

PUBLIC NOTICE

DEVELOPMENT CORPORATION OF ABILENE, INC.

A regular meeting of the Development Corporation of Abilene, Inc. will be held on Tuesday, November 4, 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

November 4, 2014
1:30 p.m.

Abilene Laboratories Conference Room
1325 Pine St.

1. Call the meeting to order.
2. Approval of minutes from the October 27, 2014, board meeting.
3. Presentation of Annual Reports for Fiscal Year Ended September 30, 2014 by:
 - Texas Tech University Small Business Development Center
 - Abilene Industrial Foundation
 - Abilene Chamber of Commerce Military Affairs Committee
 - City of Abilene Airport Business Development Manager
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 amended language in the FY15 contract with the Abilene Industrial Foundation.
6. Discussion and possible approval of a resolution authorizing change orders and additional funding for construction to add a doghouse to Hangar 1 at the Abilene Regional Airport occupied by Eagle Aviation Services.
7. 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
October 27, 2014

MEMBERS PRESENT: Dave Copeland Marelyn Shedd
 Scott Senter John Beckham

MEMBER ABSENT: Dana Ramsay

STAFF PRESENT: Kent Sharp Kim Tarrant
 Daniel Santee

GUESTS PRESENT: None

1. **CALL THE MEETING TO ORDER:** President Dave Copeland called the meeting to order at 1:36 p.m. at Develop Abilene, 174 Cypress St., 3rd floor, Abilene Texas.
2. **APPROVAL OF MINUTES FROM THE OCTOBER 27, 2014, BOARD MEETING:** Scott Senter moved to approve the minutes from the October 27, 2014, board meeting. Marelyn Shedd seconded and the motion carried.
3. **EXECUTIVE SESSION:** 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 October 27, 2014, and the time is 1:38 p.m. Later, President Copeland announced the date is still October 27, 2014, and the time is 3:16 p.m. No vote or action was taken in Executive Session.

4. **ADJOURNMENT:** The next meeting is scheduled for Tuesday, November 4, 2014, at 1:30 p.m. There being no further business the meeting was adjourned.

Dave Copeland, President

DEVELOPMENT CORPORATION OF ABILENE, INC.
BOARD AGENDA
MEETING DATE: November 4, 2014

PROJECT: Annual Reports for FY14

STAFF: Kent Sharp, CEO

GENERAL INFORMATION

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

The 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.

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

SPECIAL CONSIDERATIONS

The FY14 contracts expired 9-30-14, and the DCOA approved funding for new FY15 contracts. Attached are reports covering activities during FY14 through 9-30-14.

FUNDING/FISCAL IMPACT

None.

STAFF RECOMMENDATION

Staff recommends the board approve the attached reports.

ATTACHMENT

Texas Tech Small Business Development Center Year End Report, FY14
Abilene Industrial Foundation FY14 Year-End Progress Report
Abilene Regional Airport's FY14 Annual Report

**Texas Tech Small Business
Development Center**

Year End Report

FY 14

9/30/2013 – 10/1/2014

Texas Tech Small Business Development Year – End Report (TTU SBDC)

(October 1, 2013 – September 30, 2014)

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

Job Created:	-----	237
Businesses Opened	-----	47
Clients Counseled	-----	321
Client Sessions	-----	1604
New/In Business	-----	223/98
Hours/Billed	-----	2583
Capital Formation:	-----	\$4,886,090
DCOA Cost per Job Creation	-----	\$817

Salary ranges for businesses assisted by the TTU SBDC are from minimum wage to professional level.

Sample of Job Creation Categorized by NAIC Codes (North American Industry Codes)

Accommodations/Food	134
Retail	40
Surplus Dealer	11
Arts/Entertainment	16
Transportation/Warehousing	16
Health Care	10
Construction	06
Professional/Technical	02
Manufacturing	02

TTU SBDC Compliance

Third party survey/report completed and filed with the State of Texas Comptroller's office. Good Results.

U.S. Small Business Administration conducted the annual review and issues a letter of compliance and good standing.

Northwest Texas Region office conducted their review in May of 2014.

U.S. Small Business Administration, Washington, D.C. Conducted a review of the Northwest Texas regional office that included information from all Northwest Texas centers (including Abilene). Good Results

Downtown Update

Texas Tech Small Business Development Center continues to attend meetings and becoming more involved with the Downtown Association. SBDC clients that have opened new businesses in the downtown area are working together to create an atmosphere of comradery. The TTU SBDC is planning to provide a speaker that is experienced in downtown associations and development.

Dyess Update:

Continue individual assistance to Dyess personnel on a one to one business consulting.

Worked with Mr. Miller, Dyess Procurement Chief to give a seminar and vendor fair at Dyess this past year.

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.

Assisting local company currently awarded as a sub-contractor for a \$5.1mm project at Dyess . The client is expecting a portion of a 4.0 mm project.

Assist in increasing minorities contracting at Dyess.

Assisted Dyess personnel in establishing businesses in Abilene. (Fire House Subs, Abi Haus, Betty and June, and Auto Aide and Filo Liquors)

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.

Working with the Griggs Center for Entrepreneurship involving assistance with their new Maker Lab. The TTU SBDC has a graduate student working with the new emerging ideas and businesses coming from ACU through Springboard and the Maker Lab.

Assisted 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

Seminars/Workshops

Quickbooks

Preparing an Investor Pitch

Business Start Up

Franchise Opportunities

Payroll Responsibilities

Government Contracting

Workplace Issues

(Seminars are not included in the Performance Based DCOA contract)

NEW BUSINESS SAMPLES – FY 14

Dr. Pacuraru

Enchilada Express

O'Bar Wrecker- Purchase

Apex Auto

Pappy Slokum Brewery

The Painted Chandelier

Big C Welding

Rab's Shoe Locker

Family Clinic

Natural Food Center

Mr Rooter

Landscape Irrigation

Tortuga Flowers

The British Shoppe



Develop Abilene

Abilene Industrial Foundation

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

October 17, 2014

Mr. Kent Sharp
Chief Executive Officer
Development Corporation of Abilene
P. O. Box 60
Abilene, TX 79604

Dear Kent:

In accordance with the terms of the Development Corporation of Abilene contract with the Abilene Industrial Foundation, the following year-end progress report is submitted for the period of October 1, 2013 to September 30, 2014 inclusive.

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

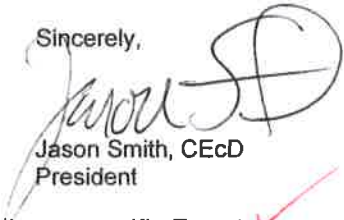
Marketing Budget	\$175,000.00
Spent to Date (preliminary figures)	\$127,355.37

	10/13 thru 3/14	4/14 thru 9/14	Total
Qualified leads received	15	10	25
Qualified leads responded to	15	10	25
Unqualified leads received	6	10	16
Prospect visits to Abilene	8	14	22
New prospect files opened	1	3	4
Retention visits	24	28	52
Retention/expansion luncheon	52	50	102
Inquires/contacts with consultants/prospects	115	110	225

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

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

Sincerely,


Jason Smith, CECD
President

cc: Kim Tarrant ✓
Justin Jaworski

Enclosures

Abilene Industrial Foundation
FY 2013-14 Year-End Marketing Activity Summary
April 1, 2014 – September 30, 2014

ADVERTISEMENTS PLACEMENT

- Total advertisement submissions – 5
- Total advertisement placement costs – \$10,590.00* (preliminary)

LEAD ACTIVITY

- Qualified leads received from all sources – 10
- Qualified leads AIF responded to – 10
- Unqualified leads received from all sources - 10

PROSPECT ACTIVITY

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

WEBSITE & ELECTRONIC MARKETING

- E-Newsletter distributions – 302
- E-Newsletter costs – \$0
- Website/electronic marketing changes & enhancements – \$148.17
- Trade & Industry ED Agency web listing
- Develop Abilene webstats:
 - Visits – 4,338
 - Unique Visitors – 3,088
 - Page views – 16,678

