

PUBLIC NOTICE

DEVELOPMENT CORPORATION OF ABILENE, INC.

A regular meeting of the Development Corporation of Abilene, Inc. will be held on Wednesday, December 04, 2013, in the Abilene Laboratories, 1325 Pine St., Abilene, Texas, commencing at 2:00 p.m. to consider the following agenda:

SIGNED:


Richard Burdine, Asst. City Manager for Economic Development

AGENDA

December 04, 2013
2:00 p.m.

Abilene Laboratories
1325 Pine St.

1. Call the meeting to order.
2. Approval of minutes from the November 12, 2013, board meeting.
3. Preliminary September 2013 status of funds report.
4. Presentation of Annual Reports for Fiscal Year Ended September 30, 2013 by City of Abilene Airport Business Development Manager.
5. Presentation and possible approval of the FY13 Annual Report of Activities of the Development Corporation of Abilene, Inc.
6. Executive Session: Pursuant to Tex. Gov't Code Sec. 551.087, an executive session may be held (1) to discuss or deliberate regarding commercial or financial information that the governmental body has received from a business prospect that the governmental body seeks to have locate, stay, or expand in or near the territory of the governmental body and with which the governmental body is conducting economic development negotiations; or (2) to deliberate the offer of a financial or other incentive to a business prospect described by Subdivision (1). After discussion in executive session, any action or vote will be taken in public.

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

Pursuant to Tex. Gov't Code Sec. 551.071, an executive session may be held to consult with the DCOA attorney regarding pending or contemplated litigation or a settlement offer regarding DCOA funded projects or on a matter in which the duty of the attorney to the governmental body under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with Chapter 551 of the Government Code. After discussion of the contemplated legal matters in executive session, any action or vote will be taken in public.

7. Discussion and possible approval of a resolution authorizing a contract for architectural and engineering services to design an expansion of the research area and replacement of the steam boiler at 842 Pine St.
8. Discussion and possible approval of a resolution authorizing design services and installation of a ventilation system in Hangar 4 at the Abilene Regional Airport occupied by Eagle Aviation Services.
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
November 12, 2013

MEMBERS PRESENT:	Paul Cannon Dani Ramsey	Scott Senter
MEMBERS ABSENT:	Dave Copeland	Marelyn Shedd
STAFF PRESENT:	Richard Burdine Daniel Santee	Ashley Daniels
GUESTS PRESENT:	Jason Smith Gary Robinett John Mangalonzo	Abilene Industrial Foundation Abilene Industrial Foundation Abilene Reporter News

- 1. CALL THE MEETING TO ORDER.** President Paul Cannon called the meeting to order at 1:54 p.m. at the Abilene Laboratories, 1325 Pine St., Abilene Texas.
- 2. APPROVAL OF MINUTES FROM OCTOBER 29, 2013 BOARD MEETING.** Scott Senter moved to approve minutes from the October 29, 2013, board meeting. Dani Ramsey seconded and the motion carried.
- 3. SALES TAX REPORT FOR NOVEMBER 2013.** Richard Burdine, Assistant City Manager for the City of Abilene, reviewed the sales tax revenue for November 2013, which represents September 2013 sales. The total sales tax rebate was \$3,587,043.03 which is 0.54% above last year and 1.43% below the projected FY 14 budget amount for November. The November breakdown is \$2,690,282.27 going to the General Fund and \$896,760.76 to the DCOA. Collections for the fiscal year are 2.06% below last year and 3.98% below the projected FY14 budget amount.
- 4. EXECUTIVE SESSION:** I hereby announce we are going into Executive Session pursuant to Texas Government Code Sections 551.071, .072, and .087 to consult with our legal counsel, discuss real property transactions, and discuss economic development negotiations involving a business prospect, as set forth on the agenda. Any vote or action will be taken in open session.

President Paul Cannon announced the date is November 12, 2013, and the time is 1:55 p.m. Later, President Cannon announced the date is still November 12, 2013, and the time is 2:16 p.m. No vote or action was taken in Executive Session.

- 5. DISCUSSION AND POSSIBLE APPROVAL OF A RESOLUTION AUTHORIZING ASSISTANCE FOR SMITH PIPE.** Richard Burdine introduced Smith Pipe, a local company located on Hwy 277 South. To assist with the company's recent growth, Mr. Burdine recommends a Phase 5 expansion assistance package with a 10% capital investment incentive of up to \$452,000. The company is expanding its vessel shop and purchasing new equipment plus adding a small tank blasting, coating and

2.1

painting facility and a new warehouse at a total estimated cost of \$4,520,000. New jobs to be added will total 67. The funds will be advanced under a loan secured by a letter of credit and forgiven over three years in equal amounts of \$150,667.

Dani Ramsey moved to approve resolution DCOA-2014.06 as presented, authorizing \$452,000 for Smith Pipe's phase 5 expansion of its vessel shop, small tank blasting, coating and painting shop and warehouse space. Scott Senter seconded and the motion carried.

6. **DISCUSSION AND POSSIBLE APPROVAL OF A RESOLUTION AUTHORIZING A CONSTRUCTION CONTRACT AND FUNDING FOR THE EXTENSION OF ENTERPRISE DRIVE.** Richard Burdine discussed the construction bids received on November 4th for the extension of Enterprise Drive from Hwy 351 to East Lowden Ave. Four bids were received from Epic Construction, Bontke Brothers, J.H. Strain & Sons and Contract Paving. Jacob & Martin recommended the bid award to Epic Construction as low bidder. Mr. Burdine recommended a construction contract with Epic Construction for Enterprise Drive extension and funding of \$256,017 plus a 5% contingency of \$12,800. Also recommended is a Developer's Contribution payment of \$13,274.20 to the City of Abilene as satisfaction of the developer's requirements for curb & gutter and sidewalks along E. Lowden Ave. Mr. Burdine also recommends a ribbon cutting at Enterprise Drive.

Scott Senter moved to approve resolution DCOA-2014.07 as presented, authorizing a construction bid award and funds for the extension of Enterprise Drive from Hwy 351 to East Lowden Avenue. Dani Ramsey seconded and the motion carried.

7. **ADJOURNMENT.** The next regularly scheduled meetings are November 26, 2013 and December 10, 2013. There being no further business the meeting was adjourned.

