775-4950	746,850.00	-	51,494.89	307,882.54	438,967.46	
TTU Small Business Dev Cntr	2775-4951	250,000.00	-	17,456.25	87,356.25	162,643.75	
Chamber Military Affairs	2775-4952	100,000.00	-	15,139.48	15,139.48	84,860.52	
Airport Business Dev Mgr	2775-4953	181,630.00	-	10,196.09	57,135.88	124,494.12	
Murf Systems	4998	199,665.00	199,665.00	-	-	-	
EASI 04	5213	2,476,938.00	2,131,546.52	-	-	345,391.48	
Fehr Food	5220	3,712,530.00	3,712,530.00	-	-	-	
CBER Website	5240	8,317.00	7,067.07	-	-	1,249.93	
TTU Pharmacy School	5242	924,259.00	658,436.00	-	265,823.00	-	
Pactiv (formerly PWP)	5251	2,933,899.00	2,507,898.97	-	-	426,000.00	
SBIR/STTR	5263	271,400.00	86,200.16	-	-	184,991.87	
TTU HSC Research	5273	3,000,000.00	2,187,988.66	-	133,000.00	679,011.34	
Energy Maintenance Serv (Broadwind Serv)	5282	869,894.00	248,270.07	-	-	601,295.53	
Genesis Network Phase II	5284	1,291,925.00	22,924.00	0.18	0.18	1,269,000.00	
Tower Tech (Broadwind Towers)	5285	5,302,716.00	3,596,278.51	-	297,634.41	1,408,802.68	
Coca Cola Abilene	5296	2,020,000.00	-	-	-	2,020,000.00	
ETI Contract	5304	1,232,761.00	1,236,265.25	-	(3,504.48)	0.23	
TTU 842 Pine	5308	255,166.00	233,155.10	-	22,000.00	0.90	
AIC Equipment Lease/Purchase	5312	164,128.00	164,128.01	-	-	(0.01)	
Nation Wide Products	5313	105,250.00	62,366.67	-	42,416.67	466.66	
Enavail, LLC	5316	422,173.00	379,990.57	10,416.71	10,416.71	31,765.15	
Texas Metals '10	5317	29,368.00	14,683.33	-	14,683.33	1.34	
Cisco College Biotech Training	5318	67,650.00	45,701.55	-	18,884.00	3,064.45	
Energy Maintenance Serv-Gearbox	5319	622,500.00	289,660.00	140,000.00	140,000.00	173,270.89	
EASI Hangar 4 Design	5320.1	339,902.00	339,901.07	-	-	0.93	
EASI Hangar 4 Construction	5320.2	4,473,443.00	4,473,442.44	-	-	0.56	
EASI Hangar Fire Safety	5320.3	1,826,855.00	1,712,275.34	-	114,579.22	0.44	
Pepsi Beverage Co.	5321	350,000.00	70,000.00	-	-	280,000.00	
Cooperative Response Center	5324	296,500.00	71,748.18	-	62,844.42	161,907.40	
Land 922 N 13th Street	5325	50,000.00	35,735.00	500.00	12,750.00	1,515.00	
Teleperformance USA	5326	375,000.00	92,550.00	-	90,550.00	191,900.00	
Docket Navigator	5327	159,000.00	-	-	-	159,000.00	
West Texas Innovation Network	5328	15,000.00	-	-	15,000.00	-	
Smith Pipe Ph 1, 2, 3 & 4	5330	419,890.00	75,500.00	-	-	344,389.50	
TTUHSC School of Nursing	5331	7,315.00	-	-	-	7,315.00	
TMAC FY12	5333	33,000.00	33,000.00	-	-	-	
Vine St. Warehouse	5335.1	55,457.00	55,457.00	-	-	-	
Vine St. Fire Safety	5335.2	291,216.00	228,367.17	-	54,714.43	3,583.87	
Vine St. Parking Lot	5335.3	158,850.00	158,850.00	-	-	-	
Vine St. Construction	5335.4	569,064.00	32,610.00	63,192.00	226,115.51	220,922.11	
Vine St. Interior Demo	5335.5	130,489.00	121,698.03	-	1,332.94	3,547.06	
Vine St. Other Impr	5335.6	12,772.00	-	-	12,772.00	-	
Vine Street Gotta Go Trailways	5335.7	19,500.00	-	-	15,500.00	4,000.00	
Vine Street Fehr Foods	5335.8	62,607.00	-	-	-	62,607.00	
Welder Training	5339	417,438.00	146,766.19	37,837.64	80,469.73	190,202.08	
Fehr Foods '12	5340	510,000.00	-	-	170,000.00	340,000.00	
Prospect Development	5341	1,216.00	1,216.00	-	-	-	
Pactiv Compressor A/E	5344.1	32,296.00	10,500.00	1,599.58	19,235.97	2,560.03	
Pactiv Compressor Construction	5344.2	335,500.00	-	91,061.30	242,327.90	51,069.25	
Owens Machine & Tool	5345	351,000.00	-	-	-	351,000.00	
Biotech Marketing and PR Plan	5346	116,400.00	-	4,898.00	52,553.22	38,164.04	
TMAC FY13	5347	110,000.00	-	-	11,000.00	99,000.00	
Hangar Doghouses	5348.1	423,000.00	-	-	97,967.50	321,760.00	
Devron Water Line Extension	5349	41,560.00	-	-	41,560.00	-	
2013 Springboard Sponsorship	5350	5,000.00	-	-	5,000.00	-	
Ads 4 Next Youth Program Sponsor	5351	2,500.00	-	-	2,500.00	-	
Enterprise Dr. Extension A/E	5352	33,250.00	-	2,450.00	2,450.00	30,800.00	
BCBS Bldg Cooling Tower Demo	5353	11,550.00	-	-	11,550.00	-	
EASI De-Fuel Truck	5354	64,260.00	-	1,750.00	3,500.00	60,760.00	
Five Point Land Clearing	5355	37,160.00	-	35,160.00	35,160.00	2,000.00	
Fehr Foods '13	5356	240,000.00	-	-	-	240,000.00	
TTUHSC Center FY13 Operating	5357	250,120.00	-	-	-	250,120.00	
Miscellaneous Activities	2785	354,189.86	354,189.86	-	-	-	
BALANCE OF OBLIGATED PROGRAMS		\$ 41,757,442.71	\$ 25,798,561.72	\$ 675,837.88	\$ 3,790,174.34	\$ 10,804,167.29	\$ 1,364,539.36

