

PUBLIC NOTICE

DEVELOPMENT CORPORATION OF ABILENE, INC.

A regular meeting of the Development Corporation of Abilene, Inc. (DCOA) will be held on Monday, April 27, 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 27, 2015
1:30 p.m.

Abilene Laboratories
1325 Pine St., Abilene, TX

1. Call the meeting to order.
2. Approval of minutes from the April 14, 2015 board meeting.
3. Status of Funds report for March 2015.
4. Presentation of semi-annual reports for 6 months ended March 31, 2015 by:
 - City of Abilene Airport Business Development Management Program
 - Abilene Industrial Foundation
 - Chamber Military Affairs Committee
 - TTU Small Business Development Center
5. Discussion and possible approval of the DCOA's Semi-Annual Report of Activities ending March 31, 2015.
6. Executive Session:

The DCOA reserves the right to adjourn into executive session at any time during the course of this meeting to discuss any item on the agenda, as authorized by Texas Government Code Sections 551.071 (Consultation with Attorney), 551.072 (Deliberations about Real Property), 551.074 (Personnel Matters) see list below, and 551.087 (Business Prospect/Economic Development). After discussion in executive session, any action or vote will be taken in public.

(Personnel) Section 551.074
The DCOA, pursuant to the adopted Bylaws, may consider the appointment, employment and duties of certain positions as well as membership of certain committees.
7. 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
April 14, 2015

MEMBERS PRESENT: Dave Copeland Marelyn Shedd Jack Rich
MEMBER ABSENT: Dani Ramsay John Beckham
STAFF PRESENT: Kent Sharp Kim Tarrant Stanly Smith
GUESTS PRESENT: Shelby Gibbs Davis Kinard & Co, PC
Brian Bethel - Abilene Reporter News

1. CALL THE MEETING TO ORDER: President Dave Copeland called the meeting to order at 1:33 p.m. at Abilene Laboratories, 1325 Pine St., Abilene Texas.

2. APPROVAL OF MINUTES FROM THE MARCH 10, 2015 AND MARCH 25, 2015 BOARD MEETINGS: Jack Rich moved to approve the minutes from the March 10, 2015 and March 25, 2015 board meeting. Marelyn Shedd seconded and the motion carried.

3. SALES TAX REPORT FOR APRIL 2015 AND STATUS OF FUNDS REPORT FOR FEBRUARY 2015: Kent Sharp presented the April 2015 sales tax rebate report. The rebate received for economic development, which represents February 2015 sales, was \$733,667.07. The rebate is 1.03% above last year and .95% below the projected FY 15 budget. On the preliminary February 2015 Statement of Net Position, total assets were \$74,720,596 with \$18,760,716 in current assets, \$47,929,002 in capital assets, and \$17,049,036 in notes receivable. The total year-to-date revenue for FY15 is \$5,329,156. Expenses for the month included thirteen projects totaling \$1,525,712.

4. PRESENTATION OF THE FY14 AUDIT PERFORMED BY DAVIS KINARD & CO, P.C.: Shelby Gibbs of Davis Kinard & Co, PC presented the DCOA's FY 14 audit report which was conducted as part of the City of Abilene's annual audit. At the end of fiscal year 2014 on September 30, 2014, the DCOA had a total net position of \$74,477,971. This was a \$1.5 million increase from the beginning of the fiscal year.

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 April 14, 2015, and the time is 1:46 p.m. Later, President Copeland announced the date is still April 14, 2015, and the time is 2:22 p.m. No vote or action was taken in Executive Session.

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: Kent Sharp requested the board approve a construction contract with Lydick Hooks Roofing to repair hail damage to the roofs at 842 Pine St. and 1325 Pine St, with associated funding of \$67,500.

The life sciences buildings at 842 Pine St. and 1325 Pine St. were damaged by a severe hailstorm that occurred on June 12, 2014. Both buildings are insured under Cincinnati Insurance's property and liability policies as these properties are part of a New Markets Tax Credit deal and are not insured under the City of Abilene's self-insurance program.

Staff received bids from Barr Roofing and Lydick Hooks Roofing on February 26, 2015. Lydick Hooks' total proposed amount is \$449,690. The break down is base proposal for \$421,700 and option #1 to remove and replace stop and sill flashing at 1325 Pine for \$27,990. To repair all the hail damage Cincinnati Insurance will issue a \$370,705.87 check for the claim for both properties, and when the repairs are complete another check for an estimated \$43,984.13 will be issued as recoverable depreciation.

The total cost for the repair construction is \$459,690 (\$10,000 for TLP/PSC and \$449,690 for Lydick Hooks) however, the insurance company will not reimburse for the design costs. Staff requests the board approve total funding of \$67,500 which includes a 5% contingency of \$22,500, \$10,000 for design fees, and \$35,000 for the insurance deductible.

Jack Rich move to approve resolution DCOA-2015.09 authorizing a construction contract with Lydick Hooks Roofing. Also authorized is \$10,000 for design fees and reimbursable expenses payable to Tittle Luther Partnership/Parkhill Smith & Cooper, a 5% contingency of \$22,500 and \$35,000 for the insurance deductible. Marelyn Shedd seconded and motion carried.

