

PUBLIC NOTICE

DEVELOPMENT CORPORATION OF ABILENE, INC.

A regular meeting of the Development Corporation of Abilene, Inc. will be held on Tuesday, September 23, 2014, at Abilene Laboratories conference room, 1325 Pine St., Abilene, Texas, commencing at 1:30 p.m. to consider the following agenda:

SIGNED:


Kent Sharp, CEO

AGENDA

September 23, 2014
1:30 p.m.

Abilene Laboratories
1325 Pine St.

1. Call the meeting to order.
2. Approval of minutes from the August 26, 2014, board meeting.
3. Sales tax report for September 2014 and status of funds 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 improvements to Warehouses A, B, C and D at 4009 and 4109 Vine St. and a lease with Fehr Foods.
6. Discussion and possible approval of a resolution authorizing the purchase of approximately 80 acres of vacant land near Five Points Business Park.
7. Discussion and possible approval of a resolution authorizing amended assistance for BWJ Consulting, Inc. (Project BW).
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
August 26, 2014

MEMBERS PRESENT: Dave Copeland Dani Ramsay
 Scott Senter John Beckham
 Marelyn Shedd

STAFF PRESENT: Richard Burdine Kim Tarrant
 Stan Smith

GUESTS PRESENT: Jason Smith Abilene Chamber of Commerce
 Gary Robinett Abilene Industrial Foundation
 Yvonne Batts Abilene Industrial Foundation Chair
 Kate Alvarez Abilene Regional Airport
 Mike Schweikhard DCOA Project Evaluation and
 Budget & Finance Committee
 Judy Wilhelm Small Business Development Center
 Jon Weidanz TTUHSC School of Pharmacy/ExperImmune
 Brian Bethel Abilene Reporter News

1. **CALL THE MEETING TO ORDER:** President Dave Copeland called the meeting to order at 1:34 p.m. at Abilene Laboratories, 1325 Pine St., Abilene Texas.
2. **APPROVAL OF MINUTES FROM THE AUGUST 19, 2014, BOARD MEETING:** Scott Senter moved to approve the minutes from the August 19, 2014 board meeting. Marelyn Shedd seconded and the motion carried.
3. **STATUS OF FUNDS REPORT FOR JULY 2014:** Kim Tarrant, Business Services Manager of the Economic Development presented the Status of Funds Report for July 2014. The DCOA's total current assets at the end of July were \$20,329,286 and total revenues were \$874,540. Total expenditures were \$1,839,946 which includes expenses of \$1,661,787 for 14 current DCOA projects.
4. **PRESENTATION AND POSSIBLE APPROVAL OF A COMBINED REPORT FROM THE *PROJECT EVALUATION COMMITTEE* ON FY 2014 CONTRACT PERFORMANCE AND FROM THE *BUDGET & FINANCE COMMITTEE* CONCERNING FUNDING PROPOSALS FOR FY 2015 FOR TEXAS TECH UNIVERSITY SMALL BUSINESS DEVELOPMENT CENTER, ABILENE CHAMBER OF COMMERCE MILITARY AFFAIRS COMMITTEE, ABILENE INDUSTRIAL FOUNDATION, CITY OF ABILENE: AIRPORT BUSINESS DEVELOPMENT MANAGEMENT AND CITY OF ABILENE: BUSINESS SERVICES AND PROPERTY MAINTENANCE DIVISIONS OF THE DEPARTMENT OF ECONOMIC DEVELOPMENT:** Mike Schweikhard, chairman of both the Project Evaluation Committee and Budget & Finance Committee presented reports from their annual meeting held on August 11, 2014. He recommended that all of the agencies be funded for FY 2015 since they are all in compliance with their current contracts. Mr. Schweikhard briefly discussed items in the reports regarding performance during FY 2014.

Scott Senter moved to accept the recommendations of the committee as presented. John Beckham seconded and the motion carried.

5. **PUBLIC HEARING: FUNDING PROPOSALS AND PROPOSED BUDGET FOR FY 2015:** President Dave Copeland announced the opening of a Public Hearing at 1:44 pm and closed the Public Hearing at 1:44 pm. There were no speakers that came forward.
6. **DISCUSSION AND POSSIBLE APPROVAL OF FUNDING REQUESTS AND PROPOSED BUDGET FOR FY 2015:** Marelyn Shedd moved to approve funding requests and a proposed budget for FY 2015 for the DCOA as presented. Dani Ramsay seconded and the motion carried.
7. **EXECUTIVE SESSION – SESSION 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 August 26, 2014, and the time is 1:45 p.m. Later, President Copeland announced the date is still August 26, 2014, and the time is 2:42 p.m. No vote or action was taken in Executive Session.

8. **UNTABLE AND 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:** Richard Burdine presented Experimmune's FY15 budget to the board for its consideration. Experimmune has requested \$1,029,012 which includes costs for management and personnel. Unspent funds of \$106,538 from FY 14 will be carried over into the FY 15 budget as well.

