

## **PUBLIC NOTICE**

### DEVELOPMENT CORPORATION OF ABILENE, INC.

A regular meeting of the Development Corporation of Abilene, Inc. will be held on Tuesday, March 11, 2014, at Abilene Laboratories, 1325 Pine St., Abilene, Texas, commencing at 1:30 p.m. to consider the following agenda:

SIGNED:

  
Richard Burdine, Asst. City Manager for Economic Development

## **AGENDA**

March 11, 2014  
1:30 p.m.

Abilene Laboratories  
1325 Pine St.

1. Call the meeting to order.
2. Welcome to new board member John Beckham and thank you to exiting board member Paul Cannon.
3. Approval of minutes from the February 10, 2014, board meeting.
4. Sales tax report for February 2014 and Preliminary Status of Funds report for January 2014.
5. Presentation of the FY13 audit performed by Davis Kinard & Co, P.C.
6. 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.
7. Discussion and possible approval of a resolution authorizing use of Infrastructure Reserve funds for installation of a driveway on Five Points Parkway for use by Tucker Energy Services.
8. Discussion and possible approval of a resolution authorizing a contract for construction of Polaris Dr. in Five Points Business Park.
9. Discussion and possible approval of a resolution authorizing funding to extend the Fast Track Welding Training program.

10. Discussion and possible approval of a resolution authorizing a contract with Waverly Partners to conduct a search for a new CEO.
11. Adjournment.

**CERTIFICATE**

I hereby certify that the above notice of meeting was posted on the bulletin board at the City Hall of Abilene, Texas, on the \_\_\_\_\_ day of \_\_\_\_\_, 2014, 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**  
**February 10, 2014**

<b>MEMBERS PRESENT:</b>	Paul Cannon Marelyn Shedd Dave Copeland	Scott Senter Dani Ramsay
<b>STAFF PRESENT:</b>	Richard Burdine	Kim Tarrant
<b>GUESTS PRESENT:</b>	Gary Robinett John Mangalonzo	Abilene Industrial Foundation Abilene Reporter News

1. **CALL THE MEETING TO ORDER:** President Dave Copeland called the meeting to order at 10:05 a.m. at the Abilene Laboratories, 1325 Pine St., Abilene Texas.
2. **APPROVAL OF MINUTES FROM JANUARY 30, 2014 BOARD MEETING:** Paul Cannon moved to approve the minutes from the January 30, 2014, board meeting. Scott Senter seconded and the motion carried.
3. **PRELIMINARY STATUS OF FUNDS REPORT FOR DECEMBER 2013:** Mr. Burdine explained that the DCOA has spent \$576,439 in December 2013 for economic development projects. The DCOA's total current assets as of December 31, 2013 were \$20,858,768 compared to \$17,995,289 on December 31, 2012. There are eight projects for which contracts have not yet been signed though incentives totaling \$3,689,228 have been approved by the DCOA.
4. **EXECUTIVE SESSION NO. 1:** I hereby announce we are going into Executive Session pursuant to Texas Government Code Sections 551.071, 072, 074 and 087 to consult with our legal counsel, discuss real property transactions, personnel matters, 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 Dave Copeland announced the date is February 10, 2014, and the time is 10:10 a.m. Later, President Copeland announced the date is still February 10, 2014, and the time is 10:40 a.m. No vote or action was taken in Executive Session.

5. **DISCUSSION AND POSSIBLE APPROVAL OF A RESOLUTION AUTHORIZING ASSISTANCE FOR BROADWIND TOWERS (FORMERLY TOWER TECH SYSTEMS):** Mr. Burdine explained the activities of Broadwind Towers and their need for financial assistance totaling \$1,625,710.

First item is to revise Broadwind Towers' Job Creation Incentive status from new business to existing business. Originally, Broadwind Towers was expected to create 150 jobs at its Abilene facility, however, due to the national recession they had a maximum FTE count of 115 during the past five years, which leaves \$516,000 in job creation incentive money unfunded. This revision of job creation incentive status will allow Broadwind Towers to earn up to \$516,000 for FTEs in excess of the 115 to be retained.

Next is the extension of the railroad line, estimated to cost \$200,000, and fencing along the property line between Broadwind Towers and the DCOA-owned land, estimated to cost \$20,000. The DCOA will extend a new railroad line on the west side of the existing drainage ditch to the North property line of Lot 304, Block A (Broadwind Towers' storage yard) in exchange for Broadwind Towers' 4.599 acres at the South end of Lot 204, Block A (to be platted as Lot 304, Block A). The DCOA will also install a fence along the new property line between the DCOA and Broadwind Towers when they begin construction of a fence around their storage yard. The DCOA will retain any reimbursement from Union Pacific Railroad for the rail construction cost.

The DCOA will pay to level Lot 303, Block B through cut and fill so the DCOA and Broadwind Towers are swapping level acres for level acres. This expense is estimated at \$74,700 and will be part of the total bid to construct Polaris Dr., for which the DCOA will consider funding in March 2014.

After Lot 303, Block B (10.909 acres) is leveled the DCOA will sell the Lot to Broadwind Towers for \$15,000/acre, totaling \$163,635. The DCOA will finance the purchase for up to five years at 0% interest. Broadwind Towers is asked to pledge the first \$163,635 of earned job creation incentives as payment of the lot purchase. Any remaining balance on the note will become due and payable at the end of five years if job creation incentive earnings are not enough to discharge the debt.

Last is to install limestone base material on Lot 303, Block B and Broadwind Towers will select the depth of the limestone base material (18" or 24") and pay 25% of the actual cost with the remainder combined with the Lot purchase note balance, secured by a first lien on the lot. The loan will be 0% interest for up to 5 years and all job creation incentive earnings applied to the balance. The estimated cost for limestone base material installation is \$726,000 for 18" and \$968,100 for 24". This construction will be a line item in the bids for construction of Polaris Dr. which the DCOA will consider funding in March 2014.

Scott Senter moved to approve Resolution No. 2014.20 as presented. Dani Ramsey seconded and the motion carried.

6. **DISCUSSION AND POSSIBLE APPROVAL OF A RESOLUTION AUTHORIZING ASSISTANCE FOR FEHR FOODS FOR 2014 CAPITAL PROJECTS AND JOB RETENTION.** Mr. Burdine explained Fehr Foods' 2014 capital investment projects where Fehr totaling \$1.7 to \$2 million at the cookie production facility on North 1<sup>st</sup> Street. These projects will include purchase of automated and updated equipment, energy efficiency upgrades, employee safety upgrades, and environmental safety upgrades.

The DCOA will fund \$200,000 disbursed over 3 years at 10% of the company's actual costs not to exceed \$66,667/year.

Paul Cannon moved to approve Resolution No. DCOA-2014.21 to amend the existing Agreement with Fehr Foods to add \$200,000 for 2014 capital projects at its N. 1<sup>st</sup> St. plant. Marelyn Shedd seconded and the motion carried.

7. **EXECUTIVE SESSION NO.2:** I hereby announce we are going into Executive Session pursuant to Texas Government Code Sections 551.071, 072, 074 and 087 to consult with our legal counsel, discuss real property transactions, personnel matters, 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 Dave Copeland announced the date is February 10, 2014, and the time is 10:52 a.m. Later, President Copeland announced the date is still February 10, 2014, and the time is 11:25 a.m. No vote or action was taken in Executive Session.

8. **ADJOURNMENT.** The next meeting is scheduled for March 11, 2014. There being no further business the meeting was adjourned.

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Dave Copeland, President

**MEMORANDUM**

February 12, 2014

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

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The sales tax rebate for February is \$4,245,411.03 which represents December sales. This is 4.81% above last year and 2.75% above the projected FY 14 budget amount. The breakdown of the February rebate is \$3,184,058.27 to the General Fund and \$1,061,352.76 for economic development. Of this rebate, \$46,808 is from prior periods, audit payments, future payments, and unidentified payments. For the period of October through February, sales tax is .51% above last year and 1.46% below the projected FY 14 budget amount. I have requested the detail from the state.

Should you have any questions, please contact me.

