

## PUBLIC NOTICE

### DEVELOPMENT CORPORATION OF ABILENE, INC.

A regular meeting of the Development Corporation of Abilene, Inc. will be held on Tuesday, August 27, 2013, at 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

August 27, 2013  
1:30 p.m.

Abilene Laboratories  
1325 Pine St.

1. Call the meeting to order.
2. Approval of minutes from the July 9, 2013 and July 30, 2013, board meetings.
3. Sales tax report for August 2013 and Status of Funds report for July 2013.
4. Presentation and possible approval of a combined report from the *Project Evaluation Committee* on FY 2013 contract performance and from the *Budget & Finance Committee* concerning funding proposals for FY 2014 for:
  - a. Texas Tech University Small Business Development Center
  - b. Abilene Chamber of Commerce Military Affairs Committee
  - c. Abilene Industrial Foundation
  - d. City of Abilene: Airport Business Development Management
  - e. City of Abilene: Business Services and Property Maintenance divisions of the Department of Economic Development
5. Public hearing: funding proposals and proposed budget for FY 2014.
6. Discussion and possible approval of funding requests and proposed budget for FY 2014.
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 assistance for Project RZ.
9. Discussion and possible approval of a resolution authorizing FY14 funding for Texas Tech University Health Sciences Center School of Pharmacy Center for Immunotherapeutics and Product Development ("The Center") at Abilene Laboratories.
10. Discussion and possible approval of a resolution authorizing a lease with Texas Tech University Health Sciences Center for space at Abilene Laboratories to create a state-of-the-art Interprofessional Sterile Products and Biotechnology Teaching Laboratory.
11. 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.



7. **ADJOURNMENT.** The next regularly scheduled meeting is July 23<sup>rd</sup>. Dave Copeland and Dani Ramsay cannot attend. Staff will poll the board for another meeting date. There being no further business the meeting was adjourned.

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Paul Cannon, President

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

**MEMBERS PRESENT:** Paul Cannon Scott Senter  
Dani Ramsay Marelyn Shedd

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

**GUESTS PRESENT:** Adam Singleton, KTAB/KRBC  
Bill Ehrie, Abilene Industrial Foundation  
Howard Bodenhager, Keller Williams Commercial  
John Mangalonzo & photographer, Abilene Reporter-News

1. **CALL THE MEETING TO ORDER.** President Paul Cannon called the meeting to order at 1:34 pm with Paul Cannon, Scott Senter, Dani Ramsay and Marelyn Shedd in the conference room at 4109 Vine Street, Abilene, Texas.
2. **JULY 2013 SALES TAX REPORT AND JUNE 2013 STATUS OF FUNDS REPORT.** Richard Burdine announces the city sales tax goal is to meet or exceed the 2012 goal. In the August and September 2013 if the sales tax is the same as 2012 the City will exceed the goal. The status of funds are at 2.5 and 2.7 is the normal listing. In June, the DCOA paid Broadwind Towers incentives for job creation and capital investment. The Vine Street warehouse and Pactiv Compactive Compressor Construction project are being finished.
3. **APPOINTMENT BY PRESIDENT CANNON OF MIKE SCHWEIKHARD TO THE PROJECT EVALUATION AND BUDGET & FINANCE STANDING COMMITTEES.** Mike Schweikhard is appointed a member of the budget and finance committees and has accepted
4. **EXECUTIVE SESSION.** I hereby announce we are going into Executive Session pursuant to Texas Government Code Sections 551.071, .072, and .087 to consult with our legal counsel, discuss real property transactions, and discuss economic development negotiations involving a business prospect, as set forth on the agenda. Any vote or action will be taken in open session.

President Paul Cannon announced the date is July 30, 2013, and the time is 1:40 p.m. A short break was taken right before returning to open session No vote or action was taken in Executive Session.

5. **DISCUSSION AND POSSIBLE APPROVAL OF A RESOLUTION AUTHORIZING ASSISTANCE FOR PROJECT KM.**  
Dani Ramsay moved to approve assistance for Project KM. The motion was seconded by Marilyn Shedd and continued. The KM Project is currently in business in the Dallas/Fort Worth area and looking to move to the Abilene area. The company is looking to invest

471,000 which is a 47,100 dollar investment over three years. The company will also bring 3 new positions that will progress over a three year time frame. Two of the new position will be in the 30,000-40,000 range and the one will be in the 50,000-60,000 range. This will qualify the company for a job creation incentive and they secured a building in Abilene. Richard recommend recommends Project KM. Dani Ramsay motions to approve DCOA 2013.23 as presented. Scott Senter abstained because his company may have been involved with the Real Estate purchase.

6. **DISCUSSION AND POSSIBLE APPROVAL OF A RESOLUTION AUTHORIZING ASSISTANCE FOR PROJECT LS.** Richard Burdine informs the board of a company wanting to come to the Abilene area and open a new division for guns. They are looking at the immediate purchase of 15 million dollars of machine equipment they would use to produce projectile, ammunition and powder in different shapes and weights. Some of their executives would be relocated to Abilene. The company will also have a 400,000 dollar incentive and 10% of their 15 million in equipment would be reimbursed over three years. Most of the employees are machinist, packers or management. The company pays well and offers benefits.

7. **DISCUSSION AND POSSIBLE APPROVAL OF AN ORAL RESOLUTION AUTHORIZING A ONE-MONTH EXTENSION OF THE PROFESSIONAL SERVICES CONTRACT WITH LEE ANN WOODS TO IMPLEMENT A BUSINESS DEVELOPMENT PROGRAM FOR ABILENE LABORATORIES (FORMERLY ABILENE LIFE SCIENCES ACCELERATOR).**

**ADJOURNMENT.** Richard reminded board that six months ago the board requested the hire of Lee Ann Woods a consultant for Abilene Laboratories. She did a good job rebranding the facility and helping determine a new direction. She assisted with the expansion of current labs or new labs. Request for Woods contract to be extended one month with the cost being 3,500 plus legal expenses. The next regularly scheduled meeting is August 13. There being no further business the meeting was adjourned. Marilyn Shedd moved to approve.

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Paul Cannon, President

MEMORANDUM

August 7, 2013

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

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The sales tax rebate for August is \$3,709,086.34 which represents June sales. This is 0.78% above last year and 1.68% below the revised FY 13 budget amount. The breakdown of the August rebate is \$2,781,814.76 to the General Fund and \$927,271.58 for economic development. Of this rebate, \$41,367 is from prior periods, audit payments, future payments, and unidentified payments. For the period of October through August, sales tax is 1.96% below last year and 0.90% above the revised 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

3.1

**CITY OF ABILENE  
SALES TAX COMPARISON**

Accounting Period Month	GENERAL FUND	ECONOMIC DEVELOPMENT	TOTAL	GENERAL FUND	ECONOMIC DEVELOPMENT	TOTAL
	Actual 2011-12	Actual 2011-12		Actual 2012-13	Actual 2012-13	
October	\$2,671,157.84	\$890,385.94	\$3,561,543.78	\$2,567,604.30	\$855,868.10	\$3,423,472.40
November	2,894,423.44	964,807.81	3,859,231.25	2,675,867.12	891,955.71	3,567,822.83
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
June	2,300,833.44	766,944.48	3,067,777.92	2,482,246.02	827,415.34	3,309,661.36
July	2,270,657.66	756,885.89	3,027,543.55	2,480,852.18	826,950.72	3,307,802.90
August	2,760,289.25	920,096.42	3,680,385.67	2,781,814.76	927,271.58	3,709,086.34
<b>YTD</b>	<b>\$28,860,167.22</b>	<b>\$9,620,055.73</b>	<b>\$38,480,222.95</b>	<b>\$28,294,528.56</b>	<b>\$9,431,509.50</b>	<b>\$37,726,038.06</b>
September	2,400,600.79	800,200.26	3,200,801.05			
<b>FY TOTAL</b>	<b>\$31,260,768.01</b>	<b>\$10,420,255.99</b>	<b>\$41,681,024.00</b>			

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

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



**DEVELOPMENT CORPORATION OF ABILENE, INC.**  
**1/2 CENT SALES TAX REVENUE**  
**Monthly and Year-to-Year Comparisons**

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%
June	766,944	827,415	7.88%
July	756,886	826,951	9.26%
August	920,096	927,272	0.78%
<b>YTD</b>	<u>\$9,620,056</u>	<b>\$9,431,510</b>	<b>-1.96%</b>
September	800,200		
<b>FY TOTAL</b>	<u><u>\$10,420,256</u></u>		

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

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

Revenue for August '13 represents June '13 sales. Approximately \$10,342 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.

3.3

**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	827,415
July	598,036	660,806	749,767	756,886	826,951
August	799,090	829,188	1,013,393	920,096	927,272
September	653,828	649,391	799,173	800,200	
<b>FY TOTAL</b>	<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>\$9,431,510</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

DEVELOPMENT CORPORATION OF ABILENE, INC.