Paul Cannon, President

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

CURRENT ASSETS:

Cash and Investments	\$18,801,718
Accounts receivable	35,293
Due from other governments	1,738,931
Prepaid Expense	1,910
Total Current Assets	<u>\$20,577,852</u>

NONCURRENT ASSETS:

Notes receivable	16,269,706
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	(6,814,309)
Capital assets, net of accumulated depreciation	<u>36,464,858</u>
Total Noncurrent Assets	<u>52,734,564</u>
TOTAL ASSETS	<u><u>\$73,312,416</u></u>

LIABILITIES:

Accounts payable	<u>\$226,721</u>
Total Liabilities	<u>\$226,721</u>

FUND BALANCES:

Invested in capital assets	\$36,464,858
Reserved for contractual obligations (external)	10,291,258
Reserved for obligated programs (internal)	1,367,317
Undesignated Balance	24,962,262
Total Fund Balance	<u>\$73,085,695</u>
TOTAL LIABILITIES AND FUND BALANCES	<u><u>\$73,312,416</u></u>

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

	Object	Beginning I-T-D Revenues	Current Month Revenues	Current FY Revenues	(MARCH, 1990) Ending I-T-D Revenues
REVENUE-TO-DATE					
City Sales Tax	40201	\$ 147,668,569.04	\$ 793,238.38	\$ 10,175,071.82	\$ 157,843,640.86
Sales Tax Retained	40202	506,821.56	4,624.14	54,300.20	561,121.76
Princ. - Loans & Assess	40902	3,268,528.27	-	-	3,268,528.27
Int. - Loans & Assess	46003	2,314,633.98	-	71,581.83	2,386,215.81
Interest on Investments	46004	7,020,340.95	3,140.87	37,736.30	7,058,077.25
Land Lease	47201	17,296.11	1,041.67	5,293.05	22,589.16
Building/Space Rent	47203	7,347,601.67	77,878.77	964,254.13	8,311,855.80
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	6,687.98	62,620.27	1,082,390.37
Sale of Land	48201	475,593.50	-	81,770.29	557,363.79
Sale of Buildings & Equipment	48203	3,976,326.19	-	4,000.00	3,980,326.19
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	\$ 886,611.81	\$ 11,720,936.36	\$ 193,968,446.93

**DEVELOPMENT CORPORATION OF ABILENE
STATUS OF FUNDS @ SEPTEMBER 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		\$ 90,452,723.94	\$ -	\$ -	\$ 90,452,723.94	
Business Services Division	Div 2760	9,067,992.94	58,367.01	654,362.43	9,722,355.37	-
Life Sciences Property - Pine	Div 2765	1,867,386.28	37,396.47	610,108.20	2,477,494.48	-
DCOA Annual Contracts	Div 2775	2,823,494.98	13,923.30	240,846.52	3,064,341.50	-
Abilene Industrial Foundation	2775-62571	13,888,018.57	106,133.40	629,198.07	14,517,216.64	-
TTU Small Business Dev Cntr	2775-62572	3,055,608.55	36,468.75	180,637.50	3,236,246.05	-
Chamber Military Affairs	2775-62573	1,326,511.16	27,263.70	68,540.68	1,395,051.84	-
Airport Business Dev Mgr	2775-62574	897,833.70	21,229.40	123,107.25	1,020,940.95	-
Murf Systems	4998	199,665.00	-	-	199,665.00	-
EASI 04	5213	2,131,546.52	-	233,418.86	2,364,965.38	-
Fehr Food	5220	3,712,530.00	-	-	3,712,530.00	-
CBER Website	5240	7,067.07	-	-	7,067.07	-
TTU Pharmacy School	5242	658,436.00	-	508,367.00	1,166,803.00	-
Pacliv (formerly PWP)	5251	2,507,898.97	-	-	2,507,898.97	426,000.00
SBIR/STTR	5263	86,200.16	-	-	86,200.16	-
EASI 7th Doc	5265	239,175.14	-	24,999.00	264,174.14	-
TTU HSC Research	5273	2,187,988.66	-	249,667.00	2,437,655.66	562,344.34
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	1,236,265.25	-	(3,504.48)	1,232,760.77	-
TTU 842 Pine	5308	233,155.10	-	128,279.00	361,434.10	-
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	(4,166.68)	6,250.03	386,240.60	-
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.	75321	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	-	268,149.00	268,149.00	268,149.00	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	-	56,598.31	284,965.48	-
Vine St. Parking Lot	5335.3	158,850.00	-	-	158,850.00	-
Vine St. Construction	5335.4	32,610.00	19,717.47	502,145.60	534,755.60	1,815.75
Vine St. Interior Demo	5335.5	121,698.03	-	1,332.94	123,030.97	-
Vine St. Other Impr	5335.6	-	-	14,617.28	14,617.28	-
Vine Street Gotta Go Trailways	5335.7	-	2,900.00	18,400.00	18,400.00	-
Vine Street Fehr Foods	5335.8	-	12,448.00	58,138.25	58,138.25	-
Slide Fire Improvements	5335.9	-	52,235.14	133,143.03	133,143.03	198,491.97
Welder Training	5339	146,766.19	-	140,278.26	287,044.45	-
Fehr Foods '12	5340	-	-	170,000.00	170,000.00	340,000.00
Prospect Development	5341	1,216.00	-	-	1,216.00	-
Pacliv Compressor A/E	5344.1	10,500.00	-	23,170.85	33,670.85	-
Pactiv Compressor Construction	5344.2	-	-	327,806.00	327,806.00	-
Owens Machine & Tool	5345	-	-	-	-	351,000.00
Biotech Marketing and PR Plan	5346	-	552.43	81,160.56	81,160.56	18,000.20
TMAC FY13	5347	-	-	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	-	-	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	-	3,500.00	14,000.00	14,000.00	50,260.00
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	-
Purchase 834 Pine	5358	-	2,500.00	40,484.66	40,484.66	2,475.00
Tucker Energy Service	5359	-	-	-	-	1,585,000.00
Five Points Survey	5360	-	23,665.52	28,865.52	28,865.52	6,134.00
TTUHSC Center FY14 Operating	5361	-	-	274,400.00	274,400.00	152,709.00
Five Pts / Polaris D	5362.1	-	-	-	-	60,200.00
Miscellaneous Activities	2785	354,189.86	-	-	354,189.86	-
TOTAL ENCUMB. / EXPENDITURES		\$ 149,417,306.98	\$ 682,282.91	\$ 7,930,302.77	\$ 157,347,609.75	\$ 10,291,257.93
TOTAL FUND BALANCE					\$ 36,620,837.18	
UNENCUMBERED FUND BALANCE						\$ 26,329,579.25