MP:ls

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

# CITY OF ABILENE SALES TAX COMPARISON

Accounting Period Month	GENERAL FUND Actual 2012-13	ECONOMIC DEVELOPMENT Actual 2012-13	TOTAL 2012-13	GENERAL FUND Actual 2013-14	ECONOMIC DEVELOPMENT Actual 2013-14	TOTAL 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
January	2,186,131.29	728,710.43	2,914,841.72	2,232,726.16	744,242.05	2,976,968.21
February	3,038,055.04	1,012,685.01	4,050,740.05	3,184,058.27	1,061,352.76	4,245,411.03
<b>YTD</b>	<b>\$12,786,970.04</b>	<b>\$4,262,323.34</b>	<b>\$17,049,293.38</b>	<b>\$12,851,949.24</b>	<b>\$4,283,983.09</b>	<b>\$17,135,932.33</b>
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			
<b>FY TOTAL</b>	<b><u>\$30,688,116.14</u></b>	<b><u>\$10,229,372.02</u></b>	<b><u>\$40,917,488.16</u></b>			

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

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

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

Accounting Period Month	Actual 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%
January	728,710	744,242	2.13%
February	1,012,685	1,061,353	4.81%
<b>YTD</b>	<u>\$4,262,323</u>	<u>\$4,283,983</u>	<b>0.51%</b>
March	821,529		
April	800,963		
May	965,056		
June	827,415		
July	826,951		
August	927,272		
September	797,862		
<b>FY TOTAL</b>	<u><u>\$10,229,372</u></u>		

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

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

Revenue for February '14 represents December '13 sales. Approximately  
\$11,702 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
January	594,761	693,114	941,066	728,710	744,242
February	898,241	978,890	1,175,879	1,012,685	1,061,353
<b>YTD</b>	<u>\$3,525,367</u>	<u>\$3,755,819</u>	<u>\$4,697,415</u>	<u>\$4,262,323</u>	<u>\$4,283,983</u>
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	
<b>FY TOTAL</b>	<u><u>\$ 8,312,748</u></u>	<u><u>\$ 9,295,819</u></u>	<u><u>\$ 10,420,256</u></u>	<u><u>\$ 10,229,372</u></u>	

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

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

**DEVELOPMENT CORPORATION OF ABILENE**  
**STATEMENT OF NET POSITION**  
**January 31, 2014 and 2013**

	January 2014	January 2013
<b>Current Assets:</b>		
Cash and cash investments	\$ 17,148,190	\$ 16,685,256
Accounts receivable	35,293	35,293
Due from other governments	1,702,786	1,738,931
Prepaid expense	-	130
	<u>18,886,269</u>	<u>18,459,610</u>
<b>Total Current Assets</b>		
<b>Noncurrent Assets:</b>		
Notes receivable	18,487,372	16,241,598
Capital assets	44,144,817	43,279,167
Accumulated depreciation	<u>(7,776,020)</u>	<u>(6,814,308)</u>
Total capital assets, net	<u>36,368,797</u>	<u>36,464,859</u>
	<u>54,856,169</u>	<u>52,706,457</u>
<b>Total Noncurrent Assets</b>		
<b>Total Assets</b>	<u><u>\$ 73,742,438</u></u>	<u><u>\$ 71,166,067</u></u>
<b>Liabilities</b>		
Current:		
Accounts payable	\$ 51,679	\$ 49,802
	<u>51,679</u>	<u>49,802</u>
<b>Total Current Liabilities</b>		
	<u>51,679</u>	<u>49,802</u>
<b>Total Liabilities</b>		
<b>Net Position</b>		
Net Investment in capital assets	36,368,797	36,464,859
Restricted for contractual obligations	21,482,096	14,146,589
Designated for purposes of trust	<u>15,839,866</u>	<u>20,504,817</u>
	<u>73,690,759</u>	<u>71,116,265</u>
<b>Total Net Position</b>		
<b>Total Liabilities and Net Position</b>	<u><u>\$ 73,742,438</u></u>	<u><u>\$ 71,166,067</u></u>

**DEVELOPMENT CORPORATION OF ABILENE**  
**SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**For four months ending January 31, 2014 and 2013**

	January 2014	Fiscal YTD 2014	Fiscal YTD 2013
<b>Revenues:</b>			
Sales and use taxes	\$ 744,242	\$ 3,222,630	\$ 3,249,638
Interest income	3,105	12,873	14,326
Building rental / land lease	63,889	330,815	314,637
Sale of land	-	201,013	-
Miscellaneous revenue	73,558	93,420	13,219
<b>Total Revenues</b>	<u>884,794</u>	<u>3,860,751</u>	<u>3,591,820</u>
<b>Expenses:</b>			
Economic development projects	133,487	2,395,658	920,725
Life Sciences property	56,468	155,844	247,279
DCOA Annual Contracts	49,211	127,860	151,280
Abilene Industrial Foundation	54,558	159,507	163,987
TTU Small Business Development Center	15,150	47,700	36,694
Chamber Military Affairs	-	-	-
Airport Business Development Manager	5,097	27,351	25,333
General administrative services	47,791	207,742	225,319
<b>Total Expenditures</b>	<u>361,762</u>	<u>3,121,662</u>	<u>1,770,617</u>
<b>Changes In Net Position</b>	523,032	739,089	1,821,203
<b>Net Position at Beginning of Period</b>	<u>73,167,727</u>	<u>72,951,670</u>	<u>69,295,062</u>
<b>Net Position at End of Period</b>	<u>\$ 73,690,759</u>	<u>\$ 73,690,759</u>	<u>\$ 71,116,265</u>

**Summary of Current Period Economic Development Projects:**

Slide Fire Improvements	\$ 9,136
Owens Machine & Tool	11,284
Biotech Marketing and PR Plan	5,879
Enterprise Dr. Extension Construction	61,708
EASI De-Fuel Truck	1,750
Five Points Survey	3,015
Five Points Polaris Drive A/E	5,330
Spec 3 Finish Out A/E	4,085
842 Pine Boiler Replacement A/E	6,800
TMAC FY14	22,000
Ads4Next Sponsorship	2,500
<b>Total</b>	<u>\$ 133,487</u>

Development Corporation of Abilene  
Economic Program Status  
As of January 31, 2014

Economic Programs:	Project	Amount Obligated	Prior Years Disbursement	Current Year Disbursement	Balance reserved for obligated programs
Murf Systems	4998	\$ 223,665	\$ 199,665	\$ 24,000	\$ -
TTU Pharmacy School	5242	1,282,450	1,166,803	115,647	-
Pactiv (formerly PWP)	5251	2,933,899	2,507,899	-	426,000
TTU HSC Research	5273	3,000,000	2,437,656	297,600	264,744
Energy Maintenance Serv (Broadwind Serv)	5282	869,894	268,598	-	601,296
Genesis Network Phase II	5284	1,291,925	22,924	-	1,269,001
Tower Tech (Broadwind Towers)	5285	5,422,716	4,433,889	470,187	518,640
Coca Cola Abilene	5296	2,020,000	-	-	2,020,000
TTU 842 Pine	5308	379,410	361,434	-	17,976
Enavail, LLC	5316	386,240	386,240	-	-
Texas Metals '10	5317	44,050	29,367	14,683	-
Cisco College Biotech Training	5318	67,650	64,586	-	3,064
Energy Maintenance Serv-Gearbox	5319	622,500	602,931	-	19,569
Pepsi Beverage Co.	5321	350,000	140,000	-	210,000
Cooperative Response Center	5324	296,500	134,593	-	161,907
Land 922 N 13th Street	5325	50,000	48,485	-	1,515
Teleperformance USA	5326	375,000	183,100	-	191,900
Docket Navigator	5327	159,000	-	-	159,000
Smith Pipe Ph 1, 2, 3 & 4	5330	495,390	151,000	-	344,390
TTUHSC School of Nursing	5331	275,464	268,149	-	7,315
Vine St. Warehouse	5335.1	55,457	55,457	-	-
Vine St. Fire Safety	5335.2	291,216	284,965	-	6,251
Vine St. Parking Lot	5335.3	158,850	158,850	-	-
Vine St. Construction	5335.4	569,064	534,756	1,816	32,492
Vine St. Interior Demo	5335.5	130,489	123,031	-	7,458
Vine St. Other Impr	5335.6	14,617	14,617	-	-
Vine St. Gotta Go Trailways	5335.7	19,500	18,400	-	1,100
Vine St. Fehr Foods	5335.8	62,607	58,138	-	4,469
Vine St. Slide Fire Improvements	5335.9	365,381	133,143	212,534	19,704
Fehr Foods '12	5340	510,000	170,000	-	340,000
Rentech '12	5342	104,200	-	104,200	-
Pactiv Compressor Construction	5344.2	327,806	327,806	-	-
Owens Machine & Tool	5345	351,000	-	11,284	339,716
Biotech Marketing and PR Plan	5346	116,400	81,161	12,174	23,065
Hangar Doghouses A/E	5348.1	423,000	97,967	50,050	274,983
Enterprise Dr. Extension A/E	5352.1	907,250	10,200	867,274	29,776
Enterprise Dr. Extension Construction	5352.2	282,091	-	61,708	220,383
EASI De-Fuel Truck	5354	64,260	14,000	5,250	45,010
Fehr Foods ' 13	5356	240,000	-	-	240,000
Purchase 834 Pine	5358	42,960	40,485	2,475	-
Tucker Energy Services	5359	413,295	-	-	413,295
Five Points Infrastructue	5359.1	1,000,000	-	-	1,000,000
Five Points Survey	5360	38,016	28,865	1,288	7,863
TTUHSC Center FY14 Operating	5361	427,109	274,400	41,734	110,975
Five Pts / Pdaris Dr A/E	5362.1	60,200	-	28,430	31,770
5 Pts RR Expansion	5363.1	16,000	-	-	16,000
Spec 3 Finish Out A/E	5364.1	759,601	-	7,723	751,878
842 Pine Boiler Replacement A/E	5365.1	71,500	-	37,902	33,598
843 Pine Boiler Replacement Equipment	5635.2	95,000	-	-	95,000
CarbonLITE Industries	5366	6,196,000	-	-	6,196,000
Hangar 4 Ventilation System A/E	5367.1	3,500	-	3,200	300
Hangar 4 Ventilation Construction	5367.2	47,400	-	-	47,400
Fehr Foods Expansion	5368	2,623,000	-	-	2,623,000
TMAC FY 14	5369	88,000	-	22,000	66,000
Ads4Next Sponsorship	5370	2,500	-	2,500	-
Springboard Ideas	5371	5,000	-	-	5,000
<b>Subtotal Economic Program Obligation Reserve</b>		<b>\$ 37,428,022</b>	<b>\$ 15,833,560</b>	<b>\$ 2,395,659</b>	<b>\$ 19,198,803</b>