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: Kent Sharp discussed the company's request for an extension of the deadline to submit proof of financial capacity to perform under the Agreement to the DCOA. The original deadline for the DCOA to receive CarbonLITE's proof of financial capacity to perform under the Agreement was set to

April 30, 2015. The extension will allow the company's lender ample time for due diligence work required before approving loan funds.

Marelyn Shedd moved to approved resolution DCOA-2015.10 with added language to Part 2. that states "This resolution is contingent upon execution of all necessary agreements *and receipt of original signed documents from CarbonLITE.*" Jack Rich seconded and the motion carried.

8. ADJOURNMENT: There being no further business the meeting was adjourned.

Dave Copeland, President

DEVELOPMENT CORPORATION OF ABILENE
STATEMENT OF NET POSITION
March 31, 2015 and 2014

	March 2015	March 2014
Current Assets:		
Cash and cash investments	\$ 16,817,889	\$ 18,249,423
Accounts receivable	173,059	35,293
Due from other governments	1,847,609	1,702,786
Total Current Assets	18,838,557	19,987,502
Noncurrent Assets:		
Notes receivable	17,368,480	18,225,572
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	56,664,226	54,594,369
Total Assets	\$ 75,502,783	\$ 74,581,871
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	30,330,077	22,222,903
Unrestricted, designated for purposes of trust	5,492,058	15,938,492
Total Net Position	75,117,881	74,530,192
Total Liabilities and Net Position	\$ 75,502,783	\$ 74,581,871

DEVELOPMENT CORPORATION OF ABILENE
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
For six months ending March 31, 2015 and 2014

	March 2015	Fiscal YTD 2015	Fiscal YTD 2014
Revenues:			
Sales and use taxes	\$ 759,360	\$ 5,388,032	\$ 5,027,928
Interest income	3,499	20,959	18,257
Building rental / land lease	97,252	548,642	511,705
Sale of land	-	163,635	201,013
Miscellaneous revenue	85,405	153,404	125,413
Total Revenues	945,516	6,274,672	5,884,316
Expenses:			
Economic development projects	350,338	4,548,273	3,077,194
Life Sciences property maintenance	46,163	273,190	231,048
DCOA property maintenance	24,208	139,077	178,022
Abilene Industrial Foundation	27,288	175,567	280,798
TTU Small Business Development Center	12,244	68,194	83,400
Chamber Military Affairs	37,234	136,682	18,313
Airport Business Development Manager	7,171	39,882	59,995
General administrative services	43,585	253,897	377,024
Total Expenditures	548,231	5,634,762	4,305,794
Changes In Net Position	397,285	639,910	1,578,522
Net Position at Beginning of Period	74,720,596	74,477,971	72,951,670
Net Position at End of Period	\$ 75,117,881	\$ 75,117,881	\$ 74,530,192

Summary of Current Period Economic Development Projects:	
Fehr Foods '12 - Capital Investment	\$ 170,000
Hangar Doghouse AE	2,092
Hangar Doghouse Construction	524
EASI De-Fuel Truck	1,750
Fehr Foods '13 - Capital Investment	74,272
842 Pine Boiler Replacement	519
Fehr Foods Expansion - Job Creation	1,959
Broadwind Towers - Principal Reduction	99,222
Total	\$ 350,338

**Development Corporation of Abilene
Economic Program Status
As of March 31, 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	532,998	532,998	-	-
Enavail, LLC	5316	386,240	386,240	-	-
Pepsi Beverage Co.	5321	350,000	140,000	-	210,000
Cooperative Response Center	5324	217,259	211,483	-	5,776
Petrosmith Ph 1, 3 & 4	5330	640,362	418,700	221,660	2
Petrosmith Ph 5	5330.1	452,000	-	-	452,000
TTUHSC School of Nursing	5331	537,517	537,517	-	-
Vine St. Fehr Foods Improvements	5335.10	147,214	9,400	135,814	2,000
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	42,080	145,764
Hangar Doghouses Construction	5348.2	2,732,618	247,560	1,165,145	1,319,913
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	8,750	20,510
Fehr Foods ' 13	5356	240,000	74,272	74,272	91,456
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	59,565	59,565	-	-
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	763,101	410,100	198,288	154,713
Spec 3 Finish Out Construction	5364.2	12,162,750	835,058	1,037,352	10,290,340
842 Pine Boiler Replacement A/E	5365.1	76,285	70,712	5,573	-
842 Pine Boiler Replacement Equipment	5635.2	312,300	186,846	100,657	24,797
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	4,123,000	-	1,959	4,121,041
Broadwind Towers 2014	5373	1,537,748	-	99,222	1,438,526
Fast Track Welding '14	5375	154,702	154,702	-	-
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
Datrou Technologies	5385	280,750	-	-	280,750
Subtotal Economic Program Obligation Reserve		\$ 46,554,556	\$ 13,627,792	\$ 4,548,273	\$ 28,378,491