TRADE SHOW / CONFERENCE ACTIVITY

- Texas Alliance Expo – Wichita Falls
- SEDC Site Consultant Forum – Dallas
- IAMC Forum – Pinehurst, North Carolina
- AWEA WINDPOWER 2014 – Las Vegas
- IEDC Spring Conference – Minneapolis
- West Texas Energy Consortium – Abilene
- Cline Shale Quarterly Luncheon – Colorado City
- High Ground Regional Meeting, Odessa
- Team Texas Showcase Event, Austin
- SEDC Annual Conference, Memphis

CONSULTANT / RETENTION / EXPANSION ACTIVITY

- Visits with Consultant/Prospect – 110
- Manufacturers Luncheon – April 10, 2014 – 50 attendees
- Ranger Game Consultant Event – April 1, 2014 – 15 attendees
- Ranger Game Consultant Event – September 25, 2014 – 18 attendees
- Retention Visits – 28

PUBLIC RELATIONS

- Economic Development Public Relations 101 with Tucker & Associates – 14 attendees

PRESENTATIONS

- Leadership Abilene
- International Rescue Committee
- Abilene Businessmen's Club

Abilene Industrial Foundation
Marketing & Retention Activities
April 1, 2014 – September 30, 2014

- Retained Tucker & Associates as a public relations and communications advisor and began an economic development public relations program
- Engaged Site Selection Group from Dallas to perform a workforce assessment of the Abilene labor force
- Performed economic impact analyses of prospects and projects using the Total ImpactAbilene model developed by Impact DataSource
- Updates to buildings and sites database including Locationone Information Systems (LOIS)
- Preparation and implementation of IEDC Site Selection Standards
- Development and preparation of individual prospect packages
- Hosting of prospect visits to Abilene including tours to specific sites
- Maintenance of DevelopAbilene website
- Development of the CLP2 (Contacts, Leads, Prospects and Projects) database
- Monthly updates of all printed marketing/informational materials for the Abilene Information File, including Economic Indicators, Labor Market Review, Cost of Living, Building Permits, Wage Surveys, Sales & Use Tax, etc.
- Placement of advertisements in selected publications
- Visits to Site Selection Consultants – Dallas/Ft. Worth
- Memberships in the following organizations:
 - International Economic Development Council
 - Industrial Asset Management Council
 - International Council of Shopping Centers
 - Southern Economic Development Council
 - Team Texas
 - Texas One
 - Texas Economic Development Council
 - The High Ground of Texas
 - Texas Midwest Community Network
 - American Wind Energy Association
 - Texas Renewable Energy Industry Association
 - Cline Shale Alliance
 - Texas Wind Energy Clearinghouse
 - West Texas Energy Consortium
- Hosted Site Selection Consultant Events
 - April 2014 Phillies v. Rangers
 - September 2014 Oakland A's v. Rangers
- Trade Show attendance
 - WINDPOWER 2014 – Las Vegas
 - Texas Alliance Expo – Wichita Falls
 - West Texas Energy Consortium - Abilene
- Conference attendance
 - SEDC Site Selection Forum – Dallas
 - IAMC Forum – Pinehurst, North Carolina
 - IEDC Spring Conference – Minneapolis
 - SEDC Annual Conference - Memphis
- 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

Attachment 2

- Cline Shale
 - Cline Shale Alliance – San Angelo
 - Cline Shale Alliance – Colorado City
- The High Ground
 - Board Meeting – Plainview
 - Regional Round Table Meeting – Odessa
 - Forward Planning Meeting – Plainview
- Team Texas
 - Team Texas Showcase Event – Austin

Category	Allocation	10/1/13 to 3/31/14	4/1/14 to 9/30/14	YTD
Advertisements (1)	\$ 20,000.00	\$ 3,000.00	\$ 10,590.00	\$ 13,590.00
Website (2)	\$ 5,000.00	\$ 4,450.11	\$ 148.17	\$ 4,598.28
Marketing Material (3)	\$ 15,000.00	\$ 996.97	\$ 4,264.27	\$ 5,261.24
Public Relations (8)	\$ 29,000.00	\$ 1,788.86	\$ 31,296.48	\$ 33,085.34
Trade Show/Conferences (10)	\$ 30,000.00	\$ 16,357.29	\$ 20,407.45	\$ 36,764.74
Site Consultant Activity (12)	\$ 30,000.00	\$ 14,241.81	\$ 12,217.95	\$ 26,459.76
Direct Mail (13)	\$ 1,000.00	\$ 523.11	\$ -	\$ 523.11
Business Retention Activity (14)	\$ 5,000.00	\$ 1,368.50	\$ 1,766.36	\$ 3,134.86
Local Communications (15)	\$ 15,000.00	\$ -	\$ -	\$ -
Memberships & Affiliations (18)	\$ 25,000.00	\$ -	\$ 3,938.04	\$ 3,938.04
Total	\$ 175,000.00	\$ 42,726.65	\$ 84,628.72	\$ 127,355.37

Abilene Regional Airport's FY 2014 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, fare comparisons and the importance of flying out of Abilene. 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. The Business Development Manager has joined Rotary of Abilene and American Advertising Federation of Abilene to reach out to more local businesses and potential passengers.

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

Apr. 8	American Advertising Federation Presentation
Apr. 4	Comanche Network Luncheon
Apr. 29	Taste of Abilene table sponsor
May 16	Winters School Tour @ ABI
July 16	KTABontheRoad, Ballinger
Aug. 14	SHRM Presentation, Brownwood
Aug. 18	Attended Boyd Aviation Summit
Aug. 25	HSU Orientation, STAMPEDE
Sept. 9	Brownwood Business Showcase
Sept. 18	Business After Hours (Abilene) sponsor

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. In FY14 we also produced billboard advertisement on 6 different digital billboards around Abilene.

Air Service Consultant

Boyd Group International continues to serve as our air service development consultant and provides quarterly reports to airport staff on ABI's relative performance, maintaining current air service and emerging opportunities.

Social Media

Facebook continues to be a marketing tool that we use to communicate with our passengers and the general public. We have 910 page likes, 15,500 page visits, with about 1400 of those actively engaging in our page. www.facebook.com/abileneairport

Twitter, @abairport, has increasingly become an imperative tool to communicate to media relations as well as enabling customer engagement. We currently have 473 followers, adding follower's every day.

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 1780 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 15%.

Revenues:

Major revenue sources to the airport are the car rental concessions and the parking lot.

Rental Car Revenue is up 42.66%.

Parking lot revenue is up 17.93%.

EASI Parking Revenue Invoiced @\$0.70

October	2573	entries	\$1,801.10
November	2276	entries	\$1,593.20
December	2101	entries	\$1470.70
January	2223	entries	\$1556.10
February	1895	entries	\$1,326.50
March	2050	entries	\$1,435.00
April	2157	entries	\$1,509.90
May	2103	entries	\$1,472.10
June	2112	entries	\$1,478.40
July	2283	entries	\$1,598.10
August	2138	entries	\$1,496.60
September	2006	entries	\$1,404.20
Total	25,817	Entries	\$18,141.90

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.

The merger of USAirways and American Airlines will continue through at least 2017. Envoy, which currently operates all of ABI's American Eagle flights, still does not have a new pilot labor agreement and American Airlines Group (AAG) will not lease the new larger regional jets to Envoy unless an agreement is reached. Airport staff and community leaders continue to monitor this situation closely for local impacts.

The recent lower oil price is good news for airline profits, but in a region where oil production is a key industry, it may slow ABI enplanements growth. Additionally, national/international public health concerns may also slow air passenger growth across the country in the first quarter of FY15, similar to the H1N1 concerns a few years ago. That said, ABI continues to benefit from a fairly diversified passenger base and, as long as fares continue to be competitive with DFW's, enplanements should continue to grow, although probably not at as high a rate as FY14.

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.

DEVELOPMENT CORPORATION OF ABILENE, INC.

