

## **PUBLIC NOTICE**

### **DEVELOPMENT CORPORATION OF ABILENE, INC.**

A regular meeting of the Development Corporation of Abilene, Inc. will be held on Tuesday, May 27, 2014, at Abilene Laboratories conference room, 1325 Pine St., Abilene, Texas, commencing at 1:30 p.m. to consider the following agenda:

SIGNED:

  
Richard Burdine, CEO

### **AGENDA**

May 27, 2014  
1:30 p.m.

Abilene Laboratories  
1325 Pine St.

1. Call the meeting to order.
2. Approval of minutes from the April 29, 2014, board meeting.
3. Sales tax report for May 2014 and status of funds report for April 2014.
4. Presentation of semi-annual reports for 6 months ended March 31, 2014 by:
  - City of Abilene Airport Business Development Management Program
  - Abilene Industrial Foundation
  - TTU Small Business Development Center
5. Discussion and possible approval of the DCOA's Semi-Annual Report of Activities ending March 31, 2014.
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 funding for Dyess AFB telecommunications & Internet improvements.
8. 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**  
**April 29, 2014**

<b>MEMBERS PRESENT:</b>	Dave Copeland Scott Senter Dani Ramsay	Marelyn Shedd John Beckham
<b>STAFF PRESENT:</b>	Richard Burdine Mindy Patterson	Kim Tarrant Dan Santee
<b>GUESTS PRESENT:</b>	Jason Smith Brian Bethel	Abilene Chamber of Commerce Abilene Reporter News

- 1. & 2. CALL THE MEETING TO ORDER & TOUR:** Prior to President Dave Copeland calling the meeting to order at 1:35 p.m. in the Eagle Aviation Services conference room, Hangar 1, 2751 Airport Blvd., Abilene, Texas, some board members and others toured Hangars 0 through 4.
- 3. APPROVAL OF MINUTES FROM THE APRIL 8, 2014, BOARD MEETING:** John Beckham moved to approve the minutes from the April 8, 2014 board meeting. Marelyn Shedd seconded and the motion carried.
- 4. SALES TAX REPORT FOR APRIL 2014 AND STATUS OF FUNDS REPORT FOR MARCH 2014:** Mindy Patterson, Director of Finance, presented the April 2014 sales tax rebate report. The total sales tax rebate received, which represents February 2014 sales was \$2,904,784. The breakdown of the rebate is \$2,178,588 to the General Fund and \$726,196 to the Economic Development Fund. The rebate is 9.33% below April of last year and 11.11% below the projected FY 14 budget. For October through April, sales tax is 2.22% below last year and 4.14% below the projected budget.

On the March 2014 Statement of Net Position, Cash and Cash Investments are \$18,249,423. Year-to-date revenue for FY14 is \$5,884,316. Expenses for the month included sixteen projects totaling \$412,617. The total amount of the six projects approved by the DCOA without signed contracts is \$1,820,760.

- 5. PRESENTATION BY RICHARD BURDINE OF THE ECONOMIC IMPACT EAGLE AVIATION SERVICES HAS HAD ON THE ABILENE ECONOMY:** Mr. Burdine gave a PowerPoint presentation to inform board members of the history of Eagle Aviation Services, Inc. (EASI) and EASI's influence on the Abilene economy. The DCOA's involvement with hangars at the Abilene Regional Airport started in 1990 when the City of Abilene and Texas State Technical College (TSTC) made a joint commitment for the development of TSTC's aerospace programs and opportunities to renovate General Aviation Hangar 4 for the FAA-certified aircraft mechanic training program.

In 1994, the DCOA began its relationship with EASI. Since 1994, DCOA renovated Hangars 1, 2 and 3, constructed Hangars 0 and 4 and constructed the Parts & Record building, as well as improvements to the fire safety system and parking lots. The DCOA has invested a total of \$17,545,921 to various projects, 9% (\$1,647,028) of which was spent for job creation incentives and 91% (\$15,898,893) was spent for the

construction/renovation of buildings and purchase of the equipment that will remain the DCOA's property regardless of user.

EASI has generated payroll totaling about \$183,984,929 since 1995 and has created an average of 302.5 fulltime equivalent positions during the period. Since 1998, EASI has paid a total of \$5,810,186 in property taxes to the City of Abilene, Taylor County, and Abilene ISD combined. EASI has also paid total lease of \$1,352,917 from 1998 to 2013. The economic benefit created by EASI through payroll, property taxes, and lease payments to the DCOA from 1998 to 2013 totals \$191,148,032 while the DCOA's investment to-date is only \$17,545,921. This calculates to a return on investment for the community of \$11.00 for each \$1.00 invested.

6. **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 April 29, 2014, and the time is 1:56 p.m. Later, President Copeland announced the date is still April 29, 2014, and the time is 2:51 p.m. No vote or action was taken in Executive Session.

Dani Ramsey joined the meeting at 2:29pm.

7. **DISCUSSION AND POSSIBLE APPROVAL OF A RESOLUTION AUTHORIZING A CONSTRUCTION CONTRACT AND FUNDING TO ADD A DOGHOUSE TO HANGAR 1 AT THE ABILENE REGIONAL AIRPORT OCCUPIED BY EAGLE AVIATION SERVICES:** Mr. Burdine reported EASI provides aircraft maintenance service for American Eagle Airline's ATR fleet. American Airline has ordered 70 new larger jet aircraft with taller tail sections that do not fit inside any of the hangars currently occupied by EASI. On November 13, 2012, the DCOA approved resolution DCOA-2013.05 authorizing a contract with Tittle Luther Partnership/Parkhill Smith & Cooper (TLP/PSC) to design modifications to Hangars 0, 1 and, 3 to accommodate the larger aircraft. Hangar 1 is the logical first candidate for modifications because it isn't currently configured for a maintenance dock line and stands empty much of the time.

TLP/PSC and Lansford Company have determined the total cost to add 40' to the front of Hangar 1 and install 40' sliding doors on new tracks with new concrete paving to be \$2,642,049: 1) \$1,404,327 for new hangar structure/modifications and concrete foundation, 2) \$303,750 for a fire suppression system & equipment, 3) \$475,481 for concrete apron pavement (1,200 sq. yd.), 4) \$349,313 for additional concrete apron pavement replacement (1,146 sq. yd.), and 5) \$109,178 as a 5% construction contingency.

Scott Senter moved to approve Resolution No. DCOA-2014.29 with the recommended amount of \$2,642,049 to authorize a contract with Lansford Company for modifications to Hangar 1 in order to accommodate larger regional jets with taller tail sections. John Beckham seconded and the motion carried.

- 8. DISCUSSION AND POSSIBLE APPROVAL OF A RESOLUTION AUTHORIZING A CONSTRUCTION BUDGET FOR EXPANSION AND FINISH-OUT OF SPEC 3 AT 6558 FIVE POINTS PARKWAY FOR TENANT CARBONLITE RECYCLING:** Mr. Burdine reported CarbonLITE Recycling, LLC is the largest producer of food-grade post-consumer recycled polyethylene terephthalate (PET) in the world. On August 27, 2013, the board approved resolution DCOA-2013.24 authorizing financial assistance totaling \$6,196,000 for CarbonLITE to open its second recycling plant here.

In December 2013, the company visited the Abilene site and expressed their need for an additional 100,000 sq. ft. as warehouse space and 10,000 sq. ft. as office space. The estimated cost for finish-out, including the additional warehouse and office space increased the preliminary finish-out estimate from \$4-5 million to \$11,800,850. On January 14, 2014, the board approved resolution DCOA-2014.15 authorizing a contract with Tittle Luther Partnership/Parkhill Smith Cooper and funding of \$759,601 for architectural, civil, structural, mechanical, plumbing and electrical design services based on CarbonLITE's new requirements and the increased construction budget. To move the project forward, a construction budget not to exceed \$11,041,249 is requested with staff returning to the board once construction bids are received.

Dani Ramsey moved to approval resolution DCOA-2014.31 authorizing a construction budget of \$11,041,249 for finish-out of the Spec 3 Building at 6558 Five Pts. Pkwy to CarbonLITE's specifications. She added that there will be additional negotiations with CarbonLITE for the actual lease agreement. Marelyn Shedd seconded and the motion carried.

- 9. DISCUSSION AND POSSIBLE APPROVAL OF AN AGREEMENT WITH HWH GROUP TO SECURE NEW MARKETS TAX CREDITS AND A TEXAS ENTERPRISE FUND AWARD TO OFFSET SPEC 3 BUILDING EXPANSION COSTS:** Mr. Burdine reported the DCOA Board approved an \$11 million construction budget for the expansion of the Spec 3 Building to lease to CarbonLITE Recycling, LLC (Resolution DCOA-2014.31). To offset the cost, staff recommends looking for other sources of funds such as New Market Tax Credits (NMTC) and the Texas Enterprise Fund (TEF). HWH Group has extensive experience with both programs and will be able to help the DCOA secure a TEF award with no payment in addition to the fee they receive for securing a NMTC for the project.

