

PUBLIC NOTICE

DEVELOPMENT CORPORATION OF ABILENE, INC.

A regular meeting of the Development Corporation of Abilene, Inc. will be held on Monday, December 16, 2013, in the Abilene Laboratories, 1325 Pine St., Abilene, Texas, commencing at 1:30 p.m. to consider the following agenda:

SIGNED:


Richard Burdine, Asst. City Manager for Economic Development

AGENDA

December 16, 2013
1:30 p.m.

Abilene Laboratories
1325 Pine St.

1. Call the meeting to order.
2. Approval of minutes from the December 4, 2013, board meeting.
3. Sales tax report for December 2013 and preliminary October 2013 status of funds report.
4. Presentation of Annual Reports for Fiscal Year Ended September 30, 2013 by:
 - Texas Tech University Small Business Development Center
 - Abilene Industrial Foundation
 - Abilene Chamber of Commerce Military Affairs Committee
5. Executive Session:

The DCOA reserves the right to adjourn into executive session at any time during the course of this meeting to discuss any item on the agenda, as authorized by Texas Government Code Sections 551.071 (Consultation with Attorney), 551.072 (Deliberations about Real Property), 551.074 (Personnel Matters) see list below, and 551.087 (Business Prospect/Economic Development). After discussion in executive session, any action or vote will be taken in public.

(Personnel) Section 551.074
The DCOA, pursuant to the adopted Bylaws, may consider the appointment, employment and duties of certain positions as well as membership of certain committees.
6. Discussion and possible approval of a resolution authorizing FY14 funding for the Texas Manufacturing Assistance Center (TMAC).
7. Discussion and possible approval of a resolution authorizing amended assistance for Genesis Networks Solutions.
8. Discussion and possible approval of a resolution authorizing the purchase of a replacement boiler for 842 Pine St. in advance of project construction bidding.
9. Discussion and possible approval of a resolution authorizing assistance for Project VC.

10. 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
December 04, 2013

MEMBERS PRESENT:	Paul Cannon Marelyn Shedd Dave Copeland	Scott Senter Dani Ramsay
MEMBERS ABSENT:	Richard Burdine	Kim Tarrant
STAFF PRESENT:	Stan Smith	
GUESTS PRESENT:	Don Green Kate Alvarez John Mangalonzo	Abilene Regional Airport Abilene Regional Airport Abilene Reporter News

- 1. CALL THE MEETING TO ORDER:** President Paul Cannon called the meeting to order at 2:04 p.m. at the Abilene Laboratories, 1325 Pine St., Abilene Texas.
- 2. APPROVAL OF MINUTES FROM NOVEMBER 12, 2013 BOARD MEETING:** Scott Senter moved to approve minutes from the November 12, 2013, board meeting. Dani Ramsay seconded and the motion carried.
- 3. PRELIMINARY SEPTEMBER 2013 STATUS OF FUNDS REPORT:** Richard Burdine reported on the Preliminary Status of Funds report for September 2013, the last month of the 2013 fiscal year. The \$24,962,262 Undesignated Fund Balance doesn't take into account the \$11.2 million in commitments not yet under contract. He also explained that part of the fiscal year close-out process will involve zeroing out some of the small balances in the Balance Reserved for Obligated Programs column.
- 4. PRESENTATION OF ANNUAL REPORTS FOR FISCAL YEAR ENDED SEPTEMBER 30, 2013 BY CITY OF ABILENE AIRPORT BUSINESS DEVELOPMENT MANAGER:** Kate Alvarez, Abilene Airport Marketing and Development Manager, presented Abilene Regional Airport's FY13 Annual Report. Abilene Regional Airport (ABI) had economic growth as well as employment growth in FY13. She listed a variety of business development activities and sponsorships in an effort to reach out to the Abilene community and surrounding 16 counties. To connect with current and future passengers, ABI has invested in social media, TV and radio advertisements. A contract with Pink Goose Media for production of new commercial spots and an operation video has been key. ABI-VIP Passenger Rewards Program remains one of their strongest tools to communicate with passengers. FY 13 Revenues at ABI were 5.92% down in rental car revenue and 9.86% up in parking lot revenue. Ms. Alvarez also mentioned that there are a few potential flight carriers that are interested in stationing at ABI.
- 5. PRESENTATION AND POSSIBLE APPROVAL OF THE FY13 ANNUAL REPORT OF ACTIVITIES OF THE DEVELOPMENT CORPORATION OF ABILENE, INC.:** Mr. Burdine listed companies that the DCOA has assisted in the 2013 fiscal year and stated that the DCOA had a number of significant projects. Those projects

include, Fehr Foods, Pactiv Corporation, Receptor Logic, Coca-Cola Refreshments USA, Inc., Tucker Energy Services, World Gift Card, Slide Fire Solutions, and CarbonLITE Industries. The DCOA approved total financial assistance of \$14,039,330 in exchange for the creation of 262 new jobs. The projected annual payroll was \$17,417,975 with a total capital investment of \$107,291,000.

Marelyn Shedd moved to approve the FY13 Annual Report of Activities of the Development Corporation of Abilene, Inc. as presented. Dave Copeland seconded and the motion carried.

6. **EXECUTIVE SESSION NO. 1:** I hereby announce we are going into Executive Session pursuant to Texas Government Code Sections 551.071, .072, and .087 to consult with our legal counsel, discuss real property transactions, and discuss economic development negotiations involving a business prospect, as set forth on the agenda. Any vote or action will be taken in open session.

President Paul Cannon announced the date is December 04, 2013, and the time is 2:30 p.m. Later, President Cannon announced the date is still December 04, 2013, and the time is 2:55 p.m. No vote or action was taken in Executive Session.

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:** Mr. Burdine explained the need for a replacement steam boiler and expansion of specialized research space in the Abilene Laboratories sister building at 842 Pine St. Currently, all the research space at 842 Pine St. is fully occupied by Texas Tech University Health Sciences Center (TTUHSC). The current steam boiler is failing and inadequate for the current demand and future demand.

Engineers have estimated the steam boiler and distribution system replacement to be \$550,000. Mr. Burdine suggested during the process to go ahead and convert the remaining unused space into additional specialized research space to avoid another disruption of operations in the future. The estimate for research space expansion is \$150,000, which makes the total estimated cost about \$700,000. No bids have been taken yet.

Mr. Burdine recommends the DCOA approve a contract and fee for design services to replace the steam boiler and piping and convert lab space into specialized research space. Also authorized is funding of \$71,500 consisting of a design fee of \$68,000 and reimbursable expenses of \$3,500.

Scott Senter moved to approve resolution DCOA-2014.08 as presented, authorizing a contract with Tittle Luther Partnership/PSC and funding of \$71,500 for design services associated with replacement of the steam boiler system and expansion of specialized research space at 842 Pine St. Dani Ramsay seconded and the motion carried.

Dani Ramsay left the meeting at 2:59pm and the meeting continued.

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:** Mr. Burdine reported a louvered ventilation system was originally designed into Hanger 4 but were removed during the review process at Eagle Aviation Services' (EASI) request. The hanger has been in operation for over a year and a half, and now it is showing signs of necessity for ventilation of exhaust fumes from heaters used during cold weather and various chemicals used in the aircraft.

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 received bids from four local companies and Mulltex Mechanical is the lowest bidder at \$44,400.

Staff requests the DCOA approve \$50,600, which includes a fee payable to Bradshaw & Associates Engineering, Mulltex Mechanical's installation bid, and a contingency.

Marelyn Shedd moved to approve resolution DCOA-2014.09 as presented, ratifying a contract with Bradshaw & Associates and authorizing a contract with Mulltex Mechanical for installation of a ventilation system in Hangar 4 at the Abilene Regional Airport, plus associated funding. Dave Copeland seconded and the motion carried.

