

PUBLIC NOTICE

DEVELOPMENT CORPORATION OF ABILENE, INC.

A regular meeting of the Development Corporation of Abilene, Inc. will be held on Tuesday, August 19, 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

August 19, 2014
1:30 p.m.

Abilene Laboratories
1325 Pine St.

1. Call the meeting to order.
2. Approval of minutes from the July 29, 2014, board meeting.
3. Sales tax report for August 2014.
4. 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.

(Consultation with Attorney) Section 551.072
Discuss DCOA v. Slidefire litigation.
5. Discussion and possible approval of a resolution authorizing FY15 funding for Texas Tech University Health Sciences Center School of Pharmacy Center for Immunotherapeutics and Product Development dba ExperImmune at Abilene Laboratories.
6. Discussion and possible approval of a resolution authorizing the purchase of biotech research equipment for use in the expanded research area under construction at 842 Pine St.

7. Discussion and possible approval of a resolution authorizing payment to Waverly Partners and others for services performed beyond the original contract scope to find a new CEO for the DCOA.
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
July 29, 2014

MEMBERS PRESENT:	Dave Copeland Scott Senter	Dani Ramsay John Beckham
MEMBER ABSENT:	Marelyn Shedd	
STAFF PRESENT:	Richard Burdine Daniel Santee	Kim Tarrant
GUESTS PRESENT:	Joe Crawford Jason Smith Yvonne Batts Justin Jaworski Christopher Collins	Abilene Aero/CEO Search Committee Chair Abilene Chamber of Commerce Batts Communications/Abilene Industrial Foundation Board Chair Abilene Industrial Foundation Abilene Reporter News

1. **CALL THE MEETING TO ORDER:** President Dave Copeland called the meeting to order at 1:31 p.m. at Abilene Laboratories, 1325 Pine St., Abilene Texas.
2. **APPROVAL OF MINUTES FROM THE JUNE 10, 2014, AND JULY 16, 2014 BOARD MEETINGS:** Scott Senter moved to approve the minutes from the June 10, 2014 and July 16, 2014 board meetings. Dani Ramsey seconded and the motion carried.
3. **SALES TAX REPORT FOR JULY 2014 AND STATUS OF FUNDS FOR MAY 2014 AND JUNE 2014:** Richard Burdine presented the July 2014 sales tax rebate report. The total sales tax rebate received was \$3,177,228.19, which represents May 2014 sales. The breakdown of the rebate is \$2,382,921.14 to the General Fund and \$794,307.05 to Economic Development. The total rebate is 3.95% below last year and 7.09% above the projected FY 14 budget amount. Sales tax collections for FY14 July are 2.37% below last year and 3.15% below the projected budget amount.

On the May 2014 Statement of Net Position, the Cash and Cash Investments totaled \$19,127,333. The Year-to-date total revenue is \$7,881,772. Expenses for May include 13 projects totaling \$369,423. The total amount of the four projects approved by the DCOA without signed contracts is \$1,110,850.

For June 2014, Cash and Cash Investments totaled \$19,530,313. The total year-to-date revenue is \$8,841,536. Expenses for June include 16 projects totaling \$363,126. The total amount of the five projects approved by the DCOA without signed contracts is \$1,848,500.

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 July 29, 2014, and the time is 1:35 p.m. Later, President Copeland announced the date is still July 29, 2014, and the time is 2:00 p.m. No vote or action was taken in Executive Session.

5. **DISCUSSION AND POSSIBLE APPROVAL OF A RESOLUTION AUTHORIZING THE DCOA TO RECOMMEND THE HIRING OF A DIRECTOR OF ECONOMIC DEVELOPMENT/CEO OF THE DCOA TO THE CITY OF ABILENE PURSUANT TO THE CONDITIONS SET FORTH IN THE FIRST AMENDED FY14 CONTRACT BETWEEN THE DCOA AND THE CITY:** President Dave Copeland recommended Kent Sharp as the most qualified candidate for CEO of the DCOA after the CEO Search Committee and consultants from Waverly Partners performed their due diligence to find candidates for the position. Mr. Copeland requested the board approve a resolution whereby Mr. Sharp will be the recommended candidate to the City of Abilene for hire. If approved, Mr. Sharp's official start date will be September 8th, 2014.

John Beckham moved to approve resolution DCOA-2014.39. Dani Ramsey seconded and the motion carried.

