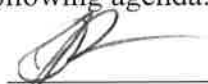


PUBLIC NOTICE

DEVELOPMENT CORPORATION OF ABILENE, INC.

A regular meeting of the Development Corporation of Abilene, Inc. (DCOA) will be held on Tuesday, April 14, 2015, Abilene Laboratories, 1325 Pine St., Abilene, Texas, commencing at 1:30 p.m. to consider the following agenda:

SIGNED:



Kent Sharp, CEO of the DCOA

AGENDA

April 14, 2015
1:30 p.m.

Abilene Laboratories
1325 Pine St., Abilene, TX

1. Call the meeting to order.
2. Approval of minutes from the March 10, 2015 and March 25, 2015 board meetings.
3. Sales tax report for April 2015 and Status of Funds report for February 2015.
4. Presentation of the FY14 audit performed by Davis Kinard & Co, P.C.
5. 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.
6. Discussion and possible approval of a resolution authorizing a contract for roof and other repairs to the life sciences properties at 1325 and 842 Pine St. necessary as a result of the June 2014 hail storm.
7. Discussion and possible approval of a resolution authorizing amended assistance for CarbonLITE Recycling extending the deadline one month to May 31, 2015 for receipt by DCOA of all required documents from the company.
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 _____, 2015, 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
March 10, 2015

MEMBERS PRESENT: Dave Copeland Marelyn Shedd Dani Ramsay
John Beckham Jack Rich

STAFF PRESENT: Kent Sharp Akane Thaxton
Stanly Smith

GUESTS PRESENT: Brian Bethel - Abilene Reporter News
Scott Senter - Former DCOA board member

1. **CALL THE MEETING TO ORDER:** President Dave Copeland called the meeting to order at 1:35 p.m. at Abilene Laboratories, 1325 Pine St., Abilene Texas.
2. **APPROVAL OF MINUTES FROM THE FEBRUARY 24, 2015 BOARD MEETING:** Marelyn Shedd moved to approve the minutes from the February 24, 2015 board meeting. John Beckham seconded and the motion carried.
3. **WELCOME NEW BOARD MEMBER, JACK RICH:** President Dave Copeland introduced and welcomed Mr. Jack Rich as a new board member.
4. **FAREWELL TO FORMER BOARD MEMBER, SCOTT SENTER:** President Dave Copeland presented Scott Senter with a Certificate of Appreciation from the City of Abilene and an Appreciation plaque from the DCOA for his 6 years of service to the DCOA.
6. **OFFICER ELECTIONS; PRESIDENT, VICE PRESIDENT AND SECRETARY/TREASURER:** Marelyn Shedd moved to re-elect Dave Copeland as the DCOA board president, John Beckham seconded and the motion carried. President Dave Copeland moved to re-elect Marelyn Shedd as Vice President and Dani Ramsey as Secretary/Treasurer. Jack Rich seconded and the motion carried.
5. **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 March 10, 2015, and the time is 1:45 p.m. Later, President Copeland announced the date is still March 10, 2015, and the time is 3:20 p.m. No vote or action was taken in Executive Session.

7. ADJOURNMENT:

The next meeting is scheduled for Wednesday, March 25, 2015, and will be a joint session with the Abilene City Council for Jeff Moore's economic development sales tax training. There being no further business the meeting was adjourned.

Dave Copeland, President

**DEVELOPMENT CORPORATION OF ABILENE, INC.
JOINT MEETING WITH ABILENE CITY COUNCIL
MINUTES
March 25, 2015**

DCOA MEMBERS PRESENT:

Dave Copeland Dani Ramsay John Beckham Jack Rich

CITY COUNCIL MEMBERS PRESENT:

Norm Archibald Shane Price Joe Spano Anthony Williams
Jay Hardaway Steve Savage

STAFF PRESENT:

Kent Sharp Kim Tarrant Akane Thaxton Stanly Smith
David Vela Don Green Dan Santee Mindy Patterson
Leah Mazzarelli Danette Dunlap

GUESTS PRESENT:

Brian Bethel - Abilene Reporter News Jason Smith – Abilene Chamber of Commerce
Scott Senter - Senter Realtors Justin Jaworski – Abilene Industrial Foundation
Judy Wilhelm - Small Business Development Center

1. **CALL THE MEETING TO ORDER:** Mayor Norm Archibald called the meeting to order for the City Council and President Dave Copeland called the meeting to order for DCOA at 1:00 p.m. at City Hall in the Council Chambers, second floor, 555 Walnut St., Abilene Texas.

2. **Training on Texas Economic Development Sales Tax legislation and regulations by Jeff Moore, attorney with Brown & Hofmeister, LLP in Richardson:** Attorney Jeff Moore of the Brown & Hofmeister law firm made a PowerPoint presentation on the Texas Economic Development Sales Tax legislation and regulations. Mr. Moore also explained the differences between a Type A and Type B corporation, the history of economic development, and how other cities utilize their sales taxes. Mr. Moore then answered questions from the City Council and DCOA board members.

3. **ADJOURNMENT:** There being no further business the meeting was adjourned by both Mayor Norm Archibald and DCOA President Dave Copeland.

Dave Copeland, President

MEMORANDUM

April 8, 2015

TO: David A. Vela, Interim City Manager

FROM: Mindy Patterson, Director of Finance

SUBJECT: April Sales Tax

The sales tax rebate for April is \$2,934,668.30 which represents February sales. This is 1.03% above last year and .95% below the projected FY 15 budget amount. The breakdown of the rebate is \$2,201,001.23 to the General Fund and \$733,667.07 for economic development. Of this rebate, \$83,371 is from prior periods, audit payments, future payments, and unidentified payments. For the period of October through April, sales tax is 6.39% above last year and 4.30% above the projected FY 15 budget amount. I have requested the detail from the state.

Should you have any questions, please contact me.