Balance Sheet

July 31, 2013

**CURRENT ASSETS:**

Cash and Investments	\$18,147,594
Accounts receivable	35,293
Due from other governments	1,738,931
Prepaid Expense	130
Total Current Assets	<u>\$19,921,948</u>

**NONCURRENT ASSETS:**

Notes receivable	16,814,474
Capital 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	<u>(6,814,309)</u>
Capital assets, net of accumulated depreciation	<u>36,464,858</u>
Total Noncurrent Assets	<u>53,279,332</u>
TOTAL ASSETS	<u><u>\$73,201,280</u></u>

**LIABILITIES:**

Accounts payable	<u>\$49,802</u>
Total Liabilities	<u>\$49,802</u>

**FUND BALANCES:**

Invested in capital assets	\$36,464,858
Reserved for contractual obligations (external)	11,334,473
Reserved for obligated programs (internal)	1,321,325
Undesignated Balance	<u>24,030,822</u>
Total Fund Balance	<u>\$73,151,478</u>
TOTAL LIABILITIES AND FUND BALANCES	<u><u>\$73,201,280</u></u>

DEVELOPMENT CORPORATION OF ABILENE  
STATUS OF FUNDS @ JULY 31, 2013

(MARCH, 1990)

Object	Beginning I-T-D Revenues	Current Month Revenues	Current FY Revenues	Ending I-T-D Revenues
<b>REVENUE-TO-DATE</b>				
City Sales Tax	\$ 147,668,569.04	\$ 822,017.05	\$ 8,458,695.44	\$ 156,127,264.48
Sales Tax Retained	506,821.56	4,933.67	45,542.48	552,364.04
Princ. - Loans & Assess	3,268,528.27	-	-	3,268,528.27
Int. - Loans & Assess	2,314,633.98	-	71,581.83	2,386,215.81
Interest on Investments	7,020,340.95	3,087.37	31,355.04	7,051,695.99
Land Lease	17,296.11	-	3,126.38	20,422.49
Building/Space Rent	7,347,601.67	108,867.68	794,240.91	8,141,842.58
Miscellaneous Federal Grant	1,322,526.00	-	264,308.47	1,586,834.47
Miscellaneous State Grants	26,500.00	-	-	26,500.00
Other Contributions	140,712.60	-	-	140,712.60
Interfund Recovery	1,534,976.08	-	-	1,534,976.08
Miscellaneous Recovery	2,186,438.50	-	-	2,186,438.50
Miscellaneous Prior Year	61,292.02	-	-	61,292.02
Miscellaneous Revenue	1,019,770.10	5,320.91	43,445.11	1,063,215.21
Sale of Land	475,593.50	-	81,770.29	557,363.79
Sale of Buildings & Equipment	3,976,326.19	4,000.00	4,000.00	3,980,326.19
Gain (loss) Sale of Asset	600,000.00	-	-	600,000.00
GASB 22 Restatement	355,634.89	-	-	355,634.89
GASB 34 Adjustment	2,403,949.11	-	-	2,403,949.11
	<b>\$ 182,247,510.57</b>	<b>\$ 948,226.68</b>	<b>\$ 9,798,065.95</b>	<b>\$ 192,045,576.52</b>

3.6

**DEVELOPMENT CORPORATION OF ABILENE  
STATUS OF FUNDS @ JULY 31, 2013**

Project	Beginning I-T-D Expenditures	Current Month Expenditures	Current FY Expenditures	Ending I-T-D Expenditures	Outstanding Contracts
<b>CONTRACTS ENCUMBERED/ EXPENDITURES-TO-DATE</b>					
Prior Years Programs	\$ 90,452,723.94	\$ -	\$ -	\$ 90,452,723.94	-
Business Services Division Div 2760	9,067,992.94	40,346.55	554,652.30	9,622,645.24	-
Life Sciences Property - Pine Div 2765	1,867,386.28	26,194.24	525,681.61	2,393,067.89	6,810.02
DCOA Annual Contracts Div 2775	2,823,494.98	17,262.94	213,008.67	3,036,503.65	-
Abilene Industrial Foundation 2775-62571	13,888,018.57	51,827.99	476,620.13	14,364,638.70	270,229.87
TTU Small Business Dev Cntr 2775-62572	3,055,608.55	9,206.25	126,675.00	3,182,283.55	123,325.00
Chamber Military Affairs 2775-62573	1,326,511.16	-	15,139.48	1,341,650.64	84,860.52
Airport Business Dev Mgr 2775-62574	897,833.70	6,080.63	97,123.07	994,956.77	-
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
EASI 7th Doc 5265	239,175.14	-	24,999.00	264,174.14	-
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	-	20,328.00	268,598.07	601,295.53
Genesis Network Phase II 5284	22,924.00	-	0.18	22,924.18	1,269,000.00
Tower Tech (Broadwind Towers) 5285	3,596,278.51	-	837,610.41	4,433,888.92	868,826.68
Coca Cola Abilene 5296	-	-	-	-	2,020,000.00
ETI Contract 5304	1,236,285.25	-	(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	-	360.83	164,488.84	-
Nation Wide Prod 5313	62,366.67	-	42,416.67	104,783.34	-
Enavail, LLC 5316	379,990.57	-	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	-	313,270.89	602,930.89	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	70,000.00	140,000.00	210,000.00
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	-	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	151,000.00	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	-	55,314.43	283,681.60	2,983.87
Vine St. Parking Lot 5335.3	158,850.00	-	-	158,850.00	-
Vine St. Construction 5335.4	32,610.00	102,826.43	467,466.90	500,076.90	44,434.83
Vine St. Interior Demo 5335.5	121,698.03	-	1,332.94	123,030.97	3,547.06
Vine St. Other Impr 5335.6	-	-	14,617.28	14,617.28	-
Vine Street Gotta Go Trailways 5335.7	-	-	15,500.00	15,500.00	4,000.00
Vine Street Fehr Foods 5335.8	-	3,780.00	37,432.00	37,432.00	14,606.25
Welder Training 5339	146,766.19	-	140,278.26	287,044.45	130,393.55
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	-	22,922.03	33,422.03	248.82
Pactiv Compressor Construction 5344.2	-	-	311,415.70	311,415.70	16,390.30
Owens Machine & Tool 5345	-	-	-	-	351,000.00
Biotech Marketing and PR Plan 5346	-	184.35	74,726.97	74,726.97	18,395.50
TMAC FY13 5347	-	11,000.00	22,000.00	22,000.00	88,000.00
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	-	2,750.00	10,200.00	10,200.00	30,800.00
BCBS Bldg Cooling Tower Demo 5353	-	-	11,550.00	11,550.00	-
EASI De-Fuel Truck 5354	-	1,750.00	8,750.00	8,750.00	55,510.00
Five Point Land Clearing 5355	-	-	35,160.00	35,160.00	-
Fehr Foods '13 5356	-	-	-	-	240,000.00
TTUHSC Center FY13 Operating 5357	-	-	208,620.00	208,620.00	41,500.00
Purchase B34 Pine 5358	-	31,923.66	36,923.66	36,923.66	1,000.00
Tucker Energy Service 5359	-	-	-	-	1,585,000.00
Five Points Survey 5360	-	-	-	-	35,000.00
Miscellaneous Activities 2785	354,189.86	-	-	354,189.86	-
<b>TOTAL ENCUMB. / EXPENDITURES</b>	<b>\$ 149,417,306.98</b>	<b>\$ 375,133.04</b>	<b>\$ 5,941,650.11</b>	<b>\$ 155,358,957.09</b>	<b>\$ 11,334,472.69</b>
<b>TOTAL FUND BALANCE</b>				<b>\$ 36,686,619.43</b>	
<b>UNENCUMBERED FUND BALANCE</b>					<b>\$ 25,352,146.74</b>