The DCOA has had a three-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 Contract Research Organization (CRO) since 2012. Experimmune's purpose is to provision life sciences services from Abilene Laboratories to private and public sector customers. Over the past few years the DCOA has also concluded that a CRO can create more and stable jobs than incubating early-stage life sciences companies are able.

Dave Copeland moved to approve resolution DCOA-2014.42. John Beckham seconded and the motion carried.

9. **DISCUSSION AND POSSIBLE APPROVAL OF A RESOLUTION AUTHORIZING THE SALE OF THE GRANT BUILDING, 304 PINE STREET:** Richard Burdine discussed sale of the Grant Building at 304 Pine Street. The DCOA purchased the building in 2002 to provide office and teaching space for the Texas Tech University Center for Excellence in Software Engineering. The program was terminated in 2010 and since then the building has hosted several TTUHSC programs and AISD's Academy for Technology Engineering Math & Science (ATEMS) until the building was vacated in January 2013. The building has been for

sale for about 18 months. The staff received only one offer at the end of the 18 months which was for \$200,000. Although the buyer initially offered \$200,000 the final price was revised to \$160,000 after the June 12th hailstorm. The buyer will purchase the building as-is and repair the hail damage.

Scott Senter moved to approve resolution DCOA-2014.43 authorizing the sale of the Grant Building for \$160,000.00. John Beckham seconded and the motion carried. Marelyn Shedd abstained from voting.

7. **EXECUTIVE SESSION – SESSION 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 August 26, 2014, and the time is 3:05 p.m. Later, President Copeland announced the date is still August 26, 2014, and the time is 4:30 p.m. No vote or action was taken in Executive Session.

10. **ADJOURNMENT:** The next meeting is scheduled for September 23, 2014. There being no further business the meeting was adjourned.

Dave Copeland, President

MEMORANDUM

September 10, 2014

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

The sales tax rebate for September is \$3,383,223.16 which represents July sales. This is 6.01% above last year and 8.66% above the revised FY 14 budget amount. The breakdown of the September rebate is \$2,537,417.37 to the General Fund and \$845,805.79 for economic development. Of this rebate, \$104,883 is from prior periods, audit payments, future payments, and unidentified payments. For the period of October through September, sales tax is 1.11% below last year and 1.28% above the revised FY 14 budget amount. This rebate concludes our 2013-14 fiscal year. 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
September	2,393,587.58	797,862.52	3,191,450.10	2,537,417.37	845,805.79	3,383,223.16
FY TOTAL	\$30,688,116.14	\$10,229,372.02	\$40,917,488.16	\$30,346,413.11	\$10,115,471.05	\$40,461,884.16

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

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

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

Accounting Period Month	Actual 2012-13	Actual 2013-14	% Change
October	\$855,868	\$815,126	-4.76%
November	891,956	896,761	0.54%
December	773,104	766,502	-0.85%
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%
September	797,862	845,806	6.01%
FY TOTAL	<u>\$10,229,372</u>	\$10,115,471	-1.11%

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 September '14 represents July '14 sales. Approximately
\$26,220 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
September	649,391	799,173	800,200	797,862	845,806
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>	<u><u>\$10,115,471</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
August 31, 2014 and 2013

	August 2014	August 2013
Current Assets:		
Cash and cash investments	\$ 18,892,181	\$ 18,139,468
Accounts receivable	35,293	35,293
Due from other governments	1,702,786	1,738,931
Prepaid expense	-	130
	<u>20,630,260</u>	<u>19,913,822</u>
Total Current Assets		
Noncurrent Assets:		
Notes receivable	17,364,377	16,552,488
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>53,733,174</u>	<u>53,017,346</u>
Total Noncurrent Assets		
Total Assets	<u>\$ 74,363,434</u>	<u>\$ 72,931,168</u>
Liabilities		
Current:		
Accounts payable	\$ 51,679	\$ 49,802
	<u>51,679</u>	<u>49,802</u>
Total Current Liabilities		
	<u>51,679</u>	<u>49,802</u>
Total Liabilities		
Net Position		
Net Investment in capital assets	36,368,797	36,464,858
Restricted for contractual obligations	32,434,550	12,450,360
Unrestricted, designated for purposes of trust	<u>5,508,408</u>	<u>23,966,148</u>
	<u>74,311,755</u>	<u>72,881,366</u>
Total Net Position		
Total Liabilities and Net Position	<u>\$ 74,363,434</u>	<u>\$ 72,931,168</u>