3.3

**DEVELOPMENT CORPORATION OF ABILENE
STATUS OF FUNDS @ SEPTEMBER 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	\$ 677,060.00	\$ -	\$ 58,367.01	\$ 654,362.43	\$ 22,697.57
Life Sciences Property -Pine	Div 2765	635,963.85	-	37,396.47	610,108.20	25,855.65
DCOA Annual Contracts	Div 2775	308,810.00	-	13,923.30	240,846.52	67,963.48
Abilene Industrial Foundation	2775-4950	746,850.00	-	106,133.40	629,198.07	117,651.93
TTU Small Business Dev Cntr	2775-4951	250,000.00	-	36,468.75	180,637.50	69,362.50
Chamber Military Affairs	2775-4952	100,000.00	-	27,263.70	68,540.68	31,459.32
Airport Business Dev Mgr	2775-4953	181,630.00	-	21,229.40	123,107.25	58,522.75
Murf Systems	4998	199,665.00	199,665.00	-	-	-
EASI 04	5213	2,364,966.00	2,131,546.52	-	233,418.86	0.62
Fehr Food	5220	3,712,530.00	-	-	-	-
CBER Website	5240	7,067.00	7,067.07	-	-	(0.07)
TTU Pharmacy School	5242	1,166,803.00	658,436.00	-	508,367.00	-
Pactiv (formerly PWP)	5251	2,933,899.00	2,507,898.97	-	426,000.00	0.03
SBIR/STTR	5263	86,201.00	86,200.16	-	-	0.84
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	-	249,667.00	562,344.34
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)	0.23
TTU 842 Pine	5308	361,435.00	233,155.10	-	128,279.00	0.90
AIC Equipment Lease/Purchase	5312	164,489.00	164,128.01	-	360.83	0.16
Nation Wide Products	5313	104,783.00	62,366.67	-	42,416.67	(0.34)
Enavail, LLC	5316	386,241.00	379,990.57	(4,166.68)	6,250.03	0.40
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	-	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	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	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	495,390.00	75,500.00	-	75,500.00	344,389.50
TTUHSC School of Nursing	5331	275,464.00	-	268,149.00	268,149.00	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	-	56,598.31	6,250.52
Vine St. Parking Lot	5335.3	158,850.00	158,850.00	-	-	-
Vine St. Construction	5335.4	569,064.00	32,610.00	19,717.47	502,145.60	1,815.75
Vine St. Interior Demo	5335.5	130,489.00	121,698.03	-	1,332.94	7,458.03
Vine St. Other Impr	5335.6	14,618.00	-	-	14,617.28	0.72
Vine Street Gotta Go Trailways	5335.7	19,500.00	-	2,900.00	18,400.00	1,100.00
Vine Street Fehr Foods	5335.8	62,607.00	-	12,448.00	58,138.25	4,468.75
Slide Fire Improvements	5335.9	365,381.00	-	52,235.14	133,143.03	198,491.97
Welder Training	5339	287,045.00	146,766.19	-	140,278.26	0.55
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	-	23,170.85	1.15
Pactiv Compressor Construction	5344.2	327,806.00	-	-	327,806.00	-
Owens Machine & Tool	5345	351,000.00	-	-	-	351,000.00
Biotech Marketing and PR Plan	5346	116,400.00	-	552.43	81,160.56	18,000.20
TMAC FY13	5347	110,000.00	-	-	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	-	-	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	-	3,500.00	14,000.00	50,260.00
Five Point Land Clearing	5355	35,160.00	-	-	35,160.00	-
Fehr Foods '13	5356	240,000.00	-	-	-	240,000.00
TTUHSC Center FY13 Operating	5357	208,620.00	-	-	208,620.00	-
Purchase 834 Pine	5358	42,960.00	-	2,500.00	40,484.66	2,475.00
Tucker Energy Service	5359	1,585,000.00	-	-	-	1,585,000.00
Five Points Survey	5360	35,000.00	-	23,665.52	28,865.52	6,134.00
TTUHSC Center FY14 Operating	5361	427,109.00	-	-	274,400.00	152,709.00
Five Pts / Polaris D	5362.1	60,200.00	-	-	-	60,200.00
Miscellaneous Activities	2785	354,189.86	354,189.86	-	-	-

BALANCE OF OBLIGATED PROGRAMS \$ 45,626,616.71 \$ 26,037,736.86 \$ 682,282.91 \$ 7,930,302.77 \$ 10,291,257.93 \$ 1,367,317.29

UNDESIGNATED FUND BALANCE (unencumbered balance less obligated programs and contingent liabilities) \$ 24,962,261.96

DCOA Board approved projects waiting for signed contracts	Expiration Date
Marketing for 2nd Airline	09/30/2013
Project LS	01/31/2014
Project KM	01/31/2014
Project RZ	02/27/2014
FY14 Annual Contracts & Property Management	02/27/2014
5 Pts RR Expansion Design	03/24/2014
	11,243,321

3.4

DEVELOPMENT CORPORATION OF ABILENE, INC.
BOARD AGENDA
MEETING DATE: December 4, 2013

PROJECT: Annual Report for FY13 - Airport Business Development Management

STAFF: Richard Burdine, CEO

GENERAL INFORMATION

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

SPECIAL CONSIDERATIONS

The FY13 contract expired 9-30-13, and the DCOA approved funding for new FY14 contracts. Attached is a report covering activities during FY13 through 9-30-13 for the Airport Business Development Management Program.

FUNDING/FISCAL IMPACT

None.

STAFF RECOMMENDATION

Staff recommends the board approve the attached report.

ATTACHMENT

Abilene Regional Airport's FY13 Annual Report

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

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

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

FY13 YTD Business Development Activity

Business Development activities have been and will continue to make community outreach through speaking engagements to various civic organizations a priority, focusing on the advantages of flying from Abilene versus driving to another airport. Presentations made during these engagements highlight the operations of the airport, construction updates, air service needs and fare comparisons.

We will continue to stay in contact with our regional community leaders and make ourselves available to speak at various events.

Presentations/Events this year include:

Oct 3	Hosted Sweetwater Chamber Coffee
Oct 19	Presenting Sponsor of Brownwood Chamber Luncheon
Nov 27	Lunch meeting with AE Rep and DAFB Travel Agents
Nov 28	Hosted Brownwood Lunch Meeting with AE Rep
Mar 22	Attended Brownwood Chamber Luncheon
Mar 27	Booth at Abilene Chamber Business Expo
July 31	Texas Society of CPA's- Abilene Chapter (Chris Taylor presented)
Sept 5	Booth at Brownwood Business Showcase
Sept 12	TT Pharmacy Student Welcome Booth- Grace Museum
Sept 30	Sweetwater Chamber Banquet Table Sponsorship

Network USA

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

Marketing the Airport

This year we contracted with Pink Goose Media for production of new commercial spots and an operations video. Pink Goose subcontracted IThink Marketing to host and develop a new website, including our VIP Program. www.iflyabi.com

Air Service Consultant

The airport conducted a RFQ in late summer to select a new air service consultant. Boyd Group International was selected and we look forward to working with them on our air service issues next year.

Social Media

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

The airport now has a presence on Twitter, used for flight information; diversions, delay updates as well as viewership engagement for marketing/promotional applications. www.twitter.com/abiairport

Sponsorships

We have made efforts to connect with the community and increase top of mind awareness by sponsoring various events last year and will continue to do so this year as follows:

Center for Contemporary Arts – ArtWalk Sponsor
The Grace Museum – Exhibit Sponsor
Buffalo Gap Historic Village – Erinshire Festival Sponsor
Abilene Philharmonic Association – Program Sponsor
Abilene Zoo – Boo at the Zoo Sponsor

Special Programs

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

The program's objectives are to grow customer loyalty and develop a database of passenger information, giving them the opportunity to subscribe to email communications. We have utilized this database to survey our most frequently flying passengers to determine destinations and flight preferences.

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

Enplanements:

YTD enplanements are up 8%.

Revenues:

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

Rental Car Revenue is down 5.92%.

Parking lot revenue is up 9.86%.

EASI Parking Revenue Invoiced @\$0.70

October	2283	entries	\$1,591.10
November	2908	entries	\$2,035.60
December	2622	entries	\$1,835.40
January	2834	entries	\$1,983.80
February	2651	entries	\$1,855.70
March	2530	entries	\$1,771.00
April	2545	entries	\$1,781.50
May	2565	entries	\$1,795.50
June	2416	entries	\$1,691.20
July	2438	entries	\$1,706.60
August	2635	entries	\$1,844.50
September	2435	entries	\$1,704.50
Total	30,862	Entries	\$21,603.40

Business Development Outlook:

Airlines have made significant strides the past three years in right-sizing and pricing their service to meet market demands. This has resulted in reduced seats in many markets, but ABI actually saw an increase in seats. Airlines are now starting to show consistent quarterly profits. American and USAirways should have either settled or had a ruling on the lawsuit U.S. Department of Justice filed blocking the merger by the end of the year. Speculation seems to favor the merger being approved. The merged American Airlines should ultimately result in a more stable profitable company.