3.7

**DEVELOPMENT CORPORATION OF ABILENE  
STATUS OF FUNDS @ JULY 31, 2013**

Project	Amount Obligated	Prior Years Disbursed	Current Month Disbursed	Current Year Disbursed	Amount Encumbered	Balance Reserved for Obligated Programs
<b>BALANCE OF OBLIGATED PROGRAMS</b>						
Business Services Division	Div 2760	\$ 641,360.00	\$ -	\$ 40,346.55	\$ 554,652.30	\$ 86,707.70
Life Sciences Property -Pine	Div 2765	635,963.85	-	26,194.24	525,681.61	103,472.22
DCOA Annual Contracts	Div 2775	308,810.00	-	17,262.94	213,008.67	95,801.33
Abilene Industrial Foundation	2775-4950	746,850.00	-	51,827.99	476,620.13	-
TTU Small Business Dev Cntr	2775-4951	250,000.00	-	9,206.25	126,675.00	-
Chamber Military Affairs	2775-4952	100,000.00	-	-	15,139.48	84,860.52
Airport Business Dev Mgr	2775-4953	181,630.00	-	6,080.63	97,123.07	84,506.93
Murf Systems	4998	199,665.00	199,665.00	-	-	-
EASI 04	5213	2,476,938.00	2,131,546.52	-	-	345,391.14
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
EASI 7th Doc	5265	264,176.00	239,175.14	-	24,999.00	-
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	-	20,328.00	601,295.53
Genesis Network Phase II	5284	1,291,925.00	22,924.00	-	0.18	1,269,000.00
Tower Tech (Broadwind Towers)	5285	5,302,716.00	3,596,278.51	-	837,610.41	868,826.68
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)	-
TTU 842 Pine	5308	255,156.00	233,155.10	-	22,000.00	-
AIC Equipment Lease/Purchase	5312	164,489.00	164,128.01	-	360.83	-
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	31,765.15
Texas Metals '10	5317	29,368.00	14,683.33	-	14,683.33	-
Cisco College Biotech Training	5318	67,650.00	45,701.55	-	-	18,884.00
Energy Maintenance Serv-Gearbox	5319	622,500.00	289,660.00	-	313,270.89	19,569.11
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	70,000.00	70,000.00	210,000.00
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	-	12,750.00	-
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	495,390.00	75,500.00	-	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	-	55,314.43	2,983.87
Vine St. Parking Lot	5335.3	158,850.00	158,850.00	-	-	4,550.53
Vine St. Construction	5335.4	569,064.00	32,610.00	102,826.43	467,466.90	24,552.27
Vine St. Interior Demo	5335.5	130,489.00	121,698.03	-	1,332.94	3,547.06
Vine St. Other Impr	5335.6	14,618.00	-	-	14,617.28	0.72
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	-	3,780.00	37,432.00	14,606.25
Welder Training	5339	417,438.00	146,766.19	-	140,278.26	130,393.55
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	33,672.00	10,500.00	-	22,922.03	248.82
Pactiv Compressor Construction	5344.2	335,500.00	-	-	311,415.70	16,390.30
Owens Machine & Tool	5345	351,000.00	-	-	-	351,000.00
Biotech Marketing and PR Plan	5346	116,400.00	-	184.35	74,726.97	18,395.50
TMAC FY13	5347	110,000.00	-	11,000.00	22,000.00	88,000.00
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	907,250.00	-	2,750.00	10,200.00	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	8,750.00	55,510.00
Five Point Land Clearing	5355	37,160.00	-	-	35,160.00	-
Fehr Foods '13	5356	240,000.00	-	-	-	240,000.00
TTUHSC Center FY13 Operating	5357	250,120.00	-	-	208,620.00	41,500.00
Purchase 834 Pine	5358	40,485.00	-	31,923.66	36,923.66	1,000.00
Tucker Energy Service	5359	1,585,000.00	-	-	-	1,585,000.00
Five Points Survey	5360	35,000.00	-	-	-	35,000.00
Miscellaneous Activities	2785	354,189.86	354,189.86	-	-	-
<b>BALANCE OF OBLIGATED PROGRAMS</b>	<b>\$ 44,635,186.71</b>	<b>\$ 26,037,736.86</b>	<b>\$ 375,133.04</b>	<b>\$ 5,941,650.11</b>	<b>\$ 11,334,472.69</b>	<b>\$ 1,321,325.19</b>

**UNDESIGNATED FUND BALANCE (unencumbered balance less obligated programs and contingent liabilities) \$ 24,030,821.55**

DCOA Board approved projects waiting for signed contracts	Expiration Date
Marketing for 2nd Airline 5334	09/30/2013
Project LS	01/31/2014
Project KM	01/31/2014
<b>2,218,330</b>	

3.8

**DEVELOPMENT CORPORATION OF ABILENE, INC.**  
**BOARD AGENDA**  
**MEETING DATE: August 27, 2013**

**PROJECT:**           **Recommendations from Project Evaluation and Budget & Finance Committees of the DCOA**

**FROM:**             **Richard Burdine, CEO**

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**GENERAL INFORMATION:**

The Project Evaluation Committee of the DCOA met on August 15, 2013, to consider FY13 compliance reports prepared and presented by the agencies currently under contract with the DCOA; 1) Texas Tech Small Business Development Center 2) Abilene Chamber of Commerce Military Affairs Committee, 3) Abilene Industrial Foundation, 4) the City's Airport Business Development Management Program, and 5) the City's Department of Economic Development (Business Services Division).

Immediately following, the Budget & Finance Committee met to hear funding requests for FY14 from the same agencies.

**SPECIAL CONSIDERATIONS:**

Members of the Project Evaluation Committee and Budget & Finance Committee that attended the 8-20-12 meetings are Dani Ramsay, Ray Ferguson, Marelyn Shedd, Ron Butler, and Mike Schweikhard. Attached are combined minutes from the two Committee meetings, which include recommendations concerning renewal of existing contracts for FY14 and recommendations for FY14 funding levels. Mike Schweikhard was elected Chairman for both committees, and will present the Committees' recommendations during the meeting.

**FUNDING/FISCAL IMPACT:**

Fiscal Year 2014 Contractual Relationships:		Other:	
AIF	\$ 738,289	DCOA Property Maint.	\$ 189,070
SBDC	\$ 250,000	Life Sci. Property Maint.	\$ 579,930
Military Affairs	\$ 100,000	Property Ins. Premium	\$ 119,736
Airport Business Dev.	\$ 189,159	TOTAL	\$ 888,736
City-Business Services	\$ 646,607		
TOTAL	\$1,924,055		

**STAFF RECOMMENDATION:**

Staff recommends the Board receive the attached combined minutes from the Project Evaluation Committee and Budget & Finance Committee, which include recommendations for contract renewals and funding levels for FY14.

**ATTACHMENT:**

Combined minutes of Project Evaluation and Budget & Finance Committee meetings held on 8-15-13.

Proposed Budget for FY14, including projected revenues.

**DEVELOPMENT CORPORATION OF ABILENE, INC.**

**PROJECT EVALUATION COMMITTEE  
AND  
BUDGET & FINANCE COMMITTEE  
MEETINGS**

August 15, 2013

**MEMBERS PRESENT:**

Ron Butler  
Marelyn Shedd  
Mike Scheikhard  
Ray Ferguson  
Dani Ramsey

**MEMBERS ABSENT:**

Tucker Bridwell  
John Stearns

**STAFF PRESENT:**

Kim Tarrant, Business Services Manager.  
Richard Burdine, CEO of the DCOA  
Don Green, Director of Aviation  
Kate Alvarez, Airport Business Development Mgr.

**GUESTS PRESENT:**

Judy Wilhelm, SBDC  
Jason Smith, President Abilene Chamber of Commerce  
Debra Morotini, Abilene Chamber of Commerce  
Bill Ehrie, Abilene Industrial Foundation

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The Project Evaluation Committee meeting opened at about 8:40 a.m. in the Abilene Laboratories Large Conference Room, 1325 Pine St., and Mike Schweikhard was elected Chairman.

After a short break, the Budget & Finance Committee meeting was opened at about 9:55 a.m.

Contract compliance was determined again this year with each funded agency having prepared and submitted a written report detailing activities performed during FY 13 that addresses compliance with each performance objective in their respective contracts. A representative from each agency presented their report during the Project Evaluation Committee meeting, and answered questions from Committee members.

The Project Evaluation Committee voted for recommendation to the DCOA board concerning FY 14 contract renewals.

The Budget & Finance Committee heard oral requests for FY 14 funding from each agency and voted to recommend FY 14 funding levels.

Below are summaries of each agency's performance compliance for FY 13 and FY 14 contracting and funding level recommendations:

**1. TTU Small Business Development Center**

4.2



*FY 13 Contract Compliance:* Mrs. Judy Wilhelm, Director of the SBDC, presented the performance compliance report. The contract is strictly performance-based in that the DCOA only reimburses for actual counseling hours spent with Abilene-based clients at the rate of \$75/counseling hour. They undergo each year a Programmatic and Financial Review by the U.S. Small Business Administration Lubbock District Office along with the Northwest Texas SBDC regional center, and in the committee packet is a letter dated June 17, 2013, stating the Abilene center performed accurately and completely.

The total estimated reimbursement request to the DCOA for FY13 will under the contract amount of \$250,000. Government Contract Procurement activity has picked up significantly with more clients requesting assistance. The Reinvent Abilene program is dormant for now. Rural business clients have increased due to the increased oil and gas activity. The number of businesses opened during the 9 month reporting period is 22, with 71 full time equivalent jobs reported and capital formation of \$1.6 million. The SBDC recently honored Samuel Garcia, State Farm insurance owner, with a U.S. Small Business Administration Award of Minority Small Business Champion of the Year.

Reflecting back on the downtown businesses assisted by the SBDC is a source of inspiration to staff due to the many success stories such as Cypress Street Station, McKay's Bakery, Bogie's, and several others. The SBDC is a member of the Abilene Downtown Association to hopefully become more familiar with the association's goals and stay informed of business opportunities.

*FY 14 Funding Request:* The request for FY14 remains flat at \$250,000, which is reimbursed at the hourly rate of \$75 for counseling and/or preparation time spent with Abilene-based clients.

*Recommendation:* Renew the contract for another one-year period through September 30, 2014 and fund FY14 efforts at \$75/hour for Abilene-based clients, up to \$250,000.

## **2. Abilene Chamber of Commerce Military Affairs Committee**

*FY 13 Contract Compliance:* Mr. Jason Smith, President of the Abilene Chamber of Commerce, briefly introduced himself and stated how impressed he is with the Military Affairs Committee's work as well as the talents of his staff and efforts of the community volunteers. Mr. Bill Ehrie, President of the Abilene Industrial Foundation, discussed the C-130 mission at Dyess and how it was at risk of being eliminated except for the efforts of the Military Affairs Committee and the two Washington consultants to get the H models replaced with J model aircraft. There will soon be a C-130J simulator installed at Dyess, eliminated the need to train personnel at Little Rock. The B-1 mission is always at risk with many Washington personnel pushing to eliminate the program in light of sequestration. Face-to-face communication with air force and congressional leaders is key to Dyess' continued success and growth. The better we know the military community, the better off

are Dyess and Abilene.