MP:ls

CITY OF ABILENE SALES TAX COMPARISON

Accounting Period Month	GENERAL FUND	ECONOMIC DEVELOPMENT	TOTAL	GENERAL FUND	ECONOMIC DEVELOPMENT	TOTAL
	Actual 2013-14	Actual 2013-14	2013-14	Actual 2014-15	Actual 2014-15	2014-15
October	\$2,445,377.87	\$815,125.96	\$3,260,503.83	\$2,605,980.73	\$868,660.24	\$3,474,640.97
November	2,690,282.27	896,760.76	3,587,043.03	2,963,660.77	987,886.92	3,951,547.69
December	2,299,504.67	766,501.56	3,066,006.23	2,510,766.92	836,922.30	3,347,689.22
January	2,232,726.16	744,242.05	2,976,968.21	2,394,359.96	798,119.98	3,192,479.94
February	3,184,058.27	1,061,352.76	4,245,411.03	3,411,247.43	1,137,082.47	4,548,329.90
March	2,231,833.90	743,944.63	2,975,778.53	2,278,078.73	759,359.57	3,037,438.30
April	2,178,587.64	726,195.88	2,904,783.52	2,201,001.23	733,667.07	2,934,668.30
YTD	\$17,262,370.78	\$5,754,123.60	\$23,016,494.38	\$18,365,095.77	\$6,121,698.55	\$24,486,794.32
May	2,944,225.82	981,408.61	3,925,634.43			
June	2,319,035.66	773,011.89	3,092,047.55			
July	2,382,921.14	794,307.05	3,177,228.19			
August	2,900,442.34	966,814.11	3,867,256.45			
September	2,537,417.37	845,805.79	3,383,223.16			
FY TOTAL	\$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 to the State Comptroller 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 2013-14	Actual 2014-15	% Change
October	\$815,126	\$868,660	6.57%
November	896,761	987,887	10.16%
December	766,502	836,922	9.19%
January	744,242	798,120	7.24%
February	1,061,353	1,137,082	7.14%
March	743,945	759,360	2.07%
April	726,196	733,667	1.03%
YTD	\$5,754,124	\$6,121,699	6.39%
May	981,409		
June	773,012		
July	794,307		
August	966,814		
September	845,806		
FY TOTAL	\$10,115,471		

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 to the State Comptroller in accordance with GASB 33 requirements.

Revenue for April '15 represents February '15 sales. Approximately \$20,843 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 2010-11	Actual 2011-12	Actual 2012-13	Actual 2013-14	Actual 2014-15
October	\$661,859	\$890,386	\$855,868	\$815,126	\$868,660
November	774,838	964,808	891,956	896,761	987,887
December	647,119	725,276	773,104	766,502	836,922
January	693,114	941,066	728,710	744,242	798,120
February	978,890	1,175,879	1,012,685	1,061,353	1,137,082
March	646,308	732,189	821,529	743,945	759,360
April	641,310	769,064	800,963	726,196	733,667
YTD	<u>\$5,043,438</u>	<u>\$6,198,668</u>	<u>\$5,884,816</u>	<u>\$5,754,124</u>	<u>\$6,121,699</u>
May	948,413	977,461	965,056	981,409	
June	741,634	766,944	827,415	773,012	
July	749,767	756,886	826,951	794,307	
August	1,013,393	920,096	927,272	966,814	
September	799,173	800,200	797,862	845,806	
FY TOTAL	<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 to the State Comptroller in accordance with GASB 33 requirements.

DEVELOPMENT CORPORATION OF ABILENE
STATEMENT OF NET POSITION
February 28, 2015 and 2014

	February 2015	February 2014
Current Assets:		
Cash and cash investments	\$ 16,740,048	\$ 18,075,434
Accounts receivable	173,059	35,293
Due from other governments	1,847,609	1,702,786
Total Current Assets	18,760,716	19,813,513
Noncurrent Assets:		
Notes receivable	17,049,036	18,249,671
Capital assets	47,929,002	44,144,817
Accumulated depreciation	(8,633,256)	(7,776,020)
Total capital assets, net	39,295,746	36,368,797
Total Noncurrent Assets	56,344,782	54,618,468
Total Assets	\$ 75,105,498	\$ 74,431,981
Liabilities		
Current:		
Accounts payable	\$ 384,902	\$ 51,679
Total Current Liabilities	384,902	51,679
Total Liabilities	384,902	51,679
Net Position		
Net Investment in capital assets	39,295,746	36,368,797
Restricted for contractual obligations	27,669,454	22,694,491
Unrestricted, designated for purposes of trust	7,755,396	15,317,014
Total Net Position	74,720,596	74,380,302
Total Liabilities and Net Position	\$ 75,105,498	\$ 74,431,981

DEVELOPMENT CORPORATION OF ABILENE
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
For five month ending February 28, 2015 and 2014

	February 2015	Fiscal YTD 2015	Fiscal YTD 2014
Revenues:			
Sales and use taxes	\$ 1,137,083	\$ 4,628,672	\$ 4,283,983
Interest income	3,122	17,460	15,053
Building rental / land lease	109,282	451,391	433,240
Sale of land	-	163,635	201,013
Miscellaneous revenue	40,085	67,998	111,650
Total Revenues	<u>1,289,572</u>	<u>5,329,156</u>	<u>5,044,939</u>
Expenses:			
Economic development projects	1,306,796	4,197,936	2,664,577
Life Sciences property maintenance	67,594	227,027	193,117
DCOA property maintenance	21,872	114,869	152,661
Abilene Industrial Foundation	37,720	148,279	229,041
TTU Small Business Development Center	17,062	55,950	63,750
Chamber Military Affairs	25,930	99,448	13,922
Airport Business Development Manager	8,336	32,711	47,196
General administrative services	40,402	210,311	252,043
Total Expenditures	<u>1,525,712</u>	<u>5,086,531</u>	<u>3,616,307</u>
Changes In Net Position	(236,140)	242,625	1,428,632
Net Position at Beginning of Period	<u>74,956,736</u>	<u>74,477,971</u>	<u>72,951,670</u>
Net Position at End of Period	<u>\$ 74,720,596</u>	<u>\$ 74,720,596</u>	<u>\$ 74,380,302</u>