Development Corporation of Abilene
Economic Program Status
As of March 31, 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	-	253,897	411,743
Life Sciences Property Maintenance	Division 2765	597,780	-	273,190	324,590
DCOA Property Maintenance	Division 2775	324,430	-	139,077	185,353
Abilene Industrial Foundation	Division 2775	604,775	-	175,567	429,208
TTU Small Business Dev Center	Division 2775	250,000	-	68,194	181,806
Chamber Military Affairs	Division 2775	397,000	-	136,682	260,318
Airport Business Development Manager	Division 2775	198,450	-	39,882	158,568
Subtotal Administrative Divisions Obligation Reserve		\$ 3,038,075	\$ -	\$ 1,086,489	\$ 1,951,586
Total reserve for obligated programs					\$ 30,330,077

<i>DCOA Board approved projects waiting for signed contracts:</i>		Expiration Date
Dyess JLUS	\$ 50,000	6/17/15
TTUHSC School of Public Health	1,951,431	8/24/15
	<u>\$ 2,001,431</u>	

DEVELOPMENT CORPORATION OF ABILENE, INC.
BOARD AGENDA
MEETING DATE: April 27, 2015

PROJECT: Semi-Annual Reports for FY15

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

The board first began funding the Military Affairs Committee in 1992 at the level of \$45,000 for the purpose of marketing Abilene as an on-going base site as well as opportunity for acquiring additional assets from closed bases. A round of base closures occurred in 1995, so another \$500,000 was approved in 1994. Since then, efforts to retain Dyess AFB's assets and gain additional assets have increased to include consultants who work directly with Legislators and Air Force leaders on Abilene and Dyess AFB's behalf. The DCOA funds these efforts on an annual basis.

The Texas Tech University Small Business Development Center (SBDC) has also contracted with the DCOA since 1990, providing business counseling services to clients in a 17-county region, free-of-charge. The DCOA began partial funding of the Airport Business Development Management Program in FY02. The Airport Master Plan recommends pursuit of a marketing program that will help the airport build activity within its business segments.

SPECIAL CONSIDERATIONS

The FY15 contracts expire 9-30-15. Attached are reports covering activities during the first one-half of the fiscal year, primarily from 10-1-14 through 3-31-15.

FUNDING/FISCAL IMPACT

None.

STAFF RECOMMENDATION

None.

ATTACHMENT

Abilene Regional Airport FY15 Semi-Annual Report
Abilene Industrial Foundation FY15 Mid-Year Progress Report
Chamber Military Affairs Semi Annual Report 2014-2015
TTU Small Business Development Center Mid-Year FY15 Report

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**Abilene Regional Airport's
FY 2015 Semi-Annual Report
To
Development Corporation of Abilene**

The Business Development Management program continues its effort to increase airline passenger enplanements, continue communication with other potential air carrier service and encourage economic growth for the airport. We believe the more visible marketing campaign that includes TV, print, social media 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.

FY15 YTD Business Development Activity

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

This year, Kate Alvarez participated in the Leadership Abilene 2015 class, which has proven to be a great tool of outreach to 35 business leaders within the Big Country.

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. 9	Leadership Abilene, City of Abilene Day
Oct. 17	Presenting Sponsor of Brownwood Chamber Luncheon
Oct. 29	Booth at TMCN Exhibit
Dec. 18	Passenger appreciation holiday contest & reception
Jan. 28	KEAN radio, VIP giveaway
Feb. 4	Mike Boyd, Boyd Group Int'l presentation
Feb. 17	Southwest Rotary presentation
Mar. 19	Abilene Woman's Club, Thursday Forum presentation
Mar. 19	ACU Management Class presentation
Mar. 25	Business Expo Exhibitor

Marketing the Airport

Pink Goose Media & ACT Marketing produced two commercials for ABI to run March 2015 thru September 2015. As well as running :30 second ad spots on 5 radio stations, highlighting business and leisure travel.

Social Media

Facebook continues to be a marketing tool that we use to communicate with our passengers and the general public. We have 962 page likes, with about 500 of those actively using our page as a form of communication. www.facebook.com/abileneairport

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

Instagram, @abiairport, this is great platform to share our story via pictures. This platform has a traditional younger audience so it helps us stay in contact with our 20-30 year old demographic.

Sponsorships

We have made efforts to connect with the community and increase top of mind awareness by sponsoring various events throughout the year as follows:

Taste of Abilene- Table Sponsor

United Way of Abilene – Key City Rhythm & Blues Fest.

Abilene Philharmonic Association – Program Sponsor

Abilene Zoo – Train Sponsor

TMCN- Marketing Sponsor

Special Programs

The **ABI-VIP Passenger Rewards Program** continues to be a strong tool for communicating with our passengers. We have 1805 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 continue to adapt this into a user-friendly program for members as well as administrators.

Parking Badge program, yet another incentive for our passengers. Specifically, our frequent business travelers. We quietly launched this program with Milsoft Utility Solutions in January 2015. Issuing 25 parking badgers for their most frequent travelers. In any given week they have 6-10 employees traveling through ABI. This program allows the company to receive one invoice at the end of the month instead of the cumbersome reimbursement process. So far, Milsoft is very pleased with this program. We hope to offer it to more companies in the near future.

Enplanements:

2014 was a record year from ABI with 100,039 enplanements. A 13% overall increase from 2013.

YTD enplanements are down 6% over March 2014.