6. **DISCUSSION AND POSSIBLE APPROVAL OF A RESOLUTION AUTHORIZING AN EXTENSION OF THE PROFESSIONAL SERVICES CONTRACT WITH RICHARD BURDINE FOR CEO SERVICES THROUGH AUGUST 2014:** Mr. Copeland explained that with Mr. Sharp's start date as the new CEO on September 8th, the DCOA is requested to approve a resolution to again extend the contract with consultant Richard Burdine to from July 31, 2014, to Friday, August 29, 2014. The total funding required for the extension is \$17,802.65. The breakdown of the funding is \$15,293 for contract extension for one month effective August 1, 2014, \$2,043.25 for additional unused sick and vacation leave, and \$466.40 for reimbursement for professional liability insurance.

Dave Copeland moved to approve resolution DCOA-2014.36 authorizing a one-month extension to August 29, 2014, of the professional services contract with consultant Richard Burdine. Scott Senter seconded and the motion carried.

7. **DISCUSSION AND POSSIBLE APPROVAL OF ENGAGEMENT LETTERS WITH A FINANCIAL ADVISORY AND BOND COUNSEL FOR SERVICES ASSOCIATED WITH THE DCOA'S BORROWING OPTIONS FOR FINISH-OUT OF THE SPEC 3 BUILDING FOR OCCUPANCY BY CARBONLITE RECYCLING, LLC:** Mr. Burdine explained the DCOA board approved in April of this year an increased construction budget of \$11.8 million for finish-out and expansion of the Spec 3 building in the Five Points Business Park for occupancy by CarbonLITE Recycling. In addition to the design and construction budget of \$11.8 million, the DCOA will also provide an earnable loan of up to \$5.25 million secured by a letter of credit, in exchange for the company's capital equipment investment which is estimated to be over \$35 million. Therefore, the total project cost for CarbonLITE has increased to \$17 million.

The DCOA board prefers not to carry debt but it must assess its borrowing options to accommodate this major client's needs. CarbonLITE will pay rent to the DCOA, property taxes to the community, and create quality employment for Abilene citizens. Mr. Burdine suggested that the board engage the services of the City's bond counsel (McCall, Parkhurst & Horton,

LLP) and financial advisor (First Southwest Company) for long-term financing options through the sale of economic development sales-tax backed revenue bonds with 15 to 20 year terms. These two companies can assist the DCOA in the process by structuring the long-term debt and assuring that all state requirements are met and reviewed as well as recommending a bond package to the City Council for approval per the DCOA Bylaws. Once approved by the City Council, the DCOA would begin selling bonds in 18 to 24 months from when the project is complete to pay off the interim construction loan. The final number of bonds needed to sell will be determined closer to the sale date and any offsetting revenues from other sources that the DCOA is now pursuing will be taken into account.

Dani Ramsey moved to approve resolution DCOA-2014.37 authorizing the engagement of First Southwest Company's financial advisory services and McCall, Parkhurst & Horton, LLP's bond counsel services. Scott Senter seconded and the motion carried.

8. **DISCUSSION AND POSSIBLE APPROVAL OF A RESOLUTION AUTHORIZING REIMBURSEMENT TO DCOA FOR PAYMENT OF EXPENDITURES IN CONNECTION WITH FINISH-OUT AND EXPANSION OF THE SPEC 3 BUILDING FOR OCCUPANCY BY CARBONLITE RECYCLING, LLC MADE PRIOR TO THE ISSUANCE OF OBLIGATIONS TO FINANCE THE PROJECT:** Mr. Burdine explained that in response to the possible issuance of sales tax-backed revenue bonds, he recommends the DCOA authorize reimbursement to itself for expenditures incurred for design, construction, installation, and equipping of improvements and finish out of Spec 3 for occupancy by CarbonLITE Recycling in advance of the debt issuance. The reimbursement will come once the bonds are sold. At the present, the fiscal impact of this resolution is unknown.

John Beckham moved to approve resolution DCOA-2014.38 authorizing reimbursement to the DCOA for expenditures in connection with the construction, installation, and equipping of improvements and finish out of Spec 3 at such time as it issues obligations to finance the project. Scott Senter seconded and the motion carried.