If NMTC can be secured for the project, the DCOA could receive approximately \$3.6 million. In addition, if a TEF grant were approved for the project, the DCOA would expect \$0.6 to \$1 million. Fees in the NMTC transaction, including CDE, attorney, consultant and accountant will be deducted from the gross proceeds of the sale of the tax credits before funds are transferred to the DCOA. HWH Group would receive a consultant fee of approximately \$350,000 at closing of the deal, based on 2% of a \$17.8 million in tax credits. The total potential funding will be \$4,200,000 to \$4,600,000 including \$3,600,000 for NMTC and \$600,000 to \$1,000,000 for the TEF.

John Beckham moved to approve an oral resolution authorizing an agreement with HWH Group to secure New Markets Tax Credits and a Texas Enterprise Fund to offset Spec 3 building finish-out costs. Scott Senter seconded and motion carried.

- 10. DISCUSSION AND POSSIBLE APPROVAL OF A RESOLUTION AUTHORIZING AN EXTENSION OF THE PROFESSIONAL SERVICES CONTRACT WITH RICHARD BURDINE FOR CEO SERVICES THROUGH JULY 2014:** President Copeland reported Richard Burdine's current contract expires on May 31, 2014. A new CEO has not been hired yet and is not likely to be in place by May 31<sup>st</sup>. For that reason he proposes an extension of the contract for 2 months through July 2014.

The funding required for the extension is \$25,280.50 as follows: 1) \$22,939.50 for payments in June and partial payment for July because Mr. Burdine will be on vacation, 2) \$775 for the estimated unused leave balance, and 3) \$1,566 for professional liability insurance coverage through July.

Dani Ramsey moved to approval resolution DCOA-2014.30 authorizing a 2-month extension of the professional services contract with Richard Burdine and additional funding for continuity of client care during the process of identifying, hiring, and orienting a new CEO. Marelyn Shedd seconded and motion carried.

- 6. 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 April 29, 2014, and the time is 3:13 p.m. Later, President Copeland announced the date is still April 29, 2014, and the time is 4:01 p.m. No vote or action was taken in Executive Session.

- 11. ADJOURNMENT:** The regularly scheduled meeting for May 13, 2014 has been cancelled. The next DCOA board meeting will be on May 27, 2014. There being no further business the meeting was adjourned.

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Dave Copeland, President

**MEMORANDUM**

May 7, 2014

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

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The sales tax rebate for May is \$3,925,634.43 which represents March sales. This is 1.69% above last year and .30% below the projected FY 14 budget amount. The breakdown of the May rebate is \$2,944,225.82 to the General Fund and \$981,408.61 for economic development. Of this rebate, \$38,811 is from prior periods, audit payments, future payments, and unidentified payments. For the period of October through May, sales tax is 1.67% below last year and 3.60% 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

# 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
March	2,464,587.05	821,529.01	3,286,116.06	2,231,833.90	743,944.63	2,975,778.53
April	2,402,889.56	800,963.19	3,203,852.75	2,178,587.64	726,195.88	2,904,783.52
May	2,895,168.95	965,056.32	3,860,225.27	2,944,225.82	981,408.61	3,925,634.43
<b>YTD</b>	<b>\$20,549,615.60</b>	<b>\$6,849,871.86</b>	<b>\$27,399,487.46</b>	<b>\$20,206,596.60</b>	<b>\$6,735,532.21</b>	<b>\$26,942,128.81</b>
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>\$30,688,116.14</b>	<b>\$10,229,372.02</b>	<b>\$40,917,488.16</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%
March	821,529	743,945	-9.44%
April	800,963	726,196	-9.33%
May	965,056	981,409	1.69%
<b>YTD</b>	<u>\$6,849,872</u>	<u>\$6,735,532</u>	<b>-1.67%</b>
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 May '14 represents March '14 sales. Approximately  
\$9,703 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
March	618,659	646,308	732,189	821,529	743,945
April	601,410	641,310	769,064	800,963	726,196
May	814,964	948,413	977,461	965,056	981,409
YTD	<u>\$5,560,400</u>	<u>\$5,991,851</u>	<u>\$7,176,129</u>	<u>\$6,849,872</u>	<u>\$6,735,532</u>
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><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**  
**April 30, 2014 and 2013**

	April 2014	April 2013
<b>Current Assets:</b>		
Cash and cash investments	\$ 18,513,385	\$ 17,089,984
Accounts receivable	35,293	35,293
Due from other governments	1,702,786	1,738,931
Prepaid expense	-	130
	<u>20,251,464</u>	<u>18,864,338</u>
<b>Total Current Assets</b>		
<b>Noncurrent Assets:</b>		
Notes receivable	18,074,586	16,953,999
Capital assets	44,144,817	43,279,167
Accumulated depreciation	<u>(7,776,020)</u>	<u>(6,814,309)</u>
Total capital assets, net	<u>36,368,797</u>	<u>36,464,858</u>
	<u>54,443,383</u>	<u>53,418,857</u>
<b>Total Noncurrent Assets</b>		
<b>Total Assets</b>	<u><u>\$ 74,694,847</u></u>	<u><u>\$ 72,283,195</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	36,464,858
Restricted for contractual obligations	35,831,674	12,168,707
Unrestricted, designated for purposes of trust	<u>2,442,697</u>	<u>23,599,828</u>
Total Net Position	<u>74,643,168</u>	<u>72,233,393</u>
<b>Total Liabilities and Net Position</b>	<u><u>\$ 74,694,847</u></u>	<u><u>\$ 72,283,195</u></u>

**DEVELOPMENT CORPORATION OF ABILENE**  
**SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
For seven months ending April 30, 2014 and 2013

	April 2014	Fiscal YTD 2014	Fiscal YTD 2013
<b>Revenues:</b>			
Sales and use taxes	\$ 726,196	\$ 5,754,123	\$ 5,884,816
Interest income	3,081	21,338	22,345
Building rental / land lease	153,967	665,673	531,415
Sale of land	30,150	231,163	-
Miscellaneous revenue	8,754	134,167	289,928
<b>Total Revenues</b>	<b>922,148</b>	<b>6,806,464</b>	<b>6,728,504</b>
<b>Expenses:</b>			
Economic development projects	540,749	3,617,943	2,322,787
Life Sciences property maintenance	107,914	338,962	429,453
DCOA Property Maintenance	39,601	217,623	175,142
Abilene Industrial Foundation	61,041	341,838	307,883
TTU Small Business Development Center	18,075	101,475	87,356
Chamber Military Affairs	-	18,313	15,139
Airport Business Development Manager	12,047	72,042	57,136
General administrative services	29,745	406,770	395,277
<b>Total Expenditures</b>	<b>809,172</b>	<b>5,114,966</b>	<b>3,790,173</b>
<b>Changes In Net Position</b>	<b>112,976</b>	<b>1,691,498</b>	<b>2,938,331</b>
<b>Net Position at Beginning of Period</b>	<b>74,530,192</b>	<b>72,951,670</b>	<b>69,295,062</b>
<b>Net Position at End of Period</b>	<b>\$ 74,643,168</b>	<b>\$ 74,643,168</b>	<b>\$ 72,233,393</b>

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

Murf Systems - Principal Reduction	\$ 12,000
TTUHSC Center	50,000
Energy Maintenance Service - Principal Reduction	140,000
Teleperformance	118,300
Vine St. Construction	31,810
Pactiv Compressor Construction	7,500
Biotech Marketing and PR Plan	3,286
Enterprise Dr. Extension Construction	36,027
EASI De-Fuel Truck	1,750
Fehr Foods '13	74,272
Five Points Polaris Drive A/E	1,000
Spec 3 Finish Out A/E	2,885
842 Pine Boiler Replacement A/E	4,327
842 Pine Boiler Replacement Equipment	33,600
842 Pine Boiler Construction	1,492
Richard Burdine Professional Services	15,293
CEO Search 2014	1,074
Clavel Corp	6,133
<b>Total</b>	<b>\$ 540,749</b>

Development Corporation of Abilene  
Economic Program Status  
As of April 30, 2014