Development Corporation of Abilene  
Economic Program Status  
As of January 31, 2014

Economic Programs:	Project	Amount Obligated	Prior Years Disbursement	Current Year Disbursement	Balance reserved for obligated programs
<b>Plus Administrative Division Obligations:</b>					
Business Services Division	Division 2760	\$ 646,610	\$ -	\$ 207,741	\$ 438,869
Life Sciences Property Maintenance	Division 2765	579,930	-	155,844	424,086
DCOA Property Maintenance	Division 2775	308,806	-	127,860	180,946
Abilene Industrial Foundation	Division 2775	934,790	-	159,507	775,283
TTU Small Business Dev Center	Division 2775	250,000	-	47,700	202,300
Chamber Military Affairs	Division 2775	100,000	-	-	100,000
Airport Business Development Manager	Division 2775	189,159	-	27,350	161,809
<b>Subtotal Administrative Divisions Obligation Reserve</b>		<b>\$ 3,009,295</b>	<b>\$ -</b>	<b>\$ 726,002</b>	<b>\$ 2,283,293</b>
<b>Total reserve for obligated programs</b>					<b>\$ 21,482,096</b>

<b>DCOA Board approved projects waiting for signed contracts:</b>			Expiration Date
Project LS	\$ 1,936,230		3/31/14
Project KM	82,100		3/31/14
Project BE	553,750		4/8/14
Project AH	76,948		4/29/14
Smith Pipe Ph. 5	452,000		5/12/14
Project VC	455,200		6/16/14
	<u>\$ 3,556,228</u>		

**CITY OF ABILENE, TEXAS**

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**ANNUAL FINANCIAL REPORT**

With Supplemental Information for  
Development Corporation of Abilene

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Year Ended September 30, 2013

CITY OF ABILENE, TEXAS  
Annual Financial Report  
Year Ended September 30, 2013

TABLE OF CONTENTS

	<u>Exhibit</u>	<u>Page</u>
Independent Auditor's Report		1
Management's Discussion and Analysis		3
BASIC FINANCIAL STATEMENTS		
Government-wide Financial Statements:		
Statement of Net Position	A-1	17
Statement of Activities	A-2	18
Fund Financial Statements:		
Balance Sheet – Governmental Funds	B-1	20
Reconciliation of Balance Sheet – Governmental Funds to the Statement of Net Position		
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	B-2	22
Reconciliation of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds to the Statement of Activities		
Statement of Net Position – Proprietary Funds	B-3	24
Statement of Revenues, Expenses, and Changes in Net Position – Proprietary Funds	B-4	25
Statement of Cash Flows - Proprietary Funds	B-5	26
Statement of Fiduciary Net Position	B-6	28
Notes to the Financial Statements		29
REQUIRED SUPPLEMENTAL INFORMATION		
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – General Fund	C-1	57
Texas Municipal Retirement System Trend Data and Abilene Firemen's Relief and Retirement Trend Data	C-2	58
Notes to Required Supplementary Information		59
OTHER SUPPLEMENTAL INFORMATION		
Development Corporation of Abilene:		
Statement of Net Position		60
Statement of Revenues, Expenses and Changes in Net Position		61
Schedule of Revenues and Expenditures – Budget Basis		62
Schedule of Obligated Fund Balance – Budget Basis		64
Schedule of Capital Assets		66

## INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of City of Abilene, Texas, as of and for the year ended September 30, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Abilene, Texas, as of September 30, 2013, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.



## **Other Matters**

### *Required Supplementary Information*

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

### *Other Information*

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

*Davis Kinard & Co., PC*  
Certified Public Accountants

Abilene, Texas  
February 17, 2014

CITY OF ABILENE, TEXAS  
Development Corporation of Abilene  
Statement of Net Position  
September 30, 2013  
With Comparative Totals for the Year Ended September 30, 2012

	2013	2012
<b>CURRENT ASSETS:</b>		
Cash and cash investments	\$ 11,282,502	\$ 10,745,086
Investments	7,519,216	6,360,419
Accounts receivable	35,293	35,293
Due from other governments	1,702,786	1,738,931
Prepaid expenses	1,911	300
Total Current Assets	20,541,708	18,880,029
<b>NONCURRENT ASSETS:</b>		
Notes receivable	16,269,706	14,294,387
Capital assets not being depreciated	1,800,694	4,140,003
Capital assets net of accumulated depreciation	34,568,102	32,324,855
Total Noncurrent Assets	52,638,502	50,759,245
<b>TOTAL ASSETS</b>	<b>73,180,210</b>	<b>69,639,274</b>
<b>LIABILITIES:</b>		
Current:		
Accounts payable	176,689	294,410
Accrued liabilities	51,851	49,802
Total Current Liabilities	228,540	344,212
Total Liabilities	228,540	344,212
<b>NET POSITION:</b>		
Net investment in capital assets	36,368,796	36,464,858
Restricted for contractual obligations	11,658,572	14,089,286
Unrestricted, designated for purposes of trust	24,924,302	18,740,918
<b>TOTAL NET POSITION</b>	<b>\$ 72,951,670</b>	<b>\$ 69,295,062</b>

**CITY OF ABILENE, TEXAS**  
**Development Corporation of Abilene**  
**Statement of Revenues, Expenses and Changes in Net Position**  
**Year Ended September 30, 2013**  
**With Comparative Totals for the Year Ended September 30, 2012**

	2013	2012
<b>REVENUES:</b>		
Sales and use taxes	\$ 10,193,227	\$ 10,312,683
Rental income	969,547	979,976
Interest income	109,318	112,539
Gain on sale of capital assets	75,005	70,294
Intergovernmental revenue	264,308	-
Miscellaneous Revenue	62,620	432,670
Total Revenues	11,674,025	11,908,162
<b>EXPENSES</b>		
Current:		
Trust	8,017,417	7,370,335
Total Expenses	8,017,417	7,370,335
<b>CHANGE IN NET POSITION</b>	3,656,608	4,537,827
<b>NET POSITION, BEGINNING OF YEAR</b>	69,295,062	64,757,235
<b>NET POSITION, END OF YEAR</b>	\$ 72,951,670	\$ 69,295,062

**CITY OF ABILENE**  
**Development Corporation of Abilene**  
**Schedule of Revenues and Expenditures - Budget Basis**  
**Year Ended September 30, 2013**

	Year Ended September 30, 2013	Inception To-Date
<b>REVENUES:</b>		
Sales and use taxes	\$ 10,229,372	\$ 158,404,763
Principal on loans and assessments	-	3,268,528
Interest on loans and assessments	71,582	2,386,216
Interest on investments	37,736	7,058,077
Land lease	5,293	22,589
Sale of land and buildings	85,770	5,137,690
Building/space rent	964,254	8,311,855
Miscellaneous recovery	-	2,186,439
Miscellaneous revenue	62,620	1,082,390
Miscellaneous prior year	-	61,292
Federal grants	264,308	1,586,835
Miscellaneous state grants	-	26,500
Interfund recovery	-	1,534,976
GASB 22 restatement	-	355,635
GASB 34 restatement	-	2,403,949
Other contributions	-	140,713
Total Revenues	<u>11,720,935</u>	<u>193,968,447</u>
<b>EXPENDITURES:</b>		
Current:		
Prior year programs	-	90,452,724
Business Services Division	654,362	9,722,355
Life Sciences Property	610,108	2,477,494
DCOA Annual Contracts	240,847	3,064,341
Abilene Industrial Foundation	629,198	14,517,217
TTU Small Business Development Center	180,637	3,236,246
Chamber Military Affairs	68,541	1,395,052
Airport Business Development MGR	123,107	1,020,941
Murf Systems	-	199,665
EASI 04	233,419	2,364,965
Fehr Foods	-	3,712,530
Reg Website	-	7,067
TTU Pharmacy School	508,367	1,166,803
PWP Industries	-	2,507,899
SBIR/STTR	-	86,200
EASI 7th Doc	24,999	264,174
TTU HSC Research	249,667	2,437,656
Energy Maintenance Service	20,328	268,598
Genesis Network Phase II	-	22,924
Tower Tech	837,610	4,433,889
ETI Contract	(3,504)	1,232,761
TTU 842 Pine	128,279	361,434
AIC Eq Lease	361	164,489
Nationwide Products	42,417	104,783
Enavail, LLC	6,250	386,241
Texas Metal 10	14,683	29,367
Cisco College Biotech Training	18,884	64,585
Energy Maintenance Service	313,271	602,931
EASI Hanger Design	-	339,901
EASI Hanger Construction	-	4,473,442