BOARD AGENDA

MEETING DATE: November 4, 2014

PROJECT: Abilene Industrial Foundation FY15 Amended Contract Language

STAFF: Kent Sharp, CEO

BACKGROUND INFORMATION

On August 26, 2014, the DCOA board approved a FY15 contract and corresponding funding for the Abilene Industrial Foundation ("AIF"). The AIF provides business recruitment and marketing services as well as business retention services. The FY15 budget of \$604,775 includes; 1) \$429,775 for operating expenses (an increase of \$1,986 over FY14), and 2) \$175,000 for marketing expenses (an increase of \$30,000 over FY14).

THE REQUEST

Chamber and AIF President Jason Smith is requesting the DCOA consider amended language in the FY15 contract as follows:

1. AIF shall implement an approved marketing plan, which is attached hereto as Exhibit B, with the following objectives:
 - Achieve a maximum return on investment by producing quality prospects ~~that will be given to the DCOA to negotiate an assisted move or expansion~~ and immediately engage DCOA to negotiate an assisted move or expansion,
 - Maintain a break even strategy of managing costs to budget,
 - Establish a greater network of relationships with key site selection consultants and target industry contacts, and
 - Produce a higher quality return on investment for its advertising efforts.
2. Change the contract signatory from the current AIF board chairperson to Jason Smith as President of the AIF.

The attached redline copy of the FY15 contract indicates the areas Mr. Smith requests be changed.

FISCAL IMPACT

None.

STAFF RECOMMENDATION

None.

ATTACHMENTS

FY15 redline contract between the DCOA and Abilene Industrial Foundation

S:\DCOA\Meeting Memos\FY2015\AIF FY15 contract amended language 11-4-14.doc

THE STATE OF TEXAS X
 X
COUNTY OF TAYLOR X

KNOW ALL MEN BY THESE PRESENTS:

This Agreement, effective the 1st day of October 2014, by and between the **Development Corporation of Abilene, Inc.** ("DCOA"), acting by and through its Chief Executive Officer, 174 Cypress St., Ste. 301, Abilene, Texas, 79601, the **Abilene Industrial Foundation, Inc.**, Abilene, Texas ("AIF") located at 174 Cypress St., Ste., 300, Abilene, Texas, 79601.

WITNESSETH:

That for and in consideration of the covenants, promises, and agreements set forth herein, it is mutually agreed as follows:

I. PURPOSE

The AIF is a 501(c)(6) nonprofit corporation that, in part, fosters manufacturing and industrial expansion and job creation. The DCOA and AIF wish to enter into an agreement whereby the DCOA, acting in accordance with the Development Corporation Act of 1979 (as amended), contract for services and reimbursement for certain expenses incurred by the AIF for the purpose of promoting and marketing Abilene. Section 4A(b)(1) of the Development Corporation Act of 1979 (as amended) allows the DCOA to support promotional efforts designed to enhance the economic condition of the Abilene community.

The DCOA shall act through its agent, the Chief Executive Officer (CEO) or his duly authorized representative unless otherwise stated in this Agreement.

II. DUTIES

A. The DCOA shall:

1. Reimburse AIF for certain funds expended for operation of the AIF associated with promoting and marketing Abilene and vicinity in an amount not to exceed Six Hundred Four Thousand Seven Hundred Seventy-Five and no/100's Dollars (\$604,775) in accordance with the budget attached hereto as Exhibit A. Funding described herein shall be limited to activities beginning October 1, 2014 and ending on September 30, 2015, as follows:

- Operating expenses - \$429,775
- Marketing activities - \$175,000

Expenses shall be reimbursed to the AIF no later than 14 days after receipt of invoices detailing eligible expenses incurred, subject to reimbursement under this contract.

2. Monitor the use of such funds to ensure appropriate use of the funds. Funds shall be disbursed after execution of this Agreement and compliance with the provisions herein. The AIF may then submit a written request for disbursement.

B. The AIF agrees to:

1. Strengthen and diversify the economy of Abilene by retaining, expanding and attracting businesses to the various economic sectors of the city.
2. Implement an approved marketing plan, which is attached hereto as Exhibit B, with the following objectives:
 - Achieve a maximum return on investment by producing quality prospects ~~that will be given to the DCOA to negotiate an assisted move or expansion~~ and immediately engage DCOA to negotiate an assisted move or expansion,
 - Maintain a break even strategy of managing costs to budget,
 - Establish a greater network of relationships with key site selection consultants and target industry contacts, and
 - Produce a higher quality return on investment for its advertising efforts.
3. Submit a written report to DCOA by April 10, 2015 of progress made in developing leads and prospects through activities specified in the above-mentioned Marketing Plan since October 1, 2014. The report shall also be presented orally to the DCOA during the April 2015 board meeting, or the first board meeting to occur subsequent to April 10, 2015.

In addition, a second written report will be submitted by October 10, 2015 of progress made since April 2015. Likewise, the report shall be presented orally to the DCOA during the October 2015 board meeting, or the first board meeting to occur subsequent to October 10, 2015.

4. Submit a draft copy of the Marketing Plan being developed by AIF for Fiscal Year 2015 to staff of the DCOA by June 1, 2015 for review and input prior to finalization of the Plan for budgeting and contracting purposes.
5. Administer a Retention & Expansion Visitation Program to include visiting local businesses to establish an atmosphere of trust between management, local economic development organizations and governments.
6. Furnish to staff of the Economic Development Department of the City of Abilene, within 30 days of the end of the invoice period and in the format specified by the DCOA, invoices detailing eligible expenses and a written report of activities in the areas of:

- a. Direct Mail/Advertising
- b. Prospect Response
- c. Site Visits to Prospects
- d. Prospect Visits to Abilene
- e. Retention & Expansion Visits

The AIF may invoice the DCOA for expenses directly related to the implementation of the Abilene Industrial Foundation 2014-2015 Marketing Plan upon receipt of invoice for payment of services from the marketing firm hired to assist with implementation of said marketing plan. Each invoice submitted to the DCOA shall include a copy of a corresponding invoice from the marketing firm.

The AIF shall keep or cause to be kept an accurate record of all actions taken and other activities in the above-mentioned areas in pursuit of the objectives of the performance of this Agreement.

- 7. Provide support on national economic development issues using whatever resources are available.
- 8. Maintain and, upon request, make available for inspection, audit or reproduction by any authorized representative of the DCOA, books, documents and other evidence pertaining to the cost and expenses of this contract, hereinafter called the "Records", to the extent and in such detail as will properly reflect all costs, direct and indirect, of labor, material, equipment, supplies and services and other costs and expenses of whatever nature for which reimbursement is claimed under the provisions of this contract. All records shall be maintained in accordance with generally accepted accounting principles.
- 9. Maintain records for 3 years after final payment on any programs under this Agreement.
- 10. Adhere to the budget attached hereto as Exhibit "A". No shift in funds from any one of the following budget expenditure categories or items to another shall occur without prior written approval of the CEO:
 - a. Programs & Services
 - b. Administrative & General
 - c. Staff Expenses
 - d. Marketing Expenses
- 11. No later than March 31st following the closeout of the fiscal year, provide the CEO an annual audit conducted in accordance with standards established by the American Institute of Certified Public Accountants.
- 12. Exclude from any reimbursement invoice the following budget items

which, by mutual consent of the DCOA and AIF, shall not be funded by the DCOA:

- a. Pledge Drive Expense
 - b. Legislative
 - c. Sundry
 - d. Governmental Affairs
13. Fully cooperate with the DCOA in monitoring the effectiveness of the services and work to be performed by the AIF's compliance with the terms of this Agreement. The DCOA shall have access at all reasonable hours to offices and records of the AIF, its officers, directors, agents and employees for the purpose of monitoring the funds, expenditures, and all activities of the AIF which are the basis of this Agreement.
 14. Carry out all activities in compliance with the Development Corporation Act of 1979 (as amended) (the Act). The AIF has read and is familiar with the terms and conditions of the Act under which these funds are granted. The AIF shall fully comply with said terms and conditions. The AIF shall use said funds strictly for those purposes and goals intended under the terms and conditions of this Agreement.
 15. Comply with the terms and provisions of the Texas Public Information Act.

