

PUBLIC NOTICE

DEVELOPMENT CORPORATION OF ABILENE, INC.

A regular meeting of the Development Corporation of Abilene, Inc. will be held on Tuesday, January 12, 2016, at Develop Abilene conference room, 174 Cypress St., 3rd floor, Abilene, Texas, commencing at 1:30 p.m. to consider the following agenda:

SIGNED:



Kent Sharp, CEO

AGENDA

January 12, 2016
1:30 p.m.

Develop Abilene Conference Room
174 Cypress St., 3rd floor

1. Call the meeting to order.
2. Approval of minutes from the December 17, 2015 board meeting.
3. Sales tax report for January 2016 and Preliminary October 2015 financial reports.
4. Executive Session:
The DCOA reserves the right to adjourn into executive session at any time during the course of this meeting to discuss any item on the agenda, as authorized by Texas Government Code Sections 551.071 (Consultation with Attorney), 551.072 (Deliberations about Real Property), 551.074 (Personnel Matters) see list below, and 551.087 (Business Prospect/Economic Development). After discussion in executive session, any action or vote will be taken in public.

(Personnel) Section 551.074
The DCOA, pursuant to the adopted Bylaws, may consider the appointment, employment and duties of certain positions as well as membership of certain committees.
5. Officer Elections; President, Vice President and Secretary/Treasurer.
6. Discussion and possible approval of a resolution authorizing funding for remediation work at Spec 3 building in Five Points Business Park under lease to Prairie Dog Pet Products.
7. FY15-16 DCOA goals update.
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 _____, 2016, 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
December 17, 2015

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

STAFF PRESENT: Kent Sharp Kim Tarrant Chace Craig
 Mike Rains

GUESTS PRESENT: Justin Jaworski – Abilene Industrial Foundation
 Doug Peters - Abilene Chamber of Commerce
 Brian Yates - Abilene Chamber of Commerce

1. CALL THE MEETING TO ORDER: President Dave Copeland called the meeting to order at 1:31 p.m. at 174 Cypress St., 3rd floor conference room, Abilene Texas.

2. APPROVAL OF MINUTES FROM THE NOVEMBER 17, 2015 BOARD MEETING: John Beckham moved to approve the minutes from the November 17, 2015, board meeting. Dana Ramsay seconded and the motion carried.

3. SALES TAX REPORT FOR DECEMBER 2015: Mike Rains, Director of Finance presented the sales tax report for December 2015. The sales tax rebate for December is \$2,937,642.44 which represents October sales. Economic Development received \$734,410.61, which is 12.25% below last year and 13.12% below the projected FY 16 budget amount. For the period October through December, sales tax is 5.95% below last year and 6.89% below the projected FY16 budget amount.

4. EXECUTIVE SESSION – SESSION 1: I hereby announce we are going into Executive Session pursuant to Texas Government Code Sections 551.071, 072, 074 and 087 to consult with our legal counsel, discuss real property transactions, personnel matters, and discuss economic development negotiations involving a business prospect, as set forth on the agenda. Any vote or action will be taken in open session.

President Dave Copeland announced the date is December 17, 2015, and the time is 1:35 p.m. Later, President Copeland announced the date is still December 17, 2015, and the time is 2:47 p.m. No vote or action was taken in Executive Session.

5. DISCUSSION AND POSSIBLE APPROVAL OF A RESOLUTION AUTHORIZING A LEASE TO HAT CREEK CARRIERS, LLC FOR OFFICE SPACE AT 4109 VINE ST: Kent Sharp, CEO of the DCOA presented a request from Hat Creek Carriers (HCC) to lease a portion of the office space in a DCOA-owned facility at 4109 Vine St. HCC is an auto transportation company specializing in transport anywhere in or out of the United States. The current space they are leasing is not sufficient for its projected growth which includes adding 5-10 employees to the existing 15 by this summer. HCC's current lease expires in two years and payments must continue to be made to avoid default action.

Staff recommends a lease agreement with HCC for the upper office space at 4109 Vine St. consisting of about 5,000 sq ft to begin February 1, 2016 for a term of 5 years. The first two years are rent-free to assist with the company's growth and help offset its costs to move and set-up in a new location. Rent will then increase annually over the remaining 3 years. HCC will

also have a 12-month right of first refusal to lease the lower section consisting of about 4,000 sq ft should its growth justify the added space. The company will pay all utilities, taxes, janitorial and minor maintenance costs.