Summary of Current Period Economic Development Projects:	
TTU Pharmacy School - Principal Reduction	\$ 84,006
Run Energy	65,431
Petrosmith - Principal Reduction	29,459
Hangar Doghouse AE	21,230
Hangar Doghouse Construction	913,355
EASI De-Fuel Truck	1,750
Five Pts RR Expansion	11,000
Spec 3 Finish Out AE	690
Spec 3 Finish Out Construction	79,417
842 Pine Boiler Replacement Construction	77,726
Gift Card System	22,340
TTUHSC FY15 ExperImmune	70
Pine St. Buildings - Hail Damage	322
Total	<u>\$ 1,306,796</u>

3.6

Development Corporation of Abilene
Economic Program Status
As of February 28, 2015

Economic Programs:	Project	Amount Obligated	Prior Years Disbursement	Current Year Disbursement	Balance reserved for obligated programs
Murf Systems	4998	\$ 235,665	\$ 235,665	\$ -	\$ -
TTU Pharmacy School	5242	1,608,998	1,524,992	84,006	-
Pactiv (formerly PWP)	5251	2,933,899	2,507,899	-	426,000
Energy Maintenance Serv (Broadwind Serv)	5282	268,598	268,598	-	-
Run Energy	5295	65,431	-	65,431	-
TTU 842 Pine	5308	536,450	532,999	-	3,451
Enavail, LLC	5316	386,240	386,240	-	-
Pepsi Beverage Co.	5321	350,000	140,000	-	210,000
Cooperative Response Center	5324	231,483	211,483	-	20,000
Petrosmith Ph 1, 3 & 4	5330	640,362	418,700	221,660	2
TTUHSC School of Nursing	5331	537,517	537,517	-	-
Vine St. Fehr Foods Improvements	5335.10	283,263	9,400	135,814	138,049
Fehr Foods '12	5340	510,000	340,000	-	170,000
Rentech '12	5342	173,800	173,800	-	-
Pactiv Compressor Construction	5344.2	335,306	335,306	-	-
Owens Machine & Tool	5345	351,000	35,363	-	315,637
Biotech Marketing and PR Plan	5346	118,400	117,076	125	1,199
Hangar Doghouses A/E	5348.1	423,000	235,156	39,988	147,856
Hangar Doghouses Construction	5348.2	2,732,618	247,560	1,164,621	1,320,437
Enterprise Dr. Extension A/E	5352.1	889,462	889,462	-	-
Enterprise Dr. Extension Construction	5352.2	276,792	276,792	-	-
EASI De-Fuel Truck	5354	64,260	35,000	7,000	22,260
Fehr Foods ' 13	5356	240,000	74,272	-	165,728
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	42,483	-	2
Five Pts / Pdaris Dr A/E	5362.1	60,200	59,565	-	635
Polaris Drive Construction	5362.2	1,064,100	593,725	408,485	61,890
5 Pts RR Expansion	5363.1	16,000	-	11,000	5,000
Spec 3 Finish Out A/E	5364.1	759,601	410,100	198,289	151,212
Spec 3 Finish Out Construction	5364.2	11,041,249	835,058	1,037,352	9,168,839
842 Pine Boiler Replacement A/E	5365.1	76,286	70,712	5,573	1
842 Pine Boiler Replacement Equipment	5635.2	312,300	186,846	100,138	25,316
842 Pine Boiler Construction	5635.3	868,820	691,301	137,865	39,654
CarbonLITE Industries	5366	6,196,000	-	-	6,196,000
Fehr Foods Expansion	5368	2,623,000	-	-	2,623,000
Broadwind Towers 2014	5373	1,438,525	-	-	1,438,525
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	-	22,340	59,760
TTUHSC FY 15 ExperImmune	5380	1,029,012	888,050	60,493	80,469
Fulwiler Land Purchase	5381	496,807	4,800	488,256	3,751
BWJ Consulting	5382	619,000	-	-	619,000
Dyess Telecomm Upgrade	5383	23,000	6,935	-	16,065
Pine St. Buildings - Hail Damage	5384.1	10,000	-	9,500	500
Subtotal Economic Program Obligation Reserve		\$ 43,345,703	\$ 13,627,793	\$ 4,197,936	\$ 25,519,974

**Development Corporation of Abilene
Economic Program Status
As of February 28, 2015**

Economic Programs:	Project	Amount Obligated	Prior Years Disbursement	Current Year Disbursement	Balance reserved for obligated programs
Plus Administrative Division Obligations:					
Business Services Division	Division 2760	665,640	-	210,311	455,329
Life Sciences Property Maintenance	Division 2765	597,780	-	227,027	370,753
DCOA Property Maintenance	Division 2775	324,430	-	114,869	209,561
Abilene Industrial Foundation	Division 2775	604,775	-	148,279	456,496
TTU Small Business Dev Center	Division 2775	250,000	-	55,950	194,050
Chamber Military Affairs	Division 2775	397,000	-	99,448	297,552
Airport Business Development Manager	Division 2775	198,450	-	32,711	165,739
Subtotal Administrative Divisions Obligation Reserve		\$ 3,038,075	\$ -	\$ 888,595	\$ 2,149,480
Total reserve for obligated programs					\$ 27,669,454

<i>DCOA Board approved projects waiting for signed contracts:</i>		Expiration Date
Petrosmith Ph. 5	\$ 452,000	7/26/15
Datrou Technologies (Project KW)	280,750	12/10/14
Dyess JLUS	50,000	6/17/15
TTUHSC School of Public Health	1,951,431	8/24/15
Spec 3 Finish-Out & expansion construction	1,125,000	8/24/15
	<u>\$ 3,859,181</u>	