III. DURATION, TERMINATION

This contract may be terminated by the DCOA or AIF in whole, or from time to time, in part, upon good cause and whenever such termination is in the best interest of the DCOA or the AIF. Termination will be effective 60 days after delivery of Notice of Termination specifying to what extent performance or work under the contract has been terminated and specifying that the contract shall be terminated 60 days after receipt by the notified party. If no notice of termination is received from either party prior to August 2, 2015, this contract expires without notification on September 30, 2015.

IV. STATUS OF AIF AS INDEPENDENT CONTRACTORS

AIF shall operate hereunder as Independent Contractors and not as officers, agents, servants, or employees of the DCOA. AIF shall have exclusive control of, and the exclusive right to control, the details of the work and services performed hereunder, and all persons performing same so long as such services are consistent with this agreement. For the duration of this Agreement, AIF shall be solely responsible for the acts and omissions of their officers, directors, authorized agents, servants, and employees in connection with this Agreement.

The DCOA shall not be responsible or liable for the acts or omissions of AIF's officers, directors, agents, or employees nor vice versa. The doctrine of respondeat superior shall not apply between the DCOA and AIF and any subcontractors. The doctrine of

respondeat superior shall not apply between the Contractors and their subcontractors, program participants, licensees or invitees.

AIF shall not be responsible or liable for the acts or omissions of the DCOA's officers, directors, agents, or employees. The doctrine of respondeat superior shall not apply between AIF and the DCOA or between DCOA and any subcontractors of AIF.

Nothing herein shall be construed as creating a partnership or joint enterprise between the DCOA and AIF. It is expressly agreed that no officer, director, member, agent, employee, subcontractor, licensee, or invitee of AIF is in the paid service of the DCOA. The DCOA does not have the legal right to control the details of the tasks performed hereunder by AIF, its officers, directors, members, agents, employees, subcontractors, program participants, licensees, or invitees. In no event shall any person participating in the program of AIF be an officer, agent, servant, or employee of the DCOA.

V. VENUE

Should any action, whether real or asserted, at law or in equity, arise out of the execution, performance, attempted performance or non-performance of this Agreement, venue for said action shall be in the City of Abilene, Taylor County, Texas.

VI. ASSIGNMENT

The AIF shall not assign all or any part of their rights, privileges, or duties under this Agreement without the DCOA's prior written approval. Any attempted assignment of same without approval shall be void, and shall constitute a breach of this Agreement.

VII. INDEMNITY

AIF shall operate hereunder as an Independent Contractor and not as an officer, agent, servant, or employee of DCOA and/or City. Nothing herein shall be construed as creating a partnership or joint enterprise between DCOA and/or City and AIF. It is expressly agreed that no officer, director, member, agent, employee, subcontractor, licensee, or invitee of AIF is in the paid service of DCOA and/or City. DCOA and/or City do not have the legal right to control the details of the tasks performed hereunder by AIF, its officers, directors, members, agents, employees, subcontractors, program participants, licensees, or invitees.

AIF further agrees that it shall at all times exercise reasonable precautions on behalf of, and be responsible for the safety of, its officers, agents, employees, customers, visitors, as well as their property, while performing the tasks required under this Agreement.

AIF agrees to indemnify, hold harmless, and defend DCOA and the City, their respective officers, agents, and employees from and against all liability for claims, liens, suits, demands, and/or actions for damages, injuries to person (including death), property damage (including loss of use), and expenses including court costs and attorney's fees, and reasonable costs arising out of or resulting from AIF's

activities conducted under or incidental to this Agreement and from any liability arising out of or resulting from the intentional acts or negligence, including all such causes of action based on common, constitutional, or statutory law, or based in whole or in part on the negligent or intentional acts or omissions of AIF, including but not limited to its officers, agents, employees, subcontractors, licensees, invitees, and other persons.

Further, the DCOA and the City assume no responsibility or liability for harm, injury, or any damaging events which are directly or indirectly attributable to premise defects which may now exist or which may hereafter arise upon the premises, responsibility for any and all such defects being expressly assumed by AIF. This indemnity provision applies to any and all claims, suits, demands, and/or actions based upon or arising from any such premise defects or conditions, including but not limited to its officers, agents, employees, subcontractors, licensees, invitees, and other persons.

It is further agreed with respect to the above indemnity that the DCOA and AIF will each provide the other prompt and timely notice of any event covered which in any way, directly or indirectly, contingently or otherwise, affects or might affect AIF or DCOA, and each shall have the right to reasonably compromise and defend the same to the extent of its own interest.

VIII. AGREEMENT

This Agreement shall constitute the sole agreement between AIF and the DCOA relating to the object of this Agreement and correctly sets forth the complete rights, duties, and obligations of each party to the other as of its date. Any prior agreements, promises, negotiations or representations, verbal or otherwise, not expressly set forth in this Agreement are of no force and effect.

**ABILENE INDUSTRIAL
FOUNDATION, INC.**

~~Yvonne Batts, Chairperson~~
Jason Smith, President

Date: _____

ATTEST:

Iris Kammerdiener, Administrative Asst.
Abilene Industrial Foundation

**DEVELOPMENT CORPORATION OF
ABILENE, INC.**

Kent Sharp, Chief Executive Officer

Date: _____

ATTEST:

Kim Tarrant, Business Services Manager

APPROVED:

T. Daniel Santee, City Attorney

EXHIBIT A

IF PROPOSED OPERATING BUDGET FY 2014-15

		Budget Year Ending 9/30/14	Proposed Budget FYE 9/30/15	Net Change Increase/ Decrease	Monthly
REVENUE					
	Development Fund	44,800	46,300	1,500	3,858
	DCOA	427,789	427,789	-	35,649
	Other Income	-	-	-	-
	Total Revenue Expenditures	472,589	474,089	1,500	39,507
PROGRAM & SERVICES EXPENDITURES					
	Equipment Purchase	3,600	3,600	-	300
	Prospect Development	60,000	60,000	-	5,000
	Special Functions	36,000	1,000	(35,000)	83
	Pledge Drive Expense *	500	500	-	42
	Total Program & Services Expenditures	100,100	65,100	(35,000)	5,425
ADMINISTRATIVE & GENERAL					
	Accounting	9,600	9,600	-	800
	Administrative Fee (ACOC)	8,500	-	(8,500)	-
	Auditing & Legal	2,000	2,000	-	167
	Automobile	6,000	2,000	(4,000)	167
	Office Supplies	3,600	3,600	-	300
	Repair & Maintenance	1,000	1,000	-	83
	Postage	1,000	1,000	-	83
	Printing	2,000	1,000	(1,000)	83
	Telephone	5,000	5,000	-	417
	Rental of Facility **	27,400	26,000	(1,400)	2,167
	Internet Expenses	1,000	1,000	-	83
	Depreciation	-	-	-	-
	Equipment Rental	1,200	2,200	1,000	183
	Dues/Subscriptions	4,000	4,000	-	333
	Travel & Professional	1,800	5,800	4,000	483
	Property Insurance	2,500	2,625	125	219
	Liability Insurance	600	600	-	50
	Sundry *	1,800	1,800	-	150
	Computer Services	3,000	3,000	-	250
	Total Administrative & General	82,000	72,225	(9,775)	6,019
STAFF					
	Contract Services	3,600	3,600	-	300
	Salaries	230,104	230,000	(104)	19,167
	Payroll Tax	16,052	17,500	1,448	1,458
	Group Medical **	7,534	16,500	8,966	1,375
	Life Insurance **	3,000	2,000	(1,000)	167
	Retirement	18,408	17,500	(908)	1,458
	Unemployment Tax	291	450	159	38
	Worker's Comp **	1,000	1,200	200	100
	Professional Development	3,000	6,000	3,000	500
	*Governmental Affairs/Legislative **	42,000	44,000	2,000	3,667
	Total Staff Expenditures	324,989	338,750	13,761	28,229
TOTAL EXPENDITURES		507,089	476,075	(31,014)	39,673
NET REVENUE OVER EXPENDITURES FROM OPERATIONS					
OTHER REVENUE (EXPENDITURE)					
	Revenue-DCOA-Ad Campaign	175,000	175,000	-	14,583
	Dyess Marketing **	297,000	-	(297,000)	-
	NET REVENUE (EXPENDITURES)	472,000	175,000	(297,000)	14,583
	Operating expenditures submitted to DCOA	462,289	429,775		
	Operating expenditures not submitted to DCOA*	44,800	46,300		
	Total operating expenditures	507,089	476,075		
	Total Requests (includes AD Campaign and	934,289	604,775		
	Operating Expenditures submitted to DCOA)				
	<i>Subject to negotiation**</i>				