9. **DISCUSSION AND POSSIBLE APPROVAL OF A CONTRACT WITH IMPERIAL CONSTRUCTION FOR FINISH-OUT AND EXPANSION OF THE SPEC 3 BUILDING FOR OCCUPANCY BY CARBONLITE RECYCLING, LLC:** Mr. Burdine explained the DCOA board authorized him to negotiate a contract on behalf of the board for construction of the finish-out and expansion of the Spec 3 building in the Five Points Business Park for occupancy by CarbonLITE Recycling. He is to return to the board once bids are received for approval of a contract.

In order to keep the construction cost as close as the approved budget of \$11,041,249 Jack Harkins of TLP/PSC and Mr. Burdine have negotiated with Imperial Construction, Inc. for a Guaranteed Maximum Price (GMP) contract. Under the GMP contract, Imperial Construction will work with TLP/PSC during the preconstruction phase to determine the best practices and most effective way to design and build the necessary improvements. Imperial Construction will then propose a cost of work and add its fee of 5% to the total cost. The GMP amount is not yet determined because plans for the construction are not yet complete. Should the final GMP and fees exceed the DCOA's construction budget of \$11,041,249, CarbonLITE has agreed to pay the difference to Imperial Construction. Final design of the construction is

expected in a couple months and Imperial should begin construction shortly thereafter with an expected completion in spring of 2015.

John Beckham moved to approve resolution DCOA-2014.35 authorizing a GMP contract with Imperial Construction, Inc. for the finish-out and expansion construction of Spec 3 for occupancy by CarbonLITE Recycling, LLC. Dani Ramsey seconded and the motion carried.

4. **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 July 29, 2014, and the time is 2:25 p.m. Later, President Copeland announced the date is still July 10, 2014, and the time is 3:15 p.m. No vote or action was taken in Executive Session.

10. **ADJOURNMENT:** The next meeting is scheduled for August 12, 2014. There being no further business the meeting was adjourned.

Dave Copeland, President

MEMORANDUM

August 6, 2014

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

The sales tax rebate for August is \$3,867,256.45 which represents June sales. This is 4.26% above last year and 6.52% above the revised FY 14 budget amount. The breakdown of the August rebate is \$2,900,442.34 to the General Fund and \$966,814.11 for economic development. Of this rebate, \$103,384 is from prior periods, audit payments, future payments, and unidentified payments. For the period of October through August, sales tax is 1.72% below last year and .65% above the revised 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
June	2,482,246.02	827,415.34	3,309,661.36	2,319,035.66	773,011.89	3,092,047.55
July	2,480,852.18	826,950.72	3,307,802.90	2,382,921.14	794,307.05	3,177,228.19
August	2,781,814.76	927,271.58	3,709,086.34	2,900,442.34	966,814.11	3,867,256.45
YTD	\$28,294,528.56	\$9,431,509.50	\$37,726,038.06	\$27,808,995.74	\$9,269,665.26	\$37,078,661.00
September	2,393,587.58	797,862.52	3,191,450.10			
FY TOTAL	<u>\$30,688,116.14</u>	<u>\$10,229,372.02</u>	<u>\$40,917,488.16</u>			

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%
June	827,415	773,012	-6.58%
July	826,951	794,307	-3.95%
August	927,272	966,814	4.26%
YTD	\$9,431,510	\$9,269,665	-1.72%
September	797,862		
FY TOTAL	<u>\$10,229,372</u>		

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

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

Revenue for August '14 represents June '14 sales. Approximately \$25,846 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
June	612,963	741,634	766,944	827,415	773,012
July	660,806	749,767	756,886	826,951	794,307
August	829,188	1,013,393	920,096	927,272	966,814
YTD	<u>\$7,663,357</u>	<u>\$8,496,645</u>	<u>\$9,620,056</u>	<u>\$9,431,510</u>	<u>\$9,269,665</u>
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.

3.4

DEVELOPMENT CORPORATION OF ABILENE, INC.