UNDESIGNATED FUND BALANCE	(unencumbered balance less obligated programs and contingent liabilities)					\$ 23,599,827.55
DCOA Board approved projects waiting for signed contracts	Expiration Date					
Marketing for 2nd Airline	5334	200,000	09/30/2013	-	-	-
Project RN		5,585,000	10/30/2013	-	-	-
		<u>5,785,000</u>				

3.4

DEVELOPMENT CORPORATION OF ABILENE, INC.

BOARD AGENDA

MEETING DATE: June 11, 2013

PROJECT: 2013 Standing Committee Appointments

STAFF: Richard Burdine, CEO

GENERAL INFORMATION:

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

SPECIAL CONSIDERATIONS:

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

FUNDING/FISCAL IMPACT:

None.

STAFF RECOMMENDATION:

None.

ATTACHMENT:

Committee chart for 2013

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

(Committees appointed by Paul Cannon on 6-11-13)

BUDGET & FINANCE COMMITTEE

	2012	2013
1	Board Member (Marelyn Shedd)*	Board Member (Dani Ramsay)*
2	Board Member (Scott Senter)*	Board Member (Dave Copeland)*
3	Ron Butler First Financial Bank-Abilene	Ron Butler First Financial Bank-Abilene
4	John Stearns Quail Well Service	John Stearns Quail Well Service
5	Ray Ferguson Condley and Company	Ray Ferguson Condley and Company
6	Tucker Bridwell Mansefeldt Investment Corp.	Tucker Bridwell Mansefeldt Investment Corp.

PROJECT EVALUATION COMMITTEE

	2012	2013
1	Board Member (Marelyn Shedd)*	Board Member (Dani Ramsay)*
2	Board Member (Scott Senter) *	Board Member (Dave Copeland)*
3	Ron Butler First Financial Bank-Abilene	Ron Butler First Financial Bank-Abilene
4	John Stearns Quail Well Service	John Stearns Quail Well Service
5	Ray Ferguson Condley and Company	Ray Ferguson Condley and Company
6	Tucker Bridwell Mansefeldt Investment Corp.	Tucker Bridwell Mansefeldt Investment Corp.