Airlines are focusing their growth strategies toward further development of their international markets and looking at the smaller domestic markets as sources to feed international growth through their hub airports. ABI will continue to study our market, work with known regional companies that do international business and engage with companies flying in and out of the region, particularly for new oil and wind energy activity, to promote ABI as the airport of choice.

If ABI fares remain competitive with DFW, ABI should continue to see enplanement growth, which builds on our currently strong revenue standing with American.

DEVELOPMENT CORPORATION OF ABILENE, INC.
BOARD AGENDA
MEETING DATE: December 4, 2013

PROJECT: DCOA Annual Report of Activities for FY13

STAFF: Richard Burdine, CEO

GENERAL INFORMATION:

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

SPECIAL CONSIDERATIONS:

The DCOA's FY13 Annual Report covers activities for the period ended 9-30-13 and is the twenty fourth annual report submitted by DCOA since its inception. The City Council will consider the report on December 5, 2013.

FISCAL IMPACT:

None.

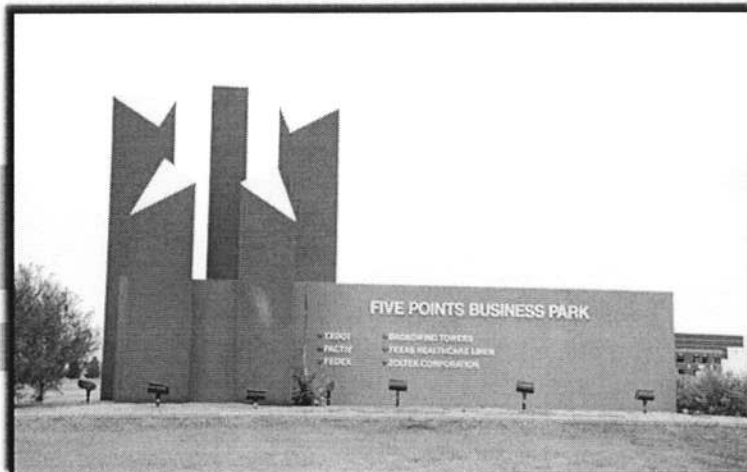
STAFF RECOMMENDATION:

Staff recommends the Board approve the DCOA's FY13 Annual Report.

ATTACHMENT:

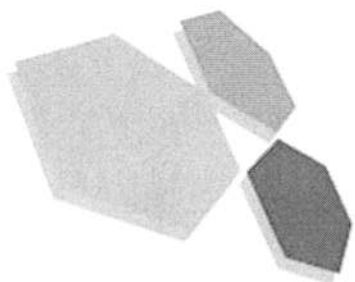
DCOA's FY13 Annual Report of Activities

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Development Corporation of Abilene

Annual Report of Activities
September 2013



Develop Abilene

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

TABLE OF CONTENTS

MISSION STATEMENT	3
BOARD OF DIRECTORS	3
GOALS	3
ORGANIZATION	3
PROGRESS MADE TOWARD GOALS	4
PROJECT SUMMARIES:	
FEHR FOODS.....	5
PACTIV CORPORATION.....	5
RECEPTOR LOGIC.....	5
COCA COLA REFRESHMENTS USA	6
TUCKER ENERGY SERVICES.....	7
PROJECT KM.....	7
SLIDE FIRE SOLUTIONS	8
CARBONLITE INDUSTRIES.....	8
SUMMARY TABLE OF PROJECTS.....	9
ADMINISTRATIVE / OTHER:	
2013 OFFICER ELECTIONS	9
THE CENTER AT ABILENE LABS.....	9
TEXAS MANUFACTURING ASSISTANCE CENTER (TMAC)	10
VINE STREET PROPERTY	11
EAGLE AVIATION SERVICES	12
FIVE POINTS BUSINESS PARK	12
ADS4NEXT	13
SPRINGBOARD IDEAS CHALLENGE 2013	13
BLUE CROSS BLUE SHIELD	14
STAFF	14
CONTACT INFORMATION.....	14

DEVELOPMENT CORPORATION OF ABILENE, INC.

MISSION STATEMENT:

The mission of the Development Corporation of Abilene, Inc. is to use sales tax revenue to effectively stimulate Abilene's economic growth. This is done by assessing the community's economic development needs, developing a plan to meet those needs, coordinating community economic development efforts, and supporting targeted activities that enhance the quality of life in the community and maximize the public's return on invested tax dollars.

BOARD OF DIRECTORS:

President:

Paul Cannon

Vice President:

Scott Senter

Secretary/Treasurer:

Marelyn Shedd

Members:

Dani Ramsay

Dave Copeland

GOALS:

The Board has identified six key goals in the City's economic development efforts.

1. To make Abilene competitive in the attraction of business and industry in order to create new, sustainable jobs.
2. To create new jobs and retain existing jobs by providing assistance to existing and emerging businesses.
3. To strengthen and expand the skills of the Abilene labor force.
4. To strengthen and revitalize downtown Abilene.
5. To increase the number and size of minority-owned, woman-owned, small and entrepreneurial businesses in Abilene.
6. To effectively administer the sales tax revenue.

ORGANIZATION:

The DCOA is a non-profit corporation established under Section 4A of the Development Corporation Act of 1979, as amended. The DCOA consists of a five-member board, which is appointed by the Mayor and City Council, with terms of three years each. The fiscal year for the DCOA begins October 1st and ends September 30th.

PROGRESS MADE TOWARD GOALS

1. To make Abilene competitive in the attraction of business and industry in order to create new, sustainable jobs.

Consultant Lee Ann Woods was hired to re-brand the former Abilene Life Sciences Accelerator, develop a website, brochures and other marketing items, and business materials as well as network to identify new tenants for Abilene Laboratories. The Infrastructure Reserve fund approved for Tucker Energy Services and the design services contracted for other improvements will add value to the Five Points Business Park. The Vine St. property improvements have led to several new tenants.

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

DCOA approved capital investment assistance for Abilene manufacturer Fehr Foods for its 2013 capital projects. DCOA constructed building improvements for Pactiv's new manufacturing line, and DCOA is assisting Coca Cola Refreshments by contracting for design services to extend Enterprise Dr., allowing Coke's trucks a shorter route between the plant and warehouse. In Five Points Business Park, Tucker Energy Services will establish an oil & gas services operation with DCOA assistance, and CarbonLITE Industries will occupy the Spec 3 building once finish-out is completed.

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

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

4. To strengthen and revitalize downtown Abilene.

The DCOA approved funding for Project KM, which will locate in downtown Abilene and create 3 new jobs.

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

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

6. To effectively administer the sales tax revenue.

During the report period (10-01-12 through 09-31-13), the DCOA approved \$14,039,330 to assist 5 local companies with growth and retention in Abilene. 262 new jobs are committed and new capital investment of \$107,291,000 is projected.

PROJECT SUMMARIES

FEHR FOODS

During 2013, Fehr Foods plans to make facility improvements, upgrade some of its equipment and purchase additional manufacturing equipment at a total capital cost of \$2.4 million. On January 30, 2013, the DCOA authorized a \$240,000 capital investment incentive payable over 3 years at 10% of the company's actual costs. Fehr Foods currently employs 321 in Abilene and 97 in Marietta, OK. They have reduced their voluntary turnover from well over 100%/yr. to 59%/yr in 2012 and are working to reduce it further in 2013.