Revenues:

Major revenue sources to the airport are the car rental concessions and the parking lot, this is reflective from March 2014 numbers.

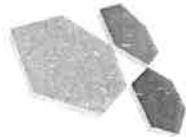
Rental Car Revenue is up 23%.

Parking lot revenue is down 0.24%.

Business Development Outlook:

As we look to the future of ABI we will consider additional resources of airport growth including potential industrial development on the airport. While networking through comparable airports nationwide it is clear that we have great potential for not only additional air service but also continued economic development.

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



Develop Abilene

Abilene Industrial Foundation

April 10, 2015

Mr. Kent Sharp
Chief Executive Officer
Development Corporation of Abilene
174 Cypress St, Suite 301
Abilene, TX 79601

Dear Kent:

In accordance with the terms of the Development Corporation of Abilene contract with the Abilene Industrial Foundation, the following progress report is submitted for the period of October 1, 2014 to March 31, 2015 inclusive.

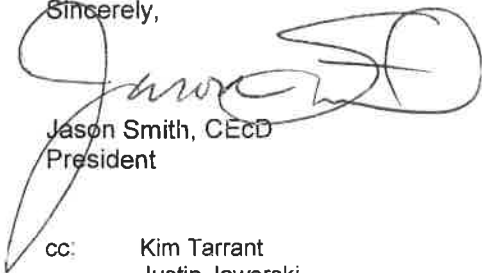
This report covers all categories listed in the AIF Marketing Plan. A brief summary of the data is as follows:

Marketing Budget.....	\$175,000.00
Spent to Date.....	\$53,744.31
Qualified leads received.....	16
Qualified leads responded to	16
Unqualified leads received.....	5
Prospect visits to Abilene.....	1
New prospect files opened.....	2
Retention/expansion visits	18
Retention/expansion luncheon (November 2014).....	44
Inquiries/contacts with consultant/prospects.....	19

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

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

Sincerely,



Jason Smith, CECD
President

cc: Kim Tarrant
Justin Jaworski

Enclosures

Attachment 1

Abilene Industrial Foundation
FY 2014-2015 Mid-Year Marketing Summary
October 1, 2014 – March 31, 2015

ADVERTISEMENT PLACEMENT

- Total advertisement submissions – 3
- Total advertisement placement costs – \$3,782.00

LEAD ACTIVITY

- Qualified leads received from all sources – 16
- Qualified leads responded to – 16
- Unqualified leads received – 5

PROSPECT ACTIVITY

- Prospects visits to Abilene – 1
- New prospect files opened – 2

PUBLIC RELATIONS

- Dallas Morning News article on Abilene
- National coverage of World's Largest Barbeque

TRADE SHOWS / CONFERENCES

- TMCN Annual Conference
- The High Ground Annual Meeting, Lubbock
- Team Texas, Austin
- TMCN Day at the Capital, Austin
- World Ag Expo, Tulare, California

CONSULTANT / RETENTION / EXPANSION ACTIVITY

- Inquiries/contacts with consultant/prospect – 19
- Manufacturers Luncheon (Nov. 2014) – 44

EXISTING BUSINESS ACTIVITY

- Retention/Expansion Visits – 18

MADE IN ABILENE- QUARTERLY ARTICLE IN CONNECTION

- AbiMar Foods
- Clavél

Attachment 2

Abilene Industrial Foundation
Marketing & Retention Activities
October 1, 2014 – March 31, 2015

- IEDC Site Selection Standards, Abilene Community Profile, Manufacturers Directory, Community Snapshot, Major Employers
- ImpactData Source
- LOIS - Development and update of current building inventory materials
- Cost-of-Living – collection of data
- DevelopAbilene website – new site
- Host Manufacturers' Luncheon
- Development and preparation of individual prospect packages – RFPs and RFIs
- Hosting of prospect visits to Abilene including tours to specific sites
- Trade Show attendance
 - World Ag Expo, Tulare, CA
- Conference attendance
 - The High Ground Annual Meeting, Lubbock
 - Team Texas, Austin
- Texas Midwest Community Network
 - TMCN Annual Conference
 - TMCN Day at the Capital, Austin
 - Executive Committee Board Member and Council Meetings
 - Economic Development Alliance Board Member and Alliance meetings
 - Economic Development Alliance Dinner & Conversation
 - TMCN Planning Sessions

Attachment 3

Category	Allocation	10/1/14 to 3/31/15	4/1/15 to 9/30/15	YTD
Advertisements (1)	\$ 20,000.00	\$ 3,782.00	\$ -	\$ 3,782.00
Website (2)	\$ 5,000.00	\$ 812.73	\$ -	\$ 812.73
Marketing Material (3)	\$ 15,000.00	\$ 1,309.04	\$ -	\$ 1,309.04
Public Relations (8)	\$ 59,000.00	\$ 24,775.20	\$ -	\$ 24,775.20
Trade Show/Conferences (10)	\$ 20,000.00	\$ 11,918.90	\$ -	\$ 11,918.90
Site Consultant Activity (12)	\$ 20,000.00	\$ 5,250.00	\$ -	\$ 5,250.00
Direct Mail (13)	\$ 1,000.00	\$ -	\$ -	\$ -
Business Retention Activity (14)	\$ 5,000.00	\$ 1,646.44	\$ -	\$ 1,646.44
Local Communications (15)	\$ 15,000.00	\$ 550.00	\$ -	\$ 550.00
Memberships & Affiliations (18)	\$ 30,000.00	\$ 3,700.00	\$ -	\$ 3,700.00
Total	\$ 175,000.00	\$ 53,744.31	\$ -	\$ 53,744.31