* Marelyn Shedd and Scott Senter will serve as a backup to Dani Ramsay and Dave Copeland as board members.

Rev. 6-4-13

DEVELOPMENT CORPORATION OF ABILENE, INC.
BOARD AGENDA
MEETING DATE: June 11, 2013

PROJECT: Small Business Development Center FY13 Semi-Annual Report

STAFF: Richard Burdine, CEO

GENERAL INFORMATION

The Texas Tech University Small Business Development Center (SBDC) has contracted with the DCOA since 1990, providing business counseling services to clients in a 17-county region, free-of-charge.

SPECIAL CONSIDERATIONS

The FY13 contract expires 9-30-13. Attached is the report 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

Small Business Development Center Mid Year FY13 Report

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Texas Tech University Small Business Development Center –Abilene
Mid Year Report
For six months ending:
March 31, 2013

FYE 2013 Contract Fulfillment

TTU SBDC-Abilene (“SBDC”) service load is at a similar level as last year for this reporting period. The organization has billed DCOA for 1164.75 hours beginning October 1, 2012 to March 31, 2013. Based on prior year billing of 1361.50 for same reporting period the expectations are that the SBDC program will be within the limitations of the DCOA approved funding amount for FYE 2013. The DCOA cost per job for the mid year is \$997.

Average payroll per business plan developed by SBDC – a majority of the SBDC Abilene clients are paying above minimum wage. SBDC client payroll per employee range from minimum (\$7.50 - \$15.00) up to \$92,700. The average payroll for various clients is well above \$100,000.

Summary of Current Period Activities

- The U. S. Small Business Administration, Washington, D.C. reviewed the region and respective service centers during the month of February and expressed concerns over duplication of services by other federal agencies. Additionally, the representative indicated that program funding is expected to decrease 10% for FYE 2014.
- The SBDC is scheduled for a U S Small Business Administration Program Compliance and Service Delivery review, April 17, 2013. Currently the Abilene SBDC is compliant; however, a letter will be issued after the April 18, 2013 stating any discrepancies. Material findings resulting from the scheduled review is not anticipated.
- A Northwest Texas SBDC Region review is scheduled for the April 18, 2013. Material findings resulting from the scheduled review is not anticipated.
- The SBDC coordinated a meeting with the Texas Tech University Health Science Center and Dyess contracting officials.

U S Small Business Administration, Washington, DC Comments

- A visit from the U S Small Business Administration, Washington, DC, expressed extreme concern that led to a current “write up” regarding duplication of services by various agencies within same service areas. The SBDC was not found in violation of the duplication concern. The same issue was a primary concern several years ago but has recently come to the forefront again. Accountability, frugality and reporting are the focus of the (SBA) program reviews. The

perceived duplication of services defeats the SBA focus on effective utilization of taxpayer's dollars.

- Many of the other granting organizations focused on delivering entrepreneurship programs requires that the SBDC become a partner, provide a letter of intent and/or a memorandum of understanding (MOU) as part of the funding request.
- The SBDC program expects a 10% decrease in federal funds this coming year. The TTU SBDC – Abilene program received excellent comments regarding efficiencies and effectiveness. The TTU SBDC –Abilene focuses on continuous improvement of delivery of services.

Activities within the City of Abilene

Dyess Contracting

SBDC arranged a meeting between the Texas Tech Health Sciences and Dyess Contracting regarding possible future contracting opportunities with pharmacy and nursing students. The meeting took a strategic direction with several suggestions of positive opportunities for future endeavors.

Springboard Event

As in the past the SBDC has supported the Springboard "Idea Challenge" both financially and through business assistance to individuals entering the competition. The SBDC faced with the challenge of delivering assistance in the form of a business plan in a timely manner for those who request assistance with less than a twenty four hour notice to the SBDC. We will be working with Springboard on a system that accommodates all involved.

Downtown Interests

The SBDC is noting an increase in clients interested in locating downtown as well as increased merger and acquisition activity for downtown by SBDC clients. The SBDC joined the Abilene Downtown Association to become more familiar with the direction of the association, acquired a listing of available buildings and will become more involved with the current downtown business owners.