BOARD AGENDA

MEETING DATE: August 19, 2014

PROJECT: FY15 Funding for TTUHSC SOP ExperImmune at Abilene Laboratories

STAFF: Richard Burdine, CEO

GENERAL INFORMATION:

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

On December 12, 2012, the board approved resolution DCOA.2013.08 authorizing a 3-year agreement with Texas Tech University Health Sciences Center School of Pharmacy (TTUHSC SOP) through the Center for Immunotherapeutic Research & Product Development dba Experimmune to establish a CRO for provision of life sciences services from the Abilene Laboratories to private and public sector customers. The objective is for annual ExperImmune income to reimburse all funds advanced to TTUHSC-SOP each year and reduce the annual operating subsidy of the AbLabs for utilities, building maintenance and housekeeping, equipment maintenance, etc. The contract became effective April 1, 2013 with the following provisions:

- DCOA continues to pay AbLabs building operating costs directly under Division 7602752765 of the City's Economic Development budget;
- DCOA advances TTHUSC-SOP annual management expenses, including all employee costs, supplies, travel, etc. based on a mutually agreed upon budget;
- TTUHSC-SOP hires and supervises the scientific/technical staff of The Center;
- Center staff recruit contract work to Experimmune and perform fee-for-service work and technology assessments for clients;
- Experimmune bills clients monthly for services rendered; and,
- DCOA invoices Experimmune at year end for payments received from clients.

The DCOA Board also authorized funding of \$450,330 based on 75% of the estimated first year contract budget of \$600,440, which assumed 12-months of operation. We advanced a total of \$208,620 in May 2013; 1) \$180,400 at 42% of budget for personnel costs, and 2) \$28,220 for other costs, prorated for two months. Actual expenses through August 2013 (the end of TTU's fiscal year) were \$32,119, which left a carryover amount of \$176,501 to cover FY14 costs.

On August 28, 2013, the DCOA approved resolution DCOA-2013.25 authorizing FY14 funding of \$427,109, which is the original budget of \$595,520 less the estimated carryover from FY13 of \$168,411; actual carry-over was \$176,501. The actual amount funded for FY14 is \$419,106,

leaving \$8,003 unfunded. The amount of carryover to FY15 is estimated to be \$106,538 and will be deducted from the FY15 budget request.

In November 2013 the Center's name was changed to Experimmune to give the operation a unique brand and allow for more effective marketing of their services. Payments are due to DCOA each year by August 31st. Dr. Jon Weidanz will present a report of the received and anticipated revenues for FY14.

THE REQUEST:

The DCOA board requested staff return each year for funding approval based on a new FY budget. The FY15 request is as follows:

Management & Personnel Costs	\$ 852,550
Other Costs	\$ 283,000
Subtotal	\$1,135,550
LESS carryover of excess FY14 funds advanced	(\$ 106,538)
FY15 funding request amount	\$1,029,012

FUNDING/FISCAL IMPACT:

FY15 funding for The Center at AbLabs	\$1,029,012
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STAFF RECOMMENDATION:

Staff recommends DCOA Board approval of Resolution DCOA-2014.42 authorizing FY15 funding for ExperImmune at AbLabs in the amount of \$1,029,012. All of the Management & Personnel costs must be fully funded for the year for TTUHSC to carry the staff on their payroll. All other funds are advanced quarterly.

ATTACHMENT:

Resolution DCOA-2014.42
Additional information on ExperImmune

RESOLUTION NO. DCOA-2014.42

A RESOLUTION OF THE DEVELOPMENT CORPORATION OF ABILENE, INC. ("DCOA"), ABILENE, TEXAS AUTHORIZING FY15 FUNDING FOR THE AGREEMENT WITH TEXAS TECH UNIVERSITY HEALTH SCIENCES CENTER SCHOOL OF PHARMACY CENTER FOR IMMUNOTHERAPEUTICS AND PRODUCT DEVELOPMENT DBA EXPERIMMUNE ("EXPERIMMUNE") FOR PROVISION OF LIFE SCIENCES SERVICES FROM THE ABILENE LABORATORIES ("ABLABS") TO PRIVATE AND PUBLIC SECTOR CUSTOMERS.

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

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

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

WHEREAS, the objective is for annual ExperImmune income to reimburse all funds advanced to TTUHSC-SOP each year and reduce the annual operating subsidy of the AbLabs for utilities, building maintenance and housekeeping, equipment maintenance, etc.; and,

WHEREAS, also on December 12, 2012, the DCOA Board authorized funding of \$450,330 based on 75% of the estimated FY13 contract budget of \$600,440, of which \$208,620 was advanced and only \$32,119 was spent, leaving a carryover to FY14 of \$176,501; and,

WHEREAS, on August 28, 2013, the DCOA approved resolution DCOA-2013.25 authorizing FY14 funding of \$427,109, which was the original budget of \$595,520 less the estimated carryover from FY13 of \$168,411, and the actual amount funded was \$419,106 leaving \$8,003 unfunded; and,

WHEREAS, in November 2013 the Center's name was changed to Experimmune to give the operation a unique brand and allow for more effective marketing of their services; and,

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

WHEREAS, staff requests the DCOA authorize FY15 funding for the agreement with TTUHSC SOP Center for Immunotherapeutics and Product Development dba ExperImmune for provision of life sciences services from the Abilene Laboratories to private and public sector customers.