EXHIBIT B



Marketing Plan

Fiscal Year 2014-15

Table of Contents

Executive Summary	12
Abilene Industrial Foundation	13
Situation Analysis	14
S.W.O.T. Analysis	15
Marketing Strategy	17
Target Market	17
Networking Opportunities	17
Positioning	18
Product	19
Communication Tactics	19
Advertising	19
Marketing Research	19
Business Retention and Expansion	20
Marketing Budget	20
Abilene Industrial Foundation Staff	Error! Bookmark not defined.

Executive Summary

Even with a fluctuating economy, marketing remains at the core of economic development and is a necessity in today's increasingly competitive environment. Whether it's marketing for business recruitment, business retention, or attracting a quality labor force, every economic development organization is expected to be one of the chief promoters of the community. As communities have realized the need to market themselves to attract and retain businesses, competition between communities has risen significantly.

The Abilene Industrial Foundation (AIF) is an affiliate of the Abilene Chamber of Commerce, working under contract to the Development Corporation of Abilene (DCOA). The AIF is responsible for site selection assistance, marketing, and existing business retention/expansion, and is a source of comprehensive information for expanding relocating businesses. It is also the primary provider of marketing materials to interested parties in a number of formats.

The AIF focuses on creating and establishing relationships with site selection consultants in various locations around the country. The organization serves more than 1,500 site selection consultants annually via personal relationships and communication tactics such as e-newsletters and magazine advertising. The AIF maintains communication with a large number of local businesses and manufacturers throughout the Abilene area by actively engaging in an expansion, retention, and visitation program.

The success of these efforts is documented through month-to-month reports that confirm the response rate and transition of the client to prospect and eventually corporate citizen of Abilene. The AIF will also strive to increase public awareness and understanding of the DCOA and its partnering agencies through public awareness campaigns, as well as media coverage.

Abilene Industrial Foundation

In 1962, The Abilene Industrial Foundation received a Certificate of Incorporation from the State of Texas under the initial Board of Directors: Andrew B. Shelton, Walter F. Johnson, Oliver Howard, Briggs Todd, and James S. Lauderdale (President).

The Articles of Incorporation stated the purposes as: promoting the business interest of the City of Abilene including rendering financial and other assistance to the manufacturing, industrial, business, and trade development of the City and vicinity; to render aid to manufacturing, industrial, scientific, educational, and business enterprises situated in the City, and to induce the location within the City of other manufacturing, industrial, scientific, educational, and business establishments; to purchase, subdivide, sell, and lease real property in the City or its suburbs and to erect or repair any building or improvement for the use of any manufacturing, industrial, scientific, educational, or business enterprise within the City or vicinity, and to accumulate and lend money for said purposes.

Today the Abilene Industrial Foundation serves as a programming arm for the DCOA and is responsible for recruitment of new businesses and retention and expansion of existing businesses. The mission of the Abilene Industrial Foundation is to promote the growth, development and diversification of the economy in and around Abilene, Texas, by attracting new industries, retaining and expanding existing industries, and supporting the federal, state and military agencies presently located in Abilene.

Situation Analysis

Marketing efforts must adapt to the changing environment and be ready to change at a moment's notice, all while keeping focused on its predetermined goals. As a result, the AIF must provide direction, focus, sustainability, and buy-in through its marketing efforts. The marketing plan is a road map not a destination.

More than ever, Abilene is being studied and evaluated by clients who are utilizing internet-provided information and accessing technological resources (i.e. website, demographic databases, etc). On many occasions, this activity is performed well before Abilene is contacted by the prospect or consultant. It is critical that the AIF maintain a comprehensive, functional, and efficient website.

Consultants are the catalysts of the site selection industry. Abundant research is required to make the proper site selection and is therefore a function more suitable for professional site selection consultants. For this reason, the AIF will continue to develop networks of relationships with key consultant companies which "drive" most corporate expansion/relocations in today's business environment. Utilizing all forms of assistance from allies and agencies, the AIF will interface with the offices of the major consultant companies at every available opportunity.

The AIF will also continue efforts to grow Abilene's labor force through various partnerships and focus marketing efforts towards the 5 Points Business Park, other DCOA owned properties, and properties within Abilene that are suitable for primary employers. Limitations currently exist with building inventory and labor force availability. While the AIF is hard at work to ensure Abilene is competitive for projects, we are equally as concerned with growing the current labor force.

The Retention/Expansion program will also remain a high priority for the AIF. Existing industry activity accounts for around 70% of all new investment and job creation in a community. The least expensive customer to reach is an existing one. The current manufacturers and other employers in the community are the best resources for doing business in Abilene; therefore, the AIF will continue to focus on creating jobs from this base. As opportunities present themselves, the AIF will conduct visits to corporate headquarters of existing Abilene industries.

With the emergence of the Cline Shale west of Abilene and its potential impacts to Abilene and West Texas, marketing efforts will have to adapt quickly, should the development live up to its reported potential. In this instance, its effects on workforce availability, increased wages, loss of existing employees to the oil field, existing structures, available facilities and land, our marketing efforts to recruit new industry could become limited.

S.W.O.T. Analysis

The following summarizes the AIF's analysis of Abilene's strengths, weaknesses, opportunities and threats towards economic development.

Strengths

1. Leadership in public and private sector
2. Economic development sales tax
3. Available land in Five Points Business Park
4. Raw land for development
5. Content rich website
6. Additional electronic tools (i.e. newsletter, database, etc)
7. Site-selection consultant relationships
8. Specialized, educated, experienced staff
9. Existing, high-quality, marketing materials
10. Geographic location to the Union Pacific rail east/west line
11. Location on Interstate 20

Opportunities

1. Development and availability of Five Points Business Park
2. Dyess Air Force Base
3. Increased network of relationships with site selection consultants
4. Website and mobile content delivery
5. Student population
6. Growing air service/airport development
7. Attainment community for manufacturing
8. Continued development of Energy industry (oil, gas, wind)

Weaknesses

1. Availability of new or high-quality facilities
2. Availability of raw industrial land and buildings
3. Reported lack of skilled and technologically-trained labor force and support services
4. Reported lack of social/entertainment in community for younger demographic
5. Limited air service
6. The lack of a triple freeport exemption
7. Lack of modern, campus-styled technological complex

Threats

1. Availability of sites/land/spec buildings
2. Competitive communities with creative incentive programs and existing sites and parks
3. Water supply
4. The state of the economy
5. Lack of skilled and technologically-trained labor force and support services
6. Population shift to urban areas
7. Low-paying employers
8. Transportation models to major markets
9. Community's level of education in regard

9. Potential economic impact of Cline Shale

10. Continued development of life sciences industry

11. Potential to generate more entrepreneurial endeavors

to economic development

10. Potential impacts of Cline Shale to workforce, housing, transportation, and infrastructure

Marketing Strategy

The marketing strategy for the AIF is designed to 1) achieve a maximum return on investment by producing quality prospects, 2) maintain a break even strategy of managing costs-to-budget, 3) establish a greater network of relationships with key site selection consultants and 4) product a higher quality return on investment for its advertising efforts.