9. **EXECUTIVE SESSION NO. 2: I hereby announce we are going into Executive Session pursuant to Texas Government Code Sections 551.071, .072, and .087 to consult with our legal counsel, discuss real property transactions, and discuss economic development negotiations involving a business prospect, as set forth on the agenda. Any vote or action will be taken in open session.**

President Paul Cannon announced the date is December 04, 2013, and the time is 3:02 p.m. Later, President Cannon announced the date is still December 04, 2013, and the time is 4:03 p.m. No vote or action was taken in Executive Session.

10. **ADJOURNMENT.** The next meeting is scheduled on December 16, 2013. There being no further business the meeting was adjourned.

Paul Cannon, President

MEMORANDUM

December 11, 2013

TO: Larry D. Gilley, City Manager
FROM: Mike Rains, Assistant Director of Finance
SUBJECT: December Sales Tax

The sales tax rebate for December is \$3,066,006.23 which represents October sales. This is 0.85% below last year and 2.80% below the projected FY 14 budget amount. The breakdown of the December rebate is \$2,299,504.67 to the General Fund and \$766,501.56 for economic development. Of this rebate, \$105,650 is from prior periods, audit payments, future payments, and unidentified payments. For the period of October through December, sales tax is 1.69% below last year and 3.62% below the projected FY 14 budget amount. I have requested the detail from the state.

Should you have any questions, please contact me.

MR:ls

cc: Richard Burdine, Assistant City Manager
David Vela, Deputy City Manager

**CITY OF ABILENE
SALES TAX COMPARISON**

Accounting Period Month	GENERAL FUND	ECONOMIC DEVELOPMENT	TOTAL	GENERAL FUND	ECONOMIC DEVELOPMENT	TOTAL
	Actual 2012-13	Actual 2012-13		Actual 2013-14	Actual 2013-14	
October	\$2,567,604.30	\$855,868.10	\$3,423,472.40	\$2,445,377.87	\$815,125.96	\$3,260,503.83
November	2,675,867.12	891,955.71	3,567,822.83	2,690,282.27	896,760.76	3,587,043.03
December	2,319,312.29	773,104.09	3,092,416.38	2,299,504.67	766,501.56	3,066,006.23
YTD	\$7,562,783.71	\$2,520,927.90	\$10,083,711.61	\$7,435,164.81	\$2,478,388.28	\$9,913,553.09
January	2,186,131.29	728,710.43	2,914,841.72			
February	3,038,055.04	1,012,685.01	4,050,740.05			
March	2,464,587.05	821,529.01	3,286,116.06			
April	2,402,889.56	800,963.19	3,203,852.75			
May	2,895,168.95	965,056.32	3,860,225.27			
June	2,482,246.02	827,415.34	3,309,661.36			
July	2,480,852.18	826,950.72	3,307,802.90			
August	2,781,814.76	927,271.58	3,709,086.34			
September	2,393,587.58	797,862.52	3,191,450.10			
FY TOTAL	\$30,688,116.14	\$10,229,372.02	\$40,917,488.16			

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 2012-13	Actual 2013-14	% Change
October	\$855,868	\$815,126	-4.76%
November	891,956	896,761	0.54%
December	773,104	766,502	-0.85%
YTD	\$2,520,928	\$2,478,388	-1.69%
January	728,710		
February	1,012,685		
March	821,529		
April	800,963		
May	965,056		
June	827,415		
July	826,951		
August	927,272		
September	797,862		
FY TOTAL	\$10,229,372		

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 December '13 represents October '13 sales. Approximately \$26,412 of the rebate is from prior periods, audit, and future payments.

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

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

Accounting Period Month	Actual 2009-10	Actual 2010-11	Actual 2011-12	Actual 2012-13	Actual 2013-14
October	\$671,904	\$661,859	\$890,386	\$855,868	\$815,126
November	758,231	774,838	964,808	891,956	896,761
December	602,230	647,119	725,276	773,104	766,502
YTD	<u>\$2,032,366</u>	<u>\$2,083,815</u>	<u>\$2,580,470</u>	<u>\$2,520,928</u>	<u>\$2,478,388</u>
January	594,761	693,114	941,066	728,710	
February	898,241	978,890	1,175,879	1,012,685	
March	618,659	646,308	732,189	821,529	
April	601,410	641,310	769,064	800,963	
May	814,964	948,413	977,461	965,056	
June	612,963	741,634	766,944	827,415	
July	660,806	749,767	756,886	826,951	
August	829,188	1,013,393	920,096	927,272	
September	649,391	799,173	800,200	797,862	
FY TOTAL	<u>\$ 8,312,748</u>	<u>\$ 9,295,819</u>	<u>\$10,420,256</u>	<u>\$ 10,229,372</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
October 31, 2013**CURRENT ASSETS:**

Cash and Investments	\$ 18,483,526
Accounts receivable	35,293
Due from other governments	1,702,786
Prepaid Expense	-
Total Current Assets	<u>20,221,605</u>

NONCURRENT ASSETS:

Notes receivable	16,020,101
Capital assets	
Land	1,559,383.00
Construction in Progress	241,311.00
Buildings & Improvements	27,840,500.00
Improvements other than Buildings	12,389,127.00
Leasehold improvements	1,733,800.00
Machinery & Equipment	340,244.00
Vehicles	40,452.00
Accumulated depreciation	<u>(7,776,021.00)</u>
Capital assets, net of accumulated depreciation	<u>36,368,796.00</u>
Total Noncurrent Assets	<u>52,388,897.00</u>
TOTAL ASSETS	<u><u>72,610,502.00</u></u>

LIABILITIES:

Accounts payable	<u>\$51,851</u>
Total Liabilities	<u>\$51,851</u>

FUND BALANCES:

Invested in capital assets	\$36,368,796
Reserved for contractual obligations (external)	10,857,347
Reserved for obligated programs (internal)	2,071,073
Undesignated Balance	<u>23,261,435</u>
Total Fund Balance	<u>\$72,558,651</u>
TOTAL LIABILITIES AND FUND BALANCES	<u><u>\$72,610,502</u></u>

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

(MARCH, 1990)

Object	Beginning I-T-D Revenues	Current Month Revenues	Current FY Revenues	Ending I-T-D Revenues
REVENUE-TO-DATE				
City Sales Tax	\$ 157,843,640.86	\$ 810,650.97	\$ 810,650.97	\$ 158,654,291.83
Sales Tax Retained	561,121.76	4,474.99	4,474.99	565,596.75
Princ. - Loans & Assess	3,268,528.27	-	-	3,268,528.27
Int. - Loans & Assess	2,386,215.81	-	-	2,386,215.81
Interest on Investments	7,058,077.25	3,305.07	3,305.07	7,061,382.32
Land Lease	47201 22,589.16	30,467.00	30,467.00	53,056.16
Building/Space Rent	47203 8,311,855.80	95,439.80	95,439.80	8,407,295.60
Miscellaneous Federal Grant	41490 1,586,834.47	-	-	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 1,082,390.37	-	-	1,082,390.37
Sale of Land	48201 557,363.79	-	-	557,363.79
Sale of Buildings & Equipment	48203 3,980,326.19	-	-	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	2,365,985.11	-	-	2,365,985.11
	\$ 193,930,482.93	\$ 944,337.83	\$ 944,337.83	\$ 194,874,820.76