Economic Programs:	Project	Amount Obligated	Prior Years Disbursement	Current Year Disbursement	Balance reserved for obligated programs
Murf Systems	4998	\$ 235,665	\$ 199,665	\$ 36,000	\$ -
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	347,600	214,744
Energy Maintenance Serv (Broadwind Serv)	5282	483,622	268,598	-	215,024
Genesis Network Phase II	5284	22,924	22,924	-	-
Tower Tech (Broadwind Towers)	5285	4,906,905	4,433,889	470,187	2,829
Coca Cola Abilene	5296	2,020,000	-	-	2,020,000
TTU 842 Pine	5308	379,410	361,434	17,974	2
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	762,500	602,931	140,000	19,569
Pepsi Beverage Co.	5321	350,000	140,000	-	210,000
Cooperative Response Center	5324	296,500	134,593	76,890	85,017
Land 922 N 13th Street	5325	48,485	48,485	-	-
Teleperformance USA	5326	301,400	183,100	118,300	-
Docket Navigator	5327	159,000	-	-	159,000
Smith Pipe Ph 1, 2, 3 & 4	5330	687,590	151,000	192,201	344,389
TTUHSC School of Nursing	5331	268,149	268,149	-	-
Vine St. Warehouse	5335.1	55,457	55,457	-	-
Vine St. Fire Safety	5335.2	284,965	284,965	-	-
Vine St. Parking Lot	5335.3	158,850	158,850	-	-
Vine St. Construction	5335.4	569,064	534,756	33,625	683
Vine St. Interior Demo	5335.5	123,031	123,031	-	-
Vine St. Other Impr	5335.6	14,617	14,617	-	-
Vine St. Gotta Go Trailways	5335.7	18,400	18,400	-	-
Vine St. Fehr Foods	5335.8	58,138	58,138	-	-
Vine St. Slide Fire Improvements	5335.9	365,381	133,143	212,534	19,704
Fehr Foods '12	5340	510,000	170,000	170,000	170,000
Rentech '12	5342	104,200	-	104,200	-
Pactiv Compressor Construction	5344.2	335,306	327,806	7,500	-
Owens Machine & Tool	5345	351,000	-	11,284	339,716
Biotech Marketing and PR Plan	5346	116,400	81,161	18,638	16,601
Hangar Doghouses A/E	5348.1	423,000	97,967	50,050	274,983
Hangar Doghouses Construction	5348.2	2,642,049	-	-	2,642,049
Enterprise Dr. Extension A/E	5352.1	907,250	10,200	871,922	25,128
Enterprise Dr. Extension Construction	5352.2	282,091	-	97,735	184,356
EASI De-Fuel Truck	5354	64,260	14,000	10,500	39,760
Fehr Foods ' 13	5356	240,000	-	74,272	165,728
Purchase 834 Pine	5358	42,960	40,485	2,475	-
Tucker Energy Services	5359	413,295	-	-	413,295
Five Points Infrastructure	5359.1	1,000,000	-	37,652	962,348
Five Points Survey	5360	38,016	28,865	3,343	5,808
TTUHSC Center FY14 Operating	5361	427,109	274,400	86,134	66,575
Five Pts / Polaris Dr A/E	5362.1	60,200	-	47,564	12,636
Polaris Drive Construction	5362.2	1,064,100	-	-	1,064,100
5 Pts RR Expansion	5363.1	16,000	-	-	16,000
Spec 3 Finish Out A/E	5364.1	759,601	-	12,125	747,476
Spec 3 Finish Out Construction	5364.2	11,041,249	-	-	11,041,249
842 Pine Boiler Replacement A/E	5365.1	75,500	-	59,990	15,510
842 Pine Boiler Replacement Equipment	5635.2	162,040	-	33,600	128,440
842 Pine Boiler Construction	5635.3	904,520	-	1,492	903,028

Development Corporation of Abilene  
Economic Program Status  
As of April 30, 2014

Economic Programs:	Project	Amount Obligated	Prior Years Disbursement	Current Year Disbursement	Balance reserved for obligated programs
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	-	44,400	3,000
Fehr Foods Expansion	5368	2,623,000	-	-	2,623,000
TMAC FY 14	5369	88,000	-	33,000	55,000
Ads4Next Sponsorship	5370	2,500	-	2,500	-
Springboard Ideas	5371	5,000	-	5,000	-
Richard Burdine Professional Services	5372	76,108	-	30,586	45,522
Broadwind Towers 2014	5373	1,438,525	-	-	1,438,525
CEO Search 2014	5374	45,000	-	17,007	27,993
Fast Track Welding '14	5375	248,462	-	-	248,462
Corley Wetsel Trucking	5376	455,200	-	-	455,200
Clavel Corp	5377	77,717	-	6,133	71,584
Fehr Foods 14	5378	200,000	-	-	200,000
<b>Subtotal Economic Program Obligation Reserve</b>		<b>\$ 53,770,900</b>	<b>\$ 15,833,560</b>	<b>\$ 3,617,943</b>	<b>\$ 34,319,397</b>
<b>Plus Administrative Division Obligations:</b>					
Business Services Division	Division 2760	646,610	-	406,770	239,840
Life Sciences Property Maintenance	Division 2765	579,930	-	338,962	240,968
DCOA Property Maintenance	Division 2775	308,810	-	217,623	91,187
Abilene Industrial Foundation	Division 2775	934,790	-	341,838	592,952
TTU Small Business Dev Center	Division 2775	250,000	-	101,475	148,525
Chamber Military Affairs	Division 2775	100,000	-	18,313	81,687
Airport Business Development Manager	Division 2775	189,160	-	72,042	117,118
<b>Subtotal Administrative Divisions Obligation Reserve</b>		<b>\$ 3,009,300</b>	<b>\$ -</b>	<b>\$ 1,497,023</b>	<b>\$ 1,512,277</b>
<b>Total reserve for obligated programs</b>					<b>\$ 35,831,674</b>

**DCOA Board approved projects waiting for signed contracts:**

		Expiration Date
Project KM	\$ 82,100	6/30/14
Project BE	553,750	7/8/14
Smith Pipe Ph. 5	452,000	8/12/14
	<u>\$ 1,087,850</u>	

**DEVELOPMENT CORPORATION OF ABILENE, INC.**  
**BOARD AGENDA**  
**MEETING DATE: May 27, 2014**

**PROJECT: Semi-Annual Reports for FY14**

**STAFF: Richard Burdine, CEO**

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**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. The AIF administers a marketing program which includes magazine advertisements, e-newsletters, promotional videos, web-site management, trade shows, visits to consultants and/or prospects, retention visits to existing Abilene businesses, and hosting visits to Abilene by consultants and/or prospects.

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

**SPECIAL CONSIDERATIONS**

The FY14 contracts expire 9-30-14. Attached are reports covering activities during the first one-half of the fiscal year, primarily from 10-1-13 through 3-31-14.

**FUNDING/FISCAL IMPACT**

None.

**STAFF RECOMMENDATION**

None.

**ATTACHMENT**

Abilene Regional Airport FY14 Semi-Annual Report  
Abilene Industrial Foundation FY14 Mid-Year Progress Report  
TTU Small Business Development Center Mid-Year FY14 Report

**Abilene Regional Airport's  
FY 2014 Semi-Annual Report  
To  
Development Corporation of Abilene**

The Business Development Management program continues its effort to increase airline passenger enplanements, continue communication with other potential air carrier service and encourage economic growth for the airport. We believe the more visible marketing campaign that includes TV, print and radio advertisement continues to have its intended effect. We find this method to prove potential customers are considering Abilene Regional Airport first when making flight reservations and helps us recover some of our leaked passenger base.

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

**FY14 YTD Business Development Activity**

Business Development activities have been and will continue to make community outreach through speaking engagements to various civic organizations a priority, focusing on the advantages of flying from Abilene versus driving to another airport. Presentations made during these engagements highlight the operations of the airport, construction updates, air service needs and fare comparisons. Additionally, we are reaching out to businesses, within our catchment area, that are already using the airport to develop a one on one relationship to show continued business appreciation.

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

**Presentations/Events this year include:**

Oct. 8	Abilene City Magazine taping
Oct. 18	Presenting Sponsor of Brownwood Chamber Luncheon
Oct. 23	Booth at TMCN Exhibit
Dec.17	Attended air service meeting with Boyd Group
Dec. 19	Passenger appreciation holiday contest & reception
Jan. 9	KTAB4u taping, VIP giveaway
Jan. 31	Friday Rotary presentation
Feb. 7	Abilene Woman's Club presentation
Mar. 26	Booth at Abilene Chamber Business Expo

### **Marketing the Airport**

Pink Goose Media produced four commercials starring Aaron Watson to run January 2013 thru January 2014. As well as running :30 ad spots on 5 radio stations, highlighting business and leisure travel.

### **Social Media**

Facebook continues to be a marketing tool that we use to communicate with our passengers and the general public. We have 815 page likes, with about 400 of those actively using our page as a form of communication. [www.facebook.com/abileneairport](http://www.facebook.com/abileneairport)

Twitter, @abairport, has increasingly become an imperative tool to communicate to media relations as well as enabling customer engagement.

### **Sponsorships**

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

Center for Contemporary Arts –ArtWalk Sponsor  
Sweetwater Chamber of Commerce Annual Banquet – Table Sponsor  
Abilene Philharmonic Association – Program Sponsor  
Abilene Zoo – Train Sponsor  
TMCN- Exhibit Sponsor

### **Special Programs**

The **ABI-VIP Passenger Rewards Program** continues to be a strong tool for communicating with our passengers. We have 1732 members to date.

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

We recently changed to a Web-based VIP Program which is hosted and maintained by IThink Marketing. We continue to adapt this into a user-friendly program for members as well as administrators.

**Enplanements:**

YTD enplanements are up 22% over March 2013.

**Revenues:**

Major revenue sources to the airport are the car rental concessions and the parking lot, this is reflective from March 2013 numbers.