CITY OF ABILENE, TEXAS

ANNUAL FINANCIAL REPORT

With Supplemental Information for
Development Corporation of Abilene

Year Ended September 30, 2014

CITY OF ABILENE, TEXAS
 Annual Financial Report
 Year Ended September 30, 2014

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INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of City of Abilene, Texas, as of and for the year ended September 30, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Abilene, Texas, as of September 30, 2014, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

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

Certified Public Accountants

Abilene, Texas
February 10, 2015

CITY OF ABILENE, TEXAS
Development Corporation of Abilene
Statement of Net Position
September 30, 2014
With Comparative Totals for the Year Ended September 30, 2013

	<u>2014</u>	<u>2013</u>
CURRENT ASSETS:		
Cash and cash investments	\$ 8,531,867	\$ 11,282,502
Investments	9,436,496	7,519,216
Accounts receivable	175,179	35,293
Due from other governments	1,847,609	1,702,786
Prepaid expenses	-	1,911
Total Current Assets	<u>19,991,151</u>	<u>20,541,708</u>
NONCURRENT ASSETS:		
Notes receivable	17,270,577	16,269,706
Capital assets not being depreciated	5,665,082	1,800,694
Capital assets net of accumulated depreciation	<u>33,630,664</u>	<u>34,568,102</u>
Total Noncurrent Assets	<u>56,566,323</u>	<u>52,638,502</u>
TOTAL ASSETS	<u>76,557,474</u>	<u>73,180,210</u>
LIABILITIES:		
Current:		
Accounts payable	1,694,601	176,689
Retainage payable	160,045	-
Accrued liabilities	<u>224,857</u>	<u>51,851</u>
Total Current Liabilities	<u>2,079,503</u>	<u>228,540</u>
Total Liabilities	<u>2,079,503</u>	<u>228,540</u>
NET POSITION:		
Net investment in capital assets	39,295,746	36,368,796
Restricted for contractual obligations	29,822,746	11,658,572
Unrestricted, designated for purposes of trust	<u>5,359,479</u>	<u>24,924,302</u>
TOTAL NET POSITION	<u>\$ 74,477,971</u>	<u>\$ 72,951,670</u>

CITY OF ABILENE, TEXAS
Development Corporation of Abilene
Statement of Revenues, Expenses and Changes in Net Position
Year Ended September 30, 2014
With Comparative Totals for the Year Ended September 30, 2013

	<u>2014</u>	<u>2013</u>
REVENUES:		
Sales and use taxes	\$ 10,260,294	\$ 10,193,227
Rental Income	1,094,173	969,547
Interest income	110,588	109,318
Gain on sale of capital assets	29,055	75,005
Intergovernmental revenue	2,120	264,308
Miscellaneous Revenue	278,305	62,620
	<u>11,774,535</u>	<u>11,674,025</u>
EXPENSES		
Current:		
Trust	<u>10,248,234</u>	<u>8,017,417</u>
	<u>10,248,234</u>	<u>8,017,417</u>
CHANGE IN NET POSITION	1,526,301	3,656,608
NET POSITION, BEGINNING OF YEAR	<u>72,951,670</u>	<u>69,295,062</u>
NET POSITION, END OF YEAR	<u>\$ 74,477,971</u>	<u>\$ 72,951,670</u>

CITY OF ABILENE
Development Corporation of Abilene
Schedule of Revenues and Expenditures - Budget Basis
Year Ended September 30, 2014

	Year Ended September 30, 2014	Inception To-Date
REVENUES:		
Sales and use taxes	\$ 10,115,471	\$ 168,520,234
Principal on loans and assessments	-	3,268,528
Interest on loans and assessments	71,371	2,457,587
Interest on investments	39,217	7,097,294
Land lease	-	22,589
Sale of land and buildings	382,197	5,519,887
Building/space rent	1,094,173	9,406,028
Miscellaneous recovery	-	2,186,439
Miscellaneous revenue	179,259	1,261,649
Miscellaneous prior year	-	61,292
Federal grants	2,120	1,588,955
Miscellaneous state grants	-	26,500
Interfund recovery	-	1,534,976
GASB 22 restatement	-	355,635
GASB 34 restatement	-	2,403,949
Other contributions	-	140,713
Total Revenues	<u>11,883,808</u>	<u>205,852,255</u>
EXPENDITURES:		
Current:		
Prior year programs	-	105,726,213
Business Services Division	599,442	10,321,797
Life Sciences Property	527,523	3,005,017
DCOA Annual Contracts	362,064	3,426,405
Abilene Industrial Foundation	791,941	15,309,158
TTU Small Business Development Center	193,706	3,429,952
Chamber Military Affairs	100,000	1,495,052
Airport Business Development MGR	158,479	1,179,420
Murf Systems	36,000	235,665
TTU Pharmacy School	358,189	1,524,992
PWP Industries	-	2,507,899
TTU HSC Research	562,344	3,000,000
Energy Maintenance Service	-	268,598
Genesis Network Phase II	-	22,924
Tower Tech (Broadwind Towers)	470,187	4,904,076
Coca Cola Abilene	1,213,874	1,213,874
TTU 842 Pine	171,565	532,999
Enavail, LLC	-	386,241
Texas Metal 10	14,683	44,050
Cisco College Biotech Training	-	64,585
Energy Maintenance Service	159,569	762,500
Pepsi Beverage Co.	-	140,000
Cooperative Response Center	76,890	211,483
Land 922 N. 13th Street	-	48,485
Teleperformance USA	118,300	301,400
Smith Pipe Ph 1 & 2	267,700	418,700
TTUHSC School of Nursing	269,368	537,517
Vine St. Lighting Upgrades	-	55,457
Vine St. Fire Safety	-	284,965
Vine St. Parking Lot	-	158,850
Vine St. Construction	33,625	568,381
Vine St. Interior Demo	-	123,031
Vine St. Other Improvements	-	14,617
Vine St. Gotta Go Trailways	-	18,400