Debra Morotini with the Abilene Chamber of Commerce works with the Military Affairs Committee. Mrs. Morotini mentioned how sequestration eliminated opening of swimming pools on base this year and how City Councilman Joe Spano worked to raise \$10,000 to buy pool vouchers so military families could enjoy pools in Abilene. The Fleet Complete Gala was recently held to celebrate the landing of Dyess' 28<sup>th</sup> and final C-130J aircraft.

Members of the Military Affairs Committee pay dues. Membership was recently opened up to include anyone working for Chamber member business. Members take personal time to fly to Washington and other areas to visit with the various Congressional and military leaders. They spend many hours each day while there making sure Dyess is protected and many of them use their own funds to cover expenses.

Mr. Smith mentioned the two Washington consultants recommend another Base Realignment and Closure (BRAC) round because Dyess will do very well. There is gridlock over whether or not another BRAC will occur. For the first time, a representative attended the Association of Defense Communities conference and also the Airports Association conference. During FY14, a representative will attend two Boeing Bomber Symposiums and there will be trips to Washington, D.C. to visit with military and congressional leaders.

*FY 14 Funding Request:* The FY 14 funding request is again at \$100,000 to combat the continued pressure from leadership in Washington, D.C. to consolidate/close installations, as well as realign people and missions.

*Recommendation:* Renew a contract with the Abilene Chamber of Commerce for Military Affairs for another one-year period through September 30, 2014, and fund FY 14 efforts at \$100,000.

### **3. Abilene Industrial Foundation**

*FY 13 Contract Compliance:* Mr. Bill Ehrie also discussed contract compliance with regards to Abilene Industrial Foundation activities. The AIF is charged with strengthening the economy through attraction of new industry and retention and expansion of existing ones. The goal is to make Abilene a multi-sector community. The AIF is in compliance with the contract for FY13.

The year has been good. Eagle Aviation Services and Tige Boats are doing well. Rentech booked more business during the first 5 months than all of last year. Many local businesses are adding capital equipment or jobs, or both. Five Points Business Park has come a long way since 1992 with the addition of Pactiv, Broadwind Towers, Texas Healthcare Linen, Fed Ex Ground, and soon an oil and gas services company. The current 5.7% unemployment rate is not a concern because we are still attracting businesses here.

We are still dealing with generations who like to see print media and attend trade shows, but we also deal with generations who prefer social media and e-newsletters. A big issue has been the economy and when we will see a change, which we are now starting to see. Three projects that have been outstanding for 2 years have finally broken open and are now underway.

Bill Ehrie is retiring effective September 30, 2013, and reflected back on companies he has dealt with directly since he became the AIF President in 1992. His tenure has been a pleasure and deeply satisfying when considering the growth of local companies and influx of new industry to Abilene. The many accomplishments have been because the DCOA empowered the AIF and provided the resources necessary to do what needed to be done.

The new contracts with the two Washington consultants have not been finalized, but an increase is expected. Mr. Ehrie's retirement will also have an impact because his services will be retained under a military affairs consulting contract with the same salary, minus the benefits. The FY14 funding request does not account for these expected changes, so staff may return to the DCOA for budget category changes and/or increased funding. Jason Smith will act as the interim president of the AIF, and Gary Robinett will continue as the Director of Market and Industrial Recruitment. The decision to replace Mr. Ehrie won't be made quickly since he will stay on under contract and Mr. Robinett is very capable.

Mr. Burdine stated the current budget request will have to be revised if Mr. Ehrie is retained under contract at the same salary level and a new president is hired.

*FY 14 Funding Request:* The FY14 funding request for operating expenses has decreased from the current FY by \$8,561 and is \$427,789. The request for the marketing program and Dyess consultants remains flat at \$140,000 and \$170,500, respectively. The total FY14 funding request is \$738,289.

*Recommendation:* Renew the contract for another one-year period through September 30, 2014, and fund the FY14 operating, marketing program and Dyess consultants at \$738,289.

### **3. City of Abilene-Airport Business Development Management**

*FY 13 Contract Compliance:* Mr. Don Green, Director of Aviation, presented the FY13 report of contract compliance. He introduced Kate Alvarez, the new Business Development Manager, replacing Melissa Murphy who resigned in May 2013. Mr. Green mentioned that Judy Wilhelm at the SBDC has helped the airport with the Small Business Element program designed to assist DBEs (Disadvantaged Business Enterprise), as required by FAA. FAA is also requiring the airport reach out to smaller businesses for larger capital projects.

Enplanements started slow this year but are now up. Year to date growth is up 4%. Air fares are competitive with DFW Airport. Midland fares are off the charts. Economic activity at the airport has picked up, which is evident by the number of company vehicles left in the parking lot by business travelers. There has been little activity in the Business Development program over the last 3 months, but that should change now that Ms. Alvarez is on board. Staff received last week responses to an RFQ for a new air service consultant, and a selection will be made shortly. Staff continues to look at new air service; however airlines want to see an increase in enplanements and the overall economy in our area, which we hope will happen in the next year or so.

Total FY13 expenses will be under the contracted amount due mostly to the Business Development Manager position being vacant for 3 months. The FY14 budget request of \$189,159 represents a 4% increase for specific projects that will enable staff to market the airport more effectively. The air service development consulting request is up \$11,000 in anticipation of changes in American Eagle's operations and flights to and from Abilene. Staff needs someone with an ear to the ground to keep on top of these changes. The salary and benefits total for the Business Development Manager is up over \$10,000 to cover a 3% salary increase and mileage when a City vehicle is not available, 10% health insurance premium increase and mileage reimbursements. The advertising campaign budget will remain the same at \$70,000, the Pink Goose Media budget is down by \$13,640, and the travel budget is the same at \$4,000.

*FY 14 Funding Request:* The FY14 request for funding is \$189,159, up \$7,529 from the FY13 contract amount.

*Recommendation:* Renew the contract for another one-year period through September 30, 2014, and fund the Business Development Management program at \$189,159.

## **5. City of Abilene for Business Services**

*FY 13 Contract Compliance:* Mr. Richard Burdine, Assistant City Manager for Economic Development and CEO of the DCOA, presented the compliance report for the Economic Development Department, which indicates we are in compliance. The City's Internal Auditor's report in the packet indicated her main concern is outside the scope of her review. Mr. Burdine prepared a cost analysis, also included in the packet, to show staff is still saving money by paying mileage for the two Construction and Project Managers rather than purchasing company vehicles.

As mentioned by Mr. Ehrie, the economy is recovering. Over the last 3-4 years, most of the funding activity was in capital investment, which tends to reduce the need for labor. The Abilene Laboratories facility and the support facility at 842 Pine were built to support a new biotech sector for Abilene. The timing was bad in that funding for biotech research dried up making it very difficult to find tenants for the facility. This year, the focus changed to repurposing the AbLabs facility, making it a "Laboratory of Laboratories". The

Center for Immunotherapeutic Research and Product Development is the current tenant and works with private sector, post-revenue companies that can occupy lab space, pay rent, and work with other the resources we have available in terms of Texas Tech. We are currently in discussions with two companies as potential tenants. Consultant Lee Ann Woods has done a good job rebranding the facility with a new logo and developing the new focus. Her contract was extended through August 2013 to focus on the two companies mentioned.

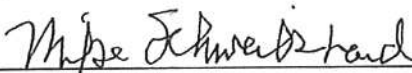
Mr. Burdine met recently with Texas Tech's Dean Smith of the School of Pharmacy, Regional Dean Cynthia Rehl, and Dr. Weidanz about the possibility of establishing a teaching lab in AbLabs for an outgrowth of the masters and eventually doctoral biotechnology program. The program will train workers for jobs in Abilene and the region. Texas Tech is working on getting money to pay rent. Cisco College has continued its biotech technician internship program with the School of Pharmacy and recently graduated its second class of technicians.

*FY 14 Funding Request:* The FY14 funding request for Business Services funds the Economic Development Department, which includes salaries and benefits for 5 full-time employees, is \$646,607, an increase of \$5,243 from FY13. The request for Life Sciences property maintenance, which includes utilities, building and landscape maintenance, equipment maintenance, property taxes, and janitorial services for the properties at 1325 and 842 Pine, is \$579,930, a decrease of \$34,720 from FY13. The request for DCOA property maintenance, which includes building and landscape maintenance, utilities, land rental and insurance premium costs for all DCOA-owned properties, is \$308,806, an increase of \$2 over FY13.

*Recommendation:* Renew the contract for another one-year period through September 30, 2014, and total funding of \$1,535,343 as follows.

1. \$646,607 for Business Services
2. \$579,930 for Life Sciences property maintenance
3. \$308,806 for DCOA property maintenance.

There being no further business, the meeting was adjourned.