Rental Car Revenue is up 21%.

Parking lot revenue is up 19%.

**Business Development Outlook:**

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

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

# ABI Pricing Guide

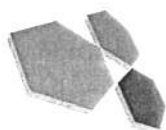
(ABI, DFW, MAF)

Date:		American Eagle / American Airlines													
Tuesday		14 days out		4/15/14 - 4/18/14		1 month out		5/1/14-5/4/14							
April 1, 2014		AA.com		AA.com		AA.com		AA.com							
From:		ABI		MAF		DFW		From:		ABI		MAF		DFW	
Destination		Round Trip		Round Trip		Round Trip		Dest		Round Trip		Round Trip		Round Trip	
Orlando, FL MCO		\$	465	\$	442	\$	367	\$	MCO	\$	465	\$	442	\$	367
Dallas Ft Worth, TX DFW		\$	211	\$	257	\$	-	\$	DFW	\$	211	\$	257	\$	-
Seattle, WA SEA		\$	580	\$	627	\$	545	\$	SEA	\$	580	\$	627	\$	545
Las Vegas, NV LAS		\$	385	\$	719	\$	355	\$	LAS	\$	465	\$	419	\$	355
Atlanta, GA ATL		\$	385	\$	458	\$	480	\$	ATL	\$	385	\$	458	\$	480
Ontario, CA ONT		\$	463	\$	411	\$	382	\$	ONT	\$	463	\$	411	\$	382
San Diego, CA SAN		\$	465	\$	489	\$	444	\$	SAN	\$	465	\$	454	\$	444
El Paso, TX ELP		\$	305	\$	558	\$	301	\$	ELP	\$	305	\$	558	\$	301
New York, NY LGA		\$	505	\$	541	\$	544	\$	LGA	\$	505	\$	541	\$	544
Los Angeles, CA LAX		\$	465	\$	414	\$	344	\$	LAX	\$	465	\$	414	\$	344
Kansas City, MO MCI		\$	385	\$	387	\$	246	\$	MCI	\$	385	\$	387	\$	246
Chicago, IL ORD		\$	385	\$	495	\$	298	\$	ORD	\$	385	\$	495	\$	298
Philadelphia, PA PHL		\$	465	\$	541	\$	430	\$	PHL	\$	465	\$	541	\$	430
Denver, CO DEN		\$	385	\$	281	\$	182	\$	DEN	\$	385	\$	281	\$	182
Washington DC DCA		\$	465	\$	521	\$	379	\$	DCA	\$	465	\$	521	\$	379
Minneapolis, MN MSP		\$	385	\$	504	\$	424	\$	MSP	\$	385	\$	504	\$	424
Nashville, TN BNA		\$	384	\$	462	\$	352	\$	BNA	\$	384	\$	462	\$	352
St.Louis, MO STL		\$	385	\$	447	\$	281	\$	STL	\$	385	\$	447	\$	281
Boston, MA BOS		\$	731	\$	701	\$	1,525	\$	BOS	\$	1,031	\$	968	\$	1,525
Average Fare		\$	432	\$	487	\$	438	\$		\$	452	\$	484	\$	438
Avg no ABI/MAF to DFW		\$	444	\$	500	\$	438	\$		\$	465	\$	496	\$	438
Comments: DFW to BOS with No Stops, Exceptionally High															
1) DFW - No Layovers   ABI, MAF - 1 Layover 2) No longer than 2 hour 15 min layover 3) Price Usually performed first Tuesday of the month. Average does not take into account \$0.00 DFW to DFW.															
Fare Monitoring Constants:		Usually performed on 1st Tuesday of the month. 14 day and 1 month forecasts.													
Fare will be chosen by the following rules 1) DFW - No Layovers   ABI, MAF - One Layover 2) No longer than 2 hour 15 min layover 3) Price															

# ABI Pricing Guide

(ABI, DFW, MAF)

American Eagle / American Airlines											
Date:		14 days out		4/23-13 -4/26/13		1 month out		5/9/13 - 5/12/13			
Tuesday		AA.com		AA.com		AA.com		AA.com			
From:		ABI		MAF		DFW		From:		ABI	
Destination		Round Trip		Round Trip		Round Trip		Dest		Round Trip	
	Orlando, FL MCO	\$	446	\$	454	\$	370	\$	MCO	\$	364
	Dallas Ft Worth, TX DFW	\$	160	\$	166	\$	-	\$	DFW	\$	186
	Seattle, WA SEA	\$	424	\$	414	\$	341	\$	SEA	\$	478
	Las Vegas, NV LAS	\$	426	\$	370	\$	328	\$	LAS	\$	596
	Atlanta, GA ATL	\$	428	\$	368	\$	334	\$	ATL	\$	424
	Ontario, CA ONT	\$	485	\$	410	\$	334	\$	ONT	\$	422
	San Diego, CA SAN	\$	484	\$	420	\$	350	\$	SAN	\$	434
	El Paso, TX ELP	\$	387	\$	404	\$	238	\$	ELP	\$	374
	New York, NY LGA	\$	687	\$	494	\$	590	\$	LGA	\$	484
	Los Angeles, CA LAX	\$	434	\$	412	\$	318	\$	LAX	\$	434
	Kansas City, MO MCI	\$	436	\$	346	\$	342	\$	MCI	\$	308
	Chicago, IL ORD	\$	447	\$	418	\$	298	\$	ORD	\$	453
	Philadelphia, PA PHL	\$	381	\$	387	\$	232	\$	PHL	\$	396
	Denver, CO DEN	\$	357	\$	409	\$	243	\$	DEN	\$	392
	Washington DC DCA	\$	459	\$	491	\$	365	\$	DCA	\$	474
	Minneapolis, MN MSP	\$	398	\$	404	\$	238	\$	MSP	\$	424
	Nashville, TN BNA	\$	539	\$	437	\$	445	\$	BNA	\$	539
	St.Louis, MO STL	\$	407	\$	408	\$	258	\$	STL	\$	422
	Boston, MA BOS	\$	378	\$	363	\$	218	\$	BOS	\$	352
	Average Fare	\$	430	\$	399	\$	325			\$	419
	Avg no ABI/MAF to DFW	\$	445	\$	412	\$	325			\$	432
Comments: Average does not take into account \$0.00 DFW to DFW.											
As of 1/2/13 AA.com only shows round trip pricing.											
1) DFW - No Layovers   ABI, MAF - 1 Layover 2) No longer than 2 hour 15 min layover 3 ) Price											
Performed second Tuesday of the month.											
Fare Monitoring Constants:		Starting reports on 1st Tuesday of the month. 14 day and 1 month forecasts.									
Fare will be chosen by the following rules 1) DFW - No Layovers   ABI, MAF - One Layover 2) No longer than 2 hour 15 min layover 3 ) Price											



# 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](http://www.developabilene.com)

April 21, 2014

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 progress report is submitted for the period of October 1, 2013 to March 31, 2014 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 .....	\$42,726.65
Qualified leads received .....	15
Qualified leads responded to .....	15
Unqualified leads received .....	6
Prospect visits to Abilene .....	8
New prospect files opened .....	1
Retention visits .....	24
Retention/expansion luncheon (November) .....	52
Inquiries/contacts with consultant/prospects .....	115

Of note, as in years past a majority of the marketing budget is spent in the latter half of the yearly cycle.

The attachments reflect mid-year marketing summary, marketing and retention activities, and the marketing budget report for this period.

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

Sincerely,

Gary Robinett, CEcD  
Vice President of Economic Development

cc: Kim Tarrant ✓  
Jason Smith  
Justin Jaworski

Enclosures

**Abilene Industrial Foundation**  
**FY13-14 Mid-Year Marketing Summary**  
**October 1, 2013 – March 31, 2014**

**ADVERTISEMENTS PLACEMENT**

- Total advertisement submissions – 4
- Total advertisement placement costs – \$3,000.00

**LEAD ACTIVITY**

- Qualified leads received from all sources – 15
- Qualified leads responded to – 15
- Unqualified leads received – 6

**PROSPECT ACTIVITY**

- Prospects visits to Abilene – 8
- New prospect files opened – 1

**WEBSITE & ELECTRONIC MARKETING**

- E-Newsletter distributions – 286 (quarterly publication)
- E-Newsletter costs – \$523.11 (yearly subscription to Constant Contact)
- Website/electronic marketing changes & enhancements – \$4,450.11
- Site Selection Magazine web banner
- Web banner on Expansion Solutions Magazine economic development directory page
- Trade & Industry ED Agency web listing

**TRADE SHOW / CONFERENCE / NETWORKING ACTIVITIES**

- Shale Show 2013, Sweetwater
- Cline Shale Alliance Quarterly Luncheon, Colorado City
- TEDC Annual Conference – San Antonio
- Texas Pack - Houston
- ICSC - Dallas
- West Texas Energy Consortium – Big Spring
- WINDPOWER 2014 Exhibitor Meeting - Las Vegas
- Cline Shale Alliance - Sweetwater
- Transmission Summit - Sweetwater
- TEDC Site Consultant's Day - Austin
- NAFTA – Mexico Invest in Texas - San Antonio
- IAMC at Alliance Airport - Fort Worth
- Southwest Energy Summit - Sweetwater