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

CONTRACTS ENCUMBERED/ EXPENDITURES-TO-DATE	Project	Beginning I-T-D Expenditures	Current Month Expenditures	Current FY Expenditures	Ending I-T-D Expenditures	Outstanding Contracts
Prior Years Programs		\$ 90,452,723.94	\$ -	\$ -	\$ 90,452,723.94	
Business Services Division	Div 2760	9,722,355.37	47,680.59	47,680.59	9,770,035.96	5,742.00
Life Sciences Property - Pine	Div 2765	2,477,494.48	31,973.45	31,973.45	2,509,467.93	5,712.00
DCOA Annual Contracts	Div 2775	3,064,341.50	15,029.13	15,029.13	3,079,370.63	-
Abilene Industrial Foundation	2775-62571	14,517,216.64	-	-	14,517,216.64	738,289.00
TTU Small Business Dev Cntr	2775-62572	3,236,246.05	-	-	3,236,246.05	-
Chamber Military Affairs	2775-62573	1,395,051.84	-	-	1,395,051.84	29,761.92
Airport Business Dev Mgr	2775-62574	1,020,940.95	-	-	1,020,940.95	-
Murf Systems	4998	199,665.00	-	-	199,665.00	-
EASI 04	5213	2,364,965.38	-	-	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	1,166,803.00	-	-	1,166,803.00	-
Pactiv (formerly PWP)	5251	2,507,898.97	-	-	2,507,898.97	426,000.00
SBIR/STTR	5263	86,200.16	-	-	86,200.16	-
EASI 7th Doc	5265	264,174.14	-	-	264,174.14	-
TTU HSC Research	5273	2,437,655.66	-	-	2,437,655.66	562,344.34
Energy Maintenance Serv (Broadwind Serv)	5282	268,598.07	-	-	268,598.07	601,295.53
Genesis Network Phase II	5284	22,924.18	-	-	22,924.18	1,269,000.00
Tower Tech (Broadwind Towers)	5285	4,433,888.92	120,000.00	120,000.00	4,553,888.92	868,826.68
Coca Cola Abilene	5296	-	-	-	-	2,020,000.00
ETI Contract	5304	1,232,760.77	-	-	1,232,760.77	-
TTU 842 Pine	5308	361,434.10	-	-	361,434.10	-
AIC Eq Lease	5312	164,488.84	-	-	164,488.84	-
Nation Wide Prod	5313	104,783.34	-	-	104,783.34	-
Enavail, LLC	5316	386,240.60	-	-	386,240.60	-
Texas Metals '10	5317	29,366.66	-	-	29,366.66	-
Cisco College Biotech Training	5318	64,585.55	-	-	64,585.55	3,064.45
Energy Maintenance Serv-Gearbox	5319	602,930.89	-	-	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	1,826,854.56	-	-	1,826,854.56	-
Pepsi Beverage Co.	T5321	140,000.00	-	-	140,000.00	210,000.00
Cooperative Response Center	5324	134,592.60	-	-	134,592.60	161,907.40
Land 922 N 13th Street	5325	48,485.00	-	-	48,485.00	-
Teleperformance USA	5326	183,100.00	-	-	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	151,000.00	-	-	151,000.00	344,389.50
TTUHSC School of Nursing	5331	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	284,965.48	-	-	284,965.48	-
Vine St. Parking Lot	5335.3	158,850.00	-	-	158,850.00	-
Vine St. Construction	5335.4	534,755.60	1,815.75	1,815.75	536,571.35	-
Vine St. Interior Demo	5335.5	123,030.97	-	-	123,030.97	-
Vine St. Other Impr	5335.6	14,617.28	-	-	14,617.28	-
Vine Street Gotta Go Trailways	5335.7	18,400.00	-	-	18,400.00	-
Vine Street Fehr Foods	5335.8	58,138.25	-	-	58,138.25	-
Slide Fire Improvements	5335.9	133,143.03	169,411.34	169,411.34	302,554.37	51,526.63
Welder Training	5339	287,044.45	-	-	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	-
Rentech '12	5342	-	104,200.00	104,200.00	104,200.00	-
Pactiv Compressor A/E	5344.1	33,670.85	-	-	33,670.85	-
Pactiv Compressor Construction	5344.2	327,806.00	-	-	327,806.00	-
Owens Machine & Tool	5345	-	-	-	-	351,000.00
Biolech Marketing and PR Plan	5346	81,160.56	2,694.36	2,694.36	83,854.92	15,305.84
TMAC FY13	5347	22,000.00	-	-	22,000.00	-
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	840,182.00	840,182.00	850,382.00	30,800.00
BCBS Bldg Cooling Tower Demo	5353	11,550.00	-	-	11,550.00	-
EASI De-Fuel Truck	5354	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	40,484.66	2,475.00	2,475.00	42,959.66	-
Tucker Energy Service	5359	-	-	-	-	1,585,000.00
Five Points Survey	5360	28,865.52	-	-	28,865.52	6,134.00
TTUHSC Center FY14 Operating	5361	274,400.00	-	-	274,400.00	147,137.86
Five Pts / Polaris D	5362.1	-	-	-	-	60,200.00
5 Pts RR Expansion	5363.1	-	-	-	-	16,000.00
Spec 3 Finish Out A/E	5364.1	-	1,894.12	1,894.12	1,894.12	18,105.88
Miscellaneous Activities	2785	354,189.86	-	-	354,189.86	-
TOTAL ENCUMB. / EXPENDITURES		\$ 157,347,609.75	\$ 1,337,355.74	\$ 1,337,355.74	\$ 158,684,965.49	\$ 10,857,347.14
TOTAL FUND BALANCE					\$ 36,189,855.27	
UNENCUMBERED FUND BALANCE						\$ 25,332,508.13