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

	August 2014	Fiscal YTD 2014	Fiscal YTD 2013
Revenues:			
Sales and use taxes	\$ 966,814	\$ 9,269,665	\$ 9,431,509
Interest income	3,726	106,866	106,177
Building rental / land lease	84,012	1,010,160	890,626
Sale of land	-	231,163	85,770
Miscellaneous revenue	17,663	170,437	320,243
Total Revenues	1,072,215	10,788,291	10,834,325
Expenses:			
Economic development projects	1,094,689	7,106,968	5,042,001
Life Sciences property maintenance	40,597	492,774	572,712
DCOA property maintenance	28,052	335,528	226,923
Abilene Industrial Foundation	76,927	621,910	523,065
TTU Small Business Development Center	16,875	167,175	144,169
Chamber Military Affairs	-	23,707	41,277
Airport Business Development Manager	16,646	130,526	101,878
General administrative services	32,964	549,618	595,996
Total Expenditures	1,306,750	9,428,206	7,248,021
Changes In Net Position	(234,535)	1,360,085	3,586,304
Net Position at Beginning of Period	74,546,290	72,951,670	69,295,062
Net Position at End of Period	\$ 74,311,755	\$ 74,311,755	\$ 72,881,366

Summary of Current Period Economic Development Projects:

TTU Pharmacy School (Principal Reduction)	\$ 242,542
TTU Nursing School (Principal Reduction)	269,368
Biotech Marketing and PR Plan	2,610
Hangar Doghouse A/E	10,960
Enterprise Dr. Extension A/E	4,090
EASI De-Fuel Truck	1,750
Five Points Survey & Drawing	4,507
Five Pts./Polaris Dr. A/E	1,272
Polaris Dr. Construction	100,149
Spec 3 Finish Out A/E	103,858
842 Pine Boiler Replacement A/E	2,125
842 Pine Boiler Construction	225,670
TMAC FY14 (Job Training)	22,000
Richard Burdine Professional Services	7,646
CEO Search 2014	17,815
Fast Track Welding '14	78,327
Total	\$ 1,094,689

Development Corporation of Abilene
Economic Program Status
As of August 31, 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	1,524,992	1,166,803	358,189	-
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	4,904,077	4,433,889	470,187	1
Coca Cola Abilene	5296	1,213,875	-	1,213,875	-
TTU 842 Pine	5308	382,860	361,434	17,974	3,452
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	159,569	-
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	-	-	-	-
Smith Pipe Ph 1, 2, 3 & 4	5330	763,091	151,000	267,700	344,391
TTUHSC School of Nursing	5331	537,517	268,149	269,368	-
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	214,127	18,111
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	-	35,363	315,637
Biotech Marketing and PR Plan	5346	118,400	81,161	33,156	4,083
Hangar Doghouses A/E	5348.1	423,000	97,967	124,741	200,292
Hangar Doghouses Construction	5348.2	2,642,049	-	-	2,642,049
Enterprise Dr. Extension A/E	5352.1	907,250	10,200	879,262	17,788
Enterprise Dr. Extension Construction	5352.2	282,091	-	276,792	5,299
EASI De-Fuel Truck	5354	64,260	14,000	17,500	32,760
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	-	137,491	862,509
Five Points Survey	5360	42,485	28,865	11,518	2,102
TTUHSC Center FY14 Operating	5361	419,106	274,400	144,706	-
Five Pts / Pdaris Dr A/E	5362.1	60,200	-	53,565	6,635
Polaris Drive Construction	5362.2	1,064,100	-	203,661	860,439
5 Pts RR Expansion	5363.1	16,000	-	-	16,000
Spec 3 Finish Out A/E	5364.1	759,601	-	161,828	597,773
Spec 3 Finish Out Construction	5364.2	11,041,249	-	-	11,041,249
842 Pine Boiler Replacement A/E	5365.1	75,500	-	66,578	8,922
842 Pine Boiler Replacement Equipment	5635.2	312,300	-	152,819	159,481
842 Pine Boiler Construction	5635.3	868,820	-	447,675	421,145

Development Corporation of Abilene
Economic Program Status
As of August 31, 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	3,200	-	3,200	-
Hangar 4 Ventilation Construction	5367.2	44,400	-	44,400	-
Fehr Foods Expansion	5368	2,623,000	-	-	2,623,000
TMAC FY 14	5369	88,000	-	55,000	33,000
Ads4Next Sponsorship	5370	2,500	-	2,500	-
Springboard Ideas	5371	5,000	-	5,000	-
Richard Burdine Professional Services	5372	93,911	-	76,465	17,446
Broadwind Towers 2014	5373	1,438,525	-	-	1,438,525
CEO Search 2014	5374	49,767	-	49,767	-
Fast Track Welding '14	5375	248,462	-	154,702	93,760
Corley Wetsel Trucking	5376	455,200	-	-	455,200
Clavel Corp	5377	77,717	-	12,745	64,972
Fehr Foods 14	5378	200,000	-	-	200,000
Gift Card System	5379	82,100	-	-	82,100
TTUHSC FY 15 ExperImmune	5380	1,029,012	-	-	1,029,012
Subtotal Economic Program Obligation Reserve		\$ 54,637,216	\$ 15,833,560	\$ 7,106,968	\$ 31,696,688
Plus Administrative Division Obligations:					
Business Services Division	Division 2760	637,260	-	549,618	87,642
Life Sciences Property Maintenance	Division 2765	579,930	-	492,774	87,156
DCOA Property Maintenance	Division 2775	367,960	-	335,528	32,432
Abilene Industrial Foundation	Division 2775	934,790	-	621,910	312,880
TTU Small Business Dev Center	Division 2775	250,000	-	167,175	82,825
Chamber Military Affairs	Division 2775	100,000	-	23,707	76,293
Airport Business Development Manager	Division 2775	189,160	-	130,526	58,634
Subtotal Administrative Divisions Obligation Reserve		\$ 3,059,100	\$ -	\$ 2,321,238	\$ 737,862
Total reserve for obligated programs					\$ 32,434,550