Seminars/Workshops:

- Quick Books – Two Day Sessions and an Eight week class – Fee \$99.00 (cost recovery for books)
- Veteran Boot Camp –Partnered with Momentum Texas – Free
- Boots to Business – Partnered with SBA Veterans Seminar – Free
- Franchise Opportunities – Fran Net – (Exploring Franchise Opportunities)
- Succession Planning for Your Business – Free
- Comptroller State of Texas – Sales and Use Tax - Free

The SBDC continues to be the business assistance conduit for numerous entities in Abilene and surrounding communities. The organization has implemented a triage structure that that allow for the

referral of the SBDC client to the Center for Economic Opportunity (grant funds) , direction for those who are undecided at this time, those who continue to secure financing for their idea. Numerous Abilene agencies, entities and individuals refer clients to the SBDC on a continuous basis.

Activities outside the City of Abilene

The SBDC has been preparing to meet the needs resulting from expansion of drilling due to increased speculation interest in neighboring counties. The SBDC is delivering workshops regarding the change for the community. Due to the slower economic growth for other industries, the SBDC has met the needs of the oil and gas industry comfortably. The SBDC participates in various community businesses expositions, attends Cline Shale meetings, and provides requested seminars. Rural communities have recently become energized about positive changes in their communities.

DEVELOPMENT CORPORATION OF ABILENE, INC.

AGENDA ITEM

BOARD MEETING: June 11, 2013

PROJECT: Amended Assistance for Project RN

STAFF: Richard Burdine, CEO

THE COMPANY

Project RN is a multinational oil and gas services corporation formed over 70 years ago that competes directly with Schlumberger and Halliburton. The company offers wireline, cementing, perforating, coiled tubing, and logging services and recently moved into hydraulic fracturing services. The company's headquarters are in Houston with facilities in Denton, TX, and McAlester, OK. Project RN first contacted the Abilene Industrial Foundation in September 2011, looking to move an open hole logging company to town; however, the timing was premature. The company reengaged in February of this year and is ready to expand immediately into Abilene. They want to purchase an appropriate piece of land that is away from residential areas, has excellent rail and highway access and is large enough to allow for significant expansion in the next few years.

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. Eleven new jobs will be created with all earning over \$60k/year, and capital investment in construction, trucks and associated wireline equipment, lab equipment, and support vehicles will total about \$2.82MM. If Cline Shale development takes off, the Company will quickly move into Phase 2. This expansion will establish the site as a "superbase" and will include separate facilities for cased hole operations, coil tubing operations, stimulation (hydro-fracturing) offices, a sand/chemical warehouse and acid dock & gel tank storage, outdoor explosive magazine and hydro-fracturing gun loading facilities, fueling station, guard shack and parking for vehicles and equipment. A rail spur will be needed to accommodate 6-8 rail cars of sand being shipped in for use in hydro-fracturing. Phase 2 job creation could reach 132 more jobs with most earning over \$50k/year. Capital investment in construction, equipment, cranes, light duty trucks, etc. could total \$51.6MM.

On April 30, 2013, DCOA approved Resolution DCOA-2013.19 (Revised) authorizing direct assistance of \$585,000 as follows:

Phase 1

1) Land totaling 3-5 acres in Five Point Business Park valued at \$15,000/acre, or \$45,000 to \$75,000, sold to Company and financed under an earnable note at 0% interest. The balance will be earned down over 3 years. 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; and,

2) Job creation incentive payment of \$303,000 for 11 new jobs according the chart below, earned over 3 years:

Job Creation Incentives - Project RN - Phase 1

Annual Salary Level*	Number of Jobs	Incentives per Job	Incentives Total
\$30 to \$40,000	0	\$ 10,000	\$ -
\$40 to \$50,000	0	\$ 12,000	\$ -
\$50 to \$60,000	0	\$ 15,000	\$ -
Over \$60,000 (below)	11	35%	\$ 303,000
Total:	11		\$ 303,000

Management Positions	Annual Salary Level*
Over \$60,000	
1 Manager @ \$126.5k/year	\$126,500
2 Supervisors @ \$92.4k/year	\$184,800
6 Operators @ \$160.25k/year	\$361,500
1 Technician @ \$68.9k/year	\$68,900
1 Sales Manager @ \$122k/year	\$122,000
Total Salaries:	\$863,700

* Calculations based on salaries provided without non-mandatory benefits.

3) Capital investment incentive payment of \$282,000 for 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 \$2,820,000.

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. If after 4 years, Project RN does not move into Phase 2 expansion, the remainder will be paid in cash.