**CITY OF ABILENE**  
**Development Corporation of Abilene**  
**Schedule of Revenues and Expenditures - Budget Basis**  
**Year Ended September 30, 2013**

**EXPENDITURES - continued:**

	Year Ended September 30, 2013	Inception To-Date
Current - continued:		
EASI Hanger Fire Safety	\$ 114,579	\$ 1,826,855
Pepsi Beverage Co.	70,000	140,000
Cooperative Response Center	62,844	134,593
Land 922 N. 13th Street	12,750	48,485
Teleperformance USA	90,550	183,100
West Texas Innovation Network	15,000	15,000
Smith Pipe Ph 1 & 2	75,500	151,000
TTUHSC School of Nursing	268,149	268,149
TMAC 12	-	33,000
Vine St. Lighting Upgrades	-	55,457
Vine St. Fire Safety	56,598	284,965
Vine St. Parking Lot	-	158,850
Vine St. Construction	502,146	534,756
Vine St. Interior Demo	1,333	123,031
Vine St. Other Improvements	14,617	14,617
Vine St. Gotta Go Trailways	18,400	18,400
Vine St. Fehr Foods	58,138	58,138
Slide Fire Improvements	133,143	133,143
Welder Training	140,278	287,044
Fehr Foods '12	170,000	170,000
Prospect Development	-	1,216
Pactive Bldg A/E	23,171	33,671
Pactive Compressor Construction	327,806	327,806
Biotech Marketing and PR Plan	81,161	81,161
TMAC 13	22,000	22,000
Hangar Doghouses	97,968	97,968
Devron Water Line Extension	41,560	41,560
Springboard Sponsorship	5,000	5,000
Ads 4 Next Youth Program Sponsor	2,500	2,500
Enterprise Dr. Extension A/E	10,200	10,200
BCBS Bldg Cooling Tower Demo	11,550	11,550
EASI De-Fuel Truck	14,000	14,000
Five Point Land Clearing	35,160	35,160
TTUHSC Center FY13 Operating	208,620	208,620
Purchase 834 Pine Street	40,485	40,485
Five Point Survey	28,865	28,866
TTUHSC Center FY14 Operating	274,400	274,400
Miscellaneous Activities	-	354,190
Total Expenditures	<u>7,930,302</u>	<u>157,347,610</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES-BUDGET BASIS</b>	<b>3,790,633</b>	<b>\$ 36,620,837</b>
Add: Fixed Assets Capitalized	903,676	
Add: Gain in sale of capital assets	71,005	
Less: Change in Sales Tax Revenue Accrual	(36,145)	
Less: Proceeds from sale of land	(81,770)	
Less: Change in accrued expenses	(1,818)	
Less: Depreciation	(988,973)	
<b>CHANGE IN POSITION-GAAP BASIS</b>	<b><u>\$ 3,656,608</u></b>	

CITY OF ABILENE, TEXAS  
Development Corporation of Abilene  
Schedule of Obligated Fund Balance - Budget Basis  
Year Ended September 30, 2013

	FY 2013 Obligated	FY 2013 Amount Disbursed	Balance
<b>OBLIGATED PROGRAMS:</b>			
Business Services Division	\$ 677,060	\$ 654,362	\$ 22,698
Life Sciences Property	635,964	610,108	25,856
DCOA Annual Contracts	308,810	240,847	67,963
Abilene Industrial Foundation	746,850	629,198	117,652
TTU Small Business Development Center	250,000	180,637	69,363
Chamber Military Affairs	100,000	68,541	31,459
Airport Business Development MGR	181,630	123,107	58,523
EASI 04	233,419	233,419	-
TTU Pharmacy School	508,367	508,367	-
Pactiv	426,000	-	426,000
EASI 7th Doc	24,999	24,999	-
TTU HSC Research	812,011	249,667	562,344
Energy Maintenance Service	621,624	20,328	601,296
Genesis Network Phase II	1,269,000	-	1,269,000
Tower Tech	1,706,437	837,610	868,827
Coca Cola Abilene	2,020,000	-	2,020,000
ETI Contract	(3,504)	(3,504)	-
TTU 842 Pine	128,280	128,279	1
AIC Eq Lease	361	361	-
Nation Wide Products	42,417	42,417	-
Enavail, LLC	6,250	6,250	-
Texas Metal 10	14,683	14,683	-
Cisco College Biotech Training	21,949	18,884	3,065
Energy Maintenance Service	332,840	313,271	19,569
EASI Hanger Fire Safety	114,579	114,579	-
Pepsi Beverage Co.	280,000	70,000	210,000
Cooperative Response Center	224,752	62,844	161,908
Land 922 N. 13th Street	14,265	12,750	1,515
Teleperformance USA	282,450	90,550	191,900
Docket Navigator	159,000	-	159,000
West Texas Innovation Network	15,000	15,000	-
Smith Pipe Ph 1 & 2	419,890	75,500	344,390
TTUHSC School of Nursing	275,464	268,149	7,315
Vine St. Fire Safety	62,849	56,598	6,251
Vine St. Construction	536,455	502,146	34,309
Vine St. Interior Demo	8,791	1,333	7,458
Vine St. Other Improvements	14,617	14,617	-
Vine St. Gotta Go Trailways	19,500	18,400	1,100
Vine St. Fehr Foods	62,607	58,138	4,469
Slide Fire Improvements	365,381	133,143	232,238
Welder Training	140,278	140,278	-
Fehr Foods '12	510,000	170,000	340,000
Pactive Bldg A/E	23,171	23,171	-
Pactive Compressor Construction	327,806	327,806	-

**CITY OF ABILENE, TEXAS**  
**Development Corporation of Abilene**  
**Schedule of Obligated Fund Balance - Budget Basis**  
**Year Ended September 30, 2013**

	FY 2013 Obligated	FY 2013 Amount Disbursed	Balance
<b>OBLIGATED PROGRAMS - continued</b>			
Owens Machine & Tool	\$ 351,000	\$ -	\$ 351,000
Biotech Marketing and PR Plan	116,401	81,161	35,240
TMAC 13	110,000	22,000	88,000
Hangar Doghouses	423,001	97,968	325,033
Devron Water Line Extension	41,560	41,560	-
Springboard Sponsorship	5,000	5,000	-
Ads 4 Next Youth Program Sponsor	2,500	2,500	-
Enterprise Dr. Extension A/E	907,250	10,200	897,050
BCBS Bldg Cooling Tower Demo	11,550	11,550	-
EASI De-Fuel Truck	64,260	14,000	50,260
Five Point Land Clearing	35,160	35,160	-
Fehr Foods '13	240,000	-	240,000
TTUHSC Center FY13 Operating	208,620	208,620	-
Purchase 834 Pine Street	42,960	40,485	2,475
Tucker Energy Service	1,585,000	-	1,585,000
Five Point Survey	35,001	28,865	6,136
TTUHSC Center FY14 Operating	427,109	274,400	152,709
Five Pts / Polaris Drive	60,200	-	60,200
<b>Total Obligated Programs</b>	<b>\$ 19,588,874</b>	<b>\$ 7,930,302</b>	<b>\$ 11,658,572</b>

**CITY OF ABILENE, TEXAS**  
**Development Corporation of Abilene**  
**Schedule of Capital Assets**  
**September 30, 2013**

	Land	Buildings	Improvements	Equipment and Vehicles	Total
Land, Buildings and Improvements:					
2601 Airport Blvd.	\$ -	\$ 1,563,210	\$ 540,633	\$ -	\$ 2,103,843
2809 Airport Blvd.	-	396,519	444,583	-	841,102
2841 Airport Blvd.	-	456,736	62,923	-	519,659
EASI Hangar 4	-	-	7,000,421	-	7,000,421
4002 Loop 322	-	2,690,915	984,892	-	3,675,807
434.435 acres-Five Points Business Park	465,889	-	2,606,743	-	3,072,632
Five Points Spec Bldg 2	-	13,187,628	97,831	-	13,285,459
Five Points Spec Bldg 3	-	5,522,986	-	-	5,522,986
304 Pine - Grant Bldg	-	147,194	405,726	-	552,920
834 Pine	40,424	-	-	-	40,424
Vine Street (4009 / 4109)	-	1,347,904	235,388	-	1,583,292
EASI Storage Building	-	2,527,408	9,987	-	2,537,395
303.53 Acres Hwy 36 & FM 18	449,239	-	-	-	449,239
1.995 Acres Hwy 36	16,641	-	-	-	16,641
121.93 acres Moses Williams Survey	482,238	-	-	-	482,238
5.6 acres N Five Points Business Park	69,217	-	-	-	69,217
922 N. 13th Street	35,735	-	-	-	35,735
Leasehold Improvements	-	-	1,733,800	-	1,733,800
Machinery & Equipment	-	-	-	340,244	340,244
Vehicle - 2010 Ford Transport Van	-	-	-	15,453	15,453
Vehicle - 2013 Dodge Caravan	-	-	-	24,999	24,999
Construction-in-Progress	-	-	241,311	-	241,311
<b>TOTAL CAPITAL ASSETS</b>	<b>1,559,383</b>	<b>27,840,500</b>	<b>14,364,238</b>	<b>380,696</b>	<b>44,144,817</b>
Less: Accumulated Depreciation		(6,045,704)	(1,624,033)	(106,284)	(7,776,021)
<b>NET CAPITAL ASSETS</b>	<b>\$ 1,559,383</b>	<b>\$ 21,794,796</b>	<b>\$ 12,740,205</b>	<b>\$ 274,412</b>	<b>\$ 36,368,796</b>