  
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Mike Schweikhard, Chairman

**DEVELOPMENT CORPORATION OF ABILENE, INC.**  
**FY 2014 BUDGET SUMMARY**  
**WITH PROJECTED CASHFLOW THROUGH FY 2014**

CASH & INVESTMENTS BALANCE at 6-30-13 \$ 17,545,617

PLUS: Projected Revenue (July '13 thru Sept '13)

1/2 Cent Sales Tax	\$2,415,253
Investment Pool Revenue-earnings on cash invested	6,732
Interest Income-outstanding loans	0
Principal Recovery-outstanding loans	57,125
Building/Land Rental-DCOA properties	242,536
Federal Grants (EDI Special Project)	0
Misc. Income	17,363

TOTAL 2,739,009

LESS: Estimated Expenditures (July '13 thru Sept '13)

Contracts and Allocations (including annual contracts)	1,020,978
Corporate Assistance	2,000,000

TOTAL 3,020,978

**UNENCUMBERED CASH BALANCE**

at 10-1-13 (est.): \$17,263,648

**Projected Revenue FY14**

1/2 Cent Sales Tax	10,294,390
Investment Pool Revenue-earnings on cash invested	35,000
Interest Income-outstanding loans	71,391
Building Rental	1,018,908
Land Leases-Ag. lease on DCOA-owned land	1,350
Federal Grants (EDI Special Project)	2,120
Misc. Income	45,000

TOTAL REVENUE \$11,468,159

**Projected expenditures FY14**

Property Mgmt. Exp.-DCOA properties (2775)	189,070
Property Damage Ins. Prem.-DCOA properties	119,736
Property Mgmt - Life Sciences properties (2765)	579,930
Corporate Assistance	7,500,000

TOTAL 8,388,736

**Contractual Relationships FY14**

City of Abilene - Business Services	646,607
Abilene Industrial Foundation	738,289
TTU Small Business Development Center	250,000
Chamber Military Affairs Committee	100,000
Airport Business Development Mgmt	189,159

TOTAL 1,924,055

TOTAL EXPENDITURES \$10,312,791

PROJECTED UNOBLIGATED CASH  
BALANCE AT 9-30-14

\$18,419,016

**DEVELOPMENT CORPORATION OF ABILENE, INC.**  
**BOARD AGENDA**  
**MEETING DATE: August 27, 2013**

**PROJECT: Project RZ**

**STAFF: Richard Burdine, Chief Executive Officer**

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**THE COMPANY**

Project RZ opened a 220,000 sq ft bottle-to-bottle PET recycling plant in California in April 2012 and is the largest producer of food-grade post-consumer recycled PET in the world. They specialize in processing used plastic bottles into bottle-grade PET resin flakes and pellets that can then be used to manufacture new plastic beverage bottles and other products. Through new state-of-the-art facilities, technologies, and equipment Project RZ is fully invested and committed to making an impact in preserving resources and reducing the carbon footprint from PET bottle production.

**BACKGROUND**

The principles in Project RZ were also principles in PWP Plastics (now Pactiv Industries) when the 112,500 sq ft Spec 2 building at 6450 Five Points Parkway was leased to the company in 2006 for production of food-grade plastic containers. The building was expanded in 2008 by 125,700 sq ft to add warehouse space. Pactiv pays rent based on \$2.10/sf/year for the original building and 5.25%/year of the cost of the addition (\$7,075,817). The lease expires 8-31-18 with a 5-year renewal option and total monthly lease payments are \$50,644.50. Pactiv was also granted Phase 1 incentives of \$2,611,500; 1) \$1.8 million, 5-year, 0% forgivable loan for capital equipment investment paid at 15%, secured by a letter of credit, 2) \$606,000 job creation incentive for 110 new FTEs (of which only \$502,436 was earned for a max. 101 FTEs), and 3) \$205,500 grant to paint the walls, doors and floors of the manufacturing space.

Over 2 years ago when staff was approached about locating a mid-continent plant in Abilene, we were the company's first choice because of the deal PWP received and the working relationship that developed between them and the DevelopAbilene team. Our negotiations to-date assumed 15% reimbursement on capital equipment investment, as was the case with the PWP deal. The DCOA Board revised the Existing Business Incentive Guidelines down to 10% on capital equipment this year but I do not recommend changing the terms in mid-negotiation.

The existing 100,000 square feet Spec 3 shell building at 6558 Five Points Parkway is adequate to house the recycling plant initially, although Project RZ anticipates a near term need to expand the building. Spec 3 was designed to be expanded to the north so the site will accommodate future growth.

**THE REQUEST – PHASE 1**

On April 3, 2013, the company was granted an Exclusive Option to Lease the Spec 3 building at 6558 Five Points Parkway expiring July 31<sup>st</sup>, which was extended to August 31<sup>st</sup>, to give them time for due diligence work. The option will be extended again to give the company time to secure a signed deal with their main customer and a firm commitment from their bank. Realistically they are a few months from having this all tied up, but are willing to move forward with a lease provided there are contingent outs based on the customer signing and the bank approving. Project RZ plans to invest \$35 million in capital equipment and create 90 new jobs with an estimated annual payroll of \$3.6 million.

I propose a Phase 1 assistance package of \$6,196,000 as follows:

1. **Facility Finish-Out** – Immediately contract with an architectural/engineering firm to design finish-out improvements to the Facility to meet Company’s specifications for manufacturing and up to 10,000 sq ft of office space. Upon Company’s final approval of the plans and funding approval by the DCOA Board, DCOA shall then contract to construct the improvements, estimated to cost \$4-\$5 million. This funding is not calculated in the total assistance package because it is for improvements to a DCOA-owned building, most of the improvements will be transferrable to other tenants and the DCOA will earn far more return on its funds at 5.25%/year than having idle funds earning less than 1%/year.

2. **Lease of Facility** –Immediately enter into a Lease Agreement with Company for the Facility with lease payments to begin the earlier of Company’s start of production or 11 months after the finished building is handed over to them. Terms of the Lease are 10-years triple-net, with two 5-year options to renew, with a lease rate calculated at 5.25% of actual construction costs of the Spec 3 Building (\$6 million) plus the cost to finish-out to Company’s specifications (\$4-\$5 million). Company or its associated designee have the option to purchase the Facility at any time during the 10-year lease and any option terms at DCOA’s cost for construction and finish-out of the Facility. Upon execution of the Lease Agreement, Company will provide the DCOA with a security deposit totaling \$48,125. Should the company fail to secure a signed deal with their main customer and a firm commitment from their bank, they are to reimburse the DCOA for all design costs and the \$48,125 deposit will be applied toward that obligation. No finish-out work on the Spec 3 Building will be authorized until both contingencies are satisfied.

3. **Capital Investment Incentive/Forgivable Loan for Equipment Purchases** –Funding of 15% of Company’s investment of \$35 million in capital equipment, up to \$5,250,000. The funds shall be advanced under a Promissory Note at 0% interest secured by a letter of credit, with the balance forgiven over 5 years not to exceed \$1,050,000/year.

4. **Job Training Grant** –Funding up to \$50,000 to train 10-15 of Company’s employees at the plant in California. Reimbursements to Company shall be calculated at 50% of actual cost for payroll, transportation to and from California, lodging and meals for the trainees.

5. **Job Creation Incentive** – Up to \$896,000 for creation of 90 new FTEs payable over 5 years as follows:

Annual Salary Level*	Number of Jobs	Incentives per Job	Incentives Total
\$20 to \$30,000	24	\$ 4,000	\$ 96,000
\$30 to \$40,000	36	\$ 10,000	\$ 360,000
\$40 to \$50,000	16	\$ 12,000	\$ 192,000
\$50 to \$60,000	10	\$ 15,000	\$ 150,000
Over \$60,000 (below)	4	35%	\$ 98,000
<b>Total:</b>	<b>90</b>		<b>\$ 896,000</b>
Management Positions	Annual Salary Level*		
Over \$60,000			
4 Management Positions @ \$70k/year	\$280,000		
Total Salaries:	\$280,000		

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

2  
8.2



**THE REQUEST – PHASE 2**

Should the company need to expand, the following is recommended to be included in the Agreement:

1. **Facility Expansion Construction** - Subject to DCOA approval, fund the Facility expansion based on Company’s specifications. Company has the option to purchase the Facility at any time during the 10-year lease term and any option terms at DCOA’s cost for construction and expansion of the Facility.

2. **Lease of Expansion** – Prior to construction of the Phase 2 expansion, a new Lease Agreement will be executed for the entire (expanded) Facility for a term of 10 years, triple-net, with a lease rate calculated at 5.25% of actual construction costs of the Facility (\$6 million) plus the cost to finish-out to Company’s specifications (\$4-\$5 million), plus the cost of the building expansion.

**FISCAL IMPACT**

Incentives to Project RZ – Phase 1:

Capital Investment Incentive	\$5,250,000
Job Training Grant	\$ 50,000
Job Creation Incentive	<u>\$ 896,000</u>
TOTAL	<u>\$6,196,000</u>

**STAFF RECOMMENDATION**

Staff recommends approval of resolution DCOA-2013.24 authorizing an incentive package totaling \$6,196,000 for Project RZ Phase 1 as follows: 1) \$5,250,000 Capital Investment Incentive for company’s \$35MM investment in capital equipment advanced at 15% under a note secured by a letter of credit with the balance forgiven over 5 years, 2) \$50,000 job training grant, and 3) \$896,000 Job Creation Incentive for 90 new jobs paid over 5 years.

**ATTACHMENTS**

Resolution DCOA-2013.24

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**RESOLUTION NO. DCOA-2013.24**

A RESOLUTION OF THE DEVELOPMENT CORPORATION OF ABILENE, INC. ("DCOA"), ABILENE, TEXAS AUTHORIZING AN ASSISTANCE PACKAGE FOR PROJECT RZ.