Phase 2

1) Land up to 25 acres more needed in addition to the Phase 1 land to expand into Phase 2, subject to Project RN providing acceptable documentation that initial Phase 2 construction with a minimum investment of \$2 MM and creation of a minimum of 10 new jobs in excess of the 11 jobs to be created in Phase 1 is imminent. The land is valued at \$15,000/acre, or up to \$375,000, will be financed at 0% interest with the DCOA retaining a first lien, and the balance earned down. The DCOA will also 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.

Any Job Creation and Capital Investment Incentives earned in Phase 1 and not applied to the outstanding balance of the Phase 1 land purchase note shall instead be applied to the Phase 2 land purchase note.

2) Job creation incentive payment – Company could be eligible for up to \$3,973,986 for 132 more jobs according the chart below:

Job Creation Incentives - Project RN - Phase 2

Annual Salary Level*	Number of Jobs	Incentives per Job	Incentives Total
\$30 to \$40,000	7	\$ 10,000	\$ 70,000
\$40 to \$50,000	9	\$ 12,000	\$ 108,000
\$50 to \$60,000	7	\$ 15,000	\$ 105,000
Over \$60,000 (below)	109	35%	\$ 3,690,986
Total:	132		\$ 3,973,986

Management Positions	Annual Salary Level*
Over \$60,000	
Cased Hole - 17 positions	\$1,518,200
Coil Tubing - 18 positions	\$1,955,075
Stimulation - 71 positions	\$7,003,400
Support - 1 position	\$69,000
Total Salaries:	\$10,545,675

* Calculations based on salaries provided without non-mandatory benefits.

All earned Job Creation 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, as described below. No cash will be disbursed.

2) Infrastructure Reserve Fund – Project RN estimates a capital investment of over \$51.6MM, which would result in a Capital Investment Incentive of at least \$5.16MM according to the DCOA’s current Guidelines for New Businesses, paid at 10%. As an alternative approach to accommodate the Company’s potential growth in Five Points Business Park, the board voted to establish an “Infrastructure Reserve Fund” for installation of railroad spur tracks, a portion of which will be for Company’s exclusive use, extend utilities to the property line as needed, make storm water drainage improvements as needed, install additional drive approaches to the Facility from Five Points Parkway and Fulwiler Road, repair or replace the roadway surface on Five Points Parkway and all or a portion of Fulwiler Road, which runs adjacent to Five Points Business Park on its west side. The amount of the Infrastructure Reserve Fund will be determined by the DCOA with assistance from the City Engineer in an amount not to exceed \$5 MM. Expenditures from the Infrastructure Reserve Fund will be staff initiated or upon advice of the Company but final decision authority will rest with the DCOA Board.

THE REQUEST

Project RN is now interested in owning 13 acres of land in Five Points Business Park located south of Five Points Parkway for its Phase 1 development with the option for 22 more acres should Phase 2 development occur. I have been coordinating a proposed rail spur track layout with a Union Pacific Railroad-designated consultant and I believe we have a workable plan. I contacted Enprotec/Hibbs & Todd to begin the replat process.

I propose the Board amend Resolution DCOA-2013.19 (Revised) to sell and finance 13 acres of land in Five Points Business Park valued at \$195,000 (\$15,000/acre) for Project RN’s Phase 1 expansion into Abilene with the option for another 22 acres valued at \$330,000 should the company provide acceptable documentation that initial Phase 2 construction with a minimum investment of \$2 MM and creation of at least 10 new jobs in excess of the 11 required in Phase 1 is imminent. DCOA still reserves the right of first refusal to repurchase at the same price and the company has a 4-year option to the Phase 2 land. Principal reductions for both phases will be calculated and applied over a 3-year

period at amounts determined by the company's performance and earning of Job Creation and Capital Investment Incentives for Phase 1 and Job Creation Incentives for Phase 2. The Infrastructure Reserve Fund will still be established in lieu of additional cash incentives in support of the company's Phase 2 expansion.