# DEVELOPMENT CORPORATION OF ABILENE, INC.

## AGENDA ITEM

BOARD MEETING: March 11, 2014

**PROJECT: Five Points Driveway for Tucker Energy Services**

**STAFF: Richard Burdine, CEO**

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### THE COMPANY

Tucker Energy Services (TES, formerly Project RN) is a multinational oil and gas services corporation formed over 70 years ago that competes directly with Schlumberger and Halliburton. The company offers wireline, cementing, perforating, coiled tubing, and logging services and recently moved into hydraulic fracturing services. Headquarters are in Houston with facilities in Denton, TX, and McAlester, OK.

Phase 1 of the company's expansion to Abilene will include establishment of an open hole (wireline) shop and office in a 6,000 sq ft building. Eleven new jobs will be created with all earning over \$60k/year, and capital investment in construction, trucks and associated wireline equipment, lab equipment, and support vehicles will total about \$2.82MM. If Cline Shale development takes off, the Company will quickly move into Phase 2. This expansion will establish the site as a "superbase" and will include separate facilities for cased hole operations, coil tubing operations, stimulation (hydro-fracturing) offices, a sand/chemical warehouse and acid dock & gel tank storage, outdoor explosive magazine and hydro-fracturing gun loading facilities, fueling station, guard shack and parking for vehicles and equipment. A rail spur will be needed to accommodate 6-8 rail cars of sand being shipped in for use in hydro-fracturing. Phase 2 job creation could reach 132 more jobs with most earning over \$50k/year. Capital investment in construction, equipment, cranes, light duty trucks, etc. could total \$51.6MM.

On April 30, 2013, DCOA approved Resolution DCOA-2013.19 (Revised) and revised on June 11, 2013, authorizing direct assistance of \$585,000 as follows:

#### Phase 1

1) Land totaling 13 acres in Five Point Business Park valued at \$15,000/acre, or \$195,000, sold to Company and financed under an earnable note at 0% interest. The balance will be earned down over 3 years. The company would be given an exclusive 4-year option to the balance of land needed for Phase 2, up to 22 more acres. The DCOA will retain a right of first refusal to repurchase any excess land the company may decide to offer for sale in the future at the original sales price of \$15,000/acre. **UPDATE:** On 11-19-13, DCOA and TES closed on the sale and financing of 11.477 acres at 6557 Five Points Parkway for \$171,705.

2) Job creation incentive payment of \$303,000 for 11 new jobs, earned over 3 years.

3) Capital investment incentive payment of \$282,000 for construction of the initial 6,000 sq ft structure, purchase of office and lab equipment, and purchase of specialized equipment and support vehicles earned over 3 years at 10% of TES' proposed investment of \$2,820,000.

**All earned Job Creation and Capital Investment Incentives will be applied first toward the outstanding balance due under the note for purchase of the land. If after 4 years, TES does not move into Phase 2 expansion, the remainder will be paid in cash.**

#### Phase 2

1) Land up to 22 acres more needed in addition to the Phase 1 land to expand into Phase 2, sold and financed at \$15,000/acre, 0% interest with the DCOA retaining a first lien, and the balance earned down. The DCOA will also retain a right of first refusal to repurchase any excess land the company may decide to offer for sale in the future at the original sales price of \$15,000/acre.

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

2) Infrastructure Reserve Fund – Up to \$5 million to accommodate TES’ development and potential growth in Five Points Business Park, the board voted to establish an “Infrastructure Reserve Fund” for installation of railroad spur tracks, a portion of which will be for TES’ exclusive use, extend utilities to the property line as needed, make storm water drainage improvements as needed, install drive approaches to the Facility from Five Points Parkway and Fulwiler Road, repair or replace the roadway surface on Five Points Parkway and all or a portion of Fulwiler Road, which runs adjacent to Five Points Business Park on its west side. Expenditures from the Infrastructure Reserve Fund will be staff initiated or upon advice of TES but final decision authority will rest with the DCOA Board.

### **THE REQUEST**

TES broke ground on construction of its Phase 1 building in February 2014, using W.B. Kibler Construction Co. of Dallas as the general contractor. A drive approach from Five Points Parkway is needed; however the drainage ditch that runs along the south ROW makes construction of the driveway costly. A change order from W.B. Kibler Construction Co. indicates a cost of \$62,186 for a concrete culvert and wingwalls as designed by TxDOT.

I propose use of the Infrastructure Reserve Fund to reimburse TES for the cost of the drive approach in the amount of \$62,186. This is the second draw from the Reserve Fund. The first was approved by the board on January 30, 2014, in the amount of \$86,605 (including \$11,300 contingency for the possibility of encountering rock) for a contract with Diamond T Construction to extend a gas main about 2000’ from its current termination point at the NE corner of the Spec 3 lot to a point west of Polaris Dr.

### **FISCAL IMPACT**

Change Order #1 for construction of a drive approach for TES      \$62,186.00

### **STAFF RECOMMENDATION**

Staff recommends approval of resolution DCOA-2014.23 authorizing use of the Infrastructure Reserve Fund in the amount of \$62,186 for construction of a driveway on Five Points Parkway for Tucker Energy Services.

### **ATTACHMENTS**

Resolution DCOA-2014.23

**RESOLUTION NO. DCOA-2014.23**

A RESOLUTION OF THE DEVELOPMENT CORPORATION OF ABILENE, INC. (DCOA), ABILENE, TEXAS AUTHORIZING USE OF THE INFRASTRUCTURE RESERVE FUND FOR CONSTRUCTION OF A DRIVEWAY ON FIVE POINTS PARKWAY FOR TUCKER ENERGY SERVICES (“TES”).

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

WHEREAS, Phase 1 of the company’s expansion to Abilene will include establishment of an open hole (wireline) shop and office in a 6,000 sq ft building, 11 new jobs all earning over \$60k/year, and capital investment in construction, trucks and associated wireline equipment, lab equipment, and support vehicles will total about \$2.82MM; and,

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

WHEREAS, Phase 2 capital investment in construction, equipment, cranes, light duty trucks, etc. could total \$51.6MM; and,

WHEREAS, on April 30, 2013, DCOA approved Resolution DCOA-2013.19 (Revised) and revised again on June 11, 2013, authorizing direct assistance of \$585,000 for sale and financing of land in Five Points Business Park, job creation incentives for 11 new jobs and capital investment incentives for TES’ proposed investment of \$2.82 million; and,

WHEREAS, up to \$5 million was also approved in Resolution DCOA-2013.19 (Revised) as an Infrastructure Reserve Fund to accommodate TES’ development and potential growth in Five Points Business Park, including installation of railroad spur tracks, a portion of which will be for TES’ exclusive use, extension of utilities to the property line as needed, storm water drainage improvements as needed, installation of drive approaches from Five Points Parkway and Fulwiler Road, repair or replacement of the roadway surface on Five Points Parkway and all or a portion of Fulwiler Road; and,

WHEREAS, TES broke ground on construction of its Phase 1 building in February 2014, using W.B. Kibler Construction Co. of Dallas as the general contractor; and,

WHEREAS, a drive approach from Five Points Parkway is needed; however the drainage ditch that runs along the south ROW makes construction of the driveway costly. A change order from W.B. Kibler Construction Co. indicates a cost of \$62,186 for a concrete culvert and wingwalls as designed by TxDOT; and,

WHEREAS, staff requests the DCOA approve reimbursement to TES from the Infrastructure Reserve Fund for installation of the driveway.

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

- PART 1.** DCOA hereby authorizes reimbursement to Tucker Energy Services from the Infrastructure Reserve Fund in the amount of Sixty-Two Thousand One Hundred Eighty-Six and no/100's Dollars (\$62,186.00) for installation of a driveway from Five Points Parkway, which includes a concrete culvert and wingwalls.
- 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 11<sup>th</sup> day of March, 2014.