4.8



MEMO FOR DCOA

April 10, 2015

FROM: Abilene Chamber of Commerce

Subject: DCOA – ACOC Contract Compliance Semi-Annual Report 2014-2015

TO: DCOA Board

The Department of Defense has entered a new era. No longer are growths in missions and personnel forecast, in fact, reductions over the past six years have reduced Air Force personnel from 329,000 in FY 2009 to 310,000 by the end of FY 2015. Sequestration and budget reductions are and will be the norm unless Congress takes actions. Excess infrastructures and capacities are widespread and attempts to divest excesses have not been approved. Modernization efforts will not produce one for one replacements -- less equipment and manpower will be needed -- hence the requirement for existing infrastructures will continue to be reduced.

That does not mean there are not opportunities for Dyess in the near term.

- TEAM Abilene has identified the opportunity to consolidate all B-1 test functions at Dyess. Currently the Air Force conducts B-1 test functions at Edwards AFB (2 B-1s assigned) and Dyess (2 B-1s assigned). In the past, Dyess has been called upon to accomplish not only B-1 testing but to provide both B-1 equipment and personnel support to Edwards. Given this enhanced Dyess testing role and the fact that current and future B-1 test requirements will probably be reduced, TEAM Abilene identified an opportunity to enhance B-1 test functions by consolidating the entire B-1 test mission at Dyess. Actions are underway to pursue this opportunity.
- TEAM Abilene has identified reserve component mission(s) that would be both logical and operationally efficient if assigned to Dyess. Actions are underway to pursue opportunities. The Air Force Reserves have established a B-1 Associated Reserve Unit at Dyess. The unit, 489th Bomb Group, is a satellite of the 307 Bomb Wing at Barksdale AFB, LA. The unit has started to hire personnel leaving the B-1 active duty force. The associate Reserve works hand alongside the active duty forces and provides skilled personnel in all areas of the operation. The 489th is in the early stages of establishing itself on the Base and eventually will be comprised of both flying and maintenance personnel. The addition of this unit helps diversify the missions at Dyess and strengthen the overall B-1 mission on the Base.

4.9

- TEAM Abilene has led efforts to save funds for the base through a formal P4 process. The Public-Public-Public-Private Partnership program will allow the partnership between Abilene and Dyess to continue to expand. This has led to six specific partnership opportunities including grant management, library collaboration, procurement of materials, training opportunities, consulting and disaster services.
- Finally, TEAM Abilene is working diligently to position Dyess to be able to attract the new Long Range Strike Bomber. The general consensus is that the bomber will be in service by the early 2020s. There is some infrastructure issues that may need addressed in order for Dyess to be considered for the new bomber as part of the siting. The TEAM will use the JLUS as well as internal information from the manufacturers to begin developing a strategy for prioritization of infrastructure projects that need to be completed.

Future opportunities to identify and pursue additional missions to expand Dyess will be limited. The primary focus for TEAM Abilene should currently remain -- enhancing the operational efficiencies of assigned missions, while continuing to seek out opportunities to expand. The ability to train and employ are critical aspects of a base that are sometimes overlooked and fall behind ambitions to generate fiscal community stability. TEAM Abilene has focused on enhancing operational opportunities and allowing fiscal impacts to follow. This focus includes efforts to maintain up-to-date base infrastructures with emphasis on operational capabilities, e.g., actively pursuing encroachment concerns, developing support redundancies, obtaining and retaining unencumbered local training opportunities.

Basing adjustment processes could be an opportunity for Dyess to not only survive but to grow. Dyess has been evaluated in the upper tier during prior formal basing adjustment processes and there's no reason given TEAM Abilene's enhancement efforts over the years that Dyess will be displaced from that upper tier. This fact along with the DoD's desire to reduce excess infrastructures and Dyess's excellent capabilities could provide an opportunity to expand and/or diversify.

TEAM Abilene has been a leader/example for other communities with its proactive approach to enhancing mission capabilities and efficiencies while providing desired quality of life services. Others are getting smarter by following TEAM Abilene's lead. TEAM Abilene needs to continue with the basics -- stress retaining and enhancing current Dyess assigned missions while identifying and pursuing new opportunities.

In terms of specific activities for 2014-2015:

- TEAM Abilene worked with the Department of Defense and City of Abilene to secure a grant for a Joint Land Use Study to examine any issues that may face the base during a base adjustment process.
- The Chamber and its partners also continue to work in concert with groups such as the Boeing Corporation (manufacturer of the B-1) and Lockheed Martin (C-130

manufacturer) on new opportunities. For instance, TEAM Abilene has been instrumental in promoting the LRASM, which is a new weapon that provides pinpoint accuracy at sea. So far, the B-1 has been the only system used to test the LRASM, meaning production of the new weapon helps secure the future of the plane.