FISCAL IMPACT

Phase 1:

Job Creation Incentive for 11 jobs	\$303,000
Capital Investment Incentive	<u>\$282,000</u>
Total	\$585,000

LESS Land earned in lieu of cash payments	<u>(\$195,000)</u>
TOTAL cash incentives Phase 1	\$390,000

Phase 2:

Infrastructure Reserve Fund	\$5,000,000 (estimated amount)
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STAFF RECOMMENDATION

Staff recommends approval of resolution DCOA-2013.19 (Revised 2) amending the incentive package approved for Project RN whereby DCOA shall sell and finance 13 acres of land for Phase 1 and 22 more acres for Phase 2, if necessary. All other terms and conditions shall remain unchanged.

ATTACHMENTS

Resolution DCOA-2013.19 (Revised 2)

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RESOLUTION NO. DCOA-2013.19 REVISED 2

A RESOLUTION OF THE DEVELOPMENT CORPORATION OF ABILENE, INC. (DCOA), ABILENE, TEXAS AUTHORIZING ASSISTANCE FOR PROJECT RN.

WHEREAS, Project RN is a multinational oil and gas services corporation formed over 70 years ago offering wireline, cementing, perforating, coiled tubing, and logging services and recently moved into hydraulic fracturing services; and,

WHEREAS, Project RN first contacted the Abilene Industrial Foundation in September 2011, looking to move an open hole logging company to town; however, the timing was premature. The company reengaged in February of this year and is ready to expand immediately into Abilene; and,

WHEREAS, the company wants to purchase an appropriate piece of land that is away from residential areas, has excellent rail and highway access and is large enough to allow for significant expansion in the next few years; and,

WHEREAS, 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, 11 new jobs all earning over \$60k/year, and capital investment in construction, trucks and associated wireline equipment, lab equipment, and support vehicles will total about \$2.82MM; and,

WHEREAS, if Cline Shale development takes off, Project RN will quickly move into Phase 2 expansion, which will establish the site as a "superbase" and will include separate facilities for cased hole operations, coil tubing operations, stimulation (hydro-fracturing) offices, a sand/chemical warehouse and acid dock & gel tank storage, outdoor explosive magazine and hydro-fracturing gun loading facilities, fueling station, guard shack and parking for vehicles and equipment; and,

WHEREAS, a rail spur will be needed to accommodate 6-8 rail cars of sand being shipped in for use in hydro-fracturing, and job creation could reach 129 more with most earning over \$50k/year. Capital investment in construction, equipment, cranes, light duty trucks, etc. could total \$51.6MM; and,

WHEREAS, Project RN is interested in owning a portion of a lot in Five Points Business Park located south of Five Points Parkway, which has rail access and is ready for development; and,

WHEREAS, staff requests the DCOA approve assistance for Project RN as described below.

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

PART 1. DCOA hereby authorizes funding of Five Hundred Eighty-Five Thousand and no/100's Dollars (\$585,000.00) for Project RN's Phase 1 expansion into Abilene as follows:

1) Land totaling 13 acres in Five Point Business Park valued at \$15,000/acre, or \$195,000, sold to Company and financed under an earnable note at 0% interest. The balance will be earned down over 3 years. The company would be given an exclusive 4-year option to the balance of land needed for Phase 2, up to 22 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; and,
 2) Job creation incentive payment of \$303,000 for 11 new jobs according the chart below, earned over 3 years:

Job Creation Incentives - Project RN - Phase 1

Annual Salary Level*	Number of Jobs	Incentives per Job	Incentives Total
\$30 to \$40,000	0	\$ 10,000	\$ -
\$40 to \$50,000	0	\$ 12,000	\$ -
\$50 to \$60,000	0	\$ 15,000	\$ -
Over \$60,000 (below)	11	35%	\$ 303,000
Total:	11		\$ 303,000

Management Positions	Annual Salary Level*
Over \$60,000	
1 Manager @ \$126.5k/year	\$126,500
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6 Operators @ \$160.25k/year	\$361,500
1 Technician @ \$68.9k/year	\$68,900
1 Sales Manager @ \$122k/year	\$122,000
Total Salaries:	\$863,700

* Calculations based on salaries provided without non-mandatory benefits.

3) **Capital investment incentive payment** of \$282,000 for 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 \$2,820,000.

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. If after 4 years, Project RN does not move into Phase 2 expansion, the remainder will be paid in cash.