3.7

**DEVELOPMENT CORPORATION OF ABILENE
STATUS OF FUNDS @ OCTOBER 31, 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	\$ 646,610.00	\$ -	\$ 47,680.59	\$ 47,680.59	\$ 593,187.41	
Life Sciences Property -Pine	Div 2765	579,930.00	-	31,973.45	31,973.45	542,244.55	
DCOA Annual Contracts	Div 2775	309,842.00	-	15,029.13	15,029.13	294,812.87	
Abilene Industrial Foundation	2775-4950	738,289.00	-	-	738,289.00	-	
TTU Small Business Dev Cntr	2775-4951	250,000.00	-	-	-	250,000.00	
Chamber Military Affairs	2775-4952	100,000.00	-	-	29,761.92	70,238.08	
Airport Business Dev Mgr	2775-4953	189,159.00	-	-	-	189,159.00	
Murf Systems	4998	199,665.00	199,665.00	-	-	-	
EASI 04	5213	2,364,966.00	2,364,965.38	-	-	0.62	
Fehr Food	5220	3,712,530.00	3,712,530.00	-	-	-	
CBER Website	5240	7,067.00	7,067.07	-	-	(0.07)	
TTU Pharmacy School	5242	1,166,803.00	1,166,803.00	-	-	-	
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	264,174.14	-	-	-	
TTU HSC Research	5273	3,000,000.00	2,437,655.66	-	562,344.34	-	
Energy Maintenance Serv (Broadwind Serv)	5282	869,894.00	268,598.07	-	601,295.53	0.40	
Genesis Network Phase II	5284	1,291,925.00	22,924.18	-	1,269,000.00	0.82	
Tower Tech (Broadwind Towers)	5285	5,422,716.00	4,433,888.92	120,000.00	120,000.00	868,826.68	
Coca Cola Abilene	5296	2,020,000.00	-	-	2,020,000.00	-	
ETI Contract	5304	1,232,761.00	1,232,760.77	-	-	0.23	
TTU 842 Pine	5308	361,435.00	361,434.10	-	-	0.90	
AIC Equipment Lease/Purchase	5312	164,489.00	164,488.84	-	-	0.16	
Nation Wide Products	5313	104,783.00	104,783.34	-	-	(0.34)	
Enavail, LLC	5316	386,241.00	386,240.60	-	-	0.40	
Texas Metals '10	5317	44,052.00	29,366.66	-	-	14,685.34	
Cisco College Biotech Training	5318	67,650.00	64,585.55	-	3,064.45	(0.00)	
Energy Maintenance Serv-Gearbox	5319	622,500.00	602,930.89	-	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	1,826,854.56	-	-	0.44	
Pepsi Beverage Co.	5321	350,000.00	140,000.00	-	210,000.00	-	
Cooperative Response Center	5324	296,500.00	134,592.60	-	161,907.40	-	
Land 922 N 13th Street	5325	50,000.00	48,485.00	-	-	1,515.00	
Teleperformance USA	5326	375,000.00	183,100.00	-	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	151,000.00	-	344,389.50	0.50	
TTUHSC School of Nursing	5331	275,464.00	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	284,965.48	-	-	6,250.52	
Vine St. Parking Lot	5335.3	158,850.00	158,850.00	-	-	-	
Vine St. Construction	5335.4	569,064.00	534,755.60	1,815.75	1,815.75	32,492.65	
Vine St. Interior Demo	5335.5	130,489.00	123,030.97	-	-	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	18,400.00	-	-	1,100.00	
Vine Street Fehr Foods	5335.8	62,607.00	58,138.25	-	-	4,468.75	
Slide Fire Improvements	5335.9	365,381.00	133,143.03	169,411.34	169,411.34	11,300.00	
Welder Training	5339	287,045.00	287,044.45	-	-	0.55	
Fehr Foods '12	5340	510,000.00	170,000.00	-	340,000.00	-	
Prospect Development	5341	1,216.00	1,216.00	-	-	-	
Rentech '12	5342	104,200.00	-	104,200.00	104,200.00	-	
Pactiv Compressor A/E	5344.1	33,672.00	33,670.85	-	-	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	81,160.56	2,694.36	2,694.36	17,239.24	
TMAC FY13	5347	22,000.00	22,000.00	-	-	-	
Hangar Doghouses	5348.1	423,000.00	97,967.50	-	321,760.00	3,272.50	
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	840,182.00	840,182.00	30,800.00	
BCBS Bldg Cooling Tower Demo	5353	11,550.00	11,550.00	-	-	-	
EASI De-Fuel Truck	5354	64,260.00	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	40,484.66	2,475.00	2,475.00	0.34	
Tucker Energy Service	5359	1,585,000.00	-	-	1,585,000.00	-	
Five Points Survey	5360	35,000.00	28,865.52	-	6,134.00	0.48	
TTUHSC Center FY14 Operating	5361	427,109.00	274,400.00	-	147,137.86	5,571.14	
Five Pts / Polaris D	5362.1	60,200.00	-	-	60,200.00	-	
5 Pts RR Expansion	5363.1	16,000.00	-	-	16,000.00	-	
Spec 3 Finish Out A/E	5364.1	20,000.00	-	1,894.12	1,894.12	18,105.88	
Miscellaneous Activities	2785	354,189.86	354,189.86	-	-	-	
BALANCE OF OBLIGATED PROGRAMS		\$ 45,727,016.86	\$ 31,461,238.98	\$ 1,337,355.74	\$ 1,337,355.74	\$ 10,857,347.14	\$ 2,071,073.14

UNDESIGNATED FUND BALANCE (unencumbered balance less obligated programs and contingent liabilities) **\$ 23,261,434.99**

DCOA Board approved projects waiting for signed contracts		Expiration Date
Project LS	1,936,230	01/31/2014
Project KM	82,100	01/31/2014
Project RZ	6,196,000	02/27/2014
Fehr Foods Expansion	5,123,000	04/08/2014
Project BE	553,750	04/08/2014
Project AH	76,948	04/29/2014
	13,968,028	

3.8

DEVELOPMENT CORPORATION OF ABILENE, INC.
BOARD AGENDA
MEETING DATE: December 16, 2013

PROJECT: Annual Reports for FY13 – AIF and SBDC

STAFF: Richard Burdine, CEO

GENERAL INFORMATION

Since 1990, the DCOA has contracted with the Abilene Industrial Foundation (AIF) for promotion and marketing services for Abilene and the immediate vicinity. In addition, the AIF contracts separately with Richard J. Liedl, PC and Team Concepts, consultants in the Washington D.C. area who perform activities in pursuit of retention of the existing level of operations at Dyess Air Force Base and possible expansion of missions.

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

SPECIAL CONSIDERATIONS

The FY13 contracts expired 9-30-13, and the DCOA approved funding for new FY14 contracts. Attached are reports covering activities during FY13 through 9-30-13 for the AIF and SBDC. The Chamber Military Affairs report will be presented at the board meeting.

FUNDING/FISCAL IMPACT

None.

STAFF RECOMMENDATION

Staff recommends the board accept the attached reports.

ATTACHMENT

Abilene Industrial Foundation FY13 Report
Texas Tech Small Business Development Center-Abilene Annual Report FY13



Develop Abilene

Abilene Industrial Foundation

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

October 16, 2013

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

Dear Richard:

In accordance with the terms of the Development Corporation of Abilene contract with the Abilene Industrial Foundation, the following year-end progress report is submitted for the period of October 1, 2012 to September 30, 2013 inclusive.

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

Marketing Budget	\$140,000.00
Spent to Date	\$94,659.71*

	10/12 thru 3/13	4/13 thru 9/13	Total
Leads Received	22	36	58
Leads AIF Responded to	12	10	22
Prospect Visits to Abilene	12	14	26
Prospect Files Opened	3	3	6
Retention Visits	45	53	98
Retention/Expansion Luncheon	49	50	99
Visits to Consultants/Prospects	65	50	115

*preliminary figures

During this reporting period we have experienced a slight increase in economic development activity. We continued our focus on Spec 3 advertising and promotion and marketing opportunities and trade show activities that fall in line with our target industry strategy. We are confident that our marketing efforts for Spec 3 have been successful. We continue to find success in activities such as sporting events and site selection consultant visits to highlight the attributes of our community. These events continue to be successful in building relationships to foster future leads and prospects.

The attachments include a year-end marketing summary as well as marketing and retention activities conducted during the period.

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

Sincerely,

Jason Smith, CEcD
Interim President

cc: Kim Tarrant
Gary Robinett, AIF Director of Marketing and Industrial Recruitment

Enclosures

4.2

Abilene Industrial Foundation
FY 2012-13 Year-End Marketing Summary
April 1, 2013 – September 30, 2013

ADVERTISEMENTS PLACEMENT

- Total advertisement submissions – 5
- Total advertisement placement costs – \$6,450.00* (preliminary)
- Texas Real Estate Business EDC Directory listing – no charge

LEAD ACTIVITY

- Leads received from all sources – 36
- Leads AIF responded to – 10

PROSPECT ACTIVITY

- Prospects visits to Abilene – 14
- New prospect files opened – 3

WEBSITE & ELECTRONIC MARKETING

- E-Newsletter distributions – 1,799
- E-Newsletter costs – \$0
- Website/electronic marketing changes & enhancements – \$2,945.00
- Trade & Industry ED Agency web listing – 92
- Develop Abilene webstats:
 - Visits – 4,116
 - Unique Visitors – 3,345
 - Page views – 12,481

TRADE SHOW / CONFERENCE ACTIVITY

- Cline Shale Alliance – Snyder – Big Spring - Sweetwater
- IEDC Workforce Development – Madison, WI
- IAMC Networking Event – Fort Worth
- AWEA WINDPOWER 2013 – Chicago
- West Texas Energy Consortium – Abilene
- West Texas Energy Consortium – Sterling City
- Texas Alliance Expo – Wichita Falls
- IAMC Forum – Salt Lake City