Target Market

Site selection consultants, Presidents/CEO's of end-user targeted industries, and commercial real estate brokers make up the primary target market. Inquiring industries have remained solid among manufacturing, telecommunications, and business services. The majority of these inquiries come through agencies and consultant relationships.

Networking Opportunities

The Abilene Industrial Foundation maintains relationships with several organizations that support the DevelopAbilene mission. These partnerships span from local associations to national organizations. The following is a list of the entities the AIF works with to promote economic development and will be at the forefront of AIF's marketing activities.

IEDC

The International Economic Development Council is the world's largest membership organization serving the economic development profession. Its programs focus on networking, professional development, advisory services/research, publication development and public policy advisement.

IAMC

The Industrial Asset Management Council is the leading association of industrial asset management and corporate real estate executives, their suppliers and service providers, and economic developers. The members of IAMC are a veritable Who's Who of Corporate Real Estate.

ICSC

The International Council of Shopping Centers is to advance the shopping center industry and to promote its role in the commercial distribution of consumer goods and services by education programs, special events, data collection, certification and advocacy for the industry.

SEDC

The Southern Economic Development Council is the oldest and largest regional economic development association in North America. The SEDC provides networking for site consultants, education, leadership training and industry publications for economic development professionals.

Team Texas

Team Texas, an organization comprised of economic development professionals from across the State of Texas. It works to provide professional site selection assistance by supplying information on available sites and buildings, details on incentive financing, Texas job creation fund, and data on Texas' nationally ranked business climate for its membership

TexasOne

TexasOne is a program of Texas Economic Development Corporation created for the purpose of marketing and promoting Texas as a premier business location. Programs are directed at a targeted audience of corporate decision makers and site selectors. Marketing activities include trade and industry events, business recruitment missions, special events, advertising and public relations, and an interactive web presence.

Texas Economic Development Council

The Texas Economic Development Council is an Austin-based, statewide, non-profit professional association dedicated to the development of economic and employment opportunities in Texas. The organization is the largest state association of economic development professionals, volunteers, and elected officials. The members share a common goal – bringing new investment and jobs to Texas.

High Ground of Texas

The High Ground of Texas is a regional economic development coalition composed of 67 counties stretching from the Panhandle to the upper Permian Basin of Texas. This association allows member communities to be represented in a regional format as a collective group for site selectors. Programs include membership representation, trade shows and marketing initiatives.

TMCN

Texas Midwest Community Network is a coalition of 27 counties in West-Central Texas designed to promote community development for its members. The Alliance sponsors a number of networking events throughout the year to enable communication among leaders and to increase regional visibility.

Other Memberships

The Abilene Industrial Foundation also holds membership in the following organizations that support the organization's marketing efforts. These include the American Wind Energy Association, Texas Renewal Energy Industry Association, Cline Shale Alliance, Texas Wind Energy Clearinghouse, and the West Texas Energy Consortium.

Positioning

As the marketing arm of the DCOA, the AIF works to present "DevelopAbilene" as a single organization to potential clients. This team approach is designed to promote efficiency and quality service. As a result, the process works seamlessly to transition prospects through the entire course of the development cycle.

Product

The AIF's product includes professional economic development services, marketing, sales efforts, sites (land, specs and existing buildings), comprehensive information, and a pro-business atmosphere.

Communication Tactics

Trade publication advertisements, E-newsletter mailings, internet advertising, trade shows and personal visits will be conducted throughout the year. Databases containing names and addresses of consultants are continually updated to maintain relationships and will continue to be expanded. These contacts will be used to set appointments, enhance our E-news mailings, and schedule personal visits. The AIF will continue to insure the website remains a highly effective outlet of information and source of attraction for Abilene. Increased public awareness of local economic development efforts will be done through increased media coverage and press conferences to highlight successes.

Advertising

The Abilene Industrial Foundation utilizes targeted advertising venues to: 1) create brand awareness and equity for "DevelopAbilene" and 2) to promote a specific resource that has been identified as a key attribute for economic development success.

Advertising mediums will employ both print and digital solutions to accomplish these two tasks. Selected publications will be limited to those that can best demonstrate an ability to:

1. Generate readership for site selectors, corporate CEOs, real estate brokers
2. Generate the greatest potential value for the cost
3. Highlight industries that have been identified as "target industries"
4. Increase the likelihood of generating click-through or contact

As print advertising continues to lose position in the marketplace, a greater emphasis will be placed on digital solutions that promote Abilene as a prime destination for economic development. These solutions will include, but not be limited to: website advertising, email newsletters, social media placement and third-party links.

The AIF also produces a number of printed materials for a variety of uses that feature our conducive business climate. These materials are most often distributed in-person at trade shows and conferences, but also are available through the DevelopAbilene web site.

Marketing Research

Research for the AIF is a continual process of gathering and updating a large amount of relevant information from the internet, through trade publications, attendance at trade shows and conferences to acquire competitive intelligence as well as update database records and develop new prospects and leads.

Business Retention and Expansion

Existing primary job employers typically represent the most likely source for expansion within a community. Therefore, it is worthwhile to engage these employers in such a way that allows for a review of existing business activities as well as future plans in an effort to identify possibilities for expansion that will lead to job growth. This process begins as an informal orientation between the AIF and primary employers to better acquaint each party as to the purpose of the time spent. After doing so, an effort is made to determine if expansion is desired and if so, what possible role the AIF might serve in a way to facilitate the process.

Marketing Budget

The following categories provide a more detailed outline of how the Abilene Industrial Foundation will utilize a marketing budget of \$175,000.

Advertising

\$20,000

Magazine and internet advertisement will be limited to select publications and sites that have the best opportunity to produce leads. As the third speculative building, known as SPEC 3, is no longer available, energies focused on real estate will center on promoting the 5 Points Business Park and other DCOA owned properties that can be developed.

Website

\$5,000

For fiscal year 2014-15, the website will be upgraded to ensure it meets current-day technologies and increase visibility to major search engine platforms. The AIF staff will operate and develop the website on a regular basis. This management of the website will allow the organization to keep the information more accurate and maintained on a timelier basis than ever before. Enhancement of this vital tool will be ongoing, as new technology is continuously being developed.

Marketing Material

\$15,000

Periodic updating of marketing materials will be undertaken. Items included in this update consist of the community profile, City of Abilene fold out map, 5 Points Business Park map, booth pop-up displays and draperies. These items are regularly updated as information changes, real estate options alter and targeted industries are adjusted each year.

Trade Shows and Conferences

\$30,000

The AIF regularly participates in trade shows and conferences to promote prospect development, recruiting efforts and networking opportunities. Many of the organizations listed in the Networking

Opportunities provide these venues. The AIF will participate in and attend tradeshow and conferences that have relativity to Abilene's targeted industries, such as American Wind Energy Association tradeshow and conferences, IAMC, and others that coincide with targeting efforts.

Site Consultant Activity**\$25,000**

The AIF conducts direct visits to the offices of a focused group of site selection consultants and attends networking events with these individuals when the opportunity arises. The consultants targeted will be professionals with proven track records of producing clientele that Abilene has designated as attractive. In addition, with the success of past consultant special events, the AIF will continue to use these settings to build relationships with a select group of consultants.

Direct Mail**\$1,000**

As the use of print mediums for communication continue to drop, direct mail efforts will have lower priority compared to digital marketing efforts. However, direct mail still plays a role in generating additional value for the AIF's marketing activities. Direct mail is most effective when paired with other forms to create results. One such example might include the distribution of a flyer designed to generate a visit to the DevelopAbilene website for industrial real estate.

Business Retention and Expansion**\$5,000**

Existing businesses represent the most valuable economic asset for Abilene. As a result, the AIF works to maintain relationships with existing employers to stay abreast of any potential issues that may adversely affect their future in Abilene and to realize the potential for growth. To help facilitate this effort, the AIF will conduct regular site visits with owners, plant managers and corporate executives. In addition, the AIF will host events such as the "Manufacturers' Luncheon" help to create and maintain a strong business partnership between the organization and these individuals.