ATTEST:

\_\_\_\_\_  
Dani Ramsay  
Secretary/Treasurer

\_\_\_\_\_  
Dave Copeland  
President

APPROVED:

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

S:\DCOA\Resolution\2014\2014.23 Driveway for Tucker Energy on Five Pts Pkwy (ER-14).doc

7.4

**DEVELOPMENT CORPORATION OF ABILENE, INC.**  
**BOARD AGENDA**  
**MEETING DATE: March 11, 2014**

**PROJECT:**                   **Construction Contract for Polaris Dr. in Five Points Business Park**

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

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**BACKGROUND INFORMATION:**

The Five Points Business Park located in west Abilene is mostly owned by the DCOA and is bounded on the west by Fulwiler Rd., the north by I-20, the east by Wall St., and the south by the Union Pacific railroad tracks. Development in the Park has increased significantly over the last few years with construction of the Texas Healthcare Linen and FedEx Ground facilities, the recent sale of 10 acres to Atmos Energy, the sale of 2 acres to MP2 Energy, and the sale of 11.447 acres to Tucker Energy Services. An expansion of rail service in the Park could potentially lead to new clients and tenants in the Park that wouldn't consider locating there without it. We are already in contact with several companies that would benefit from this service. There is a severe lack of rail served industrial properties in Abilene.

On June 11, 2013, the board approved resolution DCOA-2013.21 authorizing a contract with Enprotec/Hibbs & Todd and \$35,000 for work in Five Points Business Park as follows: 1) \$8,000 to develop a drawing of all lots west of Arnold Blvd as platted, 2) \$3,000 to assist in alignment of a proposed rail spur, 3) \$6,000 for a route survey along the proposed rail spur, 4) \$6,000 to re-plat the Park on the west side of Arnold Blvd, 5) \$7,000 to develop a drawing of the entire Park for marketing purposes, and 6) \$5,000 for contingency. Most of this work is complete with the exception of the drawings, which are pending approval of the re-plat for Broadwind Towers land as approved by the board the previous month.

On September 27, 2013, the board approved resolution DCOA-2013.28 authorizing a contract with Central State Resources, LLC and funding of \$16,000 (\$11,000 for basic services and \$5,000 for additional services) to design a layout for a proposed expansion of rail service in the Five Points Business Park. CSR has proposed several rail options for the Park.

On October 8, 2013, the board approved resolution DCOA-2014.01 authorizing contracts with Enprotec/Hibbs & Todd to provide a street paving design and grading plan for construction of Polaris Dr. in the Park plus funding of \$60,200. The construction will facilitate full utilization of the vacant acreage on the west side of Arnold Blvd and grading will make more of the lots potentially rail-served.

**REQUEST:**

Polaris Dr. will be constructed from Five Points Parkway at the south end to Marigold St. at the north end, which is 2,600 linear feet. The unpaved portion of Marigold St. from Polaris Dr. east to a point just short of Arnold Blvd. will also be paved as an outlet for Polaris Dr. Also included in the base bid is grading (cut & fill) of two lots on each side of Polaris Dr. (19.74 acres and 10.90 acres) located at the north end that currently have a steep topography. This will open up the two lots for future development. The grading is also necessary for installation of the rail expansion currently being designed.

Construction bids for Polaris Dr. were opened on February 28, 2014, with three bids received. Add Alternate #1 is to install 18" of flexible limestone base material on Lot 303, Block B (10.9 acres) being

sold to Broadwind Towers. Add Alternate #2 is to install 24" of base material. Below is a summary of the bids received:

Bidder	Base Bid	Add Alt #1	Add Alt #2
Epic Construction Co.	\$989,100	\$701,800	\$936,700
J.H. Strain & Sons, Inc.	\$1,126,400	\$895,400	\$1,195,100
Contract Paving Company	\$2,173,100	\$1,137,400	\$1,518,100

Broadwind Towers has indicated its desire not to proceed at this time with installation of the base material. Should Broadwind decide before March 1, 2017, to install the base material on their own, DCOA will finance 75% of Epic Construction's Add Alternate bid amount, either \$526,350 for 18" or \$702,525 for 24", under a note at 0% interest, secured by the Lot 303, Block B.

I propose the board authorize a contract with Epic Construction and funding of \$1,064,100 as outlined in the next section.

**FISCAL IMPACT:**

Epic Construction Contract Award

Base Bid \$ 989,100

Contingency of 7.5% of base bid \$ 75,000

TOTAL \$1,064,100

**STAFF RECOMMENDATION:**

Staff recommends approval of resolution DCOA-2014.22 authorizing a contract with Epic Construction for construction of Polaris Dr. in Five Points Business Park plus funding of \$989,100 plus contingency of \$75,000.

**ATTACHMENTS:**

Letter from BJ Prichard of Enprotec/Hibbs & Todd dated 3-4-14 recommending award of the construction contract to Epic Construction Company.

Bid Tabulation

Resolution DCOA-2014.22



March 4, 2014

Development Corporation of Abilene  
174 Cypress Street, 3<sup>rd</sup> Floor  
Abilene, Texas 79601  
Attn: Richard Burdine

**Re: Development Corporation of Abilene (DCOA)  
Polaris Dive Paving and Grading, Five Points Business Park, Abilene, Taylor County, Texas  
Bid Results and Recommendation of Award**

Dear Mr. Burdine:


Bids for the referenced project were opened on February 28, 2014. A total of three (3) bids were received with the low bid being below (less than) the established construction budget of \$1,148,875 (Base Bid). A copy of the Bid Tabulation is attached for your reference. The apparent low bidder was Epic Construction Company (Epic) out of Abilene, Texas.

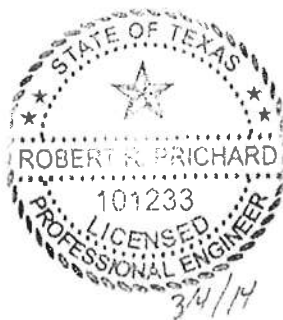
Enprotec / Hibbs & Todd, Inc. (eHT) has evaluated the responsiveness of Epic for conformity with all material conditions of the Invitation for Bids and the Instructions to Bidders. Epic is reputable Contractor and has the technical expertise and resources to complete this project per the established construction plans and specifications. Based on our evaluations, eHT recommends award of the construction contract for the Polaris Drive Paving and Grading Project to Epic Construction Company, as the lowest, qualified bidder in the amount of \$989,100 (Base Bid).

We look forward to working with the DCOA as this project moves into the construction phase.

Sincerely,

**Enprotec / Hibbs & Todd, Inc.**

  
BJ Prichard, P.E.



Encl: Bid Tabulation

c: Project File 5897

P:\Projects\DCOA\5897 Five Points Business Park - Polaris Drive\4. Bidding Phase\Bidder Evaluation\20140304\_Recommendation of Award.doc

*Environmental, Civil & Geotechnical Engineers*

**Abilene Office**  
402 Cedar  
Abilene, Texas 79601  
P.O. Box 3097  
Abilene, Texas 79604  
325.698.5560 | 325.691.0058 fax

**Lubbock Office**  
6310 Genoa Avenue, Suite E  
Lubbock, Texas 79424  
806.794.1100 | 806.794.0778 fax

**Granbury Office**  
2901 Glen Rose Hwy, Suite 107  
Granbury, Texas 76048  
817.579.6791 | 817.579.8491 fax

**Plano Office**  
One Preston Park  
2301 Ohio Drive, Suite 105  
Plano, Texas 75093  
972.599.3480 | 972.599.3513 fax

[www.e-ht.com](http://www.e-ht.com)

PE Firm Registration No. 1151  
PG Firm Registration No. 50103  
RPLS Firm Registration Nos. 10011900 & 10007300

8.3

TABULATION OF BIDS FOR: Development Corporation of Abilene, Polaris Drive Paving and Grading Five Points Business Park, City of Abilene, Texas  
 BIDS RECEIVED: 2/28/2014  
 PE Firm Registration No. 1151