CITY OF ABILENE
Development Corporation of Abilene
Schedule of Revenues and Expenditures - Budget Basis
Year Ended September 30, 2014

EXPENDITURES - continued:	<u>Year Ended September 30, 2014</u>	<u>Inception To-Date</u>
Current - continued:		
Vine St. Fehr Foods	\$ -	\$ 58,138
Slide Fire Improvements	214,127	347,270
Vine St. Fehr Foods Improvements	9,400	9,400
Fehr Foods '12	170,000	340,000
Rentech '12	173,800	173,800
Pactive Compressor Construction	7,500	335,306
Owens Machine & Tool	35,363	35,363
Biotech Marketing and PR Plan	35,915	117,076
Hangar Doghouses	137,189	235,156
Hangar Doghouses Construction	247,560	247,560
Enterprise Dr. Extension A/E	879,262	889,462
Enterprise Dr. Extension Construction	276,792	276,792
EASI De-Fuel Truck	21,000	35,000
Fehr Foods '13	74,272	74,272
Purchase 834 Pine Street	2,475	42,960
Five Points Infrastructure	137,491	137,491
Five Point Survey	13,618	42,484
TTUHSC Center FY14 Operating	144,706	419,106
Five Points - Polaris Dr. A/E	59,565	59,565
Polaris Drive Construction	593,725	593,725
Spec 3 Finish Out A/E	410,100	410,100
Spec 3 Finish Out Construction	835,058	835,058
842 Pine Boiler Replacement A/E	70,712	70,712
842 Pine Boiler Replacement Equipment	186,846	186,846
843 Pine Boiler Replacement Construction	691,301	691,301
Hangar 4 Ventilation System A/E	3,200	3,200
Hangar 4 Ventilation Construction	44,400	44,400
TMAC FY 14	55,000	55,000
Ads4Next Sponsorship	2,500	2,500
Springboard Ideas	5,000	5,000
Richard Burdine Professional Services	93,910	93,910
CEO Search 2014	49,766	49,766
Fast Track Welding '14	154,702	154,702
Clavel Corp	12,745	12,745
TTUHSC FY 15 Experimentum	888,050	888,050
Fulwiler Land Purchase	4,800	4,800
Dyess Telecomm Upgrade	6,935	6,935
Miscellaneous Activities	-	354,190
	<hr/>	<hr/>
Total Expenditures	13,234,234	170,581,844
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES-BUDGET BASIS	(1,350,426)	<u>\$ 35,270,411</u>
Add: Fixed Assets Capitalized	4,283,089	
Add: Gain on sale of assets	29,055	
Add: Change in sales tax revenue accrual	144,823	
Add: Accrual for capital contributions	68,895	
Less: Change in accrued expenses	(195,285)	
Less: Proceeds from sale of land	(352,047)	
Less: Depreciation	(1,101,803)	
	<hr/>	
CHANGE IN NET POSITION-GAAP BASIS	<u>\$ 1,526,301</u>	

4.8

CITY OF ABILENE, TEXAS
Development Corporation of Abilene
Schedule of Obligated Fund Balance - Budget Basis
Year Ended September 30, 2014

	FY 2014 Obligated	FY 2014 Amount Disbursed	Balance
OBLIGATED PROGRAMS:			
Business Services Division	\$ 637,260	\$ 599,442	\$ 37,818
Life Sciences Property	579,930	527,523	52,407
DCOA Annual Contracts	367,960	362,064	5,896
Abilene Industrial Foundation	934,790	791,941	142,849
TTU Small Business Development Center	250,000	193,706	56,294
Chamber Military Affairs	100,000	100,000	-
Airport Business Development MGR	189,160	158,479	30,681
Murf Systems	36,000	36,000	-
TTU Pharmacy School	358,189	358,189	-
Pactiv (formerly PWP)	426,000	-	426,000
TTU HSC Research	562,344	562,344	-
Tower Tech (Broadwind Towers)	470,188	470,187	1
Coca Cola Abilene	1,213,875	1,213,874	1
TTU 842 Pine	175,016	171,565	3,451
Texas Metals '10	14,683	14,683	-
Cisco College Biotech Training	3,064	-	3,064
Energy Maintenance Serv-Gearbox	159,569	159,569	-
Pepsi Beverage Co.	210,000	-	210,000
Cooperative Response Center	96,890	76,890	20,000
Teleperformance USA	118,300	118,300	-
Smith Pipe Ph 1, 2, 3 & 4	612,091	267,700	344,391
TTUHSC School of Nursing	269,368	269,368	-
Vine St. Construction	34,308	33,625	683
Vine St. Slide Fire Improvements	232,238	214,127	18,111
Vine St. Fehr Foods Improvements	135,343	9,400	125,943
Fehr Foods '12	340,000	170,000	170,000
Rentech '12	173,800	173,800	-
Pactiv Compressor Construction	7,500	7,500	-
Owens Machine & Tool	351,000	35,363	315,637
Biotech Marketing and PR Plan	37,239	35,915	1,324
Hangar Doghouses A/E	325,033	137,189	187,844
Hangar Doghouses Construction	2,732,618	247,560	2,485,058
Enterprise Dr. Extension A/E	879,262	879,262	-
Enterprise Dr. Extension Construction	276,792	276,792	-
EASI De-Fuel Truck	50,260	21,000	29,260
Fehr Foods ' 13	240,000	74,272	165,728
Purchase 834 Pine	2,475	2,475	-
Tucker Energy Services	413,295	-	413,295
Five Points Infrastructure	1,000,000	137,491	862,509
Five Points Survey	13,620	13,618	2
TTUHSC Center FY14 Operating	144,706	144,706	-
Five Pts / Polaris Dr A/E	60,200	59,565	635

CITY OF ABILENE, TEXAS
Development Corporation of Abilene
Schedule of Obligated Fund Balance - Budget Basis
Year Ended September 30, 2014