DCOA Board approved projects waiting for signed contracts:

		Expiration Date
Smith Pipe Ph. 5	\$ 452,000	8/12/14
Dyess AFB Telecomm Upgrade	23,000	11/27/14
BWJ Consulting (Project BW)	539,000	12/10/14
Project KW	280,750	12/10/14
	\$ 1,294,750	

DEVELOPMENT CORPORATION OF ABILENE, INC.

BOARD AGENDA

MEETING DATE: September 23, 2014

PROJECT: Vine St. Warehouses Improvements and Lease to Fehr Foods

STAFF: Kent Sharp, CEO

BACKGROUND

The DCOA-owned property at 4009/4109 Vine consists of 4 large and 1 smaller connecting warehouses A, B, C, D and E plus adjoining offices. Fehr Foods is leasing Warehouse A (70,000 sq ft), the adjoining Warehouses B (42,362 sq ft) and C with 2 dock doors (24,743 sq ft), paying monthly rent calculated at \$1.67/sq ft/year, triple-net. The remaining 38,516 square feet in Warehouses D and E with 6 dock doors is vacant.

With its pending expansion into cracker production, Fehr Foods approached staff with a need for the remaining warehouse space and dock doors. They requested some improvement be made to all the warehouses:

1. Warehouse A – men's restroom remodel.
2. Warehouses C, D & E – demolition of demising wall between C and E, 3 entry openings from C to D, demising wall in dock area, 200' of safety barriers in C, and cooler room in C.
3. Warehouse D – seal all holes and repair stucco and concrete walls.
4. Warehouses A, B & C – install ventilation to provide air flow.

Staff employed the services of Jacob & Martin to design ventilation for Warehouses A, B & C similar to that previously installed in Warehouse D. Bids were received for all the improvements and are listed on the attached.

THE REQUEST

Ventilation in Warehouses A, B and C is needed for the comfort and safety of Fehr's employees. Rubber debris from forklift wheels creates a fine dust in the air and the space has no other means for keeping cool during the hot months. Wall repairs are necessary to meet FDA food storage regulations. The total cost for these improvements is \$127,843. The cost to install ventilation in Warehouse D in 2013 was \$17,592.

Staff proposed Fehr pay about ½ of the cost for the requested improvements and ½ of the cost from last year to install ventilation in Warehouse D, or about \$75,000 total. Fehr agreed and will pay their ½ in monthly rent payments over the next 5 years. The current lease for Warehouses A, B and C expires 9-30-16 with an option to extend another 5 years at a higher lease rate based on the CPI increases over the previous 5 years. We negotiated a new 5-year lease for all the warehouse and dock space totaling 175,621 sq ft to begin right away. The rental rate for the existing lease area (A, B & C) will remain at \$1.67/sq ft/yr and the new space (D & E) will increase by 3.5% to \$1.73/sq ft/yr to account for the CPI increase over the last 2 years. An additional \$0.085/sq ft/yr will be added to all of the space as repayment of Fehr's ½ of the total improvements cost (est. \$75,000).

Staff requests the DCOA ratify the contract with Jacob & Martin for design of the warehouse ventilation plus contracts with the low bidders for the remaining work. Also requested is

approval of a new 5-year lease with Fehr Foods for all the warehouse space at rates as described above.

FISCAL IMPACT

Improvements-Warehouses A, B, C, D & E	\$118,443
Ventilation design fee-Jacob & Martin, Ltd.	\$ 9,400
Contingency	<u>\$ 7,500</u>
TOTAL	\$135,343

STAFF RECOMMENDATION

Staff recommends the DCOA approve resolution DCOA-2014.45 authorizing contracts with vendors to perform improvements to the warehouses located at 4009/4109 Vine St., ratification of a contract with Jacob & Martin for design work and funds of \$135,343. Also requested is a new 5-year lease with Fehr Foods.