CONSULTANT / RETENTION / EXPANSION ACTIVITY

- Visits with Consultant/Prospect – 50
- Manufacturers Luncheon (4/13) – 50
- Ranger Game Consultant Event – June 19, 2013 – 18
- Ranger Game Consultant Event – September 27, 2013 – 18

MARKETING VIDEOS

- 1 – Dyess DVD – update \$8,176.78

EXISTING BUSINESS ACTIVITY

- Retention Visits – 53

Attachment 2

Abilene Industrial Foundation
Marketing & Retention Activities
April 1, 2013 – September 30, 2013

- Monthly updates of all printed marketing/informational materials for Abilene General Information File, including Economic Indicators, Labor Market Review, Cost of Living, Building Permits, Wage Surveys, Sales & Use Tax, Living Units Available, etc.
- Commercial Property Snapshot – updates
- Maintenance of DevelopAbilene website
- Hosted Manufacturer Luncheon
- Development and update of current building inventory materials
- Development and preparation of individual prospect packages
- Hosting of prospect visits to Abilene including tours to specific sites
- Visits to Site Selection Consultants – Dallas/Ft. Worth
- Hosted Consultant Events
 - June 2013 Oakland A's v. Rangers
 - September 2013 Los Angeles Angels v. Rangers
- Trade Show attendance
 - WINDPOWER 2013 – Chicago
 - Texas Alliance Expo – Wichita Falls
- Conference attendance
 - IEDC Workforce Development – Madison, WI
 - IAMC Networking Event – Fort Worth
 - IAMC Forum – Salt Lake City
- Texas Midwest Community Network
 - Executive Committee Board Member and Council Meetings
 - Economic Development Alliance Board Member and Alliance meetings
 - Economic Development Alliance Dinner & Conversation
 - TMCN Planning Sessions
- Cline Shale
 - Cline Shale Alliance – Snyder
 - Cline Shale Alliance – Big Spring
 - Cline Shale Alliance – Sweetwater
 - West Texas Energy Consortium – Abilene
 - West Texas Energy Consortium – Sterling City

Category	Allocation	10/1/12 to 3/31/13	4/1/13 to 9/30/13	YTD
Advertisements (1)	\$ 30,000.00	\$ 22,532.50	\$ 6,450.00	\$ 28,982.50
Internet (2)	\$ 15,000.00	\$ 1,577.05	\$ 2,945.00	\$ 4,522.05
Marketing Material (3)	\$ 15,000.00	\$ 1,270.75	\$ 9,671.78	\$ 10,942.53
Trade Show/Conferences (10)	\$ 35,000.00	\$ 6,321.51	\$ 18,799.91	\$ 25,121.42
Site Consultant Activity (12)	\$ 35,000.00	\$ 3,854.60	\$ 11,663.57	\$ 15,518.17
Newsletter Mailings(13)	\$ 1,000.00	\$ 313.44	\$ -	\$ 313.44
Existing Business Activity (14)	\$ 5,000.00	\$ 1,596.24	\$ 2,663.36	\$ 4,259.60
Contingency	\$ 1,000.00	\$ -	\$ -	\$ -
Public Awareness Campaign (8)	\$ 3,000.00	\$ 553.50	\$ 4,446.50	\$ 5,000.00
Total	\$ 140,000.00	\$ 38,019.59	\$ 56,640.12	\$ 94,659.71

Texas Tech Small Business Development Center

Abilene Annual Report FY 13

November 5, 2013

4.6

TTU SBDC – Abilene Annual Report FY13

FY13 Contract Fulfillment

The TTU SBDC-Abilene, as previously reported, was in compliance with the Development Corporation of Abilene (DCOA) FY13 contract and a new contract for FY14 has been completed with appropriate Texas Tech University signatures.

The SBDC received an annual review by the U S Small Business Administration on April 17, 2013 as well as a Northwest Texas SBDC Region review that was conducted on April 18, 2013. The U. S Small Business Administration, Washington, DC reviewed the region and respective centers during the month of February. The TTU SBDC Abilene received excellent reviews from all entities. A letter has been issue by the U.S. Small Business Administration stating that the TTU SBDC Abilene was found to be in compliance. The SBA letter was provided to the evaluation/budget committee. The TTU SBDC-Abilene is scheduled for an accreditation review by the Association of Small Businesses Development Centers November 6, 2013. This certification is necessary for continued operation of the SBDC program.

Abilene did not access the entire DCOA allotted funds stated in the FY13 contract. The TTU SBDC did not request increases for FY14.

The follow numbers state the final reports for FY13 for the SBDC.

Businesses Opened	44	Clients Counseled	341	Counseling Session	1402
Jobs Created	165			Capital Formations –	5.5 M

Approximately 38% of clients counseled were existing business owners.

Development Corporation of Abilene

DCOA cost per job created by the Small Business Development Center – Approximately \$800

Attached is the Businesses Opened by type and year end summary.

Numerous Abilene agencies, entities and individuals refer clients to the SBDC on a continuous basis.

Dyess Contracting

Continue the Dyess contracting efforts by providing workshops for business owners interested in working with Dyess. Also the TTU SBDC provides assistance to individuals desiring to contract with the State of Texas and local municipalities. TTU SBDC provides the Boots 2 Business seminars for military personnel and spouses interested in a business venture.

Downtown Interests

The TTU SBDC –Abilene has become more focused on Downtown Abilene. Recent client interested in locating downtown town has made it an interest of the TTU SBDC to assist. The SBDC has met with a few comments regarding the concern for competition for the current businesses due to a focus on the possibility of increasing downtown businesses. We will work to assure the current businesses that growth would be good for their businesses as well.

General Business Assistance

Visits, client visits and emails from Lee Ann Woods regarding interest in the Abilene Labs are an ongoing effort.

Small Business Development Center continues to be the business assistance resource in Abilene and surrounding communities. The SBDC has implemented a triage structure that that allow for the referral of the SBDC client to the Center for Economic Opportunity (grant funds), West Texas Innovation Network (10 week classes for entrepreneurs who are undecided in their pursuit of business ownership). Upon completion of the required course work for various other entrepreneurial endeavors the majority of those individuals who are still interested in starting a business seek assistance at the TTU SBDC with primary focus on the financial aspect of their business idea.

TTU SBDC-Abilene continues to support various other efforts and agencies that promote entrepreneurial interests.

The TTU SBDC honored Samuel Garcia, State Farm Insurance owner with the U. S. Small Business Administration (SBA)Award of Minority Small Business Champion of the Year. Abilene’s only two SBA preferred lenders, First Bank* Texas and First Financial Bank assisted in making this a successful event.

Rural Community

TTU SBDC – Abilene is prepared to meet the needs of the “prospective oil” expansion by delivering workshops upon request. TTU SBDC has not experienced an over load with individuals seeing assistance therefore the SBDC if staff to meet the need. The SBDC participates in various community businesses Expo’s; attend Cline Shale meetings, providing requested seminars, etc.

Springboard Event

As in the past the SBDC has supported the Springboard “Idea Challenge” both financially and through business assistance to individuals entering the competition. The TTU SBDC is also included in the judging of ACU internal business plan and elevator speech (mini springboard) events throughout the year.

Seminars/Workshops:

Quick Books – Two Day Sessions and an Eight week class – Fee \$99.00 (cost recovery for books)

Veteran Boot Camp –Partnered with Momentum Texas – Free

Boots to Business – Partnered with SBA Veterans Seminar – Free

Franchise Opportunities – Fran Net – (Exploring Franchise Opportunities)

Succession Planning for Your Business – Free

Comptroller State of Texas – Taxes – Free

Business Ownership – Free

TSTC Culinary School – Restaurant Ownership

Continue to support the Abilene Public Library and West Texas Innovation Network through workshops and speaking engagements.