**CONSULTANT / RETENTION / EXPANSION ACTIVITY**

- Inquiries/contacts with consultant/prospect – 115
- Manufacturer's Luncheon (Nov. 2013) – 52

**EXISTING BUSINESS ACTIVITY**

- Retention Visits – 24

**Abilene Industrial Foundation**  
**Marketing & Retention Activities**  
**October 1, 2013 – March 31, 2014**

- 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, etc.
- Commercial Property Snapshot – updates
- Continued development of DevelopAbilene website
- Host Manufacturer's 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
- Site selection consultant network events
  - TEDC Site Consultant's Day – Austin
  - IAMC at Alliance Airport – Fort Worth
- Trade Show attendance
  - Shale Show 2013 – Sweetwater
  - Texas Pack – Houston
  - WINDPOWER 2014 Exhibitors Meeting – Las Vegas
- Conference attendance
  - Cline Shale Alliance Quarterly Luncheon – Colorado City
  - TEDC Annual Conference – San Antonio
  - ICSC – Dallas
  - West Texas Energy Consortium – Big Spring
  - Cline Shale Alliance Quarterly Luncheon – Sweetwater
  - Transmission Summit – Sweetwater
  - NAFTA-Mexico Invest in Texas – San Antonio
  - Southwest Energy Summit - Sweetwater
- 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
- Presentations
  - Leadership Abilene

## Attachment 3

Category	Allocation	10/1/13 to 3/31/14	4/1/14 to 9/30/14	YTD
Advertisements (1)	\$ 22,500.00	\$ 3,000.00	\$ -	\$ 3,000.00
Internet (2)	\$ 12,000.00	\$ 4,450.11	\$ -	\$ 4,450.11
Marketing Material (3)	\$ 15,000.00	\$ 996.97	\$ -	\$ 996.97
Trade Show/Conferences (10)	\$ 30,000.00	\$ 16,357.29	\$ -	\$ 16,357.29
Site Consultant Activity (12)	\$ 40,000.00	\$ 14,241.81	\$ -	\$ 14,241.81
Newsletter Mailings(13)	\$ 1,500.00	\$ 523.11	\$ -	\$ 523.11
Existing Business Activity (14)	\$ 5,000.00	\$ 1,368.50	\$ -	\$ 1,368.50
Contingency	\$ 4,000.00	\$ -	\$ -	\$ -
Local Communications (8)	\$ 10,000.00	\$ 1,788.86	\$ -	\$ 1,788.86
<b>Total</b>	<b>\$ 140,000.00</b>	<b>\$ 42,726.65</b>	<b>\$ -</b>	<b>\$ 42,726.65</b>

**Texas Tech Small Business  
Development Center**

**Mid- year Report**

4/21/2014

Judy Wilhelm

**Texas Tech Small Business Development Center Mid-Year Report  
(October 1, 2013 – March 31, 2014)**

**Development Corporation of Abilene Contractual Agreement – Performance Base Contract:** Currently meeting contractual agreement. Following report reflects Abilene Territorial Jurisdiction only.

<b>Job Created:</b>	<b>Businesses Opened</b>	<b>Clients Counseled</b>	<b>New/In Business</b>	<b>Hours</b>
<b>83</b>	<b>16</b>	<b>181</b>	<b>111/53</b>	<b>1269</b>

**Capital Formation:** \$1.635, 090 mm

**Cost per job to DCOA:** Approximately \$1000

**Salary:** Salaries ranging minimum wage to \$50.00 per hour.

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**Downtown Update:**

Texas Tech Small Business Development Center will be moving to a new location. Due to the uncertainty of the intended location there is conversation with Dodge Jones regarding the space (entry level) in the Cypress Building. The Cypress location is intended to improve the SBDC assistance to the current and future downtown businesses.

---

**Dyess:**

Continue to give workshops at Dyess.

Boots to Business quarterly presentations at Dyess in conjunction with the U. S. Small Business Administration.

Veteran Boot Camp in conjunction with Dallas based Momentum Texas. (Workforce grant)

Individual assistance provided to Dyess personnel on a one to one basis.

Assisting local company currently awarded as a sub-contractor for a \$5.1mm project at Dyess.

The Abilene Company will benefit greatly from this contract.

Assist in increasing minorities contracting at Dyess.

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**Local Assistance:**

Springboard: Abilene Christian University (ACU) assisted the advanced participants with business plans for the event.

Texas Tech University's TECHcelerator Program -hosting the first "Demo Day". Participants are seeking to raise capital for their venture. Participants must have proof of concept and validated the market in order to participate.

In conversation with Griggs Center for Entrepreneurship involving assistance with their new Maker Lab.

Assisting the West Texas Innovation Network (WTIN) with second stage Kauffman business classes.

Better Business Bureau – Future planning.

Abilene Housing Authority – TTU SBDC has signed a memorandum of understanding (MOU) with the Abilene Housing Authority (AHA) to provide business assistance to the organizational program. TTU SBDC role would provide assistance to AHA individuals, in starting a business that

would help reach their goals of leaving housing subsistence. Some will be departing the AHA program with as much as \$20,000.

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### **TTU SBDC Compliance Reviews**

Desk top review was conducted by the U S Small Business Administration (Lubbock) and a letter of compliance will be forth coming.

Northwest Texas Region review will be conducted in May of 2014.

U. S. Small Business Administration, Washington, D.C. will be reviewing the Northwest Texas Region office and select centers.

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Listed below is a small sampling of businesses assisted by the TTU SBDC (past and present) that have been instrumental in building the Abilene community. Their continued success contributes to a community for visitors to enjoy as well as local and surrounding residence the utilization of product and services.

### **Established Abilene Businesses:**

1988 – The Dive Shop  
1989 - Batts Communication  
1989 – West Tex Vet  
1997 – Texas Steak Express  
1996 – Dante Pizza – Mall of Abilene  
1996 – Los Arcos Mexican Restaurant

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### **Businesses Currently Utilizing TTU SBDC services:**

The Mill – Events Center/Winery  
Wholly Cow – Expansion  
Dr. Pacuraru, - Ophthalmologist  
Noodle Creek Services – Oilfield Cooling Trailers  
Sniper Hot Shot Services – Oilfield related  
La Voz – Spanish Radio Station  
Medical Clinic - Tye (within Extra Territorial Jurisdiction)

### **Note of Interest:**

Slide indicates the capital formation for businesses assisted by the Northwest Texas Region territory. The slide refers to the final calculations for Fiscal Year 2013. These are only the businesses that have been served by the local SBDC's and verified.

## Capital Infusion YTD – FY 13

	<b>SBA Loan</b>	<b>Non-SBA Loan</b>	<b>Equity</b>	<b>Total</b>
<b>UTPB</b>	<b>\$5,197,250</b>	<b>6,705,702</b>	<b>6,392,627</b>	<b>18,295,579</b>
<b>TTU@A</b>	<b>368,000</b>	<b>3,471,294</b>	<b>5,050,063</b>	<b>8,889,357</b>
<b>TTU @L</b>	<b>1,614,427</b>	<b>3,352,128</b>	<b>918,536</b>	<b>5,885,091</b>
<b>TSU</b>	<b>2,250,000</b>	<b>1,508,000</b>	<b>1,289,421</b>	<b>5,047,421</b>
<b>WTAM</b>	<b>1,514,500</b>	<b>1,841,320</b>	<b>856,050</b>	<b>4,211,870</b>
<b>MSU</b>	<b>0.00</b>	<b>1,472,900</b>	<b>1,526,900</b>	<b>2,999,800</b>

UTPB =Midland/Odessa

TTU@A= Abilene

TTU@ L = Lubbock

TSU = Tarleton State/Granbury

WTAM= West Texas A&M/Amarillo

MSU = Midwestern State University/Wichita Falls

# **DEVELOPMENT CORPORATION OF ABILENE, INC.**

## **BOARD AGENDA**

**MEETING DATE: May 27, 2014**

**SUBJECT: DCOA Semi-Annual Report of Activities Through 3-31-14**

**FROM: Richard Burdine, CEO**

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### **GENERAL INFORMATION:**

As required in the by-laws of the corporation, a report of activities for the first one-half of the current fiscal year has been prepared. The report covers the 6-month period beginning 10-1-13 and ended 3-31-14.

### **SPECIAL CONSIDERATIONS:**

None.

### **FISCAL IMPACT:**

None.

### **STAFF RECOMMENDATION:**

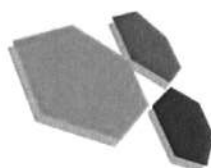
Staff recommends the Board approve by oral resolution the attached report of activities for the 6-month period ended 3-31-14.