For Project RN’s expansion into Phase 2, the DCOA authorizes another Five Million and no/100’s Dollars (\$5,000,000) as follows:

1) **Land** up to 22 acres more needed in addition to the Phase 1 land to expand into Phase 2, subject to Project RN providing acceptable documentation that initial Phase 2 construction with a minimum investment of \$2.0 MM and creation of a minimum of 10 new jobs in excess of the 11 jobs to be created in Phase 1 is imminent. The land is valued at \$15,000/acre, or up to \$330,000, will be financed at 0% interest with the DCOA retaining a first lien, and the balance earned down. The DCOA will also 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.

Any Job Creation and Capital Investment Incentives earned in Phase 1 and not applied to the outstanding balance of the Phase 1 land purchase note shall instead be applied to the Phase 2 land purchase note.

2) **Job creation incentive payment** – Company could be eligible for up to \$3,973,986 for 132 more jobs according the chart below:

Job Creation Incentives - Project RN - Phase 2

Annual Salary Level*	Number of Jobs	Incentives per Job	Incentives Total
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Management Positions	Annual Salary Level*
Over \$60,000	
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Coil Tubing - 18 positions	\$1,955,075
Stimulation - 71 positions	\$7,003,400
Support - 1 position	\$69,000
Total Salaries:	\$10,545,675

* Calculations based on salaries provided without non-mandatory benefits.

All earned Job Creation 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, as described below. No cash will be disbursed.

2) **Infrastructure Reserve Fund** – Project RN estimates a capital investment of over \$51.6MM, which would result in a Capital Investment Incentive of at least \$5.16MM according to the DCOA’s current Guidelines for New Businesses, paid at 10%. In lieu of job creation and capital investment incentives of over \$9.1 million (less the Phase 2 land value), DCOA would establish an Infrastructure Reserve Fund.

As an alternative approach to accommodate the Project RN’s potential growth in Five Points Business Park, the DCOA will establish an “Infrastructure Reserve Fund” for installation of railroad spur tracks, a portion of which will be for Company’s exclusive use, extension of utilities to the property line as needed, storm water drainage improvements as needed, installation of additional drive approaches to the Facility from Five Points Parkway and Fulwiler Road, repair or replacement of the roadway surface on Five Points Parkway and all or a portion of Fulwiler Road, which runs adjacent to Five Points Business Park on its west side.

The amount of the Infrastructure Reserve Fund will be determined by the DCOA with assistance from the City Engineer. A preliminary estimate of potential funding needs is \$5 MM. Expenditures from the Infrastructure Reserve Fund may be staff initiated or upon advice of the Company but final decision authority will rest with the DCOA Board.

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 11th day of June, 2013.

ATTEST:

Marelyn Shedd
Secretary/Treasurer

Paul Cannon
President

APPROVED:

T. Daniel Santee, City Attorney

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DEVELOPMENT CORPORATION OF ABILENE, INC.

BOARD AGENDA

MEETING DATE: June 11, 2013

PROJECT: Contract with Enprotec/Hibbs & Todd for work in Five Points Business Park

STAFF: Richard Burdine, CEO

BACKGROUND INFORMATION:

The Five Points Business Park located in west Abilene is mostly owned by the DCOA and is bounded on the west by Fulwiler Rd., the north by I-20, the east by Wall St., and the south by the railroad tracks. Development in the Park has increased significantly over the last few years with construction of the Texas Healthcare Linen and FedEx Ground facilities and the recent sale of 10 acres to Atmos Energy. Efforts to market the Park are somewhat hampered by the lack of an accurate drawing of all the platted lots in the Park showing sizes, existing easements and flood plains and floodways.

On April 30, 2013, the board approved resolution DCOA-2013.19 REVISED authorizing assistance for Project RN, an oil & gas services provider looking to purchase land in the Park, south of Five Points Parkway. The amended assistance package (if approved today) includes the sale of 13 acres for the company's Phase 1 expansion into Abilene, which will require replatting that section of land into separate lots. The Company is also interested in a rail spur should they move into Phase 2 expansion, and staff is in contact with other potential Park tenants that are also interested in rail spurs.