ATTACHMENTS

Bids for improvements to Vine St. warehouses
Resolution DCOA-2014.45

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2014 Improvements to Warehouses A-D for Fehr Foods

Restroom Remodel - Warehouse A		
	Bid Amount	Low bid
Thomas Hicks Construction	\$ 36,450.00	
Justice Construction	\$ 25,854.00	
Mackie Construction	\$ 21,680.00	
Abilene Constructors & Tile	\$ 15,648.02	\$ 15,648.02

Demo Work - Warehouses C, D & E		
	Bid Amount	Low bid
Thomas Hicks Construction	\$ 10,875.00	
Abilene Constructors & Tile	\$ 8,125.00	
Justice Construction	\$ 7,670.00	
Troy Penny	\$ 5,150.00	
Mackie Construction	\$ 3,450.00	\$ 3,450.00

Repairs - Warehouse D		
	Bid Amount	Low bid
Thomas Hicks Construction	\$ 6,290.00	
Abilene Constructors & Tile	\$ 4,975.00	
Justice Construction	\$ 4,000.00	
Mackie Construction	\$ 1,470.00	\$ 1,470.00

Ventilation Install - Warehouses A, B & C		
	Bid Amount	Low bid
Thomas Hicks Construction	\$ 137,171.00	
Batjer & Assoc.	\$ 113,731.00	
Multex Mechanical	\$ 97,875.00	\$ 97,875.00

Ventilation Design Work - Warehouses A, B & C		
	Bid Amount	
Jacob & Martin	\$ 9,400.00	\$ 9,400.00

Total New Funding	\$ 127,843.02
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Ventilation Work - Warehouse D (performed in 2013)		
		Contract Amount
Batjer & Assoc		\$ 14,660.00
Jacob & Martin - Design		\$ 2,932.00
TOTAL		\$ 17,592.00

TOTAL COSTS	\$ 145,435.02
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RESOLUTION NO. DCOA-2014.45

A RESOLUTION OF THE DEVELOPMENT CORPORATION OF ABILENE, INC. (DCOA), ABILENE, TEXAS AUTHORIZING FUNDS FOR IMPROVEMENTS TO WAREHOUSES A, B, C, D AND E AT THE DCOA-OWNED 4009/4109 VINE ST. TO PREPARE THE SPACE FOR OCCUPANCY BY FEHR FOODS. ALSO AUTHORIZED IS A NEW 5-YEAR LEASE AGREEMENT WITH FEHR FOODS ("FEHR").

WHEREAS, the DCOA-owned property at 4009/4109 Vine consists of 4 large and 1 smaller connecting warehouses A, B, C, D and E plus adjoining offices; and,

WHEREAS, Fehr Foods is leasing Warehouse A (70,000 sq ft), the adjoining Warehouses B (42,362 sq ft) and C with 2 dock doors (24,743 sq ft), paying monthly rent calculated at \$1.67/sq ft/year, triple-net; and,

WHEREAS, the remaining 38,516 square feet in Warehouses D and E with 6 dock doors is vacant; and,

WHEREAS, with its pending expansion into cracker production, Fehr Foods approached staff with a need for the remaining warehouse space and dock doors; and,

WHEREAS, the company requested some improvement be made to all the warehouses; and,

WHEREAS, staff proposed Fehr pay about ½ of the cost for the requested improvements and ½ of the cost from last year to install ventilation in Warehouse D, or about \$75,000 total, to which Fehr agreed to pay in monthly rent payments over the next 5 years; and,

WHEREAS, staff requests the DCOA ratify the contract with Jacob & Martin for design of the warehouse ventilation plus contracts with the low bidders for the remaining work. Also requested is approval of a new 5-year lease with Fehr Foods for all the warehouse space.

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

PART 1. DCOA hereby authorizes funding of One Hundred Thirty-Five Thousand Three Hundred Forty-Three and no/100's Dollars (\$135,343) for improvements to DCOA-owned property at 4009/4109 Vine St. to accommodate Fehr Foods. Also authorized are contracts with vendors to perform the work and ratification of a contract with Jacob & Martin for design of the ventilation improvements. The funds shall be used as follows:

1. Warehouse A – men's restroom remodel, \$15,648
2. Warehouses C, D & E – demolition of demising wall between C and E, 3 entry openings from C to D, demising wall in dock area, 200' of safety barriers in C, and cooler room in C, \$3,450
3. Warehouse D – seal all holes and repair stucco and concrete walls, \$1,470.
4. Warehouses A, B & C – install ventilation to provide air flow, \$97,875
5. Ventilation design work – Jacob & Martin, \$9,400
6. Contingency - \$7,500

Also approved is a new 5-year lease with Fehr Foods wherein Fehr will pay about ½ of the cost for the requested improvements and ½ of the cost from last year to install ventilation in Warehouse D, or about \$75,000 total, in addition to base rent. The lease will include all warehouse and dock space totaling 175,621 sq ft. The rental rate shall be calculated as follows:

- a. Warehouses A, B & C will remain at \$1.67/sq ft/yr
- b. Warehouses D & E will increase by 3.5% to \$1.73/sq ft/yr to account for the CPI increase over the last 2 years.
- c. \$0.085/sq ft/yr will be added to all of the space as repayment of Fehr's ½ of the total improvements cost (est. \$75,000).