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

PART 1. DCOA authorizes funding for the FY15 budget under a previously approved 3-year agreement with Texas Tech University Health Sciences Center School of Pharmacy (TTUHSC SOP) through the Center for Immunotherapeutic Research & Product Development dba ExperImmune for provision of life sciences services from the Abilene Laboratories to private and public sector customers. The amount of funding authorized totals One Million Twenty-Nine Thousand Twelve and no/100's Dollars (\$1,029,012.00) as shown below:

Management & Personnel Costs	\$ 852,550
Other Costs	<u>\$ 283,000</u>
Subtotal	<u>\$1,135,550</u>
LESS carryover of excess FY14 funds advanced	<u>(\$106,538)</u>
FY15 funding request amount	<u>\$1,029,012</u>

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

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

ADOPTED this the 19th day of August, 2014.

ATTEST:

Dani Ramsay
Secretary/Treasurer

Dave Copeland
President

APPROVED:

T. Daniel Santee, City Attorney

S:\DCOA\Resolution2014\2014.42 TTUHSC Center for Ablabs FY15 funding 089-14.doc

ExperImmune

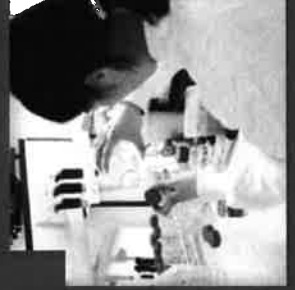
ABOUT US

- Founded by Jon Weidanz in 2012
- Opened October 2013
 - Located in Abilene Laboratories (Abilene, Texas)
- 22,000 sq. ft. space
 - State-of-the-art instrumentation
 - Clean room facilities
- Support: **Develop Abilene**

Development Corporation of Abilene



TEXAS TECH UNIVERSITY
HEALTH SCIENCES CENTER.



Experimmune's Objectives

- R&D services
 - Biotech clients pay fee for services
 - Services and Product discovery/commercialization-
 - Filed 2 patent invention disclosures in FY2014
 - Technical validation for university life science technologies
 - Outsource partner for biotech companies-
 - ENTvantage story
 - Manufacturing
 - Good Manufacturing Practices (GMP) & Non-GMP- grade assay kits and proteins
 - Catalyst for TTUS start-ups
 - Education
 - Internship opportunities for GSBS Biotechnology students
-

Highlights FY2014

- Provided paid internships for 2 MS Biotechnology students
 - Provided 4 internship experiences to 2 HS and 2 college students
 - Provided technical support to faculty for grant and manuscript submissions. Faculty include-
 - Dr. Bickel
 - Dr. Weidanz
 - Dr. Wood
 - Dr. La-Beck
 - Dr. Lyte
 - Dr. Markiewski
 - Dr. Smith
 - Intellectual Property – Submitted 2 invention disclosures
 - Reagents
 - Diagnostics
 - Published manuscripts-
 - European Journal of Immunology
 - JOVE – Journal of Visualized Experiments
 - Attended and made presentations at 3 meetings
 - Designed and launched Experimmune website
-

DCOA Contributions per Contract 13610

FY13

Invoiced	208,620.00
Expenses	32,119.05
Balance	176,500.95

FY14

Carry Forward	166,460.00
1st Qtr FY14	274,400.00
2nd Qtr FY14	41,733.88
Carry Forward correction	10,040.95
3rd Qtr FY14	44,400.00
4th Qtr FY14	58,572.05

**DCOA funds Experimmune
allowed to utilize in FY14**

595,606.88

Experimmune Projected Expenses for FY14

Updated: 08/07/14; Projected through 08/31/14

Staff Salaries	276,407.23
Student Salaries	7,837.29
Longevity	1,600.00
Unallocated Salaries	32,552.92
Payroll Related Costs	58,870.94
Other Employee Payments	5,934.64
Total Payroll	383,203.02