OBLIGATED PROGRAMS - continued	FY 2014	FY 2014	Balance
	Obligated	Amount Disbursed	
Polaris Drive Construction	\$ 1,064,100	\$ 593,725	\$ 470,375
5 Pts RR Expansion	16,000	-	16,000
Spec 3 Finish Out A/E	759,601	410,100	349,501
Spec 3 Finish Out Construction	11,041,249	835,058	10,206,191
842 Pine Boiler Replacement A/E	75,500	70,712	4,788
842 Pine Boiler Replacement Equipment	312,300	186,846	125,454
842 Pine Boiler Construction	868,820	691,301	177,519
CarbonLITE Industries	6,196,000	-	6,196,000
Hangar 4 Ventiliation System A/E	3,200	3,200	-
Hangar 4 Ventiliation Construction	44,400	44,400	-
Fehr Foods Expansion	2,623,000	-	2,623,000
TMAC FY 14	88,000	55,000	33,000
Ads4Next Sponsorship	2,500	2,500	-
Springboard Ideas	5,000	5,000	-
Richard Burdine Professional Services	93,911	93,910	1
Broadwind Towers 2014	1,438,525	-	1,438,525
CEO Search 2014	49,767	49,766	1
Fast Track Welding '14	248,462	154,702	93,760
Corley Wetsel Trucking	455,200	-	455,200
Clavel Corp	77,717	12,745	64,972
Fehr Foods 14	200,000	-	200,000
Gift Card System	82,100	-	82,100
TTUHSC FY 15 ExperImmune	1,029,012	888,050	140,962
Fulwiler Land Purchase	486,250	4,800	481,450
BWJ Consulting	539,000	-	539,000
Dyess Telecomm Upgrade	23,000	6,935	16,065
Total Obligated Programs	\$ 43,056,980	\$ 13,234,234	\$ 29,822,746

CITY OF ABILENE, TEXAS
Development Corporation of Abilene
Schedule of Capital Assets
September 30, 2014

	Land	Buildings	Improvements	Equipment and Vehicles	Total
Land, Buildings and Improvements:					
2801 Airport Blvd.	\$ -	\$ 1,563,210	\$ 540,633	\$ -	\$ 2,103,843
2809 Airport Blvd.	-	396,519	444,583	-	841,102
2841 Airport Blvd.	-	456,736	62,923	-	519,659
EASI Hangar 4	-	-	7,000,421	-	7,000,421
4002 Loop 322	-	2,690,915	984,892	-	3,675,807
425.382 acres-Five Points Business Park	520,144	-	2,606,743	-	3,126,887
Five Points Spec Bldg 2	-	13,187,628	97,831	-	13,285,459
Five Points Spec Bldg 3	-	5,522,986	-	-	5,522,986
834 Pine	40,424	-	-	-	40,424
Vine Street (4009 / 4109)	-	1,347,904	581,066	-	1,928,970
EASI Storage Building	-	2,527,408	9,987	-	2,537,395
303.53 Acres Hwy 36 & FM 18	449,239	-	-	-	449,239
1.995 Acres Hwy 36	16,641	-	-	-	16,641
121.93 acres Moses Williams Survey	482,238	-	-	-	482,238
5.6 acres N Five Points Business Park	69,217	-	-	-	69,217
922 N. 13th Street	35,735	-	-	-	35,735
.95 acres 1842 Hwy 351	429,125	-	-	-	429,125
Leasehold Improvements	-	-	1,733,800	-	1,733,800
Machinery & Equipment	-	-	-	467,283	467,283
Vehicle - 2010 Ford Transport Van	-	-	-	15,453	15,453
Vehicle - 2013 Dodge Caravan	-	-	-	24,999	24,999
Construction-in-Progress	-	-	3,622,319	-	3,622,319
TOTAL CAPITAL ASSETS	2,042,763	27,693,306	17,685,198	507,735	47,929,002
Less: Accumulated Depreciation	-	(6,459,608)	(1,988,022)	(185,626)	(8,633,256)
NET CAPITAL ASSETS	\$ 2,042,763	\$ 21,233,698	\$ 15,697,176	\$ 322,109	\$ 39,295,746

DEVELOPMENT CORPORATION OF ABILENE, INC.
BOARD AGENDA
MEETING DATE: April 14, 2015

PROJECT: Pine St. Roof Repairs Contract and Funding

STAFF: Kent Sharp, CEO

BACKGROUND

On June 12, 2014, the northern part of Abilene was hit by a severe storm that produced baseball-sized hail stones. Both life sciences properties on Pine St. (842 and 1325) were also damaged. The properties are part of a New Markets Tax Credit deal from 2009, which is set to expire in April of 2016. Because of that, they are no longer insured under the City of Abilene’s self-insurance program. Cincinnati Insurance has carried the property and liability policies since December 2013.

The roofs were inspected in August 2014 and inspection reports were submitted in September. The reports revealed damage to flashing, metal siding and window sills as well as the roof at 1325 Pine. The metal roofing system and siding/fascia will be replaced as well as flue and vent covers. The areas that currently have TPO roofing will have another layer of gypsum board installed then re-covered with a single-ply membrane. Damage at 842 Pine includes the rooftop appurtenances such as vents, exhaust fans, HVAC units, steam relief valves, condensing unit, and natural gas lines. The TPO roof will be replaced.

THE REQUEST

Staff hired Tittle Luther Partnership/Parkhill Smith & Cooper (TLP/PSC) to develop specs for the needed repairs and roof replacement work so one contractor would be responsible for all the work. TLP/PSC’s fee of \$9,500 covers preparation of the bid documents, preparation of the construction contract, assistance during the construction phase, and site visits. Bids were opened on February 26, 2015 with two bidders submitting:

Contractor	Base Proposal	Option #1	Option #2	Commencement Date	Construction Duration
Barr Roofing	\$463,870	\$30,789	\$41,140	October, 2015	120 calendar days
Lydick Hooks Roofing	\$421,700	\$27,990	\$37,400	15 days from award of bid	120 calendar days

The two options apply to the aluminum window system at 1325 Pine and are explained as follows:

Option #1 – remove and replace stop and sill flashing

Option #2 – remove and replace window frame and sill flashing, reuse glazing.