WHEREAS, Project RZ opened in 2012 a 220,000 sq ft bottle-to-bottle PET recycling plant in California specializing in processing used plastic bottles into bottle-grade PET resin flakes and pellets that can then be used to manufacture new plastic beverage bottles and other products; and,

WHEREAS, over 2 years ago when staff was approached about locating a mid-continent plant in Abilene, we were the company's first choice because of the deal PWP Plastics (now Pactiv Industries) received and the working relationship that developed between them and the DevelopAbilene team; and,

WHEREAS, our negotiations to-date assumed 15% reimbursement on capital equipment investment, as was the case with the PWP deal, even though the DCOA Board revised the Existing Business Incentive Guidelines down to 10% on capital equipment this year; and,

WHEREAS, the existing 100,000 square feet Spec 3 shell building at 6558 Five Points Parkway is adequate to house the recycling plant initially, and Project RZ anticipates a near term need to expand the building; and,

WHEREAS, on April 3, 2013, the company was granted an Exclusive Option to Lease the Spec 3 building at 6558 Five Points Parkway expiring July 31<sup>st</sup>, which was extended to August 31<sup>st</sup>, to give them time for due diligence work. The option will be extended again to give the company time to secure a signed deal with their main customer and a firm commitment from their bank; and,

WHEREAS, Project RZ is willing to move forward with a lease provided there are contingent outs based on the customer signing and the bank approving, and the company plans to invest \$35 million in capital equipment and create 90 new jobs with an estimated annual payroll of \$3.6 million; and,

WHEREAS, staff requests the DCOA authorize an incentive package for Project RZ totaling \$6,196,000 including a lease agreement for the Spec 3 building.

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

**PART 1.** DCOA authorizes an incentive package for Project RZ and funding of Six Million One Hundred Ninety-Six Thousand and no/100's Dollars (\$6,196,000.00) as follows:

**PHASE 1**

1. **Facility Finish-Out** – DCOA will immediately contract with an architectural/engineering firm to design finish-out improvements to the Spec 3 building at 6558 Five Points Parkway to meet Project RZ's specifications for manufacturing and up to 10,000 sq ft of office space. Upon company's final approval of the plans and funding approval by the DCOA Board, DCOA shall then contract to construct the improvements, estimated to cost \$4-\$5 million. This funding is not calculated in the total assistance package because it is for improvements to a DCOA-owned building, most of the improvements will be transferrable to other tenants.

8.4

2. **Lease of Facility** –DCOA and Project RZ will immediately enter into a Lease Agreement for the Spec 3 building with lease payments to begin the earlier of Company’s start of production or 11 months after the finished building is handed over to them. Terms of the Lease are 10-years with two 5-year options to renew, triple-net, with a lease rate calculated at 5.25% of actual construction costs of the Facility (\$6 million) plus the cost to finish-out to Company’s specifications (\$4-\$5 million). Company or its associated designee have the option to purchase the Facility at any time during the 10-year lease and any option terms at DCOA’s cost for construction and finish-out of the Facility. Upon execution of the Lease Agreement, Company will provide the DCOA with a security deposit totaling \$48,125. Should the company back out of the deal before moving in, they are to reimburse the DCOA for all design costs and the \$48,125 deposit will be applied toward that obligation.

3. **Capital Investment Incentive/Forgivable Loan for Equipment Purchases** – Funding of 15% of Company’s investment of \$35 million in capital equipment, up to \$5,250,000. The funds shall be advanced under a Promissory Note at 0% interest secured by a letter of credit, with the balance forgiven over 5 years not to exceed \$1,050,000/year.

4. **Job Training Grant** –Funding up to \$50,000 to train 10-15 of Company’s employees at the plant in California. Reimbursements to Company shall be calculated at 50% of actual cost for payroll, transportation to and from California, lodging and meals for the trainees.

5. **Job Creation Incentive** – Up to \$896,000 for creation of 90 new FTEs payable over 5 years as follows:

Annual Salary Level*	Number of Jobs	Incentives per Job	Incentives Total
\$20 to \$30,000	24	\$ 4,000	\$ 96,000
\$30 to \$40,000	36	\$ 10,000	\$ 360,000
\$40 to \$50,000	16	\$ 12,000	\$ 192,000
\$50 to \$60,000	10	\$ 15,000	\$ 150,000
Over \$60,000 (below)	4	35%	\$ 98,000
<b>Total:</b>	<b>90</b>		<b>\$ 896,000</b>
Management Positions	Annual Salary Level*		
Over \$60,000			
4 Management Positions @ \$70k/year	\$280,000		
<b>Total Salaries:</b>	<b>\$280,000</b>		

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

**PHASE 2**

The following shall be included in the Agreement Should the company need to expand:

1. **Facility Expansion Construction** - Subject to DCOA approval, fund the Facility expansion based on Company’s specifications. Company has the option to purchase the Facility at any time during the 10-year lease term and any option terms at DCOA’s cost for construction and expansion of the Facility.

2. **Lease of Expansion** – Prior to construction of the Phase 2 expansion, a new Lease Agreement will be executed for the entire (expanded) Facility for a term of 10 years, triple-net, with a lease rate calculated at 5.25% of actual construction costs of the Facility (\$6 million) plus the cost to finish-out to Company’s specifications (\$4-\$5 million), plus the cost of the building expansion.

**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 27th day of August, 2013.

ATTEST:

\_\_\_\_\_  
Marelyn Shedd  
Secretary/Treasurer

\_\_\_\_\_  
Paul Cannon  
President

APPROVED:

\_\_\_\_\_  
T. Daniel Santee, City Attorney

# DEVELOPMENT CORPORATION OF ABILENE, INC.

## BOARD AGENDA

MEETING DATE: August 27, 2013

**PROJECT:**           **FY14 Funding for TTUHSC SOP “The Center” at Abilene Laboratories**

**STAFF:**           **Richard Burdine, CEO**

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### **GENERAL INFORMATION:**

Over the past couple of years, staff compared the issues and considerations with incubating early stage life sciences companies in the Abilene Laboratories (formerly Abilene Life Sciences Accelerator) to providing services to companies from a Contract Research Organization (CRO) located in the AbLabs facility. We concluded that a CRO can create more stable jobs than incubating early stage life sciences companies. That’s not to say we won’t pursue life sciences companies in the future. To the contrary, a CRO will help us develop relationships with companies it serves. Companies that are an especially good “fit” with the CRO may become relocation prospects as they grow.

On December 12, 2012, the board approved resolution DCOA.2013.08 authorizing a 3-year agreement with Texas Tech University Health Sciences Center School of Pharmacy (TTUHSC SOP) through the Center for Immunotherapeutic Research & Product Development (The Center) for provision of life sciences services from the Abilene Laboratories to private and public sector customers. The objective is for annual Center income to reimburse all funds advanced to TTUHSC-SOP each year and reduce the annual operating subsidy of the AbLabs for utilities, building maintenance and housekeeping, equipment maintenance, etc. The Center will establish a contract research organization (CRO) with the following procedures:

- DCOA continues to pay AbLabs building operating costs directly;
- DCOA advances TTHUSC-SOP annual management expenses, including all employee costs, supplies, travel, etc. based on a mutually agreed upon budget;
- TTUHSC-SOP hires and supervises the scientific/technical staff of The Center;
- Center staff recruit contract work to The Center and perform fee-for-service work and technology assessments for clients;
- Center bills clients monthly for services rendered; and,
- DCOA invoices Center monthly for payments received from clients.

The DCOA Board also authorized funding of \$450,330 based on 75% of the estimated first year contract budget of \$600,440, which assumed 12-months of operation. We advanced a total of \$208,620 in May 2013; 1) \$180,400 at 42% of budget for personnel costs, and 2) \$28,220 for other costs, prorated for two months. Actual expenses through August (the end of TTU’s fiscal year) are estimated to be \$39,709, which leaves a carryover amount of \$168,411 to cover FY14 costs.

9.1

Delays in contract negotiations between TTUHSC and DCOA (Agreement signed May 30, 2013) in turn delayed hiring activity for The Center, resulting in most of the large remaining balance at year end. Current staffing is as follows:

- Research Scientist/Lab Director, Oriana Hawkins, start date is 9-3-13.
- Senior research Associate/Scientist, Devin Lowe, start date is 9-3-13.
- Research Associate/Business Development, Rick Thomson, start date is 8-12-13.
- Research Associate, Timea Wichner, start date was 6-17-13.
- Unit Manager, Roxy Cox, start date was 8-12-13.
- Research Associate, not yet filled.

Previous travel commitments prevented Center Director Jon Weidanz, PhD, MPH, from attending this Board meeting. He will attend the September 24<sup>th</sup> Board meeting to introduce The Center staff and their respective expertise and brief you about on-going contract research activity for 2014.

**THE REQUEST:**

The DCOA board requested staff return each year for funding approval based on a new FY budget. The FY14 request is as follows:

Management & Personnel Costs	\$404,740
Other Costs	<u>\$190,780</u>
Subtotal	\$595,520
LESS carryover of excess FY13 funds advanced	<u>(\$168,411)</u>
FY14 funding request amount	\$427,109

**FUNDING/FISCAL IMPACT:**

FY14 funding for The Center at AbLabs	\$427,109
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**STAFF RECOMMENDATION:**

Staff recommends DCOA Board approval of Resolution DCOA-2013.25 authorizing FY14 funding for The Center at AbLabs in the amount of \$427,109. All of the Management & Personnel costs must be fully funded for the year for TTUHSC to carry the staff on their payroll. All other funds are advanced quarterly.