- The Chamber and its partners continue to work directly with the Texas Military Preparedness Commission to secure funds for military communities in light of a potential formal basing process.
- Representatives from TEAM Abilene attended the Association of Defense Communities in California and were honored to give a presentation on Abilene's program. TEAM Abilene was also honored to be a feature community in the ADC annual report.
- Representatives from TEAM Abilene meet regularly with Air Force leadership to discuss the opportunities for growth at the base and the strengths of our current weapon systems. This included hosting the executive committee of the Air Tanker Association and the head of the 12th Air Force among others.
- Members of TEAM Abilene wrapped up consultation for redundant fiber for Dyess and assisted DCOA in information required for funding.
- TEAM Abilene coordinated two gifts for Dyess which expanded the linear park and purchased a new projector for the theater, allowing the base to reopen the facility.
- The Chamber launched a new website for military affairs which will provide more information to the public about the community's need to continue to work to maintain the base and the impact the base has on the city.
- The Chamber launched a new electronic newsletter that is sent monthly to military affairs committee members and elected officials to keep the community updated on happenings that impact Dyess' ability to grow and retain its mission to continue to build support for the effort.

Other events scheduled for the remainder of the year include:

- World's Largest Barbecue to coincide with the anniversary celebrations of the B-1 and the C-130.
- TEAM Abilene fly-in to Washington which features a Barbecue for top military brass and meetings at the Pentagon and on Capitol Hill.
- Attendance of both the Association of Defense Communities and Air Force Association, the two largest Air Force events of the year.
- Continued work on state funding issues for military communities and work with the TMPC.

In addressing the specific agreement between the Abilene Chamber of Commerce and the Development Corporation of Abilene, the Abilene Chamber of Commerce responds to the duties outlined in Section II, 2 as follows:

1. The Chamber of Commerce is directing efforts to focus on protecting Dyess AFB. The previous reporting outlines the activities
2. The Chamber of Commerce has provided subcontracts to the DCOA office with three contractors:

- a. Jasper Consulting
 - b. Team Concepts
 - c. Richard J. Liedl, PC
3. The Chamber furnishes invoices to DCOA detailing eligible expenses incurred by the ACOC on behalf of military affairs on a regular basis.
 4. The Chamber has the CEO, Vice President and one other senior official review all expenditures and contracts each year for an independent audit.
 5. The Chamber has a 30-day termination in all subcontracts
 6. The Chamber is providing this report as compliance for the semiannual written report due April 10 and will be at the regularly scheduled meeting of the DCOA, April 14.
 7. The subcontractors issue a report monthly to the Chamber and the groups meet regularly to assure complete supervision of contact with those outlined in the contract.
 8. The Chair of DCOA is the designated member of the Military Affairs Committee.
 9. Records from 2010-2014 are available at the Chamber offices, 174 Cypress Street, Abilene, TX 79601.
 10. All records are maintained in accordance with generally accepted accounting principles and are available upon request.

The work of TEAM Abilene would not be possible without both the commitment of the Development Corporation of Abilene through annual funding and the commitment for private funds from our Military Affairs Committee members and our new corporate partners program. The Abilene MAC effort is a true public private partnership that continues to pay dividends.

Thank you for your support and please contact me if you have questions.



Jason Smith, CEcD
President/CEO Abilene Chamber of Commerce

America's SBDC at Texas Tech

Mid-Year End Report

FY 15

10/01/2014 – 03/31/2015

America's SBDC at Texas Tech FY 15 Mid-Year Progress Report

Mid-Year Statistics

141 Jobs Created -FTE
17 Businesses Opened
\$1,773,000Capital Formation
186..... Client counseled
1097.25..... Hours billed to date

Compliance

U.S.Small Business Administration Audit scheduled for April 16, 2015- Letter will be provided.
Third Party Impact Survey required by State of Texas Comptroller's Office in progress.
Third Party Survey should result in a letter of Revenue Neutral for the SBDC and provided to the State of Texas Comptroller's office.
Northwest Texas Partnership audit scheduled on May 14, 2015.

America's SBDC at Texas Tech Update

Hiring additional business counselor
HC Zachry is developing new marketing material for the America's SBDC.
New Website design with online offerings, newsletter, business info;
Dallas Federal Reserve Survey
Bible Hardware – U S Small Business Association Small Business person of the Year for the West Texas District Office.
Space Alliance Technology Outreach Program (SATOP)

Community Assistance to date:

City Link
Abilene Community Theater – revised initial plan
City of Abilene Housing Initiative.
Meals on Wheels (progress)
ACU – Referrals for Entrepreneurs and assistance for Springboard contestants

Dyess Assistance

Boots 2 Business is a two day entrepreneurship certification program that is delivered to Dyess personnel on Dyess AFB. This program is an in depth introduction to entrepreneurship that is provided by the U S Small Business Association, Office of Veterans Affairs and the Small Business Development Center.

Procurement Assistance Center continues to provide assistance to a number of current Abilene business owners as well as those in the initial stages.