Maintenance & Operations 90,000.00

Janitorial

Mice & mouse charges

Meeting registrations

Publication fee - My JOVE

Legal fee

Aldinger

Communications

Subscriptions / Books

In State Travel

Out of State Travel

Foreign Travel

Prospective Employee Travel

Food

Memberships

Internal Purchases Out

Total Other Expenditures	105,866.23
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GRAND TOTAL EXPENSES 489,069.25

Projected Revenue FY15

Outside Revenue FY14-15 from Receptor Logic Contract	159,192.00
Invoiced to date through 08/05/14 (FY14)	152,574.50
Balance we can invoice 09/05/14 (FY15)	6,617.50

Anticipated Revenue FY15

Company A	320,000.00
Company B	292,000.00
Company C	468,000.00
Company D	30,000.00
Company E	10,000.00
Company F	19,000.00
SUBTOTAL	1,139,000.00
TOTAL Projected Revenue for FY15	1,145,617.50

Experimmune Personnel

<u>Person / Position #</u>	<u>Title</u>
Weidanz, Jon	Director
Childs-Cox, Roxy	Unit Manager
Grant, Mark	Technician III
Hawkins, Oriana	Research Scientist
Lowe, Devin	Sr. Research Associate
Mohana-Sundaram,	Research Associate
Wichner, Timea	Research Associate
TBD	Business Development
TBD	Research Associate
TBD	Research Associate
TBD	Quality & Project Manager
Ames, Harold (.50 F	Research Asst - Grad Student
Nyandoto, Jasper (S	Research Asst - Grad Student
TBD	Research Asst - Grad Student
TBD	Research Asst - Grad Student

Anticipated Experimune Expenses for FY15

FY15 Expense Worksheet

6002 Staff Salaries	587,740.00
6003 Student Salaries	87,500.00
6005 Longevity	1,600.00
6006 Unallocated Salaries	
6007 Payroll Related Costs	175,710.00
6008 Other Employee Payments	
Total Payroll	852,550.00
Equipment	97,000.00
Maintenance & Operations	186,000.00
GRAND TOTAL EXPENSES	1,135,550.00

DEVELOPMENT CORPORATION OF ABILENE, INC.
BOARD AGENDA
MEETING DATE: August 19, 2014

PROJECT: **842 Pine St. - Biotech Research Equipment for Use in the Expanded Research Area Under Construction at 842 Pine St.**

STAFF: **Richard Burdine, CEO**

BACKGROUND INFORMATION

The steam boiler at 842 Pine St. was failing, and the DCOA approved on December 4, 2013 resolution DCOA-2014.08 authorizing a contract with Tittle Luther Partnership/Parkhill Smith & Cooper (TLP/PSC) to provide architectural, structural, mechanical, plumbing and electrical designs to replace the steam boiler and associated piping to increase the capacity of the boiler for current and future needs. Also approved are services to convert the lab space inside the building to additional specialized research space for use by SOP faculty researchers. Funding of \$71,500 was authorized: 1) \$68,000 for basic A/E fees, and 2) \$3,500 for reimbursable expenses. Staff was authorized to solicit bids for construction of the improvements and return to the board for approval of construction funding.

On December 16, 2013, the board approved resolution DCOA-2014.11 authorizing purchase of the replacement steam boiler, deaerator (condensate system) and blowdown separator in advance of construction bidding to eliminate the anticipated lead-time for receipt of the boiler and associated equipment. Also approved was \$95,000 (\$55,000 for the boiler and \$40,000 for the associated equipment). The actual purchase price was \$89,655, leaving \$5,345 available.

A pre-bid meeting was held February 27th and bids for construction were opened on March 11, 2014, with two contractors bidding:

Contractor	Base Bid	Construction Duration
Justice Construction	\$770,000	195 days
Don Faulkner Construction	\$800,000	330 days

Bids were higher than expected, primary reason being the same sub-contractor, Batjer & Associates, proposed for both general contractors to install the complicated HVAC and steam distribution system, which was originally installed by Batjer & Associates. Jack Harkins with TLP/PSC recommended award to Justice Construction in the amount of \$770,000. Also, because the project cost was higher than originally expected, TLP/PSC's fee was increased from \$68,000 to \$72,000, which is 8.3% of boiler and construction costs.