**ATTACHMENT:**

Resolution DCOA-2013.25

**RESOLUTION NO. DCOA-2013.25**

A RESOLUTION OF THE DEVELOPMENT CORPORATION OF ABILENE, INC. ("DCOA"), ABILENE, TEXAS AUTHORIZING FY14 FUNDING FOR THE AGREEMENT WITH TEXAS TECH UNIVERSITY HEALTH SCIENCES CENTER SCHOOL OF PHARMACY ("TTUHSC SOP") FOR PROVISION OF LIFE SCIENCES SERVICES FROM THE ABILENE LABORATORIES ("ABLABS") TO PRIVATE AND PUBLIC SECTOR CUSTOMERS.

WHEREAS, over the past couple of years, staff compared the issues and considerations with incubating early stage life sciences companies in the Abilene Laboratories (formerly Abilene Life Sciences Accelerator) to providing services to companies from a Contract Research Organization (CRO) located in the AbLabs facility; and,

WHEREAS, it was concluded that a CRO can create more stable jobs than incubating early stage life sciences companies; and,

WHEREAS, on December 12, 2012, the DCOA approved resolution DCOA.2013.08 authorizing a 3-year agreement with Texas Tech University Health Sciences Center School of Pharmacy (TTUHSC SOP) through the Center for Immunotherapeutic Research & Product Development (The Center) for provision of life sciences services from the Abilene Laboratories to private and public sector customers; and,

WHEREAS, the DCOA Board also authorized funding of \$450,330 based on 75% of the estimated FY13 contract budget of \$600,440, of which \$208,620 was advanced and only \$39,709 was spent, leaving a carryover to FY14 of \$168,411; and,

WHEREAS, delays in contract negotiations between TTUHSC and DCOA (Agreement signed May 30, 2013) in turn delayed hiring activity for The Center, resulting in most of the large remaining balance at fiscal year-end 2013; and,

WHEREAS, the DCOA board requested staff return each year for funding approval based on a new FY budget; and,

WHEREAS, staff requests the DCOA authorize FY14 funding for the agreement with TTUHSC SOP for provision of life sciences services from the Abilene Laboratories to private and public sector customers.

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

**PART 1.** DCOA authorizes funding for the FY14 budget under a previously approved 3-year agreement with Texas Tech University Health Sciences Center School of Pharmacy (TTUHSC SOP) through the Center for Immunotherapeutic Research & Product Development (The Center) for provision of life sciences services from the Abilene Laboratories to private and public sector customers. The amount of funding authorized totals Four Hundred Twenty-Seven Thousand One Hundred Nine and no/100's Dollars (\$427,109.00) as shown below:

Management & Personnel Costs	\$404,740
Other Costs	<u>\$190,780</u>
Subtotal	\$595,520
<b>LESS</b> carryover of excess FY13 funds advanced	<u>(\$168,411)</u>
FY14 funding request amount	\$427,109

**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 any contract and all other related documents on behalf of the DCOA.

ADOPTED this the 27th day of August, 2013.

ATTEST:

\_\_\_\_\_  
Marelyn Shedd  
Secretary/Treasurer

\_\_\_\_\_  
Paul Cannon  
President

APPROVED:

\_\_\_\_\_  
T. Daniel Santee, City Attorney

S:\DCOAResolution2013\2013.25 TTUHSC Center for Ablabs FY14 funding 087-13.doc

9.4



# DEVELOPMENT CORPORATION OF ABILENE, INC.

## BOARD AGENDA

MEETING DATE: August 27, 2013

**PROJECT:** A Lease with Texas Tech University Health Sciences Center at Abilene Laboratories to Create a State-of-the-Art Interprofessional Sterile Products and Biotechnology Teaching Laboratory.

**STAFF:** Richard Burdine, CEO

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### THE REQUEST:

Texas Tech University Health Sciences Center Abilene proposes to lease 1,383 square feet of space (Rooms 208 & 209) at Abilene Laboratories to create a state-of-the-art Interprofessional Sterile Products and Biotechnology Teaching Laboratory. This facility will support required and elective academic courses in the School of Pharmacy, School of Nursing, and the Graduate School of Biomedical Sciences. It will also support continuing education certification courses in sterile product preparation required for licensed pharmacists, pharmacy technicians, registered nurses, and licensed vocational nurses. Certification courses in Biotechnology Laboratory Skills and Advanced Biotechnology Laboratory Skills will also be created and offered.

TTUHSC SOP-Abilene Dean Cynthia Raehl stated, "We estimate that the continuing education certification courses would be offered several times throughout the year and particularly the summer months. Each course could accommodate 24 students who would complete a one week hands on training experience in Abilene necessitating their stay in local hotels. The Texas State Board of Pharmacy is likely to double the continuing education requirements for pharmacists and technicians in response to the unnecessary deaths and serious illness in Texas and the nation."

One full time certified pharmacy technician will be hired to support this project.

Attached are a draft of the project description and an old description of a previous sterile products course offered by Abilene faculty Drs. Jose Vega and Pamella Ochoa.

### STAFF RECOMMENDATION:

I recommend that the space be leased to TTUHSC at the rate of \$17.00/square foot/year, including utilities for three years with an option to renew for three years at \$17.00/square foot adjusted by the Consumer Price Index increase over the prior three years. This lease rate is 30% lower than the \$25.00/square foot/year charged to private biotech tenants. However their lease does not include use of the common equipment, won't require any physical alterations to the space to meet their needs and is exempt from local property taxes.

### FUNDING/FISCAL IMPACT:

Annual revenue to the DCOA \$23,511.00

### ATTACHMENT:

Resolution DCOA-2013.26

## TTUHSC Abilene Tackles a High Profile Public Safety Crisis

Preventing Tragedies from  
Contaminated Injectable Drugs



*Fungal meningitis*

*Fungal eye infections*

*Blindness, eye removal*

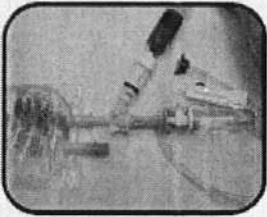
*Encephalitis*

*Bacterial blood stream infection*

*Fatal overdoses*

*Fatal fungal bloodstream infections*

*Hip abscesses*



What do all these recent tragedies have in common? All resulted from injection of contaminated drugs. These tragedies hit hard and close to home. On August 12, 2013, the FDA issued a nationwide recall for all products made by the Texas-based corporation Specialty Compounding LLC. To date, 15 Texas patients have suffered life-threatening bacteria in the blood stream. Two Texans died from this single incident.



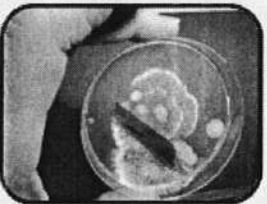
Lapses in sterile product compounding techniques injure and sometimes kill children, adults and seniors. Patients needing pain injections, eye ointments or intravenous cancer drugs are vulnerable. These tragedies have afflicted patients in their clinics, hospitals, nursing facilities, and homes.

While the FDA, U.S. Congress and state houses across the country debate regulatory changes, TTUHSC is taking action. TTUHSC will address a root cause of these preventable deaths and illness; training of health care professionals. TTUHSC Abilene is building a state-of-the-art sterile product and biotechnology teaching laboratory. This facility, staffed by trained faculty, will provide the contemporary setting needed to train pharmacy and nursing students. TTUHSC will also offer sterile product training short courses to practicing health care professionals. By training and retraining students and active practitioners, we can prevent these tragedies.



### The Facility

TTUHSC Schools of Pharmacy and Nursing in Abilene are uniting to create a state-of-the-art sterile compounding teaching laboratory. Users include pharmacy students, nursing students, M.S. biotechnology students, and licensed pharmacists, nurses, and technicians. TTUHSC will need \$560K, this will add a cadre of scientific equipment to measure the concentrations of drugs in the sterile product and assure the product is free of bacteria and fungi.



Together we will ensure the sterile products our citizens and loved ones need are safe.



Registration Form - \$515  
RSVP by September 26, 2011

Name: \_\_\_\_\_

Address: \_\_\_\_\_

City, St.: \_\_\_\_\_

Daytime Phone: \_\_\_\_\_

Email Address: \_\_\_\_\_

Check or money order payable to:  
TTUHSC School of Pharmacy  
Charge to:  MasterCard  VISA

Account #: \_\_\_\_\_

Exp. Date: \_\_\_\_\_ Billing Zip: \_\_\_\_\_

v-code: \_\_\_\_\_

Signature: \_\_\_\_\_

eProfile ID: \_\_\_\_\_

DOB (MMDD): \_\_\_\_\_

Refunds: The registration fee is refundable, up to 15 days prior to the program date and up to 3 days prior less \$125.

Space is limited to the first 48 to register. A minimum of 25 registrations are needed to hold the program. Should the minimum not be met & the program canceled all paid registration fees will be refunded.

Arrangements for Special Assistance:  
 Dietary Restrictions (Please specify): \_\_\_\_\_

Please check this box if you require assistance because of a disability to make this program accessible to you.