Jack Rich moved to approve resolution no. DCOA-2016.07 as presented. John Beckham seconded and the motion carried.

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

Dave Copeland, President

MEMORANDUM

January 6, 2016

TO: Robert Hanna, City Manager
FROM: Mike Rains, Director of Finance
SUBJECT: January Sales Tax

The sales tax rebate for January is \$3,020,371.36 which represents November sales. This is 5.39% below last year and 6.33% below the projected FY 16 budget amount. The breakdown of the rebate is \$2,265,278.52 to the General Fund and \$755,092.84 for economic development. Of this rebate, \$90,339 is from prior periods, audit payments, future payments, and unidentified payments. For the period of October through January, sales tax is 5.83% below last year and 6.76% below the projected FY 16 budget amount. I have requested the detail from the state.

Should you have any questions, please contact me.

MR:ls

Cc: Mindy Patterson, Assistant City Manager
James Childers, Assistant City Manager

**CITY OF ABILENE
SALES TAX COMPARISON**

Accounting Period Month	GENERAL FUND	ECONOMIC DEVELOPMENT	TOTAL	GENERAL FUND	ECONOMIC DEVELOPMENT	TOTAL
	Actual 2014-15	Actual 2014-15		Actual 2015-16	Actual 2015-16	
October	\$2,605,980.73	\$868,660.24	\$3,474,640.97	\$2,456,044.80	\$818,681.60	\$3,274,726.40
November	2,963,660.77	987,886.92	3,951,547.69	2,940,002.89	980,000.96	3,920,003.85
December	2,510,766.92	836,922.30	3,347,689.22	2,203,231.83	734,410.61	2,937,642.44
January	2,394,359.96	798,119.98	3,192,479.94	2,265,278.52	755,092.84	3,020,371.36
YTD	\$10,474,768.38	\$3,491,589.44	\$13,966,357.82	\$9,864,558.04	\$3,288,186.01	\$13,152,744.05
February	3,411,247.43	1,137,082.47	4,548,329.90			
March	2,278,078.73	759,359.57	3,037,438.30			
April	2,201,001.23	733,667.07	2,934,668.30			
May	3,058,881.51	1,019,627.17	4,078,508.68			
June	2,468,865.01	822,955.00	3,291,820.01			
July	2,336,436.58	778,812.19	3,115,248.77			
August	2,994,226.69	998,075.56	3,992,302.25			
September	2,433,407.29	811,135.76	3,244,543.05			
FY TOTAL	\$31,656,912.85	\$10,552,304.23	\$42,209,217.08			

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 2014-15	Actual 2015-16	% Change
October	\$868,660	\$818,682	-5.75%
November	987,887	980,001	-0.80%
December	836,922	734,411	-12.25%
January	798,120	755,093	-5.39%
YTD	\$3,491,589	\$3,288,186	-5.83%
February	1,137,082		
March	759,360		
April	733,667		
May	1,019,627		
June	822,955		
July	778,812		
August	998,076		
September	811,136		
FY TOTAL	<u><u>\$10,552,304</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.

Revenue for January '16 represents November '15 sales. Approximately \$22,585 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 2011-12	Actual 2012-13	Actual 2013-14	Actual 2014-15	Actual 2015-16
October	\$890,386	\$855,868	\$815,126	\$868,660	\$818,682
November	964,808	891,956	896,761	987,887	980,001
December	725,276	773,104	766,502	836,922	734,411
January	941,066	728,710	744,242	798,120	755,093
FY TOTAL	<u>\$3,521,536</u>	<u>\$3,249,638</u>	<u>\$3,222,630</u>	<u>\$3,491,589</u>	<u>\$3,288,186</u>
February	1,175,879	1,012,685	1,061,353	1,137,082	
March	732,189	821,529	743,945	759,360	
April	769,064	800,963	726,196	733,667	
May	977,461	965,056	981,409	1,019,627	
June	766,944	827,415	773,012	822,955	
July	756,886	826,951	794,307	778,812	
August	920,096	927,272	966,814	998,076	
September	800,200	797,862	845,806	811,136	
YTD	<u>\$10,420,256</u>	<u>\$10,229,372</u>	<u>\$10,115,471</u>	<u>\$10,552,304</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.