Local Agency Assistance

Neighborhood Initiatives – City of Abilene

West Texas Innovation Network Projects – (WTIN)-Workforce

Hispanic Business Council – Member of Hispanic Business Council

Black Chamber of Commerce – Small Business Committee

Better Business Bureau – Torch Award

Abilene Chamber of Commerce – Executive Board Member

Abilene Public Library – Deliver Business Workshops

Abilene Community Theatre – Organized historical financials and developed future financial plan.

TTU SBDC-Abilene Reviews

U. S Small Business Administration - Annual Review

U. S. Small Business Administration, Washington D.C. – Random Review

Northwest Texas Network – Annual Review

Association of Small Business Development Center - Accreditation /Baldrige Standards

SBDC

TEXAS TECH SMALL BUSINESS DEVELOPMENT CENTER ABILENE
 SEPTEMBER, 2013 MONTHLY REPORT OF ABILENE CLIENTS SERVED

Report Summary Totals

Total Clients Counseled	33
Total Counseling Sessions	84
Total Counseling Hours	159.75
Number of New Clients	15
Counseling Hours for New Clients	33
Currently in Business	6

Year End Summary

341
1402
2429
219
375.25
102

Businesses Opened & Type

Accommodation/Food Svc	1
Manufacturer or Producer	1
Transportation/Warehousing	1
Construction	
Retail Trader	
Information	
Finance and Insurance	
Prof/Scientific/Technical Svc	
Administrative & Support	
Educational Services	
Health Care/Social Assistance	
Arts/Entertainment/Recreation	
Other Services	

4
3
2
2
12
3
1
4
2
1
2
2
6

Jobs Created

Full-Time	10
Part-Time	14

122
85

Capital Formation	\$313,200.00
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5,566,878

DEVELOPMENT CORPORATION OF ABILENE, INC.

BOARD AGENDA

MEETING DATE: December 16, 2013

PROJECT: Texas Manufacturing Assistance Center Request for FY14 Funding

STAFF: Richard Burdine, CEO

GENERAL INFORMATION:

The Texas Manufacturing Assistance Center (TMAC) exists to increase the global competitiveness of the Texas economy by working with the extended manufacturing enterprise. TMAC delivers training and hands-on technical assistance to a wide range of businesses, including manufacturing, government, and health care. They have a wide array of services that improve efficiency, quality, and productivity. Focus areas include Lean Enterprise, technology solutions, strategic management, quality systems, environment and safety.

Particular emphasis is placed on the needs of small to mid-sized manufacturers. Focus areas include lean manufacturing and lean office principles, strategic management, quality systems, environmental and safety.

TMAC is an affiliate of the Manufacturing Extension Partnership (MEP) program of the National Institute of Standards and Technology (NIST). The program is hosted by seven partner institutions: Texas Engineering Extension Service (TEEX), University of Texas at Arlington, University of Texas at El Paso, University of Houston, Southwest Research Institute, Texas Tech University, and University of Texas-Pan American. The TMAC West Texas is located in Lubbock and is affiliated with Texas Tech University. TMAC West Texas reports to the V.P. of Research and Graduate Services and is associated with the Small Business Development Center (SBDC) system.

In June 2004, the board approved total funding of \$60,000 to cost-share for TMAC services with local manufacturers. The funding was to extend through FY06, and was limited to \$7,500 per manufacturer per year. A total of \$40,925 was funded and the remainder was unencumbered. In September 2006, another \$60,000 was approved for FY07 through FY09, but the funding ran out by the end of 2008. In October 2008, the board approved another \$60,000 through FY11 at the same \$7,500/company/year rate.

TMAC's typical program included 2 days of training. They concluded in 2010 that about half of the companies served had difficulty initiating the agreed upon changes to operating procedures within that time, so they have added a 3rd "jump start" day to help companies begin transformation immediately. It also gives the companies the much-needed initiation phase so they can sustain improvement. They have tested the "jump start" approach and determined that it substantially improves implementation, quality and speed. In July of 2011, TMAC requested the DCOA amend the agreement with \$34,000 remaining to allow assistance for 3 companies through September 2011 at the increased rate of \$11,000/company for the new 3-day program. TMAC also requested the board approve renewing its commitment at the new rate of up to \$11,000/company/year. The board approved resolution DCOA-2011.20 authorizing a one year

contract through September 2012 and funding of \$88,000 paid at \$11,000/manufacturer. Three manufacturers were assisted in FY12 leaving an unfunded balance of \$55,000, which was unencumbered.

On October 30, 2012, the DCOA approved resolution DCOA-2013.02 authorizing a renewal contract and funding in the amount of \$110,000 to continue supporting TMAC through FY13 in assistance for 10 local companies. Through September 2013, TMAC assisted two companies (Pactiv Industries and Robinson Fans) leaving \$88,000 unfunded, which was unencumbered.

THE REQUEST:

TMAC is requesting the DCOA consider funding for FY14 in the amount of \$88,000 payable at up to \$11,000/company for the 3-day “jump start” program. Possible FY14 local TMAC clients include Broadwind Towers, Bridgestone Bandag, Fehr Foods, Clavel and Texas Aerospace. TMAC mentioned that all projects last more than 4 days including follow-up.

FUNDING/FISCAL IMPACT:

\$88,000 through 9-30-14 limited to \$11,000/company/year.

STAFF RECOMMENDATION:

Staff recommends approval of Resolution DCOA-2014.10 authorizing a renewal contract and funding in the amount of \$88,000 to continue supporting TMAC in assisting Abilene manufacturers through FY14.

ATTACHMENT:

Resolution DCOA-2014.10

Below is a summary of all the companies assisted with DCOA funding:

Company	Amt. of Assistance	TMAC assistance provided
Red’s Satellite Service (assisted in ’05 & ’07)	\$14,975	’05-Safety training for OSHA compliance, development of safety manual and procedures; ’07-Drug testing, pulmonary function testing of sandblasters, safety training for OSHA compliance, updating Employee Manual for OSHA compliance
Ab-Tex Beverage (assisted in ’05 & ’07)	\$14,950	’05-Safety training; ’07-DOT training, safety training for OSHA compliance, updating Employee Manual for OSHA compliance
Mrs. Baird’s Bread (assisted in ’06 & ’09)	\$14,500	’06-Safety training, forklift operator certification, scissor lift operator, and fall protection. ’09-Principals of Lean Manufacturing and Value Stream Mapping training.
Hartmann’s, Inc.	\$4,000	’06-Enhanced order tracking software and SIO 9000 systems
Union Drilling	\$7,500	’06-Safety training (i.e. fire protection, fall protection, lifting techniques, good housekeeping bloodborne pathogens, forklift operating)
Ringo Drilling	\$7,500	’06-Safety training (i.e. fire protection, fall protection, lifting techniques, good housekeeping bloodborne pathogens, forklift operating)
E. C. Tool	\$7,500	’07-Safety training for OSHA compliance
Fehr Foods	\$7,500	’07-Safety training

Coca Cola Enterprises	\$18,500	'08-Development of purchasing management software '12-Operations and Energy user Evaluation of Abilene plant
Bandag (assisted in '08 & twice in '09)	\$22,500	'08-Introduction to Process Auditing Approach for 8 attendees. '09-Lean & Six Sigma Fundamentals training, and Lean Manufacturing and Value Stream Mapping training.
Tige Boats (assisted in '08 & '12)	\$18,500	'08-Safety and Haz-Mat training, '12-Principles of Lean Enterprise and Value Stream Mapping
Zoltek	\$7,500	'09-Lean Manufacturing training
Clear Fork, Inc.	\$3,500	'10-Petroleum Education Council basic orientation training.
Broadwind Towers	\$11,000	'11-Principles of Lean Enterprise and Value Stream Mapping
Robinson Fans	\$33,000	'11-Lean Production Systems '12-Principles of Lean Enterprise and Value Stream Mapping '13- Applying and Implementing Comprehensive Lean Based Scheduling
Texas Aerospace	\$11,000	'11-Lean production Systems
Pactiv Industries	\$11,000	'13- Operations & Energy Use Evaluation
TOTAL	\$214,925	

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RESOLUTION NO. DCOA-2014.10

A RESOLUTION OF THE DEVELOPMENT CORPORATION OF ABILENE, INC. (DCOA), ABILENE, TEXAS AUTHORIZING NEW FUNDING FOR THE TEXAS MANUFACTURING ASSISTANCE CENTER (TMAC) TO PROVIDE TRAINING FOR ABILENE MANUFACTURERS THROUGH FISCAL YEAR 2014.