On March 25, 2014, the DCOA approved resolution DCOA-2014.26 authorizing a construction contract with Justice Construction and funding of \$908,520 as follows: 1) \$770,000 for construction, 2) \$34,570 to Edstrom for expansion of the existing environmental control system to include the new specialized research space being converted, 3) \$22,950 to Tex-Oma Builders Supply for a custom exterior door and installation of electronic locks and reader controls on

interior doors, 4) \$4,000 to TLP/PSC for additional design fee, and 5) \$77,000 for contingency. Of the \$77,000 approved for contingency, we expect to need \$41,300, leaving \$35,700 available.

THE PROJECT/REQUEST

In March I told the Board we didn't know the types and costs of research equipment, such as biological safety cabinets, needed in the new specialized research area. Today I am returning to the board for consideration of funding to purchase the research equipment, which will cost \$217,300.

If the available boiler purchase money of \$5,345 and available construction contingency money of \$35,700 are reallocated to equipment purchases, the amount of additional funding required is \$176,255.

FISCAL IMPACT

Total funding for equipment purchases for 842 Pine St.	\$217,300
LESS available boiler purchase money	(\$ 5,345)
LESS available construction contingency money	<u>(\$ 35,700)</u>
Net funding requested for equipment purchases	\$176,255

STAFF RECOMMENDATION

Staff recommends the DCOA approve resolution DCOA-2014.41 authorizing purchase of biotech research equipment for use in the newly expanded research area at 842 Pine St. at a total cost of \$217,300. Net new funding of \$176,255 is requested with the remaining \$41,045 being reallocated as unspent boiler purchase and construction contingency funds.

ATTACHMENTS

Resolution DCOA-2014.41

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RESOLUTION NO. DCOA-2014.41

A RESOLUTION OF THE DEVELOPMENT CORPORATION OF ABILENE, INC. ("DCOA"), ABILENE, TEXAS AUTHORIZING THE PURCHASE OF BIOTECH RESEARCH EQUIPMENT FOR USE IN THE EXPANDED RESEARCH AREA UNDER CONSTRUCTION AT 842 PINE ST. IN ABILENE, TEXAS.

WHEREAS, the steam boiler at 842 Pine St. is failing, and on December 4, 2013, the DCOA approved resolution DCOA-2014.08 authorizing a contract with Tittle Luther Partnership/Parkhill Smith & Cooper (TLP/PSC) to provide architectural, structural, mechanical, plumbing and electrical designs to replace the steam boiler and associated piping to increase the capacity of the boiler for current and future needs; and,

WHEREAS, also approved are services to convert the lab space inside the building to additional specialized research space for use by Texas Tech University Health Sciences Center School of Pharmacy-Abilene faculty researchers and funding of \$71,500 (\$68,000 for basic A/E fees, and \$3,500 for reimbursable expenses); and,

WHEREAS, on December 16, 2013, the board approved resolution DCOA-2014.11 authorizing \$95,000 to purchase the replacement steam boiler, deaerator (condensate system) and blowdown separator in advance of construction bidding to eliminate the anticipated lead-time for receipt of the boiler and associated equipment with only \$89,655 needed for purchase leaving \$5,345 available; and,

WHEREAS, on March 25, 2014, the DCOA approved resolution DCOA-2014.26 authorizing a construction contract with Justice Construction and funding of \$908,520 as follows: 1) \$770,000 for construction, 2) \$34,570 to Edstrom for expansion of the existing environmental control system to include the new specialized research space being converted, 3) \$22,950 to Tex-Oma Builders Supply for a custom exterior door and installation of electronic locks and reader controls on interior doors, 4) \$4,000 to TLP/PSC for additional design fee, and 5) \$77,000 for contingency; and,

WHEREAS, of the \$77,000 approved for construction contingency, only \$41,300 is expected to be needed, leaving \$35,700 available; and,

WHEREAS, in March, staff informed the DCOA Board that the types and costs of the research equipment, such as biological safety cabinets, needed in the new specialized research area were unknown and we would return to the Board at a later time for funding consideration; and,

WHEREAS, if the available boiler purchase money of \$5,345 and available construction contingency money of \$35,700 are reallocated to equipment purchases, the amount of additional funding required is reduced; and,

WHEREAS, staff proposes the DCOA authorize the purchase of the needed biotech research equipment for use in the expanded specialized area of 842 Pine St.