3.4

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

	October 2015	October 2014
Current Assets:		
Cash and cash investments	\$ 20,606,873	\$ 17,013,044
Accounts receivable	35,293	173,059
Due from other governments	1,789,074	1,847,609
Total Current Assets	22,431,240	19,033,712
Noncurrent Assets:		
Notes receivable	14,899,437	17,246,377
Capital assets	51,765,462	47,929,002
Accumulated depreciation	(9,815,739)	(8,633,256)
Total capital assets, net	41,949,723	39,295,746
Total Noncurrent Assets	56,849,160	56,542,123
Total Assets	\$ 79,280,400	\$ 75,575,835
Liabilities		
Current:		
Accounts payable	\$ 347,121	\$ 384,902
Total Current Liabilities	347,121	384,902
Total Liabilities	347,121	384,902
Net Position		
Net Investment in capital assets	41,949,723	39,295,746
Restricted for contractual obligations	16,465,898	32,216,278
Unrestricted, designated for purposes of trust	20,517,658	3,678,909
Total Net Position	78,933,279	75,190,933
Total Liabilities and Net Position	\$ 79,280,400	\$ 75,575,835

DEVELOPMENT CORPORATION OF ABILENE
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
For the month ending October 31, 2015 and 2014

	<u>October 31, 2015</u>	<u>Fiscal YTD 2016</u>	<u>Fiscal YTD 2015</u>
Revenues:			
Sales and use taxes	\$ 818,681	\$ 818,681	\$ 868,660
Interest income	5,554	5,554	3,749
Building rental / land lease	88,491	88,491	105,786
Miscellaneous revenue	5,000	5,000	10,296
Total Revenues	<u>917,726</u>	<u>917,726</u>	<u>988,491</u>
Expenses:			
Economic Development Projects	-	-	145,608
Life Sciences property maintenance	62,660	62,660	66,122
DCOA property maintenance	33,496	33,496	28,084
Abilene Industrial Foundation	-	-	-
TTU Small Business Development Center	-	-	-
Chamber Military Affairs	-	-	-
Airport Business Development Manager	-	-	-
Economic Development Operating Division	77,877	77,877	35,715
Total Expenditures	<u>174,033</u>	<u>174,033</u>	<u>275,529</u>
Changes In Net Position	743,693	743,693	712,962
Net Position at Beginning of Period	<u>78,189,586</u>	<u>78,189,586</u>	<u>74,477,971</u>
Net Position at End of Period	<u><u>\$ 78,933,279</u></u>	<u><u>\$ 78,933,279</u></u>	<u><u>\$ 75,190,933</u></u>