Please detach this form or make a copy and mail along with your registration fee to:

TTUHSC School of Pharmacy  
Attn: Brittany Patterson  
1300 S. Coulter St., Suite 2210  
Amarillo, TX 79106  
Phone: (806) 356-4031 ext 236  
Fax: (806) 356-4740

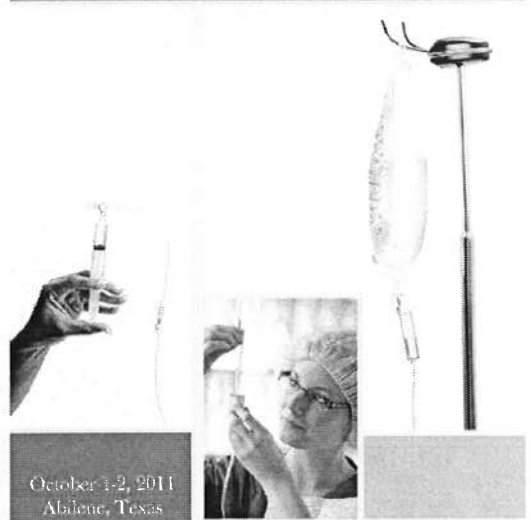
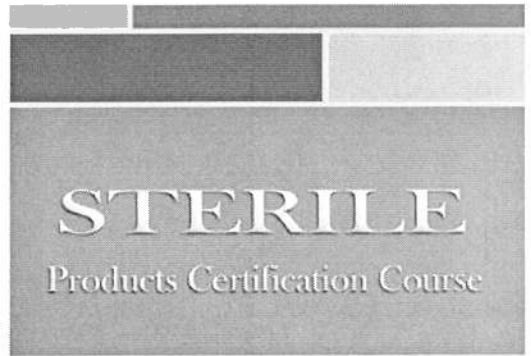
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School of Pharmacy  
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Amarillo, TX 79106

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October 1-2, 2011  
Arlene, Texas



TEXAS TECH UNIVERSITY  
HEALTH SCIENCES CENTER  
School of Pharmacy

10.3

This practice-based, 20 contact hour, course will provide pharmacists with information, requirements, techniques, and practical experience needed to properly compound sterile products. The course abides by the Texas State Board of Pharmacy standards to certify pharmacists in safe and sterile preparation of pharmaceuticals.

The Sterile Products Certification course is broken down into 9 home study contact hours and 11 live contact hours. The home study links will be provided to you after you register for the program and must be completed prior to attending the live portion.

*(The home study program has an ACPE initial release date of August 24, 2011 and expires August 24, 2014)*

To receive a statement of credit, you must complete the home study portion prior to attending the live program; sign-in at registration table on October 1 and 2; attend the live program; and complete the lecture, lab work, and assessments with a passing score of 70% or higher.

**Jose Vega, Pharm.D.**

Interim Regional Dean, Assistant Professor  
Adult Medicine Division, Texas Tech University  
HSC School of Pharmacy, Abilene

**Pamella Ochoa, Pharm.D.**

Assistant Professor  
Adult Medicine Division, Texas Tech University  
HSC School of Pharmacy, Abilene

**\*\*NOTICE:** ACPE & NABP have rolled out a new system to track completed CPE activities by pharmacists & pharmacy technicians. You must set up an eProfile ID with NABP & supply that ID & your DOB (MMDD) upon registering for this program. Paper credits are obsolete. For more information & to set up your eProfile visit: [www.mycpenmonitor.net](http://www.mycpenmonitor.net)  
If you need further assistance, contact Brittany at the number or email listed on the registration page.

## OBJECTIVES

Sterile Products Certification Course - Part I  
*UAN 0096-0000-11-016-H01-P*

- Define important terminology related to aseptic technique and parenteral product preparation
- Describe the proper procedure for aseptic technique, hand washing, cleaning of the laminar flow hoods, and syringe manipulation
- List important requirements of Chapter 797
- Classify sterile products into the appropriate risk level
- List considerations when preparing sterile products for pediatric patients
- List major compatibility principles of parenteral products
- Identify necessary components in maintaining proper controls for sterile product preparation
- Identify important components of quality assurance of parenteral products
- Discuss preparation of Total Parenteral Nutrition (TPN) or multiple product parenteral admixture using aseptic technique and effective workflow processes

Sterile Products Certification Course - Part 2  
*UAN 0096-0000-11-017-L01-P*

- Describe changes in syringe manipulation when preparing sterile products in a horizontal flow hood versus a vertical flow hood
- Accurately perform calculations used for preparation of parenteral products
- Prepare an admixture using proper aseptic technique and syringe manipulation
- Prepare admixtures using reconstituted products, ampules, and vials while accounting for pressure influences
- Utilize effective workflow processes and quality assurance practices in the preparation of sterile products
- Prepare chemotherapeutic sterile products using proper aseptic technique
- Practice and pass fingertip testing following preparation of an admixture



Texas Tech University HSC School of Pharmacy is an accredited provider of Continuing Education by the Accreditation Council for Pharmacy Education.

## SCHEDULE

Due to space and time restrictions attendees will be divided into two groups at the live program. Groups will be identified at registration

October 1, 2011:

**Group A:**

7:30 – 8:00 am: Registration & Breakfast  
8:00 – 10:00 am: Aseptic Technique & Workflow Lecture

10:00 – 10:15 am: Break

10:15 – 11:45 am: Aseptic Lab

11:45 – 12:45 pm: Manipulation Lab

12:45 – 1:45 pm: Lunch

1:45 – 2:45 pm: Calc I Lecture

2:45 – 4:15 pm: Calc II & Prac Lectures

4:15 – 4:30 pm: Break

4:30 – 5:00 pm: Open Lab

**Group B:**

7:30 – 8:00 am: Registration & Breakfast

8:00 – 10:00 am: Aseptic Technique & Workflow Lecture

10:00 – 10:15 am: Break

10:15 – 11:15 am: Calc I Lecture

11:15 – 12:45 pm: Calc II & Prac Lectures

12:45 – 1:45 pm: Lunch

1:45 – 3:15 pm: Aseptic Lab

3:15 – 4:15 pm: Manipulation Lab

4:15 – 4:30 pm: Break

4:30 – 5:00 pm: Testing – Lab

October 2, 2011:

**Group A:**

7:30 – 8:00 am: Breakfast

8:00 – 8:30 am: Lecture Q&A

8:30 – 10:00 am: Chemo Lab

10:00 – 10:30 am: Quality Lab

10:30 – 11:00 am: Break

11:00 – 12:00 pm: Testing - Written

12:00 – 12:30 pm: Testing - Lab

**Group B:**

7:30 – 8:00 am: Breakfast

8:00 – 8:30 am: Lecture Q&A

8:30 – 10:00 am: Chemo Lab

10:00 – 10:30 am: Quality Lab

10:30 – 11:00 am: Break

11:00 – 12:00 pm: Testing - Written

12:00 – 12:30 pm: Open Lab

**RESOLUTION NO. DCOA-2013.26**

A RESOLUTION OF THE DEVELOPMENT CORPORATION OF ABILENE, INC. ("DCOA"), ABILENE, TEXAS AUTHORIZING A LEASE WITH TEXAS TECH UNIVERSITY HEALTH SCIENCES CENTER ("TTUHSC") FOR SPACE IN THE ABILENE LABORATORIES ("ABLABS") FOR AN INTERPROFESSIONAL STERILE PRODUCTS AND BIOTECHNOLOGY TEACHING LABORATORY.

WHEREAS, TTUHSC Abilene proposes to lease 1,383 square feet of lab space (Rooms 208 & 209) at Abilene Laboratories, 1325 Pine St., to create a state-of-the-art Interprofessional Sterile Products and Biotechnology Teaching Laboratory; and,

WHEREAS, this facility will support required and elective academic courses in the School of Pharmacy, School of Nursing, and the Graduate School of Biomedical Sciences and support continuing education certification courses in sterile product preparation required for licensed pharmacists, pharmacy technicians, registered nurses, and licensed vocational nurses; and,

WHEREAS, certification courses in Biotechnology Laboratory Skills and Advanced Biotechnology Laboratory Skills will also be created and offered; and,

WHEREAS, one full time certified pharmacy technician will be hired to support this project; and,

WHEREAS, staff requests the DCOA authorize a lease with TTUHSC at the Abilene Laboratories for an Interprofessional Sterile Products and Biotechnology Teaching Laboratory.

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

**PART 1.** DCOA authorizes a lease agreement with Texas Tech University Health Sciences Center for space in the Abilene Laboratories located at 1325 Pine St., Abilene, Texas. The space will be used to establish an Interprofessional Sterile Products and Biotechnology Teaching Laboratory.

Rooms 208 and 209 totaling 1,383 square feet will be leased at the rate of \$17.00/square foot/year, including utilities for three years with an option to renew for three years at \$17.00/square foot adjusted by the Consumer Price Index increase over the prior three years.

**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 any contract and all other related documents on behalf of the DCOA.

10.5

ADOPTED this the 27th day of August, 2013.

ATTEST:

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Marelyn Shedd  
Secretary/Treasurer

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Paul Cannon  
President

APPROVED:

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T. Daniel Santee, City Attorney

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10.6.