BASE BID				EPIC CONSTRUCTION COMPANY		J.H. STRAIN & SONS, INC.		CONTRACT PAVING COMPANY	
Item No.	Quantity	Unit	Item	Unit Cost	Amount	Unit Cost	Amount	Unit Cost	Amount
1	1	LS	Mobilization, bonds & insurance	\$ 45,000.00	\$ 45,000.00	\$ 55,000.00	\$ 55,000.00	\$ 104,000.00	\$ 104,000.00
2	41	AC	Site Prep., Lots 302 Block "A", Lot 202 Block "B", Polaris Drive ROW	\$ 2,600.00	\$ 106,600.00	\$ 1,300.00	\$ 53,300.00	\$ 8,000.00	\$ 328,000.00
3	32,000	CY	Unclassified excavation (cut)	\$ 1.50	\$ 48,000.00	\$ 4.75	\$ 152,000.00	\$ 12.00	\$ 384,000.00
4	32,000	CY	Unclassified embankment (fill)	\$ 4.00	\$ 128,000.00	\$ 6.75	\$ 216,000.00	\$ 16.00	\$ 512,000.00
5	2,600	LF	Polaris Drive road paving	\$ 205.00	\$ 533,000.00	\$ 195.00	\$ 507,000.00	\$ 200.00	\$ 520,000.00
6	6,100	SY	Subgrade preparation on Marigold Street	\$ 3.00	\$ 18,300.00	\$ 2.00	\$ 12,200.00	\$ 10.00	\$ 61,000.00
7	1,100	CY	6" course of flexible limestone base material on Marigold Street	\$ 42.00	\$ 46,200.00	\$ 40.00	\$ 44,000.00	\$ 46.00	\$ 50,600.00
8	60	CY	Precoated Type B, Grade 3 aggregate on Marigold Street	\$ 200.00	\$ 12,000.00	\$ 150.00	\$ 9,000.00	\$ 200.00	\$ 12,000.00
9	50	CY	Precoated Type B, Grade 4 aggregate on Marigold Street	\$ 200.00	\$ 10,000.00	\$ 150.00	\$ 7,500.00	\$ 250.00	\$ 12,500.00
10	1,400	GAL	AEP Prime Oil on Marigold Street	\$ 5.00	\$ 7,000.00	\$ 6.00	\$ 8,400.00	\$ 10.00	\$ 14,000.00
11	4,000	GAL	AC-25-5TR Asphalt Binder Material on Marigold Street	\$ 6.00	\$ 24,000.00	\$ 8.00	\$ 32,000.00	\$ 10.00	\$ 40,000.00
12	1	LS	Driveway Repair for existing driveways on Marigold Street	\$ 7,500.00	\$ 7,500.00	\$ 20,000.00	\$ 20,000.00	\$ 10,000.00	\$ 10,000.00
13	1	LS	Temporary Traffic Baricades	\$ 3,500.00	\$ 3,500.00	\$ 10,000.00	\$ 10,000.00	\$ 125,000.00	\$ 125,000.00
TOTAL BASE BID PRICE (Items 1 thru 13)				\$	\$ 989,100.00	\$	\$ 1,126,400.00	\$	\$ 2,173,100.00

ADD ALTERNATE BIDS				EPIC CONSTRUCTION COMPANY		J.H. STRAIN & SONS, INC.		CONTRACT PAVING COMPANY	
Item No.	Quantity	Unit	Item	Unit Cost	Amount	Unit Cost	Amount	Unit Cost	Amount
A.1	24,200	CY	18" flexible limestone base material on Lot 303, Block "B"	\$ 29.00	\$ 701,800.00	\$ 37.00	\$ 895,400.00	\$ 47.00	\$ 1,137,400.00
A.2	32,300	CY	24" flexible limestone base material on Lot 303, Block "B"	\$ 29.00	\$ 936,700.00	\$ 37.00	\$ 1,195,100.00	\$ 47.00	\$ 1,518,100.00

I, ROBERT R. PRICHARD, P.E., #101233, DO HEREBY CERTIFY THAT THE ABOVE REFERENCED BIDS WERE RECEIVED, IN ACCORDANCE WITH THE ADVERTISED PROCEDURES, OPENED, AND READ ALOUD. THE BID TABULATION HEREIN IS A TRUE AND ACCURATE REPRESENTATION OF THE BIDS READ ALOUD.



*[Signature]*  
 ROBERT R. PRICHARD, P.E., #101233



## **RESOLUTION NO. DCOA-2014.22**

A RESOLUTION OF THE DEVELOPMENT CORPORATION OF ABILENE, INC. ("DCOA"), ABILENE, TEXAS AUTHORIZING A CONTRACT WITH EPIC CONSTRUCTION COMPANY AND FUNDING FOR CONSTRUCTION OF POLARIS DR. IN THE FIVE POINTS BUSINESS PARK ("PARK").

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

WHEREAS, development in the Park has increased significantly over the last few years with construction of the Texas Healthcare Linen and FedEx Ground facilities, the recent sale of 10 acres to Atmos Energy, the sale of 2 acres to MP2 Energy, and the sale of 11.447 acres to Tucker Energy Services; and,

WHEREAS, an expansion of rail service in the Park could potentially lead to new clients and tenants in that wouldn't consider locating there without it, and staff is already in contact with several companies that would benefit from this service; and,

WHEREAS, on June 11, 2013, the board approved resolution DCOA-2013.21 authorizing a contract with Enprotec/Hibbs & Todd and \$35,000 for work in Five Points Business Park as follows: 1) \$8,000 to develop a drawing of all lots west of Arnold Blvd as platted, 2) \$3,000 to assist in alignment of a proposed rail spur, 3) \$6,000 for a route survey along the proposed rail spur, 4) \$6,000 to re-plat the Park on the west side of Arnold Blvd, 5) \$7,000 to develop a drawing of the entire Park for marketing purposes, and 6) \$5,000 for contingency; and,

WHEREAS, on September 27, 2013, the board approved resolution DCOA-2013.28 authorizing a contract with Central State Resources, LLC and funding of \$16,000 (\$11,000 for basic services and \$5,000 for additional services) to design a layout for a proposed expansion of rail service in the Five Points Business Park; and,

WHEREAS, on October 8, 2013, the board approved resolution DCOA-2014.01 authorizing contracts with Enprotec/Hibbs & Todd to provide a street paving design and grading plan for construction of Polaris Dr. in the Park plus funding of \$60,200; and,

WHEREAS, in order to fully utilize the vacant acreage in the Park on the west side of Arnold Blvd and make more of the lots rail-served, Polaris Dr. will be constructed from Five Points Parkway at the south end to Marigold St. at the north end, which is approximately 2,600 linear feet. The unpaved portion of Marigold St. from Polaris Dr. east to a point just short of Arnold Blvd. will also be paved as an outlet for Polaris Dr.; and,

WHEREAS, the base bid also includes grading (cut & fill) of two lots located on each side of Polaris Dr. (19.74 acres and 10.90 acres) located at the north end, which is also necessary for installation of the rail expansion currently being designed; and,

WHEREAS, construction bids for Polaris Dr. were opened on February 28, 2014, with three bids received. Add Alternate #1 is to install 18" of flexible limestone base material on Lot 303, Block B (10.9 acres) being sold to Broadwind Towers. Add Alternate #2 is to install 24" of base material; and,

WHEREAS, Broadwind Towers has indicated its desire not to proceed at this time with installation of the base material; and,

WHEREAS, should Broadwind Towers decide before March 1, 2017, to install the base material on their own, DCOA will finance 75% of Epic Construction's Add Alternate bid amount, either \$526,350 for 18" or \$702,525 for 24", under a note at 0% interest, secured by the Lot 303, Block B; and,

WHEREAS, staff requests the DCOA authorize a contract and funding for construction of Polaris Dr., including grading of two lots.

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

**PART 1.** DCOA authorizes a contract with Epic Construction Company as lowest responsible bidder for construction of Polaris Dr. in the Five Points Business Park plus total funding of One Million Sixty-Four Thousand One Hundred no/100's Dollars (\$1,064,100.00) as follows:

Base Bid	\$ 989,100
Contingency	<u>\$ 75,000</u>
TOTAL	\$1,064,100

**PART 2.** This resolution is contingent upon execution of all necessary agreements. The commitment authorized under this resolution shall expire without notice 180 days from the date of adoption of same unless all required documents and agreements are executed prior to that expiration date or the commitment herein is extended in writing by the DCOA.

**PART 3.** The Chief Executive Officer of the Development Corporation of Abilene, Inc. is hereby authorized to negotiate any contract and all other related documents on behalf of the DCOA.

ADOPTED this the 11th day of March, 2014.

ATTEST:

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Dani Ramsay  
Secretary/Treasurer

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Dave Copeland  
President

APPROVED:

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T. Daniel Santee, City Attorney

S:\DCOA\Resolution\2014\2014.22 Five Points Polaris Dr construction contract-F1-14.doc

8.6

**DEVELOPMENT CORPORATION OF ABILENE, INC.**  
**BOARD AGENDA**  
**MEETING DATE: March 11, 2014**

**PROJECT: Fast Track Welder Training Extension**

**STAFF: Richard Burdine, CEO**

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**BACKGROUND**

In 2006, the DCOA approved \$127,243 (expending only \$124,224) for the development of a pilot program for intensive welder training. The DCOA partnered with Cisco Junior College and the Workforce Center of West Central Texas (Workforce Center) to produce a 5-week training program offered three times with class size limited to 14. In week one, applicants were screened then tested (both skills and drug), and trained in “soft” skills (making a job application, interviewing, etc.). In weeks 2-5, the participants underwent 120 hours of training. Since then, the board has approved funding to continue the successful program needed to assist local manufacturers find and hire qualified welders. The following depicts the board’s continuing support of the program:

<b>Date of board approval</b>	<b>Number of Sections</b>	<b>Amount Approved</b>	<b>Amount Funded</b>	<b>Number of Trainees</b>
July 2006 (Pilot)	1 through 3	\$127,243	\$124,244	42
January 2007	4 and 5	\$ 26,000	\$ 17,600	24
May 2007	6 through 9	\$ 37,600	\$ 28,306	44
January 2012	10 through 15	\$417,438	\$287,044	80
<b>TOTAL</b>		<b>\$608,281</b>	<b>\$457,194</b>	<b>190</b>

The board also funded two training sections in 2008 for Broadwind Towers (formerly Tower Tech Systems) approving \$75,000. The actual cost was \$70,226 for a total of 26 trainees. In November 2011, the DCOA approved resolution DCOA-2012.02 authorizing the reallocation of assistance to Broadwind Towers of \$20,500 from job creation to advanced welder training for 15 existing and returning employees to fulfill contracts with CAT and Gamesa. In February 2012, the board approved resolution DCOA-2012.12 authorizing another \$38,400 reallocation of job creation incentive funds to train 20 new employees and provide some leadership training for its supervisors.