### **ATTACHMENT:**

Development Corporation of Abilene, Inc.  
Report of Activities for period ended 3-31-14

# Development Corporation of Abilene

## *Semi-Annual Report of Activities*



**Develop** Abilene

Development Corporation of Abilene

# DEVELOPMENT CORPORATION OF ABILENE, INC.

## SEMI-ANNUAL REPORT OF ACTIVITIES

OCTOBER 2013 – MARCH 2014

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# DEVELOPMENT CORPORATION OF ABILENE, INC.

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## Mission Statement:

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

## Board of Directors:

President:

**Dave Copeland**

Vice President:

**Marelyn Shedd**

Secretary/Treasurer:

**Dani Ramsay**

Members:

**Scott Senter**

**John Beckham**

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## Goals:

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

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

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## Organization:

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

## Progress Made Toward Goals

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

The DCOA continues to work toward competitiveness with other communities through funding and working closely with the Abilene Industrial Foundation. The DCOA extended a contract with consultant Lee Ann Woods to continue her on-going search for potential tenants at AbLabs. Efforts continue to further develop the Five Points Business Park and facilitate full utilization of the vacant acreage west of Arnold Blvd. by constructing Polaris Dr. and extending a gas main. The extension of Enterprise Dr. from Hwy 351 to E. Lowden St. will assist in development of the north I-20 corridor area.

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2. Creating new jobs and retaining existing jobs by providing assistance to existing and emerging businesses.

The DCOA approved capital investment assistance and job creation incentives to five local companies during the report period. (Fehr Foods, Project BE, Clavel Corporation, Smith Pipe, and Broadwind Towers). Fehr Foods is undergoing a significant expansion of its operation to include cracker production and 105 new jobs. Clavel Corp. is expanding its production to include 6 new jobs and Project BE's expansion will include 29 new jobs.

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3. Strengthening and expanding the skills of the Abilene labor force.

The DCOA approved the reinstatement of unused funding to Texas Manufacturing Assistance Center to provide training for Abilene manufacturers through FY14. The DCOA also approved funding to the Texas Workforce Center for two more Fast Track Welding Program sessions to train 40 new welders for local manufacturers.

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4. Strengthening and revitalizing downtown Abilene.

There were no projects during the reporting period.

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

The DCOA contracts annually with the Small Business Development Center (SBDC) for counseling services provided, free of charge, to Abilene residents and businesses. The SBDC can assist businesses desiring to sell products or services to any level of government. For the seventh consecutive year the DCOA approved a sponsorship of ACU's Springboard Ideas Challenge competition. For the second time, the DCOA approved a sponsorship for Ads4Next's 2014 Summer Youth Entrepreneur Program, which encourages entrepreneurship in high school students.

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6. Effectively administering the sales tax revenue.

During the reporting period (10-01-13 through 03-31-14), the DCOA approved \$8,487,377.00 to assist local companies for growth and retention in Abilene. In addition, contracts and funding were approved for several projects requiring A/E services, renovations, infrastructure improvements.

## Project Summaries

### Fehr Foods

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#### Crackers

On October 8, 2013, the DCOA approved funding of \$5,123,000 (resolution DCOA-2014.03) for Fehr Foods' major production expansion. The company will invest up to \$30 million toward the purchase the former Sam's Club building on South 1<sup>st</sup> Street, facility improvements and equipment. Fehr Foods will create up to 105 new jobs in addition to its existing employment level in its cookie plant on North 1<sup>st</sup> Street.

#### Cookies

On February 10, 2014 the DCOA approved resolution DCOA-2014.2 which designated \$200,000 for Fehr Foods' 2014 capital investment plan. It will be paid over 3 years at 10% of the company's actual capital investment in automated equipment, updated equipment, energy efficiency upgrades, employee safety upgrades, and environmental safety upgrades, which is estimated to cost \$2 million. All upgrades will be made at the cookie production plant on North 1<sup>st</sup> Street. The company will maintain its existing employment level.

### Clavel Corporation (Project AH)

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Clavel is a manufacturer of topical body products located on I-20. The company currently sells its products on-line and to major retail chains, employing 11 people. Clavel recently constructed a 4,800 sq. ft. building expansion to accommodate its manufacturing growth. On October 29, 2013, the DCOA approved resolution DCOA-2014.05 authorizing \$76,948 for new job creation of 10 FTEs and capital investment of up to \$224,980.

On March 25, 2014, the DCOA revised the assistance, increasing it by \$769 to \$77,717. The breakdown of the new funding is \$48,200 for job creation incentives to be paid for 5.7 new FTE positions, in addition to the retention of the existing 7.2 FTE positions over 3 years. Also approved is a capital investment incentive of up to \$29,517 to be paid at 15% of the company's actual costs for facility expansion and other building and network improvements (est. to be \$139,388) plus 10% of actual costs for equipment purchases (est. to be \$86,092) over 3 years.

### Project BE

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Founded in 1992, Project BE provides a range of services to help America's oil and gas producers keep more than 900,000 existing wells in production throughout their lifecycle - from the initial drilling of the well to ongoing maintenance to plugging and abandonment. The company employs 46 people and anticipates hiring 29 more. The projected investment of \$1,025,000 in 2014 will be on land, construction, vehicles, and rolling stock and rigs. Additional investment through 2019 of \$2,000,000 includes more rolling stock and rigs. On October 8, 2013, the DCOA approved a financial assistance package totaling \$553,750 for Project BE.

## **Smith Pipe – Phase 5 Expansion**

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Smith Pipe is a local company founded in 1983 with many acres of land south of Abilene in the City's 5-mile extraterritorial jurisdiction (ETJ). The company operates drillings rigs, well service units, a Roust-A-Bout crew, and plug & abandonment units in addition to manufacturing new storage tanks and pressure vessels and sales of used oilfield equipment. The company also operates a truck fleet for rig moving and equipment sales. Since 2011, the DCOA has assisted the company with its Phases 1 through 4 expansions into pipe coating and tank fabrication operations. The company has now embarked on a Phase 5 expansion of the vessel shop including new equipment, a new small tanks blasting, coating & painting shop and construction of a new warehouse. The DCOA approved capital investment assistance on November 12, 2013, totaling \$452,000 to be paid at 10% of the company's investment of \$4,520,000.

## **Corley Wetsel Trucking Center Infrastructure (Project VC)**

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Corley Wetsel Trucking is a local full service truck facility looking to relocate to land on the north access road of I-20 at the NW corner of FM 600 and East Overland Trail instead of a site outside the Abilene City Limits. The company currently employs 92 people with an annual payroll in excess of \$4 million. The facility will be 85,345 sq. ft. constructed on 18.34 acres. The project requires the extension of Plum St. northward from I-20, and installation of a new public road running east/west from Plum St. to FM 600.

On December 16, 2013, the DCOA authorized \$455,200 for public infrastructure improvements that directly benefit the truck center site, including road construction and sidewalks. The truck center pays over \$66,000 per year in property taxes and over \$100,000 per year in sales tax to the City and DCOA. Therefore the payback on this infrastructure project will occur in less than three years.

## **Broadwind Towers (formerly Tower Tech Systems)**

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Broadwind Towers, formerly known as Tower Tech Systems, Inc. dba Texas TTSL, Inc., is based in Manitowoc, Wisconsin and manufactures wind turbine towers. Broadwind also owns Broadwind Services, formerly Energy Maintenance Services, a wind turbine blade repair and gearbox refurbishment/repair operation in the former Lockheed building.

On February 10, 2014, the DCOA approved assistance for Broadwind Towers of \$1,625,710 which includes 1) Job creation incentives of \$516,000 for any new FTE jobs in excess of 115, 2) \$220,000 for a railroad line extension to the north property line of the company's existing tower storage yard plus fencing if required, in exchange for 4.599 acres at the south end of the existing storage yard, 3) Sale and financing of a 10.9 acre lot in the Five Points Business Park valued at \$163,635 located adjacent to the company's existing storage yard, which will be graded by the DCOA during construction of Polaris Dr., and 4) Installation of limestone base material on the 10.9 acre lot being sold to Broadwind Towers with DCOA financing 75% of the cost, up to \$726,075.

### *Summary of Assistance Approved*

FY14 DCOA Approved Assistance through March 2014			
Company	DCOA Assistance Reserved <sup>1</sup>	Committed Job Retention/ Job Creation	Projected Annual Payroll <sup>2</sup> / Capital Investment <sup>3</sup>
Fehr Foods Expansion (Crackers)	<b>\$5,123,000</b>	<b>00/105</b>	<b>\$3,005,549/\$30,000,000</b>
Clavel Corporation	<b>\$77,717</b>	<b>7.2/5.7</b>	<b>\$203,500/\$225,480</b>
Project BE	<b>\$553,750</b>	<b>00/29</b>	<b>\$925,000/\$3,025,000</b>
Smith Pipe – Phase 5 Expansion	<b>\$452,000</b>	<b>00/00</b>	<b>\$0/\$4,520,000</b>
Corley Wetsel Trucking	<b>\$455,200</b>	<b>00/00</b>	<b>\$0/\$6,500,000</b>
Broadwind Towers	<b>\$1,625,710</b>	<b>00/00</b>	<b>\$0/\$0</b>
Fehr Foods 2014 Projects (Cookies)	<b>\$200,000</b>	<b>00/00</b>	<b>\$0/\$2,000,000</b>
<b>TOTAL</b>	<b>\$8,487,377</b>	<b>7.2/139.7</b>	<b>\$4,134,049/\$46,270,480</b>

100% to Abilene companies (names in bold)

Notes:

1. Paid to company based on actual performance under the terms of the Agreement for Financial Assistance.
2. Annual Payroll figure is for total new jobs created only.
3. Capital Investment includes DCOA Capital Assistance Amount, typically 10%-15% of total.