Cincinnati Insurance has provided the following information concerning claim amounts for the properties:

Location	Full Cost of Repairs	Depreciation	Actual Cash Value	Deductible	Net Claim
1325 Pine	**\$375,943.00	\$37,594.30	\$338,348.70	(\$25,000.00)	\$313,348.70
842 Pine	\$83,157.00	\$15,799.83	\$67,357.17	(\$10,000.00)	\$57,357.17
TOTALS	\$459,100.00	\$53,394.13	\$405,705.87	(\$35,000.00)	\$370,705.87

6.1

**Includes cost of Option #2, \$37,400, as bid by Lydick Hooks

The insurance company will issue a check for \$370,705.87 right away. Once the work is finished, we can recover the depreciation in an amount that when added to the claim check of \$370,705.87 will not exceed DCOA's actual costs, less the \$35,000 deductible (est. to be \$43,984.13).

Staff recommends the board contract with Lydick Hooks Roofing for the base proposal of \$421,700 plus Option #1 of \$27,990 for a total contract amount of \$449,690.

FISCAL IMPACT

TLP/PSC design contract	\$ 9,500
Design reimbursables	\$ 500
Construction (Lydick Hooks) Base Proposal	\$421,700
Construction Option #1	<u>\$ 27,990</u>
TOTAL Project Cost	<u>\$459,690</u>
LESS Insurance claim for both	(\$370,706)
LESS Recoverable Depreciation (est.)	<u>(\$ 43,984)</u>
Actual cost to DCOA	\$ 45,000 (includes deductibles & design fee)
5% Contingency	<u>\$ 22,500</u>
Total Funding Requested	<u>\$ 67,500</u>

STAFF RECOMMENDATION

Staff recommends approval of resolution DCOA-2015.09 authorizing a construction contract with Lydick Hooks Roofing for base proposal of \$421,700 plus Option #1 of \$27,990 for a total contract amount of \$449,690 to replace roofs and make other repairs to 842 and 1325 Pine St. Also authorized is \$10,000 for design fees and reimbursable expenses payable to Tittle Luther Partnership/Parkhill Smith & Cooper. Estimated net funding of \$67,500 is expected, as described above, once the insurance claim is fully settled.

ATTACHMENTS

Resolution No. DCOA-2015.09

RESOLUTION NO. DCOA-2015.09

A RESOLUTION OF THE DEVELOPMENT CORPORATION OF ABILENE, INC. (DCOA), ABILENE, TEXAS AUTHORIZING A CONTRACT FOR ROOF AND OTHER REPAIRS TO THE LIFE SCIENCES BUILDINGS AT 1325 AND 842 PINE ST., WHICH WERE DAMAGED AS A RESULT OF THE JUNE 2014 HAIL STORM.

WHEREAS, on June 12, 2014, the northern part of Abilene was hit by a severe storm that produced baseball-sized hail stones; and,

WHEREAS, both life sciences properties on Pine St. (842 and 1325) were damaged; and,

WHEREAS, the properties are part of a New Markets Tax Credit deal from 2009, which is set to expire in April of 2016, and because of that they are no longer insured under the City of Abilene's self-insurance program; and,

WHEREAS, Cincinnati Insurance has carried the property and liability policies since December 2013; and,

WHEREAS, the roofs were inspected in August 2014 and inspection reports were submitted in September; and,

WHEREAS, the reports revealed damage to flashing, metal siding and window sills as well as the roof at 1325 Pine, so the metal roofing system and siding/fascia will be replaced as well as flue and vent covers. The areas that currently have TPO roofing will have another layer of gypsum board installed then re-covered with a single-ply membrane; and,

WHEREAS, damage at 842 Pine includes the rooftop appurtenances such as vents, exhaust fans, HVAC units, steam relief valves, condensing unit, and natural gas lines. The TPO roof will be replaced; and,

WHEREAS, staff hired Tittle Luther Partnership/Parkhill Smith & Cooper (TLP/PSC) to develop specs for the needed repairs and roof replacement work so one contractor would be responsible for all the work, and bids were opened on February 26, 2015 with two bidders submitting; and,

WHEREAS, low bidder is Lydick Hooks with a base proposal of \$421,700 plus Option #1 of \$27,990 for a total contract amount of \$449,690 (Option #1 being the lower cost option for repairing damage to aluminum windows at 1325 Pine); and,

WHEREAS, the fee of \$9,500 plus reimbursable costs payable to TLP/PSC is not covered by the insurance claim; and,

WHEREAS, the insurance company will issue a check for \$370,705.87 right away, and once the work is finished, the DCOA can recover the depreciation in an amount that when added to the claim check of \$370,705.87 will not exceed DCOA's actual costs, less the \$35,000 deductible (est. to be \$43,984.13); and,

WHEREAS, Staff proposes the board authorize a construction contract with Lydick Hooks

Roofing to replace roofs and make other repairs to 842 and 1325 Pine St. Also authorized are design fees and reimbursable expenses payable to TLP/PSC.

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

PART 1. DCOA hereby approves a contract with Lydick Hooks Roofing for roof replacement and other repairs needed at 1325 and 842 Pine St. as a result of the June 2014 hail storm. The base proposal from Lydick Hooks Roofing is \$421,700 and the DCOA authorizes the additional expense of \$27,990 for Option #1, which is for aluminum windows repairs at 1325 Pine St. The total contract amount is Four Hundred Forty-Nine Thousand Six Hundred Ninety and no/100's Dollars (\$449,690.00). A 5% contingency of \$22,500 is authorized for unexpected costs.