The recent oil and gas “boom” is pulling welders out of Abilene, causing a shortage of qualified welders to fulfill the needs of our local manufacturers. The extension of training funds approved in January 2012 included lengthening of the welding training program by one week to 6 weeks to allow sufficient time for trainees to obtain four certifications, as requested by employers. Trainees received 192 hours of intensive welding training to prepare them for AWS Procedure Tests in the following: 1G, 2G, 3G and 6G positions. Eighty trainees completed the courses at a cost that was \$130,394 below the budgeted amount.

**THE REQUEST**

Workforce Solutions of West Central Texas visited with 11 local manufacturers and identified a continuing need for entry-level welders. The number of position openings ranged from 4 to 20 per employer with a total need of about 60. It was also determined the course curriculum should include weld types 1G, 2G, 3G and 4F, eliminating the 6G weld type which is the most complex of the 4 types offered. By eliminating the 6G weld type, instructors will be able to spend more time on welds that are actually tested during the hiring process, improving the trainee’s likelihood of being hired.

### Cisco College (20 students)

**One section of Fast Track Welding (Cisco College) Total Cost: \$ 99,756**

Assessments (KeyTrain and WorkKeys for approx. 45 applicants)	\$ 1,150
Background checks (approx. 45 applicants)	\$ 1,125
Drug tests (one initial screening, one during actual training)	\$ 1,950
Employability skills training	\$ <u>2,250</u>
<b>Cost per Section</b>	<b>\$ 6,475</b>

TOTAL Budget – One Section	\$124,231
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**Total cost of two sections of Fast Track Welding: \$248,462**

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9.2

**FISCAL IMPACT**

Two sections of Welder Training in 2014 for up to 40 trainees      \$ 248,462

**STAFF RECOMMENDATION**

Staff recommends approval of resolution no. DCOA-2014.24 authorizing funding in an amount up to \$248,462 for two new Welding Training sections in 2014.

**ATTACHMENTS**

Resolution DCOA-2014.24

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**RESOLUTION NO. DCOA-2014.24**

A RESOLUTION OF THE DEVELOPMENT CORPORATION OF ABILENE, INC. (DCOA), ABILENE, TEXAS AUTHORIZING FUNDING TO EXTEND THE FAST TRACK WELDING TRAINING PROGRAM TWO ADDITIONAL SECTIONS IN 2014.

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

WHEREAS, in 2006, the DCOA approved \$127,243 for the development of a pilot program for intensive welding training. The DCOA partnered with Cisco College and the Workforce Center of West Central Texas (Workforce Center) to produce a 5-week training program offered three times; and,

WHEREAS, since then, the DCOA has approved funding to continue the successful program needed to assist local manufacturers find and hire qualified welders, which has produced 190 total trained entry-level welders; and

WHEREAS, the extension of training funds approved in January 2012 included lengthening of the welding training program by one week to 6 weeks to allow sufficient time for trainees to obtain four certifications, as requested by employers; and,

WHEREAS, the recent oil and gas “boom” is pulling welders out of Abilene, causing a shortage of qualified welders to fulfill the needs of our local manufacturers; and,

WHEREAS, Workforce Solutions of West Central Texas recently visited with 11 local manufacturers and identified a continuing need for entry-level welders with about 60 total positions unfilled; and,

WHEREAS, it was also determined the course curriculum should include weld types 1G, 2G, 3G and 4F, eliminating the 6G weld type which is the most complex of the 4 types offered, allowing instructors to spend more time on welds that are actually tested during the hiring process and improve the trainee’s likelihood of being hired; and,

WHEREAS, Workforce Solutions again worked with Cisco College to develop a per course budget based on prior year models, proposing 2 sessions between May 11, 2014 and August 8, 2014 with 20 trainees each for a total of 40 trainees; and,

WHEREAS, staff requests the DCOA consider funding for two more Welding Training sections in 2014.

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

**PART 1.** DCOA authorizes funding up to Two Hundred Forty-Eight Thousand Four Hundred Sixty-Two and no/100’s Dollars (\$248,462.00) to extend the Fast Track Welding

training program two more sections (sections 16 and 17). Each 6-week section will allow for 20 trainees (total of 40) that will receive 192 hours of intensive welding training, preparing them for AWS Procedure Tests in the following: 1G, 2G, 3G and 4F types. Each will also receive a 10-hour OSHA Safety Training and Certification.

The Workforce Center will screen the applicants and provide employability skills training. Cisco College will provide the actual welding training. The funds will be used for the instructors, tuition/fees and some administrative costs, purchase of supplies, drug tests, background checks, assessment testing and a weekly stipend to each trainee. The Workforce Center will provide all administration of the project at no cost. This includes development and management of sub-contracts with Cisco College and submission of all billing and reporting to the DCOA.

**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 11th day of March, 2014.

ATTEST:

---

Dani Ramsay  
Secretary/Treasurer

---

Dave Copeland  
President

APPROVED:

---

T. Daniel Santee, City Attorney

**DEVELOPMENT CORPORATION OF ABILENE, INC.**  
**BOARD AGENDA**  
**MEETING DATE: March 11, 2014**

**PROJECT:** Contract with Waverly Partners to Conduct a Search for a New CEO

**STAFF:** Richard Burdine, CEO

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**BACKGROUND INFORMATION**

At the January 14, 2014 DCOA Board meeting President Paul Cannon appointed a search committee to update the job description of the CEO and conduct a search for a new CEO of the DCOA. The committee solicited proposals from 5 national executive search firms with which AIF staff, DCOA staff and/or search committee members were familiar.

The search committee reviewed proposals from the 5 firms and selected two to be interviewed by telephone. The interviews were conducted on February 21<sup>st</sup>, after which the committee developed their recommendation to the DCOA Board to contract with Waverly Partners because of their vast experience in economic development executive recruitment.

**THE REQUEST**

Waverly Partners stated, "Based on our search process and our experience with similar projects, a typical Economic Development President & CEO search may take from 100 to 120 days to complete followed by 4 to 6 weeks for the executive to transition from his/her current position to DCOA.

**FISCAL IMPACT**

The total fee for the search is \$45,000, including administrative fees and reimbursable items such as consultant travel.

**STAFF RECOMMENDATION**

Staff recommends the DCOA approve resolution DCOA-2014.25 authorizing a contract and funding of up to \$45,000 for Waverly Partners to conduct a search for a new DCOA CEO.

**ATTACHMENTS**

Resolution DCOA-2014.25

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**RESOLUTION NO. DCOA-2014.25**

A RESOLUTION OF THE DEVELOPMENT CORPORATION OF ABILENE, INC. ("DCOA"), ABILENE, TEXAS AUTHORIZING A CONTRACT WITH WAVERLY PARTNERS TO CONDUCT A SEARCH FOR A NEW DCOA CEO.

WHEREAS, at the January 14, 2014 DCOA Board meeting, President Paul Cannon appointed a search committee to update the job description of the CEO and conduct a search for a new CEO of the DCOA; and,

WHEREAS, the committee solicited proposals from 5 national executive search firms with which AIF staff, DCOA staff and/or search committee members were familiar; and,

WHEREAS, the search committee reviewed proposals from the 5 firms and interviewed two of the firms by telephone on February 21, 2014; and,

WHEREAS, the search committee recommends the DCOA Board contract with Waverly Partners because of their vast experience in economic development executive recruitment; and,

WHEREAS, staff requests the DCOA authorize a contract with Waverly Partners to conduct a search for a new DCOA CEO.

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

**PART 1.** DCOA authorizes a contract with Waverly Partners and funding of Forty-Five Thousand and no/100's Dollars (\$45,000.00) to conduct a search for a new DCOA CEO.

**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 President of the Development Corporation of Abilene, Inc. is hereby authorized to negotiate and sign any contract and all other related documents on behalf of the DCOA.

ADOPTED this the 11th day of March, 2014.

ATTEST:

\_\_\_\_\_  
Dani Ramsay  
Secretary/Treasurer

\_\_\_\_\_  
Dave Copeland  
President

APPROVED:

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

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