## **Administrative / Other**

### **Genesis Networks (WaveCreste)**

On December 16, 2013 the DCOA authorized amended assistance for Genesis Networks Global Services, LLC dba WaveCreste. Cancellation of the existing agreement will eliminate the outstanding unpaid assistance of \$2.46 million. The company will sign a new agreement putting the current \$1.2 million note balance on monthly payments of \$20,000 with an extended maturity date to December 31, 2018. The new agreement will still allow the company to earn principal reductions for exceeding the minimum 115 FTE requirement. No new funding was approved.

### **AbLabs Consultant: Lee Ann Woods**

The DCOA approved a new 6-month contract with consultant Lee Ann Woods at \$2,500/month plus expenses. The contract is effective October 1, 2013 to March 31, 2014 for on-going business and marketing support for Abilene Laboratories ("AbLabs") located at 1325 Pine St. The total cost is approximately \$26,500, and no additional funding is needed. Ms. Woods' primary focus is finding tenants for AbLabs.

### **842 Pine St. - Steam Boiler Replacement and Research Space Expansion**

On December 4, 2013, the need for replacing the steam boiler and expansion of the specialized research space at 842 Pine St. was discussed. The DCOA approved a contract with Tittle Luther Partnership/PSC and funding of \$71,500 to provide design

services to replace the steam boiler, piping, and convert the lab space into specialized research space.

On December 16, 2013, the DCOA authorized purchase of the replacement steam boiler and associated equipment in advance of construction bidding in an amount not to exceed \$95,000. Ordering the equipment in advance will prevent a delay in the project due to its long lead-time.

On March 25, 2014, the board approved a construction contract with Justice Construction and funding of \$770,000. Also approved was funding of \$34,570 needed for expansion of the existing environmental control system, \$22,950 for purchase and installation of an exterior door and seven interior doors fitted with electronic locks and reader controls, \$4,000 additional design fee payable to Tittle Luther Partnership/PSC, and a construction contingency of \$77,000.

### **Texas Manufacturing Assistance Center (TMAC)**

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The Texas Manufacturing Assistance Center (TMAC) assists in increasing the global competitiveness of the Texas economy by working with manufacturing enterprises. TMAC delivers training and hands-on technical assistance designed to improve efficiency, quality, and productivity. Focus areas include Lean Enterprise, technology solutions, strategic management, quality systems, environment, and safety. In fiscal year 2013, the DCOA approved \$110,000 to TMAC, of which \$22,000 was spent. The remaining \$88,000 expired on September 30, 2013. DCOA approved on December 16, 2013, a reinstatement of the \$88,000 payable at up to \$11,000 per company for FY14.

### **Eagle Aviation Services Inc. (EASI) - Hangar 4 Ventilation**

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After one and one-half years of operation, Eagle Aviation Services, the current occupant, requested a ventilation system be installed for exhaust fumes from heaters used during cold weather and various chemicals used during aircraft maintenance work. Bradshaw & Associates Engineering developed mechanical, electrical and plumbing and construction drawings for installation of a new ventilation system, which includes 6 wall-mounted vent fans with motorized dampers, weather hoods, and bird screening.

The DCOA approved on December 4, 2013, funding of \$50,600 for a contract with Bradshaw & Associates and a contract with Mulltex Mechanical for installation of a ventilation system in Hangar 4 at the Abilene Regional Airport.

### **Five Points Business Park**

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**Gas Main Extension** - There is a need for gas service to the new building that Tucker Energy Services (TES) is in the process of building in Five Points Business Park. The gas main extension will not only serve TES but also other lots in that area currently being targeted for development by the potential construction of a rail spur extension and Polaris Dr.

On January 30, 2014 the DCOA approved a contract with Diamond T Construction, Inc. and \$75,305. The total amount approved is \$86,605 and includes an added 15% contingency of \$11,300 in case the contractor encounters rock.

**Infrastructure Reserve Funds** - Construction on Tucker Energy Services' (TES) Phase 1 building started in February 2014, using W.B. Kibler Construction Co. of Dallas as the general contractor. A driveway approaching from Five Points Parkway is needed, however there is a drainage ditch that runs along the South ROW, making 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.

On March 11, 2014, the DCOA approved use of the Infrastructure Reserve Fund to reimburse TES for the cost of the driveway in the amount of \$62,186.

**Polaris Dr. Construction** - On October 8, 2013, the benefit of constructing Polaris Dr. in Five Points Business Park was discussed. This construction will help facilitate full usage of the vacant acreage in the Park on the west side of Arnold Blvd. The board approved two contracts with Enprotec/Hibbs & Todd; 1) \$40,000 for street paving and design services plus \$5,000 for contingencies, and 2) \$13,200 for a grading plan on both sides of Polaris Drive plus \$2,000 for contingencies.

On March 11, 2014, the DCOA awarded Epic Construction a contract for construction of Polaris Dr. in Five Points Business Park. The total funding is \$1,064,100 which includes \$989,100 for the base bid and \$75,000 as a 7.5% contingency. The bid also included additional pricing for 18" and 24" limestone base material for the 10.9 acre lot being purchased by Broadwind Towers. However, the company has indicated its desire not to install the base material at this time.

### **Spec 3 Finish-Out – CarbonLITE Recycling**

In August 2013, the board approved a \$6,196,000 assistance package for CarbonLITE Recycling (formerly Project RZ) and pledged finish-out of the Spec 3 building in Five Points Business Park to meet CarbonLITE's specifications.

In December 2013, CarbonLITE visited the site and revealed a need to expand its Phase 1 project to include additional 100,000 sq. ft. of warehouse space to store raw material and keep it protected from the weather.

Tittle Luther Partnership/PSC proposed to provide architectural, civil, structural, mechanical, plumbing, and electrical services to design the sitework, utilities, additional 10,000 sq. ft. office space, and 100,000 sq. ft. of warehouse space. The board approved a contract with TLP/PSC and funding of \$759,601, and granted staff the authority to bid the project.

### **Coca-Cola Refreshments USA, Inc. – Enterprise Drive Extension**

TxDOT is in the process of converting the access roads for I-20 from 2-way to 1-way in an effort to reduce the number of traffic accidents caused by access road traffic not yielding to on and off ramp traffic. The change of traffic flow largely impacts the route taken by Coke's trucks returning to the plant from WindStar, Coke's warehouse. This requires them to travel a round trip distance of almost 5 miles. The additional driving distance significantly impacts the efficiency of Coke's Abilene operation by increasing

costs an estimated \$500,000/year, putting the Abilene plant at a competitive disadvantage with other Coca Cola plants.

A viable solution is to extend Enterprise Drive from Hwy 351 to East Lowden Street and install a traffic signal at the intersection of Hwy 351 and Enterprise Dr. The new traffic signal and road extension will not only allow more direct access between Coke's plant and Windstar, but it will slow traffic on Hwy 351, making left turns to/from Hwy 351 much easier and safer.

On January 8, 2013, the DCOA authorized a contract with Jacob & Martin, Ltd. to design an extension of Enterprise Dr. from Hwy 351 to East Lowden and funding of \$30,800. On November 12, 2013, the board approved a contract with Epic Construction and funding of \$256,017 plus a 5% construction contingency of \$12,800. Also approved was a Developer's Contribution payment of \$13,274.20 to the City of Abilene as satisfaction of the developer's requirements for curbs and gutters and sidewalks along East Lowden St.

### **Abilene Industrial Foundation & Abilene Chamber of Commerce: Contract Amendment**

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The Abilene Industrial Foundation (AIF) and Abilene Chamber of Commerce requested increased funding for the FY2014 contract for Operating, Marketing, and Dyess Subcontracts, which was approved by the board on January 30, 2014. All together, the total fiscal impact is a \$196,500 increase to the original contract of \$738,289 to \$934,789.

Part of the increase (\$126,500) is for the subcontractors working to improve Dyess AFB's standing. This is in response to increased costs from Team Concepts of \$15,000 and Rich, Liedl, P.C. of \$12,500. Also approved is a new subcontract with Bill Ehrie, now known as Jasper Consulting, in the amount of \$99,000 so he may continue to work directly with Team Concepts and Rich Liedl, P.C. on issues that directly affect Dyess AFB and Abilene.