Defense Entrepreneur's Forum – Innovation Challenge Competition (early stage)

Downtown

The SBDC will be sponsoring Jon Schallert, a recognized business consultant specializing in teaching businesses how to turn themselves into a consumer destination. He will be presenting true success stories from across the U, S. This is a daylong event including one-on-one consultation.

Continue to participate in the Downtown Association.

Sampling of Businesses Assisted– New/ Ownership Change

Filtration Specialties	ABC Tent and Party Rental
All Pro Clutch	Taxes and More
Lucy's Burgers	Addiction Paintball
Stinky Steve	Hashi Teppen Grill

DEVELOPMENT CORPORATION OF ABILENE, INC.

BOARD AGENDA

MEETING DATE: April 27, 2015

SUBJECT: DCOA FY15 Semi-Annual Report of Activities Through 3-31-15

FROM: Kent Sharp, CEO

GENERAL INFORMATION:

As required in the by-laws of the corporation, a report of activities for the first one-half of the current fiscal year has been prepared. The report covers the 6-month period beginning 10-1-14 and ended 3-31-15.

SPECIAL CONSIDERATIONS:

None.

FISCAL IMPACT:

None.

STAFF RECOMMENDATION:

Staff recommends the Board approve by oral resolution the attached report of activities for the 6-month period ended 3-31-15.

ATTACHMENT:

Development Corporation of Abilene, Inc.
Report of Activities for period ended 3-31-15

DCOA
Semi Annual Report FY 2015: *October 2014 through March 2015*

DCOA Board

Dave Copeland - President
Marelyn Shedd - Vice President
Dani Ramsay - Secretary/Treasurer
John Beckham – Member
Jack Rich – Member

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

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

Organization

The Development Corporation of Abilene, Inc. (DCOA) is a Type A economic development corporation, and a Texas non-profit corporation specifically governed by the Texas Development Corporation Act, as defined in Chapters 501 and 504 of the Texas Local Government Code, as amended (formerly Art. 5190.6 of the Texas Revised Civil Statutes). The DCOA consists of a five-member board, which is appointed by the Mayor and City Council, with terms of three years each. The fiscal year for the DCOA begins October 1st and ends September 30th.

Purpose

The purpose of the DCOA is to use sales tax revenue to effectively stimulate Abilene's economic growth.

Mission Statement

To carry out the purpose by assessing the community's economic development needs, developing a plan to meet those needs, coordinating community economic development efforts, and supporting targeted activities that enhance the quality of life in the community and maximize the public's return on invested tax dollars.

Project Summary

The Texas Tech University Health Sciences Center School of Public Health

The Texas Tech Health Sciences Center (TTUHSC) recently announced a 40,000 sq. ft. expansion of the Abilene campus with the addition of a School of Public Health (SOPH). Currently existing are the Schools of Pharmacy, Nursing and Biomedical Sciences. The Master of Public Health program will bring 150 new students to Abilene and provide advanced training, opportunities for research, and the study of factors which impact a population's health. Graduate students will gain the knowledge and skills necessary to serve populations as small as a local neighborhood, or as large as an entire country. The DCOA board authorized in February of 2015 up to \$1,951,431 for infrastructure improvements, limited to streets and roads, water and sewer utilities, electric utilities, gas utilities, drainage, site and related improvements, and telecommunications and Internet improvements.

CarbonLITE Recycling Amended Assistance and Additional Construction Funding

The DCOA has been working with CarbonLITE Recycling, producer of food-grade post-consumer recycled polyethylene terephthalate (rPET), since 2013 to open a second plant in the 100,000 sq ft Spec 3 building in the Five Points Business Park. Construction of finish-out plus the addition of a 100,000 sq ft warehouse and 10,000 sq ft office space will be performed by Imperial Construction at a cost of \$16,074,337 (A/E fees of \$738,100 and \$15,336,237 for construction).

In February of 2015, the DCOA approved another \$1,100,000 to the previously-approved \$11,800,850 design and construction funding budget to bring the soil in the original spec building up to the standard it was originally believed to be to ensure a stable foundation. In addition, there are estimated A/E services and reimbursable costs of \$25,000, which brings the grand total for the construction project to \$16,099,337, with DCOA funding \$12,925,850 and the company funding the balance. Also authorized was a deadline of April 30, 2015, for the company to demonstrate its financial capacity to perform under the agreement plus amended lease terms to reflect the new construction budget and split costs between DCOA and CarbonLITE.

Petrosmith (formerly Smith Pipe)

In February 2015, the board re-authorized Petrosmith's Phase 5 capital investment assistance which expired before an agreement was executed. The capital investment assistance for Phase 5 is \$452,000 at 10% of the company's expected investment. The funds will be advanced under a 3-year earnable note receivable at 0% interest secured by a letter of credit.

The board also approved rescinding assistance for the company's Phase 2 facility expansion originally approved in 2011. The Phase 2 expansion of the pipe coating

operation has not yet materialized and the approved assistance of \$300,200 was never funded.