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

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

ADOPTED this the 23rd day of September, 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: September 14, 2014

PROJECT: Purchase of Approximately 80 Acres Vacant Land Near Five Points Business Park

STAFF: Kent Sharp, CEO

BACKGROUND

The Five Points Business Park located in west Abilene is mostly owned by the DCOA and is bounded on the west by Fulwiler Rd., the north by I-20, the east by Wall St., and the south by the Union Pacific railroad tracks. Development in the Park has increased significantly over the last few years with construction of the Texas Healthcare Linen, Atmos Energy and FedEx Ground facilities, the sale of 2 acres to MP2 Energy, and the sale of 11.447 acres to Tucker Energy Services. Finish-out construction is also underway at the Spec 3 building for occupancy by CarbonLITE Recycling.

Approximately 80 acres of vacant land located adjacent to the north of the Park is currently for sale. It is owned by the William J. Fulwiler, Jr. Estate. It has a lot of I-20 frontage and access from Arnold Blvd. and Marigold St.

THE REQUEST

The heirs to the Fulwiler Estate have agreed to sell the approximately 80 acres for \$480,000, or \$6,000/acre. Staff will order a Phase 1 Environmental Study and survey of the property. There are currently 4 billboard sign leases on the property that will be assigned to the DCOA. Revenue from the leases is about \$7,000 annually; however staff will determine if any of the signs should remain depending on the sign condition.

FISCAL IMPACT

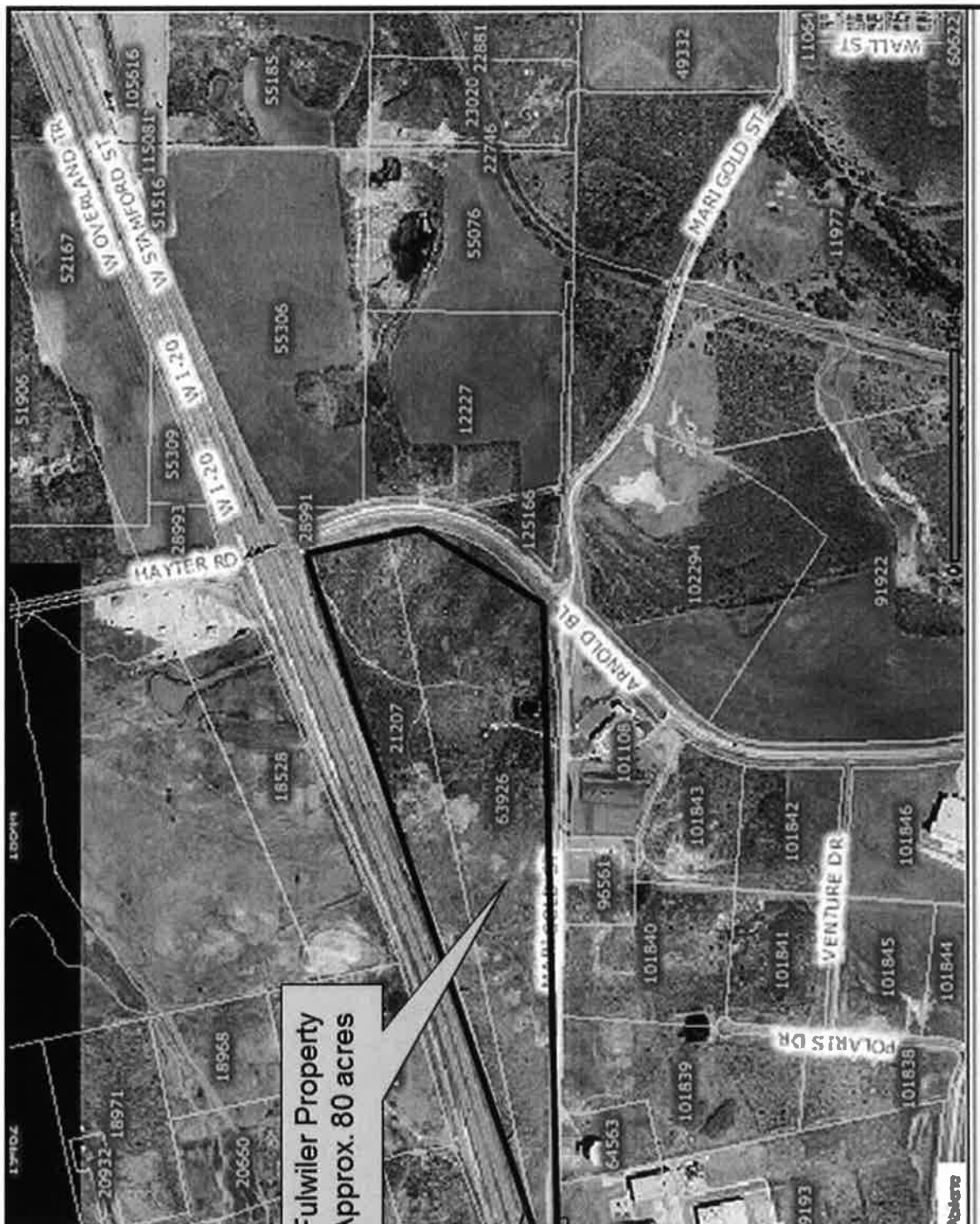
Purchase of land	\$480,000
Phase 1 ES	\$ 3,750
Survey	\$ 6,900
Est. closing costs	<u>\$ 2,500</u>
Total	\$493,150

STAFF RECOMMENDATION

I recommend approval of resolution DCOA-2014.44 authorizing the purchase of approximately 80 acres of vacant land near Five Points Business Park for \$480,000 plus the cost of a survey, Phase 1 environmental study and closing costs.