The AIF requested a \$35,000 marketing budget increase for a new strategy which includes the development of materials that will promote the activeness and effectiveness of the Develop Abilene team. This new strategy is a great way to connect with the Abilene public and to demonstrate how their tax dollars are being used. The AIF also requested an operating budget increase of \$35,000 to cover the cost of a comprehensive labor market analysis study. The study will provide significant data on the Abilene region, which will be helpful in analyzing the different types of industries that would best fit in Abilene.

### **Fast Track Welding Training Program**

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Since 2006, the DCOA has partnered with Cisco College and the Workforce Solutions of West Central Texas (Workforce Center) to conduct an intensive welder training program to help meet the needs of local manufacturers for skilled welders. According to the Workforce Center, the total number of welders needed among Abilene manufacturers is about 60.

On March 11, 2014, the DCOA approved \$248,462 to extend the Fast Track Welding Program two more sessions in 2014 to train 40 more welders. It was also determined the welding curriculum should be altered to spend more time on welds that are actually tested on during the hiring process. The total budget of \$124,231/session includes the instructor, tuition, fees, books, OSHA training, use of equipment, and consumables. The budget also includes employability skills training by the Workforce Center, drug tests, employment assessments, background checks and a weekly stipend of \$150 to assist the trainees with living expenses during the training.

### **Ads4Next Sponsorship**

Ads4Next is an entrepreneurial program aimed at high school students that allows them to earn up to \$5,000 for higher education by selling advertisements. The DCOA approved a \$2,500 sponsorship for its 2014 Summer Youth Entrepreneur Program. The DCOA's name will be on their banners, printouts, and sales materials.

### **Springboard Ideas Challenge Sponsorship**

Springboard Ideas Challenge started at Abilene Christian University in 2008 and is now expanded to Abilene and the surrounding West Texas region. This is a business plan competition with the goal of providing entrepreneurs an opportunity to get their business up and running. On January 14, 2014, the DCOA approved for the 7<sup>th</sup> year in a row a gold level sponsorship of the 2014 Springboard Ideas Challenge in the amount of \$5,000.

### **Officer Elections & New Board Member**

On January 30, 2014, the 2014 DCOA officers were elected: President – Dave Copeland, Vice President – Marelyn Shedd, and Secretary/Treasurer – Dani Ramsey. On March 11, 2014, the board welcomed new board member John Beckham and presented Paul Cannon with a framed Certificate of Appreciation signed by Mayor Archibald for his 6 years of service to the DCOA.

### **CEO Search**

The Chief Executive Officer (CEO) of the DCOA also serves as the Director of the City's Department of Economic Department, who is supervised by the City Manager. There has been discussion of changing the reporting structure for the CEO in order to provide the DCOA with more responsibility concerning the CEO/Director and his/her hiring, supervision, performance evaluations and termination.

Richard Burdine has served as CEO of the DCOA and Assistant City Manager for Economic Development for the City of Abilene since September 2003. His retirement was effective February 28, 2014. Post-retirement, Mr. Burdine agreed to continue to provide on a temporary basis the same level of professional services to the DCOA and City of Abilene at the same level of salary and benefits he was receiving. On January 30, 2014, board approved a contract with Mr. Burdine for his continued service as CEO beginning March 1, 2014 for 3 months with an option to extend on a month-to-month basis. The funding approved is \$45,879 paid semi-monthly. Mr. Burdine will also be entitled to compensation for any unused sick or vacation hours accrued during the initial term of the contract and any extensions at an estimated cost of \$4,948.

In January 2014, then President Paul Cannon appointed a search committee to update the job description of the CEO and conduct a search for a new CEO. On March 11, 2014, the board approved a contract with Waverly Partners and funding of \$45,000 to conduct a nationwide search. The search committee recommended Waverly Partners because of its vast experience in economic development executive recruitment. It will take approximately 100 to 120 days followed by 4 to 6 weeks for the new CEO to transition from his/her current position.

**STAFF:**

Chief Executive Officer  
**Richard Burdine**  
Business Services Manager  
**Kim Tarrant**  
Construction Project Manager  
**Pancho Perez**  
Construction Project Manager  
**Eddie Richards**  
Secretary to Assistant City Manager  
**Akane Thaxton**

**FOR MORE INFORMATION**  
**CONTACT:**

Development Corporation of Abilene, Inc.  
174 Cypress, Suite 301  
P.O. Box 60  
Abilene, Texas 79604-0060  
325.676.6390  
Fax 325.676.6377  
developabilene.com

# DEVELOPMENT CORPORATION OF ABILENE, INC.

## BOARD AGENDA

MEETING DATE: May 27, 2014

**PROJECT:** Dyess AFB Infrastructure Assistance (telecommunications)

**STAFF:** Richard Burdine, CEO

---

### GENERAL INFORMATION:

As the likelihood of another Base Realignment & Closure (BRAC) process is debated in Congress, the Abilene Chamber of Commerce Military Affairs Committee (MAC) is focused on improving Dyess Air Force Base's (Dyess) rating in such a process, should it occur. MAC knows many of the evaluation factors that would be used in a BRAC process and is working to eliminate our deficiencies. Unfortunately correction of deficiencies is generally not something the Air Force can fund.

However the DCOA Board may consider infrastructure assistance to the base, as defined in state law in the Texas Local Government Code, **Section 501.103 Certain Infrastructure Improvement Projects**, which states, "In this subtitle, "project" includes expenditures that are found by the board of directors to be required or suitable for infrastructure necessary to promote or develop new or expanded business enterprises, limited to: (1) streets and roads, rail spurs, water and sewer utilities, electric utilities, or gas utilities, drainage, site improvements, and related improvements; (2) **telecommunications and Internet improvements**; or (3) beach remediation along the Gulf of Mexico."

### THE REQUEST:

Two deficiencies identified by MAC are Dyess has only one connection for telecommunications and only one for high-speed data transmission and the Internet; a second independent connection is needed for both to provide the required redundancy. The cost to provide a second telecommunications connection is approximately \$21,000 based on information from vendors and is proposed at this time.

A request to provide a second high-speed data transmission and Internet connection will be forthcoming after installation of the telecommunications connection. The preliminary cost estimate for the additional work is \$25,000 but will be refined before it comes to the Board.

I propose the DCOA assist in improving the long-term viability of Dyess Air Force Base by providing up to \$23,000 (\$21,000 plus a 10% contingency) for a second telecommunications connection.

### FUNDING/FISCAL IMPACT:

Telecommunications Infrastructure assistance	\$23,000.
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**STAFF RECOMMENDATION:**

Staff recommends that the DCOA Board make a finding that the proposed expenditure is required or suitable for infrastructure necessary to promote or develop new or expanded business enterprises and approve Resolution DCOA-2014.32 authorizing infrastructure assistance for Dyess Air Force Base, the City's largest employer.

**ATTACHMENT:**

Resolution DCOA-2014.32

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## **RESOLUTION NO. DCOA-2014.32**

A RESOLUTION OF THE DEVELOPMENT CORPORATION OF ABILENE, INC. ("DCOA"), ABILENE, TEXAS AUTHORIZING TELECOMMUNICATIONS INFRASTRUCTURE ASSISTANCE FOR DYESS AIR FORCE BASE.

WHEREAS, as the likelihood of another Base Realignment & Closure (BRAC) process is debated in Congress, the Abilene Chamber of Commerce Military Affairs Committee (MAC) is focused on improving Dyess Air Force Base's (Dyess) rating in such a process, should it occur; and,

WHEREAS, MAC knows many of the evaluation factors that would be used in a BRAC process and is working to eliminate our deficiencies, but unfortunately, correction of deficiencies is generally not something the Air Force can fund; and,

WHEREAS, the DCOA Board may consider infrastructure assistance to the base, as defined in state law in the Texas Local Government Code, Section 501.103 Certain Infrastructure Improvement Projects, which states, "In this subtitle, "project" includes expenditures that are found by the board of directors to be required or suitable for infrastructure necessary to promote or develop new or expanded business enterprises, limited to: (1) streets and roads, rail spurs, water and sewer utilities, electric utilities, or gas utilities, drainage, site improvements, and related improvements; (2) telecommunications and Internet improvements; or (3) beach remediation along the Gulf of Mexico."; and,

WHEREAS, two deficiencies identified by MAC are Dyess has only one connection for telecommunications and only one for high-speed data transmission and the Internet; a second independent connection is needed for both to provide the required redundancy; and,

WHEREAS, a request to provide a second high-speed data transmission and Internet connection will be forthcoming after installation of the telecommunications connection; and,

WHEREAS, staff requests the DCOA assist in improving the long-term viability of Dyess Air Force Base by providing funds for a second telecommunications connection.

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

- PART 1.** DCOA finds that expenditure is required or suitable for infrastructure necessary to promote or develop new or expanded business enterprises and authorizes funding of Twenty-Three Thousand and no/100's Dollars (\$23,000) for a second telecommunications connection for Dyess Air Force Base, including a contingency of \$2,000.
- 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 CEO.
- 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 27th day of May, 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

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