Goals addressed: *2. to create new jobs and retain existing jobs by providing assistance to existing and emerging businesses; and 6. to effectively administer the sales tax revenue.*

PACTIV CORPORATION

Previously approved DCOA assistance to Pactiv Corporation enabled them to install a 7th thermo former for another manufacturing line. A new metal structure on the exterior of the building at 6450 Five Points Parkway has allowed Pactiv to move the existing air compressors so that warehouse space could be converted to accommodate the new manufacturing line. On Nov. 27, 2012, the DCOA approved a contract with Justice Construction for the construction of these improvements plus total funding of \$335,500, which includes a 10% contingency and additional design fee money, based on actual construction costs. The improvements were completed in June 2013.

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

Goals addressed: *2. to create new jobs and retain existing jobs by providing assistance to existing and emerging businesses; and 6. to effectively administer the sales tax revenue.*

RECEPTOR LOGIC

Receptor Logic Inc. (RL) has 5 years left on its contract with the DCOA. They would like the ability to become the first customer of Texas Tech University Health Sciences Center School of Pharmacy's Center for Immunotherapeutic Research and Product Development ("The Center" as described below under Administrative/Other) by contracting for production of proteins, thereby releasing its lab employees. However, without employees RL will not be able to earn reductions to the \$3 million relocation claw back clause built into their Agreement for Financial Assistance, which expires at the end of 10 years (in 2017) or would be triggered if RL is sold before the end of the 10th year. Therefore an alternative method is needed to reduce the claw back balance.

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

Goal addressed: 6. to effectively administer the sales tax revenue.

COCA-COLA REFRESHMENTS USA, INC.

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

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

On January 8, 2013, the DCOA authorized a contract with Jacob & Martin, Ltd. to design an extension of Enterprise Dr. from Hwy 351 to East Lowden Road plus funding of \$30,800. On May 15, 2013, the DCOA authorized \$876,450 and purchase of 1.86 acres of land from Region 14 Education Service Center for the construction of the extension of Enterprise Drive to East Lowden Rd. The funding includes \$2,450 for an appraisal by Austin Huckabee, \$840,000 for purchase of the land, \$14,000 to demolish an existing metal structure partially located on the land, and \$20,000 for closing costs, environmental studies, etc. Also approved was authority to put the construction project out for bid. Staff worked with Jacob & Martin to change the zoning of the Region 14

ESC land and re-plot the lots in preparation of construction. Closing of the purchase and bid opening for the construction will occur in early FY 2014.

Goals addressed: *2. to create new jobs and retain existing jobs by providing assistance to existing and emerging businesses; and 6. to effectively administer the sales tax revenue.*

TUCKER ENERGY SERVICES (PROJECT RN)

On, April 30, 2013, the DCOA authorized \$585,000 for Tucker Energy Services (formerly known as Project RN) for its Phase 1 expansion into Abilene and establishment of an open hole (wireline) operation. TES is a multinational oil and gas services corporation providing innovative technology solutions with a strong commitment to customer-focused service. The DCOA will sell and finance under an earnable note 3-5 acres of land in the Five Points Business Park south of Five Points Parkway, valued at \$15,000/acre, or up to \$75,000. Other incentives approved include a Job Creation Incentive of \$303,000 for 11 new jobs and a Capital Investment Incentive of \$282,000 paid at 10% of TES's proposed investment of \$2,820,000.

If the Cline Shale development takes off as hoped, TES will quickly move into Phase 2 expansion to include cased hole, open tubing and stimulation operations, sand and chemical storage facilities and a rail spur. The company expects to invest over \$51 million and create another 132 jobs. The DCOA approved indirect assistance of up to \$5 million to set up an Infrastructure Reserve Fund to install a railroad spur, extend utilities to the property line as needed, make stormwater drainage improvements, install additional drive approaches from Five Points Parkway, and repair or replace the roadway surface on Five Points Parkway and all or a portion of Fulwiler Road. If TES provides proof of initial Phase 2 investment of at least \$2 million and the creation of at least 10 more jobs, the DCOA will sell and finance up to 25 more acres of land at \$15,000/acre, and provide a Job Creation Incentive up to \$3.9 million for 132 more jobs.

On June 11, 2013, the DCOA amended the assistance for TES by changing the amount of land sold for Phase 1 to 13 acres (increased from 3-5 acres) and Phase 2 to 22 more acres (down from 25 acres).

Goals addressed: *1. to make Abilene competitive in the attraction of business and industry in order to create new, sustainable jobs; 2. to create new jobs and retain existing jobs by providing assistance to existing and emerging businesses; and 6. to effectively administer the sales tax revenue.*

PROJECT KM

On July 30, 2013, the DCOA authorized \$82,100 for Project KM, which provides turnkey gift and/or loyalty card programs for businesses and organizations. The company will relocate its headquarters from Plano, Texas to Abilene. The assistance approved includes \$47,100 as a Capital Investment Incentive paid at 10% of Project KM's proposed investment of \$471,000 in the purchase of a building in downtown and

the value of relocated capital equipment to Abilene, and \$35,000 for 3 new jobs paid over 3 years.

Goals addressed: 2. to create new jobs and retain existing jobs by providing assistance to existing and emerging businesses; 4. to strengthen and revitalize downtown Abilene, and 6. to effectively administer the sales tax revenue.

SLIDE FIRE SOLUTIONS (PROJECT LS)

Slide Fire Solutions (formerly Project LS) is a Texas based company that manufactures after-market products for gun enthusiasts. The company is expanding to Abilene and adding a new division to manufacture ammunition components. Only ammunition projectiles will be manufactured in Abilene so there is no concern over explosives being used in the manufacturing process. The majority of the work involves machining the projectiles using advanced machining "robots" extensively. On July 30, 2013, the DCOA authorized assistance of \$1,936,230 including \$1,500,000 as a Capital Investment Incentive paid at 10% of the company's actual costs over 3 years and \$436,230 as a Job Creation Incentive paid over 3 years for 26 new positions. SFS will invest \$15 million in equipment purchases through 2014.

To start up their new division SFS began leasing space in the DCOA-owned warehouse at 4109 Vine Street. Warehouse D (32,726 sq.ft.) plus 5,056 sq.ft. of office space in the upper office area are adequate for their immediate needs. The company is on a fast timeline as equipment began arriving from overseas in August; therefore, a temporary lease agreement was executed for Warehouse D only to allow the company to set up and test the new equipment. Meanwhile, improvements to the warehouse and office space were made to accommodate the company's needs. On September 24, 2013, the DCOA authorized the necessary tenant improvements and funding of \$365,381, of which \$250,662 will be reimbursed by the company via lease payments over a 5-year period.

Goals addressed: 2. to create new jobs and retain existing jobs by providing assistance to existing and emerging businesses; and 6. to effectively administer the sales tax revenue.

CARBONLITE INDUSTRIES (PROJECT RZ)

CarbonLITE Industries (formerly Project RZ) is an HPC Company that opened a 220,000 sq. ft. bottle-to-bottle PET recycling plant in Riverside, CA in April 2012. It 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. On August 27, 2013, the DCOA authorized total assistance for CarbonLITE Industries of \$6,196,000 and a lease of the shell building known as Spec 3 in the Five Points Business Park located at 6558 Five Points Parkway.