Memberships and Affiliations**\$10,000**

The AIF invests in numerous memberships and organizational affiliations that provide a wide range of benefits. Memberships in these organizations facilitate personal contact with site selectors, corporate real estate brokers, networking, professional development, regional/state/national marketing and industry data collection.

Public Relations**\$49,000**

A critical part of DevelopAbilene's economic development efforts are focused on promoting the successes and potential of the City of Abilene. As a result, the AIF will work to secure positive publicity

about the City of Abilene's economic development story in key media outlets that are read, heard and seen by prospective clients, partners and influencers in the U.S.

To accomplish this endeavor, the AIF has contracted with a national public relations firm to develop and execute a plan that communicates Abilene's strengths, differences and unique value propositions in a consistent, cohesive, clear and compelling way.

Combine, these efforts increase awareness of local economic development projects through quality media coverage, detailed press releases in local publications, and media opportunities with national news outlets to highlight successes that aim to translate into increased investment.

Local Communications**\$15,000**

Recent years have indicated that a significant level of public unfamiliarity exists with regard to the value created by local economic development efforts. As a result, a new initiative has been put in place that will develop materials to create more awareness of the activities and effectiveness of DevelopAbilene, including an annual report that will summarize important data that demonstrate success.

Additionally, a new data analysis model will be used to provide an estimated economic impact for projects being considered for incentives. The model is based on North American Industry Classification System multipliers that combine with adjusted data, specific to the Abilene area, in order to provide decision makers a return on investment for a project.

DEVELOPMENT CORPORATION OF ABILENE, INC.
BOARD AGENDA
MEETING DATE: November 4, 2014

PROJECT: Hangar 1 Doghouse Construction Change Orders and Additional Funding

STAFF: Richard Burdine, CEO

BACKGROUND INFORMATION:

Eagle Aviation Services, Inc. (EASI) operates 5 dock lines and employs over 400 maintenance and support personnel. The DCOA's assistance to EASI has benefited the Abilene community and surrounding region by the addition of regional jet service to and from D/FW Airport. In the wake of American Airlines' bankruptcy and merger with US Airways, American Eagle was renamed Envoy. The forecast for new aircraft orders by regional airlines is for larger planes with taller tail sections that won't fit inside any of the hangars currently occupied by EASI. EASI's competition has the advantage of being able to accommodate the larger aircraft.

EASI is able to pursue maintenance work for other regional airlines and the hangars can accommodate the smaller regional jets right now. Seventy (70) new, larger aircraft have been ordered by Envoy and the need for heavy-check maintenance work will follow in about 2 years. All indications are that maintenance work on the smaller aircraft that our current hangars can accommodate will go away in 3-5 years. At least one of the 3 maintenance hangar candidates (0, 1 or 3) should be modified now to show Abilene's good faith effort to keep EASI in Abilene and to allow EASI to contract-out its services to other regional carriers. Hangar 1 is the logical first choice because it is not currently configured for a maintenance dock line and stands empty much of the time.

On November 13, 2012, 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 larger aircraft with taller tail sections. Also approved was funding of \$423,000; 1) \$400,000 for basic design services, 2) 10,000 for additional services for a feasibility study for the possible removal of the structural steel column centered in Hangar 1, 3) \$5,000 for reimbursable expenses, and 4) \$8,000 for survey and soils testing.

On April 29, 2014, the board approved resolution DCOA-2014.29 authorizing a contract with Lansford Company for construction of modifications to Hangar 1 plus funding of \$2,642,049:

New hangar structure/modifications and concrete foundation	\$1,404,327
Fire suppression system & equipment	\$ 303,750
Concrete apron pavement (1,200 sy)	\$ 475,481
Additional concrete apron pavement replacement (1,146 sy)	\$ 349,313
Construction contingency (5% of construction)	<u>\$ 109,178</u>
TOTAL	\$2,642,049

Included in the contract is replacement of 1,146 sy of existing concrete apron pavement that was failing and would not tolerate larger, heavier aircraft. The final contract signed with Lansford

Company is for \$2,473,722, a savings of \$59,149, leaving a contingency of \$168,327.

As of today, Lansford has demolished the old concrete paving, chemically injected the soil to stabilize it, and begun grading work in preparation for the new concrete.

THE REQUEST:

Several items surfaced during the plan review process that must be addressed. Below is a summary of the 6 change orders being proposed to move forward with the construction project:

1. Soil Injection vs Layers of Subgrade - Lansford performed value engineering on the paving design and determined a cost savings would be realized by chemically injecting the soil rather than installing a lime subgrade, econo-crete base course and 10.5" of unreinforced concrete paving. The savings is \$90,322.
2. Office Restrooms ADA Compliance – The size of the addition to the hangar triggered a review of the offices and restrooms by City Building Inspections, which yielded a lack of compliance with ADA regulations in the restrooms and entry ramp. To upgrade the facilities and comply with the regs, Lansford has proposed a price of \$68,096.
3. Fire Rated Hangar Wall – The hangar's close proximity to the adjacent Hangar 2 triggered a fire code requirement that the new wall construction have a 2-hour fire rating. Lansford proposes \$64,805.
4. Replacement of Equipment Storage Area – The hangar expansion eliminates an equipment storage area for EASI that needs to be replaced. After looking at several options, Lansford proposes to grade and concrete pave the area between the aprons for Hangars 1 and 2, crossing over a drainage culvert, that will allow ease of movement between the two hangars as well as replace the displaced equipment storage area. Lansford's value-engineering yielded a cost of \$145,883.
5. Dual Purpose Use of New Concrete Apron – Due to modifying Hangar 1 to accommodate larger aircraft for maintenance work, EASI will no longer be able to wash aircraft inside the hangar. An open-air wash bay is proposed on the new concrete apron, which requires water, a covered drain and a sewer pipe running into an existing oil/water separator located 303 LF away. Lansford's cost is \$27,934.
6. Electrical Service Upgrade – Not yet fully priced-out is upgrading the electrical service throughout the hangar so all power terminates at a single location with a 1200 amp disconnect. This will allow the Fire Dept. to turn off all power to the hangar with the flip of a single lever in the event of a fire. Currently, there are electrical panels located in various locations in the hangar and offices. Lansford's preliminary estimate is \$12,500.

Lansford is not requesting any additional construction days to accomplish these change orders. The anticipated completion date is still early March 2015. In addition, TLP/PSC's work on these change orders is considered Additional Services under the contract so an additional fee of \$15,500 is required. There are sufficient funds available in the A/E budget for hangar modifications to cover this overage.

I propose the DCOA approve the change orders as outlined above and summarized below:

Change Order #1- <u>Soil Injection vs Layers of Subgrade</u>	(\$90,322) CREDIT
Change Order #2- <u>Office Restrooms ADA Compliance</u>	\$ 68,096
Change Order #3- <u>Fire Rated Hangar Wall</u>	\$ 64,805
Change Order #4- <u>Replacement of Equipment Storage Area</u>	\$145,883
Change Order #5- <u>Dual Purpose Use of New Concrete Apron</u>	\$ 27,934
Change Order #6- <u>Electrical Service Upgrade</u>	\$ 12,500
Contingency	<u>\$ 20,000</u>
TOTAL	\$248,896

LESS previously approved contingency money (\$168,327)

New funds requested \$ 80,569

FISCAL IMPACT:

Additional funds of \$80,569

STAFF RECOMMENDATION:

Staff recommends approval of resolution DCOA-2015.01 authorizing 6 change orders to the construction contract with Lansford Company for modifications to Hangar 1 plus additional funding of \$80,569.

ATTACHMENT:

Letter from Lansford Company, Inc. dated 10-30-14 describing all proposed change orders
Resolution DCOA-2015.01



Lansford Company, Inc.

PO Box 708 Lampasas, TX 76550

Phone: (512)556-8917 Fax: (512)556-3652

lansfordcompany@gmail.com

Kent Sharp, CEO
Development Corporation of Abilene
PO Box 60, Abilene Texas 79604

October 30, 2014

Kent,

As requested the following are 5 proposed changes in the scope of work for Hangar 1.