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

- PART 1.** A. DCOA authorizes new funding of One Hundred Seventy-Six Thousand Two Hundred Fifty-Five and no/100's dollars (\$176,255.00) for purchase of biotech research equipment (such as biological safety cabinets) needed in the newly expanded specialized research area at 842 Pine St. The total purchase price for all needed equipment is \$217,300.
- B. DCOA also authorizes the reallocation of \$41,045 toward these equipment purchases from the following:
- i. Boiler Purchase - \$5,345
 - ii. Construction contingency - \$35,700
- 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 19th day of August, 2014.

ATTEST:

Dani Ramsay
Secretary/Treasurer

Dave Copeland
President

APPROVED:

T. Daniel Santee, City Attorney

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DEVELOPMENT CORPORATION OF ABILENE, INC.
BOARD AGENDA
MEETING DATE: August 19, 2014

PROJECT: Discussion and possible approval of a resolution authorizing payment to Waverly Partners for services performed beyond the original contract scope to find a new CEO for the DCOA.

STAFF: Richard Burdine, CEO

BACKGROUND INFORMATION

At the January 14, 2014, DCOA Board meeting, then 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 and recommended Waverly Partners to the DCOA Board because of their extensive experience with economic development executive recruitment.

On March 11, 2014, the DCOA approved resolution DCOA-2014.25 authorizing a contract and funding of \$45,000 for Waverly Partners to conduct a search for a new DCOA CEO. The search has been successfully completed, but in the process Waverly Partners was requested by the committee to perform services beyond the original contract scope, specifically holding an extra meeting in Abilene and the cost of candidate travel for a second interview.

THE REQUEST

Search Committee Chairman Joe Crawford recommends to the DCOA Board that the additional \$3,926.77 be paid to Waverly Partners for their additional work. Also incurred during the search process were meal expenses while candidates and consultants were in town. Mr. Crawford incurred \$757.08 and Mr. Scott Senter incurred \$81.90, both of which have been reimbursed. Total expenses incurred beyond the originally approved \$45,000 are \$4,765.75.

FISCAL IMPACT

\$4,765.75

STAFF RECOMMENDATION

Staff recommends the DCOA approve resolution DCOA-2014.40 authorizing additional funding of \$4,765.75 for expenses incurred by Waverly Partners and others during performance of services in search for a new DCOA CEO.

ATTACHMENTS

Resolution DCOA-2014.40

RESOLUTION NO. DCOA-2014.40

A RESOLUTION OF THE DEVELOPMENT CORPORATION OF ABILENE, INC. ("DCOA"), ABILENE, TEXAS AUTHORIZING PAYMENT TO WAVERLY PARTNERS AND OTHERS FOR SERVICES PERFORMED BEYOND THE ORIGINAL CONTRACT SCOPE TO FIND A NEW CEO FOR THE DCOA.

WHEREAS, at the January 14, 2014, DCOA Board meeting, then 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, on March 11, 2014, the DCOA approved resolution DCOA-2014.25 authorizing a contract and funding of \$45,000 for Waverly Partners to conduct a search for a new DCOA CEO; and,

WHEREAS, the search has been successfully completed, but in the process Waverly Partners was requested by the Search Committee to perform services beyond the original contract scope, specifically holding an extra meeting in Abilene and the cost of candidate travel for a second interview; and,

WHEREAS, also incurred during the search process were meal expenses by others of \$838.98 while candidates and consultants were in town; and,

WHEREAS, staff requests the DCOA authorize additional funding for Waverly Partners and others for expenses incurred during the 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 additional funding of Four Thousand Seven Hundred Sixty-Five and 75/100's Dollars (\$4,765.75) for expenses incurred during performance of services to search for a new DCOA CEO. Payment shall be disbursed as follows:

1. Waverly Partners - \$3,926.77 for services beyond the original scope of the contract for a CEO search.
2. Others - \$838.98 for reimbursements to Mr. Joe Crawford (\$757.08) and Mr. Scott Senter (\$81.90) for meals charges during the consultant/candidate interview process.

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 CEO 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 19th day of August, 2014.

ATTEST:

Dani Ramsay
Secretary/Treasurer

Dave Copeland
President

APPROVED:

T. Daniel Santee, City Attorney

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