The DCOA will contract with an architectural/engineering firm to design finish-out of Spec 3 to the company's specifications as soon as the company executes a lease

agreement. The estimated cost of finish-out is \$4-5 million, which is not included in the total incentives approved for CarbonLITE. Also approved is a Capital Investment Incentive of \$5,250,000 at 15% of the companies proposed investment of \$35 million in capital equipment, a Job Training Grant of \$50,000 for 10-15 employees, and a Job Creation Incentive of \$896,000 for 90 new jobs.

Goals addressed: 2. to create new jobs and retain existing jobs by providing assistance to existing and emerging businesses; and 6. to effectively administer the sales tax revenue.

SUMMARY TABLE OF PROJECTS

FY13 DCOA Approved Assistance through September 2013			
Company	DCOA Assistance Reserved ¹	Committed Job Retention/ Job Creation	Projected Annual Payroll ² /Capital Investment ³
Fehr Foods	\$240,000	N/A	N/A/\$2,400,000
Tucker Energy Services (Project RN) – Phase 1	\$585,000	00/11	\$863,700/\$2,820,000
Tucker Energy Services (Project RN) – Phase 2	\$5,000,000	00/132	\$11,316,475/\$51,600,000
Project KM	\$82,100	00/3	\$140,000/\$471,000
Slide Fire Solutions (Project LS)	\$1,936,230	00/26	\$1,497,800/\$15,000,000
CarbonLITE Industries (Project RZ)	\$6,196,000	0090	\$3,600,000/\$35,000,000
TOTAL	\$ 14,039,330	00/262	\$17,417,975/\$107,291,000
1.7% to Abilene companies (names in bold)			

Notes: 1. Paid to company based on actual performance under the terms of the Agreement for Financial Assistance.

2. Annual Payroll figure is for total new jobs created only.

3. Capital Investment includes DCOA Capital Investment Assistance, typically 10%-15% of total.

ADMINISTRATIVE / OTHER

OFFICER ELECTIONS

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

THE CENTER AT ABILENE LABS

The DCOA is pursuing opportunities to work more closely with the Texas Tech University Health Sciences Center School of Pharmacy (TTUHSC SOP) and it's Center for Immunotherapeutic Research and Product Development (The Center) to provide

biotechnology services to private companies. A critical element of the strategic planning process is a thorough understanding of the competitive environment in which these services would be offered.

On October 9, 2012, the DCOA approved an agreement for professional services with Lee Ann Woods and funding of \$10,000 plus \$4,000 for expenses, based on her proposal entitled Initiative: Life Sciences Industry Asset Inventory, Competitive Analysis & Outline Plan. Ms. Woods is a respected professional who has performed this kind of work and has extensive contacts in competing cities and state government. On January 22, 2013, the DCOA authorized a 6-month contract with Ms. Woods and \$102,400 for additional services, including website development and maintenance, brochures and other marketing items, business materials, industry associations and memberships, industry meetings and trade shows, and a professional consulting services fee. On July 30, 2013, the DCOA approved a one-month extension to August 31, 2013, of the contract with no new funding.

With the recession contributing to tighter funding for early stage biotech companies, there has been an increased demand to reduce costs, which is helping create demand for virtual companies. Virtual companies contract out most of their research and business functions, which also creates demand for university Contract Research Organizations (CROs) to perform those tasks. TTUHSC will provide R & D services to virtual and regular companies via a CRO managed by the TTUHSC SOP through The Center at Abilene Laboratories (AbLabs).

On December 11, 2012, the DCOA approved a 3-year contract with TTUHSC SOP through The Center for provision of life sciences services from AbLabs to private and public sector customers and establishment of a CRO. Also authorized is funding of \$450,330 for the remaining 9 months of FY13. Funding for years 2 and 3 will be approved when TTUHSC establishes a new fiscal year budget. On August 27, 2013, the DOCA authorized FY14 funding of \$427,109, which represents the net of the total FY14 budget of \$595,520 and the FY13 carryover of unspent funds.

The DCOA also authorized a lease on August 27, 2013, with TTUHSC for two labs in AbLabs to create a state-of-the-art Interprofessional Sterile Products and Biotechnology Teaching Lab. 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.

TEXAS MANUFACTURING ASSISTANCE CENTER (TMAC)

TMAC West Texas is located in Lubbock and is affiliated with Texas Tech University (TTU) and the Small Business Development Center (SBDC) system. TMAC places emphasis on small to mid-sized manufacturers and works with a wide range of individual firms delivering training, providing technical assistance and implementing best

business practices. They have a wide array of services that improve efficiency, quality and productivity.

The DCOA first assisted TMAC with funding in June 2004 and has continued to support TMAC with additional funding several times since then. A third "jump start" day was added to TMAC's initial two-day training program and the annual rate was increased from \$7,500/company to \$11,000/company for the new three-day program. TMAC has tested the "jump start" approach and determined that it substantially improves implementation, quality and speed. On October 30, 2012, the DCOA approved a renewal contract and funding for FY13 in the amount of \$110,000 payable at up to \$11,000/company/year for the 3-day "jump start" program.

VINE STREET PROPERTY

The DCOA-owned building at 4109 Vine consists of 3 large connecting warehouses B, C and D and adjoining offices with 115,015 total square feet. Fehr Foods is leasing Warehouse A (70,000 sq ft) at 4009 Vine, and the adjoining Warehouse B at 4109 Vine (42,362 sq ft), paying monthly rent calculated at \$1.67/sq ft/year. The remaining offices and Warehouses C and D underwent major renovation work to prepare it for occupancy. Written bids were solicited and received for work required to bring the building up to code including plumbing, electrical, mechanical, flooring, general trade work, some demolition, concrete, and wall covering and paint.

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

Approvals during FY2013 are as follows:

- October 30, 2012, the DCOA authorized funding of \$10,740 for expense overages incurred for work done in preparation for renovations and \$10,030 for a contract with Thomas Hicks Construction for repairs to the Ryder Trucks building at 4125 Vine St. Also approved were contracts and total funding of \$331,733 as follows: 1) \$85,441 to Thomas Hicks Construction for some demolition work, concrete work, and some general trades work, 2) \$114,483 to Harris Acoustics for some demolition work, most of the general trades work, and all of the wall covering and paint work, 3) \$20,995 to Long Electric for electrical work, 4) \$67,000 to Batjer & Associates for mechanical & plumbing work, 5) \$13,814 to Callaway's Carpets for flooring work, and 6) \$30,000 contingency for unknowns.
- January 30, 2013, the DCOA authorized funding of \$228,183 more to address the building's many surprises that continue to surface due to numerous renovations and additions made during the last 70+ years: 1) \$205,941 for additional known items in offices and Warehouses C & D; 2) \$2,742 for additional repairs to 4125 Vine (Ryder Trucks Bldg.); and 3) \$19,500 for an extension of the water/sewer lines plus installation of a dump station at 4141 Vine for new tenant Gotta Go Trailways.

- April 30, 2013, the DCOA authorized funding of \$62,606 and contracts to renovate Warehouse C to accommodate Fehr Foods' expansion.
- September 24, 2013, the DCOA authorized funding of \$365,381 for improvements to Warehouse D and the upper office area for Slide Fire Solutions' needs.