**Development Corporation of Abilene
Economic Program Status
As of October 31, 2015**

Economic Programs:	Project	Amount Budgeted	Prior Years Disbursement	Current Year Disbursement	Balance reserved for budgeted programs
TTU Pharmacy School	5242	\$ 1,702,310	\$ 1,702,310	\$ -	\$ -
Pactiv (formerly PWP)	5251	2,933,899	2,507,899	-	426,000
TTU 842 Pine	5308	690,999	690,999	-	-
Pepsi Beverage Co.	5321	350,000	140,000	-	210,000
Petrosmith Ph 1, 3 & 4	5330	640,360	640,360	-	-
Petrosmith Ph 5	5330.1	-	-	-	-
TTUHSC School of Nursing	5331	806,885	806,885	-	-
Rentech '12	5342	315,800	315,800	-	-
Owens Machine & Tool	5345	151,000	64,682	-	86,318
Hangar Doghouses A/E	5348.1	423,000	305,155	-	117,845
Hangar Doghouses Construction	5348.2	2,732,618	2,559,870	-	172,748
EASI De-Fuel Truck	5354	64,260	56,000	-	8,260
Fehr Foods ' 13	5356	240,000	148,543	-	91,457
Tucker Energy Services	5359	504,327	91,030	-	413,297
Five Points Infrastructure	5359.1	1,000,000	137,491	-	862,509
5 Pts RR Expansion	5363.1	30,800	11,000	-	19,800
Spec 3 Finish Out A/E	5364.1	608,389	608,389	-	-
Spec 3 Finish Out Construction	5364.2	2,171,047	1,902,313	-	268,734
Fehr Foods Expansion	5368	4,123,000	1,501,959	-	2,621,041
Broadwind Towers 2014	5373	1,438,526	99,222	-	1,339,304
Corley Wetsel Trucking	5376	455,200	-	-	455,200
Clavel Corp	5377	77,717	31,150	-	46,567
Fehr Foods 14	5378	200,000	53,426	-	146,574
Gift Card System	5379	82,100	22,340	-	59,760
BWJ Consulting	5382	619,000	117,293	-	501,707
Dyess Telecomm Upgrade	5383	23,000	6,935	-	16,065
Pine St. Buildings - Hail Damage	5384.1	10,016	10,016	-	-
Pine St. Buildings - Construction	5384.2	449,690	293,559	-	156,131
Datroo Technologies	5385	280,750	34,216	-	246,534
DCOA Strategic Planning	5386	130,000	105,000	-	25,000
Coca Cola Refreshments	5387	3,200,000	-	-	3,200,000
Martin Sprocket & Gear	5388	160,000	-	-	160,000
Industrial Maintenance Training AISD	5389	70,000	-	-	70,000
Subtotal Economic Program Obligation Reserve		\$ 26,684,693	\$ 14,963,842	\$ -	\$ 11,720,851
Plus Administrative Division Obligations:					
Economic Development Operating Division	Division 2760	710,150	-	77,877	632,273
Life Sciences Property Maintenance	Division 2765	521,140	-	62,660	458,480
DCOA Property Maintenance	Division 2775	2,303,290	-	33,496	2,269,794
Abilene Industrial Foundation	Division 2775	604,780	-	-	604,780
TTU Small Business Dev Center	Division 2775	200,000	-	-	200,000
Chamber Military Affairs	Division 2775	397,000	-	-	397,000
Airport Business Development Manager	Division 2775	182,720	-	-	182,720
Subtotal Administrative Divisions Obligation Reserve		\$ 4,919,080	\$ -	\$ 174,033	\$ 4,745,047
Total reserve for obligated programs					\$ 16,465,898

DCOA Board approved projects waiting for signed contracts:		Expiration Date
TTUHSC School of Public Health	\$ 1,951,431	12/24/15
Dyess JLUS	50,000	12/17/15
Prairie Dog Pet Products (Project Goldstar)	4,000,000	3/8/16
Blue Cross Blue Shield Roof Repairs	953,400	4/13/16
Abimar Foods Expansion '16	1,500,000	4/13/16
	<u>\$ 8,454,831</u>	

DEVELOPMENT CORPORATION OF ABILENE
STATEMENT OF NET POSITION
November 30, 2015 and 2014

	November 2015	November 2014
Current Assets:		
Cash and cash investments	\$ 21,284,713	\$ 16,687,345
Accounts receivable	35,293	173,059
Due from other governments	1,789,074	1,847,609
Total Current Assets	23,109,080	18,708,013
Noncurrent Assets:		
Notes receivable	14,866,103	17,221,177
Capital assets	51,765,462	47,929,002
Accumulated depreciation	(9,815,739)	(8,633,256)
Total capital assets, net	41,949,723	39,295,746
Total Noncurrent Assets	56,815,826	56,516,923
Total Assets	\$ 79,924,906	\$ 75,224,936
Liabilities		
Current:		
Accounts payable	\$ 347,121	\$ 384,902
Total Current Liabilities	347,121	384,902
Total Liabilities	347,121	384,902
Net Position		
Net Investment in capital assets	41,949,723	39,295,746
Restricted for contractual obligations	16,011,325	30,811,059
Unrestricted, designated for purposes of trust	21,616,737	4,733,229
Total Net Position	79,577,785	74,840,034
Total Liabilities and Net Position	\$ 79,924,906	\$ 75,224,936

DEVELOPMENT CORPORATION OF ABILENE
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
For two months ending November 30, 2015 and 2014