Also authorized is Ten Thousand and no/100's Dollars (\$10,000.00) for design fees and reimbursable expenses payable to Tittle Luther Partnership/Parkhill Smith & Cooper for development of specs, preparation of the bid documents, preparation of the construction contract, assistance during the construction phase, and site visits.

Cincinnati Insurance will provide a claim payment of \$370,706 now and once the work is completed, another payment for recoverable depreciation. The insurance company will not cover the design fee and reimbursable costs payable to TLP/PSC. The net cost to DCOA is outlined below:

TLP/PSC design fees	\$ 9,500
Design reimbursable costs (est.)	\$ 500
Construction (Lydick Hooks) Base Proposal	\$421,700
Construction Option #1	<u>\$ 27,990</u>
TOTAL Project Cost	\$459,690
LESS Insurance claim for both	(\$370,706)
LESS Recoverable Depreciation (est.)	(\$ 43,984)
Actual cost to DCOA	\$ 45,000 (includes deductibles & design fees)
5% Contingency	<u>\$ 22,500</u>
Total Net Expected Funding	\$ 67,500

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 14th day of April, 2015.

ATTEST:

Dani Ramsay
Secretary/Treasurer

Dave Copeland
President

APPROVED:

T. Daniel Santee, City Attorney

S:\DCOAResolution2015\2015.09 Pine St. Roof Repairs 04-14-15.docx

DEVELOPMENT CORPORATION OF ABILENE, INC.
BOARD AGENDA
MEETING DATE: April 14, 2015

PROJECT: CarbonLITE Recycling Amended Assistance Extending Deadline to May 31, 2015

STAFF: Kent Sharp, CEO

BACKGROUND

Since the DCOA first approved assistance for CarbonLITE Recycling on August 27, 2013, the board and staff have worked with the Tittle Luther Partnership/Parkhill Smith & Cooper (TLP/PSC) and the company to develop plans for finish-out construction plus a 100,000 sq ft warehouse expansion to the Spec 3 building owned by the DCOA in the Five Points Business Park. The company commits to invest up to \$35 million in capital equipment and create 90 new jobs in Abilene within a three-year period.

The latest revision to the assistance and construction project occurred on February 24, 2015, when the board approved resolution DCOA-2015.08 authorizing a \$1,100,000 increase in construction project funding and \$25,000 for design reimbursable costs. That increased the DCOA's construction budget to \$12,925,850 with the company providing any additional funding needed to complete construction. It also provided for a deadline of April 30, 2015, for CarbonLITE to demonstrate its financial capacity to perform under the Agreement and provide the DCOA an Irrevocable Standby Letter of Credit for \$3,173,487, which is the estimated amount of construction funding CarbonLITE is responsible for paying.

THE REQUEST

CarbonLITE is now asking that the deadline be extended another month to May 31, 2015, to allow their lender ample time for due diligence work required before approving loan funds.

FISCAL IMPACT

None.

STAFF RECOMMENDATION

Staff recommends approval of resolution DCOA-2015.10 authorizing an extension to May 31, 2015, of the deadline for receipt by DCOA from CarbonLITE Recycling of proof of the company's financial capacity to perform under the Agreement.

ATTACHMENTS

Resolution DCOA-2015.10

RESOLUTION NO. DCOA-2015.10

A RESOLUTION OF THE DEVELOPMENT CORPORATION OF ABILENE, INC. (“DCOA”), ABILENE, TEXAS AUTHORIZING A ONE-MONTH EXTENSION TO MAY 31, 2015, FOR RECEIPT BY DCOA FROM CARBONLITE RECYCLING (“CARBONLITE” OR “COMPANY”) OF PROOF OF THE COMPANY’S FINANCIAL CAPACITY TO PERFORM UNDER THE AGREEMENT FOR FINANCIAL ASSISTANCE (“AGREEMENT”).

WHEREAS, since the DCOA first approved assistance for CarbonLITE Recycling on August 27, 2013, the board and staff have worked with the Tittle Luther Partnership/Parkhill Smith & Cooper (TLP/PSC) and the company to develop plans for finish-out construction plus a 100,000 sq ft warehouse expansion to the Spec 3 building owned by the DCOA in the Five Points Business Park; and,

WHEREAS, the company commits to invest up to \$35 million in capital equipment and create 90 new jobs in Abilene within a three-year period; and,

WHEREAS, the latest revision to the assistance and construction project occurred on February 24, 2015, when the board approved resolution DCOA-2015.08 authorizing a \$1,100,000 increase in construction project funding and \$25,000 for design reimbursable costs, which increased the DCOA’s construction budget to \$12,925,850 with the company providing any additional funding needed to complete construction; and,

WHEREAS, resolution DCOA-2015.08 also provided for a deadline of April 30, 2015, for CarbonLITE to demonstrate its financial capacity to perform under the Agreement and provide the DCOA an Irrevocable Standby Letter of Credit for \$3,173,487, which is the estimated amount of construction funding CarbonLITE is responsible for paying; and,

WHEREAS, CarbonLITE is now asking that the deadline be extended another month to May 31, 2015, to allow their lender ample time for due diligence work required before approving loan funds; and,

WHEREAS, staff requests the DCOA authorize an extension to May 31, 2015, of the deadline for receipt by DCOA from CarbonLITE Recycling of proof of the company’s financial capacity to perform under the Agreement.

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

- PART 1.** DCOA authorizes a one-month extension to May 31, 2015 of the deadline for receipt by DCOA from CarbonLITE Recycling of proof of the company’s financial capacity to perform under the Agreement for Financial Assistance.
- PART 2.** This resolution is contingent upon execution of all necessary agreements.
- PART 3.** The Chief Executive Officer of the Development Corporation of Abilene, Inc. is hereby authorized to negotiate any contract and all other related documents on behalf of the DCOA.

ADOPTED this the 14th day of April, 2015.

ATTEST:

Dani Ramsay
Secretary/Treasurer

Dave Copeland
President

APPROVED:

T. Daniel Santee, City Attorney

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