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

WHEREAS, TMAC has provided services designed to enhance the competitive position of the state's manufacturing sector since 1995 and exists to increase the global competitiveness of the Texas economy by working with the extended manufacturing enterprise; and,

WHEREAS, TMAC delivers training and hands-on technical assistance to a wide range of businesses, including manufacturing, government, and health care and has a wide array of services that improve efficiency, quality, and productivity; and,

WHEREAS, in June 2004, the DCOA approved resolution DCOA-2004.24 which authorized \$60,000 through FY06 funded at \$7,500/company/fiscal year for a 2-day training program; and,

WHEREAS, in September 2006, the DCOA approved resolution DCOA-2006.21 authorizing an additional \$60,000 through FY09 funded at \$7,500/company/fiscal year for a 2-day training program; and,

WHEREAS, in October 2008, the DCOA approved resolution DCOA-2009.02 which authorized an additional \$60,000 through FY11 funded at \$7,500/company/fiscal year for a 2-day training program; and

WHEREAS, in July 2011, the DCOA approved resolution DCOA-2011.20 authorizing a contract for FY12 and \$88,000 paid at up to \$11,000/company for a newly extended 3-day program;

WHEREAS, in October 2012, the DCOA approved resolution DCOA-2013.02 authorizing a contract for FY13 and \$110,000 paid at up to \$11,000/company for the 3-day program; and,

WHEREAS, TMAC requests funding for FY14 of \$88,000 payable at up to \$11,000/company.

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

- PART 1.** DCOA authorizes a new FY14 agreement with TMAC for services to local manufacturers in the amount of Eighty-Eight Thousand and No/100's Dollars (\$88,000) through September 30, 2014. Funding will continue to be limited to \$11,000/manufacturer/year.

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

ADOPTED this the 16th day of December, 2013.

ATTEST:

Marelyn Shedd
Secretary/Treasurer

Paul Cannon
President

APPROVED:

T. Daniel Santee, City Attorney

DEVELOPMENT CORPORATION OF ABILENE, INC.
BOARD AGENDA
MEETING DATE: December 16, 2013

PROJECT: Genesis Networks Solutions, Inc. – Amended Assistance

STAFF: Richard Burdine, CEO

THE COMPANY

Genesis Networks Enterprises (GNE) (www.genesisnet.com) is a privately-held provider of network, IT and supply chain solutions to the communications industry. Headquartered in San Antonio, Texas, the company provides solutions through more than 700 employees in subsidiaries and offices operating in four countries serving more than 120 customers worldwide. GNE serves and partners with communications service providers, network equipment providers, device manufacturers and other enterprises to power the communications value chain.

Through an affiliation of Abilene Christian University, Genesis Networks Enterprises, and Rain Dance Capital, Genesis Networks Solutions, Inc. of Abilene (GNS) was formed in 2006. GNS (www.gns-abilene.com) has been a fast-growing high tech firm in West Texas that delivers proven, end-to-end IT solutions for companies in need of software testing and development. GNS is located on the 2nd floor of the Enterprise Building at 500 Chestnut Street. The last job certification through July 2013 indicated employment during the previous 12 months of 103 FTE's.

In March 2010, the economic downturn affected operations and some customers moved projects to India to save money, resulting in a loss "off shore" of 42 jobs. The company worked to diversify its client base by picking up call center contracts and securing more complex projects with long-term contracts. The company provided employees with training opportunities to improve skills, thereby improving the value of each employee and resulting in increased revenue potential.

In 2011, GNS secured a major contract with Amdocs after Amdocs cancelled a contract with a company in India due to a large turnover rate. The new project was for software testing, production development, and support under a 6-year contract and temporarily boosted the FTE count as of 7-31-12 to 117. The FTE count at its lowest was 52 in 2007, and at its highest was 128 in 2009.

PHASE 1 (as approved and revised)

On August 15, 2006, the DCOA approved for Phase 1 \$1,929,000 for the creation of 143 new jobs earning at least \$30,000/year, including non-mandatory benefits:

1) Job Creation Incentive - \$1,740,000 funded as a 0% interest, earnable loan secured by a letter of credit. ***All but \$5,683 was drawn down.*** Principal reductions were earned totaling \$1,426,417, resulting in an unearned outstanding balance of \$307,900 at note maturity. The assistance was revised in March 2010. Principal payments totaling \$150,000 already paid on the Phase 2 capital investment loan (described below) were applied instead to the outstanding balance this loan, thereby reducing the balance to \$157,900. The remainder was repaid at \$1,666.67/month starting in March 2011 for 24 months until the Phase 2 capital investment loan paid off in February 2013, at which time monthly payments increased to \$10,000/month for the remaining 12 months. The job creation target for Phase 1 was lowered from 143 to 115 FTE's. ***Note paid off early on 12-2-13.***

2) Job Training Grant - \$171,600 paid at \$1,200/new employee for the cost of a testing certification exam, upon GNS's certification that the employee passed the exam and received certification. *All of this funding was disbursed.*

3) Relocation Grant - \$17,400 to offset part of relocation expenses at \$600/employee for 29 employees. *All of this funding was disbursed.*

PHASE 2 (as approved and revised)

In April 2008, the DCOA approved \$2,349,000 for Phase 2 expansion as follows:

1) Job Creation Incentive - \$1,815,000 for the creation of 150 additional jobs paid out over 3 years. The assistance was revised in March 2010 whereby this incentive was reduced to \$755,000 for 75 new FTEs in excess of 115 FTEs required for revised Phase 1. The assistance was revised again in March 2011 whereby the loan was increased to \$3,645,000 for the creation of 253 new FTE's in excess of the 115 FTE's required in revised Phase 1. When GNS certified a staffing level of 116 in September 2011, \$1,200,000 (80 employees at \$15,000/job) was advanced at 0% interest secured by three separate letters of credit. A second advance of \$1,200,000 was available after their job certification for the period ending July 31, 2011, subject to achieving a staffing level of 195 (threshold of 115 + 80 new positions). The remaining \$1,245,000 of the incentives budget was to be paid after GNS fully earned the two advances totaling \$2,400,000. The FTE level achieved at 7-31-11 was only 102, and the FTE level has since fallen short of the base level of 115 in order to earn down the balance. The note matures on 7-31-14. *\$1,200,000 was funded in September 2011 and the outstanding balance remains at \$1,200,000.*

2) Job Training Grant - \$180,000 paid at \$1,200/new employee for the cost of a testing certification exam, upon GNS's certification that the employee passed the exam and received certification. In March 2010, this assistance was reduced to \$38,739 and reduced again in March 2011 to \$22,924. *All \$22,924 of this funding has been disbursed.*