BBP Bird, LP (Tige Boats) Debt Restructure

In February 2015, the board authorized the restructure of the outstanding debt owed by BBP Bird, LP for the Tige Boats manufacturing facility on Hwy 36. Restructuring the debt was proposed in order to ensure better amortization of the note balance. In November 2003, the DCOA approved a \$4 million, 25-year, 0% interest construction loan for the new Tige Boats manufacturing facility located on Hwy 36 across from the airport. The monthly payments were based on the greater of \$100 for each boat produced from the previous month or \$3,600 (36 boats produced). DCOA has a first lien on the land and plant on Hwy 36 plus a corporate guaranty from Tige Boats, Inc.

Under the proposed restructure, the current note balance of \$3,399,600 will be paid monthly at a flat rate of \$13,333.33 or \$160,000 per year beginning March 1, 2015 for 16 years. A balloon payment of \$839,600 will be due when the note matures.

Hangar 1 Doghouse, Change Orders, and Additional Funding

Hangar 1 at the Abilene Regional Airport is occupied by Eagle Aviation Services, Inc. (EASI) and is under construction to add a “doghouse” extension that will allow the hangar to accommodate the larger aircraft under order for American Eagle (now Envoy). The DCOA approved a contract in 2014 with Lansford Construction at a cost of \$2,473,722.

During the plan review process six items surfaced that need to be addressed through change orders at a total cost of \$228,896; 1) chemically injecting the soil for stabilization rather than installing a lime subgrade econo-crete base and 10.5” of unreinforced concrete paving at a savings of \$90,322, 2) adding ADA complaint restrooms and an entry ramp at a cost of \$68,096, 3) adding 2-hour fire rated hangar wall at a cost of \$64,805, 4) creating an equipment storage area between Hangars 1 and 2 plus concrete pavement between the two hangars at a cost of \$145,883, 5) installing a water line, a covered drain, and a sewer pipe into the existing oil/water separator to accommodate an open-air wash bay at a cost of \$27,934, and 6) upgrading the electrical service throughout the hangar to be able to terminate all power at a single location at an estimated cost of \$12,500. Total approved in November 2014 for these six change orders is \$90,569, which when combined with the existing construction contingency of \$168,327 covers the change orders and allows for a \$30,000 contingency.

Strategic Planning Ad Hoc Committee

In November 2014, President Dave Copeland appointed six individuals to an ad hoc committee to search for a consulting firm for the development of a strategic plan for

economic development in Abilene.

Those appointed were Ray Ferguson as the Chair of the committee, Tucker Bridwell as Vice Chair, Yvonne Batts, Chair of the Abilene Industrial Foundation, City Councilman Anthony Williams, and DCOA members John Beckham and Scott Senter. Kent Sharp and Jason Smith are the primary support staff for the committee.

Dyess AFB Joint Land Use Study (JLUS)

A Joint Land Use Study (JLUS) will be conducted through a grant program offered by the U.S. Department of Defense Office of Economic Adjustment, which will benefit both the Abilene community and Dyess AFB during the process of community development. This study will be used as a cooperative land use planning effort between the City of Abilene and Dyess AFB to address any perceived development incompatibility near Dyess that could adversely affect the military base as well as the community. The DCOA approved in December 2014 up to \$50,000 to cover the required 10% grant match for a JLUS study. Actual funding will be net of the value of the City's in-kind contribution.

Sale of a .953 Acre Lot at 1842 Hwy 351

The DCOA owns .953 acre of vacant land at the intersection of Enterprise Dr. and Hwy 351. It represents the remaining portion of 1.86 acres the DCOA purchased from Region 14 Education Service Center to accommodate the extension of Enterprise Drive from Hwy 351 to East Lowden Rd., which was completed in 2014. In January 2015, the board approved the sale of the severed .953 acre tract to a buyer at the market rate of \$525,000.

Vine St. Warehouses Improvements

The DCOA owns warehouse space at 4009/4109 Vine St., which is occupied by Abimar Foods, Inc. (formerly Fehr Foods). In September 2014, the board approved \$135,343 and contracts with vendors to make improvements to the warehouses to accommodate Abimar Foods' expansion into cracker production. In January 2015, the board approved an additional \$11,871 to cover needed change orders plus fees to Jacob & Martin for providing project supervision. Abimar agreed to pay ½ of the cost for the requested improvements in their monthly rent for the next 5 years.

Administrative/Other

Board Members and Officer Elections

During the March 2015 meeting, President Dave Copeland introduced and welcomed Jack Rich as a new board member. Mr. Copeland then 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.

Dave Copeland was re-elected board president and Marelyn Shedd and Dani Ramsay were re-elected Vice President and Secretary/Treasurer, respectively.

Texas Economic Development Sales Tax Legislation and Regulations Training

Attorney Jeff Moore of the Brown & Hofmeister law firm gave a presentation on the Texas Economic Development Sales Tax legislation and regulations during a joint meeting on March 25, 2015, of the DCOA and Abilene City Council. Mr. Moore also explained the differences between Type A and Type B corporations, the history of economic development, and how other cities utilize their sales tax income.

Staff

Kent Sharp - Chief Executive Officer
Kim Tarrant - Business Services Manager
Akane Thaxton – Economic Development Specialist

Contact

174 Cypress, Suite 301
Abilene, Texas 79601
Phone: 325-676-6390 | Fax: 325-676-6377
DevelopAbilene.com