ATTACHMENTS

Map of subject property
Resolution DCOA-2014.44



RESOLUTION NO. DCOA-2014.44

A RESOLUTION OF THE DEVELOPMENT CORPORATION OF ABILENE, INC. ("DCOA"), ABILENE, TEXAS AUTHORIZING THE PURCHASE OF THE WILLIAM J. FULWILER, JR. ESTATE LAND CONTAINING APPROXIMATELY 80 ACRES LOCATED ON I-20 NORTH OF THE FIVE POINTS BUSINESS PARK ("PARK").

WHEREAS, approximately 80 acres of vacant land located adjacent to the north of the Park is currently for sale; and,

WHEREAS, it is owned by the William J. Fulwiler, Jr. Estate with a lot of I-20 frontage and access from Arnold Blvd. and Marigold St.; and,

WHEREAS, the heirs to the Fulwiler Estate have agreed to sell the subject acreage for \$480,000, or \$6,000/acre, and there are currently 4 billboard sign leases on the property; and,

WHEREAS, staff requests the DCOA authorize the purchase of the approximately 80 acres of vacant land from the William J. Fulwiler, Jr. Estate.

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

PART 1. DCOA authorizes the purchase of approximately 80 acres of vacant land from the William J. Fulwiler, Jr. Estate for Four Hundred Eighty Thousand and no/100's Dollars (\$480,000.00). Also authorized is Thirteen Thousand One Hundred Fifty and no/100's Dollars (\$13,150.00) for a Phase 1 Environmental Study, survey and misc. closing costs.

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 23rd day of September, 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: September 23, 2014

PROJECT: BWJ Consulting (Project BW) Amended Assistance

STAFF: Kent Sharp, CEO

THE COMPANY

BWJ Consulting (Project BW) has been operating in Abilene since 1996, was incorporated in 1998 and began steel fabrication in 2000. The company is owned by Peggy and Bob Johnson and currently has over 20 employees with headquarters on East US Hwy 80 on a 63 acre site. The company's steel fabrication work for another Abilene manufacturer and other clients has grown to the point where more space is needed.

BWJ Consulting designed a new 28,400 s.f. building on their site and plans to house a number of pieces of capital equipment there, including welding machines, millers and overhead cranes. The total anticipated capital investment is \$3 million. The building will provide working space for 20 new employees. A foundation permit was issued and construction needs to begin right away for the company to meet a large order coming in February or March of next year.

On June 10, 2014, the DCOA approved Resolution DCOA-2014.33 authorizing assistance for Project BW of \$539,000 as follows:

Job Creation Incentive – \$114,000 paid for 20 new positions in excess of the existing 24 jobs over 5 years, 75% of which are in the \$20,000-\$30,000/annual salary range.

Job Creation Incentives - Project BW			
Annual Salary Level*	Number of Jobs	Incentives per Job	Incentives Total
Under \$15,000	0	\$ 1,000	\$ -
\$15 to \$20,000	0	\$ 2,000	\$ -
\$20 to \$30,000	15	\$ 4,000	\$ 60,000
\$30 to \$40,000	3	\$ 10,000	\$ 30,000
\$40 to \$50,000	2	\$ 12,000	\$ 24,000
\$50 to \$60,000	0	\$ 15,000	\$ -
Over \$60,000	0	35%	\$ -
Total:	20		\$ 114,000
* Calculations based on salaries provided without non-mandatory benefits.			

Capital Investment Incentive – Total incentive of \$425,000; 1) \$50,000 based on 10% of projected capital equipment costs of \$500,000, and 2) \$375,000 based on 15% of investment for land and buildings of up to \$2.5 MM. The incentives will be paid over 5 years, up to \$75,000/year, upon receipt of proof of actual costs.

Capital Investment Incentives - Project BW

Investment:		Incentives %	Incentives Total
Land and/or Building	\$ 2,500,000	15%	\$ 375,000
Capital Equipment	\$ 500,000	10%	\$ 50,000
Total:	\$ 3,000,000		\$ 425,000

THE REQUEST

The company is working with Jacob & Martin for construction design and site plan approval through the City. Fire protection has become an issue for the site. The structure is classified as not needing a fire suppression system; however, the water supply to the site will not provide enough volume to fight a potential fire. The least cost solution involves connecting a new water line to an existing 6" line located west of the proposed new building site, running the new line east along the front of the new building and boring back under E. Hwy 80 to connect the new line back into an existing 10" line. Once the new line is constructed, the contractor can place the required three (3) fire hydrants around the new building to comply with what the Fire Marshal requires.