3) Relocation Grant - \$54,000 to offset part of relocation expenses at \$600/employee for 90 employees. In March 2010, this assistance was reduced to \$24,000 to cover relocation expenses for 40 persons hired to fill employment positions in excess of the 115 required to trigger Phase 2 funding. *None of this funding has been disbursed.*

4) Capital Investment Loan - \$300,000 paid at 50% of actual cost for computers, phone system, furnishings, security system and leasehold improvements. The loan was 0% interest with monthly payments, secured by all equipment and furniture located in Abilene. GNS had drawn down \$245,305, leaving \$54,695 unfunded. This loan was "reset" with a new date of March 1, 2010, a principal amount of \$300,000, and a new maturity date of February 28, 2013. Payments received of \$150,000 were transferred and applied instead to the balance of the Phase 1 job creation incentive loan, resulting in a new outstanding principal balance of \$245,305. The unfunded portion of \$54,695 was disbursed to GNS in 3 separate draws in 6/10, 10/10 and 1/11. *The entire note amount of \$300,000 paid off in 2/13.*

THE REQUEST

GNS was re-branded a couple of years ago as WaveCreste and will soon be rolled into Genesis Networks Global Services, LLC dba WaveCreste. The existing Agreement for Financial Assistance as amended leaves \$2,469,000 on the table; 1) \$2,445,000 Phase 2 Job Creation Incentive, and 2) \$24,000 Relocation Grant. The company's workload depends on contracts secured for various services with outside companies. Since the Phase 2 expansion has never resulted in the large number of employees as anticipated in 2011, the \$1.2 million note balance remains unchanged for the last two years.

I propose cancelling the existing agreement (as amended) with Genesis Networks Solutions, Inc., eliminating the outstanding assistance totaling \$2,469,000. I also proposed a new agreement with

Genesis Networks Solutions

Genesis Networks Global Services, LLC dba WaveCreste which will place the \$1.2 million note balance on monthly payments of \$20,000 and extend the maturity 60 months to 12-31-18. The company will still have the opportunity to earn principal reductions over the 5-year period should the employment exceed the baseline of 115 FTEs. Reductions will be calculated at \$2,000/FTE/year for the excess employment. When the note balance is fully paid and/or earned, the Agreement also expires.

FISCAL IMPACT

None.

STAFF RECOMMENDATION

Staff recommends approval of resolution DCOA-2014.12 authorizing cancellation of the existing Agreement for Financial Assistance with Genesis Networks Solutions, Inc. and a new agreement with Genesis Networks Global Services, LLC dba WaveCreste. The new agreement will place the existing \$1.2 million note balance on monthly payments and still allow the company to earn principal reductions for FTEs in excess of 115.

ATTACHMENTS

Resolution DCOA-2014.12

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RESOLUTION NO. DCOA-2014.12

A RESOLUTION OF THE DEVELOPMENT CORPORATION OF ABILENE, INC. (DCOA), ABILENE, TEXAS AUTHORIZING CANCELLATION OF THE EXISTING AGREEMENT FOR FINANCIAL ASSISTANCE WITH GENESIS NETWORKS SOLUTIONS, INC. AND A NEW AGREEMENT WITH GENESIS NETWORKS GLOBAL SERVICES, LLC DBA WAVECRESTE (“GENESIS”).

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

WHEREAS, Genesis is a high tech firm in West Texas that delivers proven, end-to-end IT solutions for companies in need of software testing and development and was established in Abilene in the Enterprise Building in 2006; and,

WHEREAS, the DCOA approved resolution DCOA-2006.20 on 08-15-06 authorizing a Phase 1 assistance package for Genesis totaling \$1,929,000 in exchange for 143 new jobs; and,

WHEREAS, in 2008, Genesis was experiencing rapid growth and was ready to expand operations so in April 2008, the DCOA approved resolution DCOA-2008.13 (Revised) authorizing \$2,349,000 for Phase 2 expansion in exchange for the creation of 150 additional jobs to earn at least \$35,000/year; and,

WHEREAS, the economic downturn affected operations and Genesis was forced to diversify its client base by pursuing call center contracts, so the DCOA approved resolution DCOA-2010.11 in March 2010 reducing the Phase 2 assistance package to \$1,117,739; and,

WHEREAS, in 2011, the DCOA approved resolution DCOA-2011.11 which revised the Phase 2 assistance again and increased the total assistance to \$3,991,924 for 253 new FTEs in excess of 115 FTEs required in revised Phase 1; and,

WHEREAS, Genesis was re-branded a couple of years ago as WaveCreste and will soon be rolled into Genesis Networks Global Services, LLC dba WaveCreste; and,

WHEREAS, the existing Agreement for Financial Assistance as amended leaves \$2,469,000 unfunded; 1) \$2,445,000 Phase 2 Job Creation Incentive, and 2) \$24,000 Relocation Grant; and,

WHEREAS, since the Phase 2 expansion has not resulted in the large number of employees as anticipated in 2011, the \$1.2 million note balance remains unchanged for the last two years; and,

WHEREAS, staff requests the DCOA authorize cancellation of the existing Agreement for Financial Assistance and a new Agreement with Genesis Networks Global Services, LLC dba WaveCreste, which will place the outstanding note balance on monthly payments.

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

- PART 1.** DCOA authorizes cancellation of the existing Agreement for Financial Assistance with Genesis Networks Solutions, Inc., as amended, and rolling the outstanding \$1.2 million principal balance under the Phase 2 note into a new agreement with

7.4

Genesis Networks Global Services, LLC dba WaveCreste. The new note will be for 0% interest, 60 months, secured 100% by a letter of credit, and provide for monthly payments \$20,000. Genesis will also have the opportunity to earn principal reductions of \$2,000/FTE/year for FTEs certified in excess of 115. When the entire note balance has been paid and/or earned, the note and agreement will expire.

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

ADOPTED this the 16th 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 16, 2013

PROJECT: 842 Pine St. - Replacement Steam Boiler Purchase

STAFF: Richard Burdine, CEO

BACKGROUND INFORMATION

Since complete steam boiler failure at 842 Pine St. is imminent, the DCOA approved on December 4, 2013 resolution DCOA-2014.08 authorizing a contract with Tittle Luther Partnership/Parkhill Smith & Cooper 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 approved are services to convert the lab space inside the building to additional specialized research space for use by SOP faculty researchers. Funding of \$71,500 was authorized: 1) \$68,000 for basic A/E fees, and 2) \$3,500 for reimbursable expenses. Staff was authorized to solicit bids for construction of the improvements and return to the board for approval of construction funding.

THE PROJECT/REQUEST

TLP/PSC would like to provide the specs for the new boiler before Christmas so it can be priced and ordered; however, they are waiting on steam demand information for some pieces of equipment in order to size the boiler and finish writing the specs. The architectural plans and specs for the research expansion could be finished by the first week in January 2014, and MEP should hopefully be finished by the first of February 2014. Bids for construction will be solicited and submitted to the board in February for final approval.

The lead-time for the boiler will delay the project unless we get it ordered soon. I propose the board authorize funding to bid and purchase the boiler as soon as possible. The amount of funding needed will be presented to the board during the meeting.

FISCAL IMPACT

Funding amount needed to purchase the replacement steam boiler will be presented at the meeting.

STAFF RECOMMENDATION

Staff recommends the DCOA approve funding to purchase the replacement steam boiler in advance of construction bidding in an amount that will be presented at the meeting.

ATTACHMENTS

None.

ITEM NO. 9 – PROJECT VC
INFORMATION WILL BE AVAILABLE AT THE BOARD
MEETING.