REQUEST:

Enprotec/Hibbs & Todd has worked with us for many years as the Park has developed. I propose we contract with them again to provide the following:

1. Existing Subdivisions (\$8,000 est.) – Develop a drawing of all lots in the Park located on the west side of Arnold Blvd. as they are currently platted to include existing easements.
2. Preliminary Railroad Spur Route (\$3,000 est.) – Locate some field items to assist in the alignment of the proposed railroad spur to include existing railroad spur that will be extended, existing south fence line of Broadwind Towers storage yard, existing sewer & water utilities, and other major items that may affect the alignment of the proposed spur.
3. Design Survey for Railroad Spur (\$6,000 est.) – Route survey along the proposed railroad spur to include locating visible features along the proposed route. EHT will obtain elevations and locate buried utilities, then put the data into an AutoCAD format.
4. Replat of Five Points Business Park (\$6,000 est.) – Replat the Park on the west side of Arnold Blvd.
5. Master Park Drawing (\$7,000) – Develop a drawing that depicts platted lots with the acreage noted, easements, flood plains, floodways, aerial backgrounds, and other items as requested by staff.

FISCAL IMPACT:

All items listed above as estimated	\$30,000
Contingency for additional services that may be needed	<u>\$ 5,000</u>
TOTAL	\$35,000

STAFF RECOMMENDATION:

Staff recommends approval of resolution DCOA-2013.21 authorizing an agreement with Enprotec/Hibbs & Todd to perform the services listed above for the Five Points Business Park.

ATTACHMENTS:

Resolution DCOA-2013.21

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RESOLUTION NO. DCOA-2013.21

A RESOLUTION OF THE DEVELOPMENT CORPORATION OF ABILENE, INC. ("DCOA"), ABILENE, TEXAS AUTHORIZING A CONTRACT WITH ENPROTEC/HIBBS & TODD TO PROVIDE SURVEYING AND OTHER WORK FOR LOCATION OF A RAILROAD SPUR, PROVIDE REPLAT SERVICES, AND DEVELOP A DRAWING OF THE FIVE POINTS BUSINESS PARK ("PARK") DEPICTING LOTS AND TRACTS OWNED BY THE DCOA.

WHEREAS, the Five Points Business Park located in west Abilene is mostly owned by the DCOA and is bounded on the west by Fulwiler Rd., the north by I-20, the east by Wall St., and the south by the railroad tracks; and,

WHEREAS, development in the Park has increased significantly over the last few years with construction of the Texas Healthcare Linen and FedEx Ground facilities and the recent sale of 10 acres to Atmos Energy; and,

WHEREAS, efforts to market the Park are somewhat hampered by the lack of an accurate drawing of all the platted lots in the Park showing sizes, existing easements and flood plains and floodways; and,

WHEREAS, on April 30, 2013, the board approved resolution DCOA-2013.19 REVISED authorizing assistance for Project RN, an oil & gas services provider looking to purchase land in the Park, south of Five Points Parkway. The amended assistance package (if approved today) includes the sale of 13 acres for the company's Phase 1 expansion into Abilene, which will require replatting that section of land into separate lots; and,

WHEREAS, staff requests the DCOA authorize a contract with Enprotec/Hibbs & Todd to provide surveying and other work for location of a railroad spur, provide replat services, and develop a drawing of the Five Points Business Park depicting lots and tracts owned by the DCOA.

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

PART 1. DCOA authorizes a contract with Enprotec/Hibbs & Todd and funding of Thirty-Five Thousand and no/100's Dollars (\$35,000.00) to perform services associated with the Five Points Business Park as follows:

1. Existing Subdivisions (\$8,000 est.) – Develop a drawing of all lots in the Park located on the west side of Arnold Blvd. as they are currently platted to include existing easements.
2. Preliminary Railroad Spur Route (\$3,000 est.) – Locate some field items to assist in the alignment of the proposed railroad spur to include existing railroad spur that will be extended, existing south fence line of Broadwind Towers storage yard, existing sewer & water utilities, and other major items that may affect the alignment of the proposed spur.
3. Design Survey for Railroad Spur (\$6,000 est.) – Route survey along the proposed railroad spur to include locating visible features along the proposed route. EHT will obtain elevations and locate buried utilities, then put the data into an AutoCAD format.
4. Replat of Five Points Business Park (\$6,000 est.) – Replat the Park on the west side of Arnold Blvd.

5. Master Park Drawing (\$7,000) – Develop a drawing that depicts platted lots with the acreage noted, easements, flood plains, floodways, aerial backgrounds, and other items as requested by staff.

Also approved is \$5,000 contingency for additional services that may be needed.

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 11th day of June, 2013.

ATTEST:

Marelyn Shedd
Secretary/Treasurer

Paul Cannon
President

APPROVED:

T. Daniel Santee, City Attorney

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