The estimated cost for installation of the fire lines and fire hydrants is \$80,000. I request the board approve reimbursement to the company of this cost up to \$80,000. The new water line will also benefit the surrounding properties as they are developed.

Also, we originally reported the company will retain its existing 24 FTE positions; however, we received a baseline job certification through 5-31-14 that indicates only 21 FTEs will be retained. I request the board authorize revising the assistance to retention of 21 FTEs with new creation of 20.

FISCAL IMPACT

Up to \$80,000 added to the existing assistance package of \$539,000 for total assistance of \$619,000.

STAFF RECOMMENDATION

I recommend approval of resolution DCOA-2014.46 authorizing amended assistance for BWJ Consulting adding \$80,000 to the existing incentive package of \$539,000 for installation of a new fire line and 3 fire hydrants in exchange for new job creation of 20 and capital investment of \$3,000,000.

ATTACHMENTS

Resolution DCOA-2014.46

RESOLUTION NO. DCOA-2014.46

A RESOLUTION OF THE DEVELOPMENT CORPORATION OF ABILENE, INC. (DCOA), ABILENE, TEXAS, AUTHORIZING AMENDED ASSISTANCE FOR BWJ CONSULTING, INC., OTHERWISE KNOWN AS PROJECT BW.

WHEREAS, BWJ Consulting has been operating in Abilene since 1996, was incorporated in 1998 and began steel fabrication in 2000; and,

WHEREAS, The company is owned by Peggy and Bob Johnson and currently has over 20 employees with headquarters on East US Hwy 80 on a 63 acre site; and,

WHEREAS, the company's steel fabrication work for another Abilene manufacturer and other clients has grown to the point where more space is needed; and,

WHEREAS, BWJ Consulting designed a new 28,400 s.f. building on their site and plan to house a number of pieces of capital equipment there, including welding machines, millers and overhead cranes, for a total anticipated capital investment of \$3 million; and,

WHEREAS, a foundation permit was issued and construction needs to begin right away for the company to meet a large order coming in February or March of next year; and,

WHEREAS, on June 10, 2014, the DCOA approved Resolution DCOA-2014.33 authorizing assistance for Project BW of \$539,000, with \$114,000 for job creation of 20 and \$425,000 for capital investment of \$3 million; and,

WHEREAS, the company is working with Jacob & Martin for construction design and site plan approval through the City, and fire protection has become an issue for the site; and,

WHEREAS, the structure is classified as not needing a fire suppression system; however, the water supply to the site will not provide enough volume to fight a potential fire, creating the need for a water line extension and 3 fire hydrants on site; and,

WHEREAS, staff requests the DCOA authorize amended assistance for BWJ Consulting by adding up to \$80,000 to the existing assistance of \$539,000 for installation of a fire line and fire hydrants.

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

PART 1. DCOA hereby authorizes amended financial assistance for BWJ Consulting (Project BW) totaling Six Hundred Nineteen Thousand and no/100's Dollars (\$619,000), which represents an increase of \$80,000 over the original assistance package of \$539,000 approved under Resolution DCOA-2014.33. The assistance shall be as follows:

Job Creation Incentive – \$114,000 paid for 20 new positions in excess of the existing 21 FTE positions over 5 years, 75% of which are in the \$20,000-\$30,000/annual salary range.

Job Creation Incentives - Project BW

Annual Salary Level*	Number of Jobs	Incentives per Job	Incentives Total
Under \$15,000	0	\$ 1,000	\$ -
\$15 to \$20,000	0	\$ 2,000	\$ -
\$20 to \$30,000	15	\$ 4,000	\$ 60,000
\$30 to \$40,000	3	\$ 10,000	\$ 30,000
\$40 to \$50,000	2	\$ 12,000	\$ 24,000
\$50 to \$60,000	0	\$ 15,000	\$ -
Over \$60,000	0	35%	\$ -
Total:	20		\$ 114,000

* Calculations based on salaries provided without non-mandatory benefits.

Capital Investment Incentive – Total incentive of \$425,000; 1) \$50,000 based on 10% of projected capital equipment costs of \$500,000, and 2) \$375,000 based on 15% of investment for land and buildings of up to \$2.5 MM. The incentives will be paid over 5 years, up to \$85,000/year, upon receipt of proof of actual costs.

Capital Investment Incentives - Project BW

Investment:		Incentives %	Incentives Total
Land and/or Building	\$ 2,500,000	15%	\$ 375,000
Capital Equipment	\$ 500,000	10%	\$ 50,000
Total:	\$ 3,000,000		\$ 425,000

Infrastructure Assistance – Reimbursement at 100% up to \$80,000 for installation of a fire line and 3 fire hydrants on site to comply with Fire Marshal requirements for fire protection at the new site.

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

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

ADOPTED this the 23rd day of September, 2014.

ATTEST:

Dani Ramsay
Secretary/Treasurer

Dave Copeland
President

APPROVED:

T. Daniel Santee, City Attorney

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