The first is a credit from value engineering the paving design. This modification deletes the original recommendation for the installation of a lime subgrade, econo-crete base course and 10.5" of unreinforced concrete paving. The new design provides for injected soil stabilization and 13" of reinforced concrete paving.

Lime treated subgrade	< \$ 42,730.00 >
Lime 6%	< \$ 27,202.00 >
Econo-crete	< \$ 203,200.00 >
Unreinforced Concrete Paving 10.5"	< \$ 463,450.00 >
Subtotal	< \$ 736,582.00 >
Soil injection stabilization	\$ 48,960.00
Reinforced Concrete Paving 13"	\$ 597,300.00
Subtotal	\$ 646,260.00
Total credit	\$ 90,322.00

The second is a requirement from the City of Abilene from the plan review. It is to remodel the existing offices to meet the current ADA Bldg. standards. For your reference attached is sheet A-501, illustrating this scope work.

Concrete (included in plumbing)	
Masonry (NIC)	
Metals	
Rework handrails at entry ramp per plan page A-501 (including painting)	\$5,300.00
Wood and Plastics	
Demo/framing/drywall	\$12,578.00
Thermal and Moisture (NIC)	
Doors and Windows	\$1,644.00
Finishes	
Tape, bed, texture and paint	\$2,369.00
Ceramic tile	\$6,849.00
Specialties	
Toilet partitions and accessories	\$3,390.00
Equipment (NIC)	
Furnishings (NIC)	
Special Construction (NIC)	
Conveying Systems (NIC)	
Mechanical	
Plumbing	\$23,500.00

HVAC	\$300.00
Fire Protection	\$400.00
Electrical	\$3,932.00
Subtotal	\$60,262.00
General requirements	\$1,807.86
Profit 10%	\$6,026.20
Total cost	\$68,096.06

The Third, also a requirement from the City of Abilene's plan review. They are requiring that the new construction (south exterior wall) have a 2 hr fire rating.

2 hr Fire rated wall panels	\$ 46,850.00
Labor	\$ 10,500.00
Subtotal	\$57,350.00
General requirements 3%	\$1,720.50
Profit 10%	\$5,735.00
Total Cost	\$64,805.50

The fourth is the replacement of a equipment storage area that was displaced by the addition to hangar 1. For your reference, attached is sheet C-102 illustrating this scope work.

Excavation	289	CY	\$25.00	\$7,225.00
Select Fill and Grading	453	CY	\$34.00	\$15,402.00
Portland Cement Concrete Pavement (4" thickness) 3,500 PSI	62	SY	\$45.00	\$2,790.00
Portland Cement Concrete Pavement (6" thickness) 3,500 PSI	1045	SY	\$64.00	\$66,880.00
Headwall	2	EA	\$1,200.00	\$2,400.00
Precast Box Culvert (36"x12")	230	LF	\$325.00	\$74,750.00
Valley Gutter Demo	230	LF	\$10.00	\$2,300.00
Landscaping	420	SF	\$10.00	\$4,200.00
Remove and Dispose of Paving	74	CY	\$50.00	\$3,700.00
Subtotal				\$179,647.00
General requirements 3%				\$5,389.41
Profit 10%				\$17,964.70
Total Cost				\$203,001.11

I have included a value-engineering proposal to substitute a cast in place the drainage culvert in lieu of a precast unit.

Excavation	190	CY	\$25.00	\$4,750.00
Select Fill and Grading	365	CY	\$34.00	\$12,410.00
Portland Cement Concrete Pavement (4" thickness) 3,500 PSI	62	SY	\$45.00	\$2,790.00
Portland Cement Concrete Pavement (6" thickness) 3,500 PSI	1045	SY	\$64.00	\$66,880.00
Headwall	2	EA	\$1,200.00	\$2,400.00
Cast in place Box Culvert (48"x12")	230	LF	\$139.00	\$31,970.00
Valley Gutter Demo	0	LF	\$10.00	\$0
Landscaping	420	SF	\$10.00	\$4,200.00
Remove and Dispose of Paving	74	CY	\$50.00	\$3,700.00
Subtotal				\$125,400.00
General requirements 3%				\$3,762.00
Profit 10%				\$12,540.00
Total Cost				\$145,883.00

The fifth is to construct concrete paving (already in the contract) to have dual purpose use, ramp access for aircraft and a aircraft wash bay area. The details for this design can also be found on attached sheet C-102.

8" Sewer Pipe	303	LF	\$67.00	\$20,301.00
Wash Bay Drain Inlet	1	EA	\$1,500.00	\$1,500.00
Wash Bay (1" water supply w/ hose bib)	125	LF	\$12.00	\$1,500.00
Curbs at Wash Bay	258	LF	\$5.50	\$1,419.00
Subtotal				<u>\$24,720.00</u>
General requirements 3%				\$741.60
Profit 10%				\$2,472.00
Total Cost				\$27,933.60

Sincerely,
Robert Lansford



RESOLUTION NO. DCOA-2015.01

A RESOLUTION OF THE DEVELOPMENT CORPORATION OF ABILENE, INC. (DCOA), ABILENE, TEXAS AUTHORIZING CHANGE ORDERS TO THE CONTRACT WITH LANSFORD COMPANY FOR CONSTRUCTION OF MODIFICATIONS TO HANGAR 1 AT THE ABILENE REGIONAL AIRPORT OCCUPIED BY EAGLE AVIATION SERVICES ("EASI") PLUS ADDITIONAL FUNDING.

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

WHEREAS, EASI occupies 5 hangars for maintenance checks and a separate building for records and parts storage, all within close proximity of each other, and operates 5 dock lines employing over 400 maintenance and support personnel, which is American Eagle's largest maintenance base; and,

WHEREAS, the DCOA's assistance to EASI has benefited the Abilene community and surrounding region by the addition of regional jet service to and from D/FW Airport; and,

WHEREAS, the forecast for new aircraft orders by regional airlines is for larger planes with taller tail sections that won't fit inside any of the hangars currently occupied by EASI; and,

WHEREAS, EASI is able to pursue maintenance work for other regional airlines and the hangars can accommodate the smaller regional jets right now; however, taller regional jets are the future; and,

WHEREAS, on November 13, 2012, 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 larger aircraft with taller tail sections along with funding of \$423,000; and,

WHEREAS, on April 29, 2014, the board approved resolution DCOA-2014.29 authorizing a contract with Lansford Company for construction of modifications to Hangar 1 plus funding of \$2,642,049; and,

WHEREAS, several items surfaced during the plan review process that must be addressed and Lansford Company proposes 6 change orders to move forward with the construction project; and,

WHEREAS, Staff proposes the board authorize change orders to the contract with Lansford Company plus additional funding.

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

PART 1. DCOA approves change orders to the contract with Lansford Company to construct modifications to Hangar 1 at the Abilene Regional Airport (2751 Airport Blvd), currently occupied by Eagle Aviation Services, Inc., to accommodate larger aircraft with taller tail sections. Also approved is funding in the amount of Eighty Thousand Five Hundred Sixty-Nine and no/100's Dollars (\$80,569) as described below:

1. Soil Injection vs Layers of Subgrade - Lansford performed value engineering on the paving design and determined a cost savings would be realized by chemically injecting the soil rather than installing a lime subgrade, econo-crete base course and 10.5" of unreinforced concrete paving. The savings is \$90,322.
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SUMMARY:

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Contingency	<u>\$ 20,000</u>
TOTAL	\$248,896

LESS previously approved contingency money (\$168,327)

New funds requested **\$ 80,569**

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 4th day of November, 2014.

ATTEST:

Dani Ramsay
Secretary/Treasurer

Dave Copeland
President

APPROVED:

T. Daniel Santee, City Attorney

S:\DCOA\Resolution\2015\2015.01 EASI Hangar 1 doghouse change orders 11-04-14.docx