EAGLE AVIATION SERVICES INC. (EASI)

Eagle Aviation Services currently occupies five aircraft hangars at the Abilene Regional Airport, otherwise known as Hangars 0, 1, 2, 3 and 4, to perform overnight checks and heavy maintenance on regional jets operated by American Eagle Airlines. The DCOA has assisted EASI in the past with several projects. In the wake of American Airlines' bankruptcy, American Eagle and EASI may be spun off as independent entities, allowing EASI to pursue maintenance work with other regional airlines.

The forecast for new aircraft orders by regional airlines is for larger planes with taller tail sections that won't fit inside any of the hangars currently occupied by EASI. To avoid the loss of future business, on November 13, 2012, the DCOA approved a contract with Tittle Luther Partnership/Parkhill Smith Cooper (TLP/PSC) to design modifications (called doghouses) to Hangars 0, 1 and 3 at the Abilene Regional Airport to allow for aircraft with the taller tail sections. Also approved was total funding of \$423,000 for basic design fees, a feasibility study, reimbursable expenses and survey and soils testing.

Federal regulations require that EASI de-fuel each aircraft before performing maintenance. The fuel is then placed back into that aircraft or one owned by the same carrier. Abilene Aero currently performs the de-fueling services for EASI an average of 15 times a month, using a truck temporarily on loan to them from AvFuel. At AvFuel's request, a permanent arrangement with compensation was proposed, whereby Abilene Aero will lease the truck from AvFuel. EASI is not in a position to purchase a truck and desires to continue its current arrangement with Abilene Aero for de-fueling services; however, the added cost to continue the arrangement is prohibitive because Abilene Aero will have to pass on its cost to lease and maintain the truck.

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

FIVE POINTS BUSINESS PARK

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

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

On the east side of the Park, at the corner of North 10th St. and Wall St. are about 25 acres of developable land. The land was covered with trees and brush, and it was discovered the land had been used heavily for illegal dumping of everything from old appliances and mattresses to blocks of concrete and roofing materials. Most prospects are on a short-time fuse for purchase and development of land, and many are not able to wait for land that must first be cleared before development can occur.

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

On June 11, 2013, the DCOA approved a contract with Enprotec/Hibbs & Todd and funding of \$35,000 to develop a drawing of all lots west of Arnold Blvd. as platted, assist in alignment of a proposed railroad spur, develop a route survey along the proposed railroad spur, develop a re-plat of the Park on the west side of Arnold Blvd., and develop a drawing of the entire Park for marketing purposes.

On September 24, 2013, the DCOA approved a contract with Central State Resources, LLC and \$16,000 to design a layout for a proposed expansion of rail service in Five Points Business Park.

ADS4NEXT

The DCOA heard a presentation from Terry Johnson with Ads 4 Next on December 11, 2012, which encourages entrepreneurship in high school students. On January 8, 2013, the DCOA approved a 2013 sponsorship for the Summer Youth Entrepreneur Program in the amount of \$2,500.

SPRINGBOARD IDEAS CHALLENGE 2013

This is the fifth annual Springboard Ideas Challenge, which is hosted by Abilene Christian University's Griggs Center for Entrepreneurship and Philanthropy. It is a mini-business plan competition with the mission of stimulating innovation and economic development in our community and region.

The DCOA was a gold level sponsor of this event (\$5,000) for each of the first four years. On January 8, 2013, the DCOA approved by oral resolution, a gold level sponsorship of the 2013 Springboard Ideas Challenge in the amount of \$5,000.

BLUE CROSS BLUE SHIELD

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

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

STAFF:

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

FOR MORE INFORMATION CONTACT:

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DEVELOPMENT CORPORATION OF ABILENE, INC.
BOARD AGENDA
MEETING DATE: December 4, 2013

**PROJECT: 842 Pine St. Research Expansion and Boiler Replacement
A/E Contract**

STAFF: Richard Burdine, CEO

BACKGROUND INFORMATION

When Receptor Logic moved to Abilene in Fall 2007 from Amarillo, the DCOA's assistance approved package included the promise of wet lab lease space into which the company would move with room to expand. The company had been temporarily housed in the Texas Tech University School of Pharmacy (SOP) building but was experiencing tremendous growth and needed more space. The Abilene Laboratories building (formerly the Abilene Life Sciences Accelerator) at 1325 Pine St. had not yet been constructed. The SOP also needed space for its research activities that would provide efficiency and consistency in the tests performed by its researchers.

Texas Tech University Health Sciences Center is the sole tenant of the building at 842 Pine St. and is under contract to provide services for operating the facility. The DCOA also pays for all utilities and building maintenance costs including HVAC, boiler repairs, janitorial, and alarm monitoring. TTUHSC provides services to the SOP research faculty, charges set rates for their services and returns the fees charged to the DCOA. The specialized space available to researchers is maxed out and more space is needed in the near future.

Hendrick Medical Center donated to the DCOA 842 Pine St., a 6,000 sq. ft. building to be converted into laboratory space at an estimated cost of \$1.2 million while the Abilene Laboratories building was being constructed. 842 Pine is a sister building to Abilene Laboratories, and both buildings were conveyed to the Abilene Life Sciences Foundation in 2009 to accommodate the New Markets Tax Credits deal that netted an additional \$1.5 million to the project. Remodeling was completed in April 2009 at a total cost of \$1,781,855, including \$56,000 for improvements to the adjacent parking lot. Another \$642,516 was spent to outfit the space with furniture, biotech equipment, and a security system, among other things. The parking lot at 834 Pine had been under lease and was recently purchased by the DCOA.

Also included in the cost was a steam boiler and corresponding steam piping system to run big pieces of equipment and maintain a consistent humidity level in the building. Since it was installed, the steam boiler and piping system has caused numerous problems and cost many thousands of dollars to maintain. We've since discovered the boiler purchased is inefficient and undersized for its use, the natural gas line is inadequate and the steam disbursement system was poorly designed. Currently, the boiler and related equipment are experiencing serious corrosion problems despite the attempts of a water treatment expert hired to keep the feed water reduced of its corrosive elements.

THE PROJECT/REQUEST

Since complete boiler failure is imminent, Tittle Luther Partnership/Parkhill Smith & Cooper has proposed an agreement for their services to provide architectural, structural, mechanical, plumbing and electrical designs to replace the steam boiler and associated piping to increase the capacity of the boiler for current and future needs. Also being proposed are services to convert the lab space inside the building to additional specialized research space for use by SOP faculty researchers. TLP/PSC estimates the boiler and piping replacement and lab conversion costs will be about \$700,000 and are proposing a fee of \$68,000.

I propose the board authorize a contract with TLP/PSC to provide the services discussed above and funding of \$68,000 plus \$3,500 for reimbursable expenses. I also propose the board authorize me to solicit bids for construction of the improvements and return to the board for approval of construction funding.

FISCAL IMPACT

Architectural/Engineering fees	\$68,000
Reimbursable expenses	<u>\$ 3,500</u>
TOTAL	\$71,500

STAFF RECOMMENDATION

Staff recommends approval of resolution DCOA-2014.08 authorizing a contract with Tittle Luther Partnership/Parkhill Smith & Cooper and funding of \$71,500 for design services to replace the boiler and piping at 842 Pine and to convert lab space into specialized research space.

ATTACHMENTS

DCOA Resolution No. DCOA-2014.08.

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RESOLUTION NO. DCOA-2014.08

A RESOLUTION OF THE DEVELOPMENT CORPORATION OF ABILENE, INC. ("DCOA"), ABILENE, TEXAS AUTHORIZING A CONTRACT WITH TITTLE LUTHER PARTNERSHIP/PARKHILL SMITH & COOPER FOR DESIGN SERVICES TO REPLACE THE STEAM BOILER AND PIPING AT 842 PINE ST. IN ABILENE, TEXAS, AND TO CONVERT LAB SPACE INTO SPECIALIZED RESEARCH SPACE.

WHEREAS, when Receptor Logic moved to Abilene in Fall 2007 from Amarillo, the DCOA's assistance approved package included the promise of wet lab lease space into which the company would move with room to expand; and,

WHEREAS, the Texas Tech University Health Sciences Center School of Pharmacy in Abilene also needed space for its research activities that would provide efficiency and consistency in the tests performed by its researchers; and,

WHEREAS, Hendrick Medical Center donated to the DCOA 842 Pine St., a 6,000 sq. ft. building to be converted into laboratory space at an estimated cost of \$1.2 million while the Abilene Laboratories building at 1325 Pine St. was being constructed; and,

WHEREAS, remodeling was completed in April 2009 at a total cost of \$1,781,855, including \$56,000 for improvements to the adjacent parking lot. Another \$642,516 was spent to outfit the space with furniture, biotech equipment, and a security system, among other things. The parking lot at 834 Pine had been under lease and was recently purchased by the DCOA; and,

WHEREAS, Texas Tech University Health Sciences Center is the sole tenant of the building at 842 Pine St. and is under contract to provide services for operating the facility; and,

WHEREAS, the specialized space available to researchers is maxed out and more space is needed in the near future; and,

WHEREAS, a steam boiler and corresponding steam piping system was installed to run big pieces of equipment and maintain a consistent humidity level in the building, which has caused numerous problems and cost many thousands of dollars to maintain; and,

WHEREAS, since complete boiler failure is imminent, Tittle Luther Partnership/Parkhill Smith & Cooper (TLP/PSC) has proposed an agreement for their services to provide architectural, structural, mechanical, plumbing and electrical designs to replace the steam boiler and associated piping to increase the capacity of the boiler for current and future needs; and,

WHEREAS, also proposed by TLP/PSC are services to convert the lab space inside the building to additional specialized research space for use by SOP faculty researchers; and,

WHEREAS, staff proposes the DCOA approve a contract with TLP/PSC for the design services described above.

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

- PART 1.** DCOA authorizes a contract with Tittle Luther Partnership/Parkhill Smith & Cooper to provide design services to replace the steam boiler and piping and convert lab space into specialized research space at 842 Pine St., Abilene, Texas. Also authorized is funding of Seventy-One Thousand Five Hundred and no/100's dollars (\$71,500.00) for a design fee of \$68,000 and reimbursable expenses of \$3,500.
- 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 4th day of December, 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: December 4, 2013

PROJECT: Hangar 4 Ventilation System

STAFF: Richard Burdine, CEO

GENERAL INFORMATION

Hangar 4 at the Abilene Regional Airport was constructed in early 2012 and is leased to Eagle Aviation Services (EASI). EASI performs heavy checks on regional jets for American Eagle Airlines in two dock lines inside the hangar.

When construction plans were being developed, the architect included louvers on the hangar walls for ventilation purposes. During the review process, Harley Hall with EASI requested the louvers be eliminated from the plans because of the problems they experience with the louvers in Hangar 0. Now that EASI has operated in the hangar for 1 1/2 years, it has become apparent that some sort of ventilation is needed due to the exhaust fumes from heaters used during cold weather.

THE REQUEST

Bradshaw & Associates Engineering has developed mechanical, electrical and plumbing construction drawings for installation of a new ventilation system, which includes 6 wall-mounted vent fans with motorized dampers, weather hoods and bird screening. Staff solicited bids from 4 local contractors for installation:

<u>Contractor</u>	<u>Base Bid</u>
Mulltex Mechanical Co.	\$44,400
Batjer Services	\$47,004
Thomas Hicks Construction	\$52,225
West Techs	\$57,300

I propose the board ratify the agreement with Bradshaw & Associates for \$3,200 and approve a contract with Mulltex Mechanical Co. and funding for installation plus contingency money.

FUNDING/FISCAL IMPACT

Bradshaw & Assoc. MEP design services	\$ 3,200
Mulltex Mechanical installation	\$44,400
<u>Contingency</u>	<u>\$ 3,000</u>
Total	\$50,600

STAFF RECOMMENDATION

Staff recommends the board approve resolution DCOA-2014.09 ratifying an agreement with Bradshaw & Associates for design work and authorizing a contract with Mulltex Mechanical plus \$50,600 for installation of a ventilation system in Hangar 4.

ATTACHMENT

Resolution DCOA-2014.09

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RESOLUTION NO. DCOA-2014.09

A RESOLUTION OF THE DEVELOPMENT CORPORATION OF ABILENE, INC. (DCOA), ABILENE, TEXAS, RATIFYING AN AGREEMENT WITH BRADSHAW & ASSOCIATES FOR DESIGN WORK AND AUTHORIZING A CONTRACT WITH MULLTEX MECHANICAL FOR INSTALLATION OF A VENTILATION SYSTEM IN HANGAR 4 AT THE ABILENE REGIONAL AIRPORT OCCUPIED BY EAGLE AVIATION SERVICES.

WHEREAS, Hangar 4 at the Abilene Regional Airport was constructed in early 2012 and is leased to Eagle Aviation Services (EASI) to perform heavy checks on regional jets for American Eagle Airlines; and,

WHEREAS, when construction plans were being developed, the architect included louvers on the hangar walls for ventilation purposes; and,

WHEREAS, during the review process, Harley Hall with EASI requested the louvers be eliminated from the plans because of the problems they experience with the louvers in Hangar 0; and,

WHEREAS, now that EASI has operated in the hangar for over 1 1/2 years, it has become apparent that some sort of ventilation is needed due to the exhaust fumes from heaters used during cold weather; and,

WHEREAS, Bradshaw & Associates Engineering has developed mechanical, electrical and plumbing construction drawings for installation of a new ventilation system, which includes 6 wall-mounted vent fans with motorized dampers, weather hoods and bird screening; and,

WHEREAS, staff received 4 bids for installation with the low bidder being Mulltex Mechanical at \$44,400; and,

WHEREAS, staff requests the DCOA ratify the agreement with Bradshaw & Associates for \$3,200 and approve a contract with Mulltex Mechanical for installation.

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

PART 1. DCOA hereby ratifies an agreement with Bradshaw & Associates for mechanical, electrical and plumbing construction plans for installation of a new ventilation system in Hangar 4 at the Abilene Regional Airport, which includes 6 wall-mounted vent fans with motorized dampers, weather hoods and bird screening. Also authorized is a contract with Mulltex Mechanical for installation construction and funding of Fifty Thousand Six Hundred and no/100's Dollars (\$50,600.00) as follows:

Bradshaw & Assoc. MEP design services	\$ 3,200
Mulltex Mechanical - Installation estimate	\$44,400
<u>Contingency</u>	<u>\$ 3,000</u>
Total	\$50,600

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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 4th day of December, 2013.

ATTEST:

Marelyn Shedd
Secretary/Treasurer

Paul Cannon
President

APPROVED:

T. Daniel Santee, City Attorney

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