	November 30, 2015	Fiscal YTD 2016	Fiscal YTD 2015
Revenues:			
Sales and use taxes	\$ 980,001	\$ 1,798,682	\$ 1,856,547
Interest income	4,449	10,003	7,234
Building rental / land lease	88,321	176,812	168,316
Miscellaneous revenue	26,310	31,310	10,714
Total Revenues	<u>1,099,081</u>	<u>2,016,807</u>	<u>2,042,811</u>
Expenses:			
Economic Development Projects	307,407	307,407	1,368,047
Life Sciences property maintenance	13,553	76,213	88,618
DCOA property maintenance	20,642	54,138	51,191
Abilene Industrial Foundation	40,920	40,920	42,805
TTU Small Business Development Center	12,281	12,281	15,356
Chamber Military Affairs	-	-	24,480
Airport Business Development Manager	9,487	9,487	5,625
Economic Development Operating Division	50,283	128,160	84,626
Total Expenditures	<u>454,573</u>	<u>628,606</u>	<u>1,680,748</u>
Changes In Net Position	644,508	1,388,201	362,063
Net Position at Beginning of Period	<u>78,933,279</u>	<u>78,189,586</u>	<u>74,477,971</u>
Net Position at End of Period	<u><u>\$ 79,577,787</u></u>	<u><u>\$ 79,577,787</u></u>	<u><u>\$ 74,840,034</u></u>

Summary of Current Period Economic Development Projects:

Hangar Doghouse A/E	\$ 3,185
Hangar Doghouse Construction	136,902
EASI De-Fuel Truck	1,750
Spec 3 Finish Out	165,570
Total	<u><u>\$ 307,407</u></u>

**Development Corporation of Abilene
Economic Program Status
As of November 30, 2015**

Economic Programs:	Project	Amount Budgeted	Prior Years Disbursement	Current Year Disbursement	Balance reserved for budgeted programs
TTU Pharmacy School	5242	\$ 1,702,310	\$ 1,702,310	\$ -	\$ -
Pactiv (formerly PWP)	5251	2,933,899	2,507,899	-	426,000
TTU 842 Pine	5308	690,999	690,999	-	-
Pepsi Beverage Co.	5321	350,000	140,000	-	210,000
Petrosmith Ph 1, 3 & 4	5330	640,360	640,360	-	-
Petrosmith Ph 5	5330.1	-	-	-	-
TTUHSC School of Nursing	5331	806,885	806,885	-	-
Rentech '12	5342	315,800	315,800	-	-
Owens Machine & Tool	5345	151,000	64,682	-	86,318
Hangar Doghouses A/E	5348.1	423,000	305,155	3,185	114,660
Hangar Doghouses Construction	5348.2	2,732,618	2,559,870	136,902	35,846
EASI De-Fuel Truck	5354	64,260	56,000	1,750	6,510
Fehr Foods ' 13	5356	240,000	148,543	-	91,457
Tucker Energy Services	5359	504,327	91,030	-	413,297
Five Points Infrastructure	5359.1	1,000,000	137,491	-	862,509
5 Pts RR Expansion	5363.1	30,800	11,000	-	19,800
Spec 3 Finish Out A/E	5364.1	608,389	608,389	-	-
Spec 3 Finish Out Construction	5364.2	2,171,047	1,902,313	165,570	103,164
Fehr Foods Expansion	5368	4,123,000	1,501,959	-	2,621,041
Broadwind Towers 2014	5373	1,438,526	99,222	-	1,339,304
Corley Wetsel Trucking	5376	455,200	-	-	455,200
Clavel Corp	5377	77,717	31,150	-	46,567
Fehr Foods 14	5378	200,000	53,426	-	146,574
Gift Card System	5379	82,100	22,340	-	59,760
BWJ Consulting	5382	619,000	117,293	-	501,707
Dyess Telecomm Upgrade	5383	23,000	6,935	-	16,065
Pine St. Buildings - Hail Damage	5384.1	10,016	10,016	-	-
Pine St. Buildings - Construction	5384.2	449,690	293,559	-	156,131
Datroo Technologies	5385	280,750	34,216	-	246,534
DCOA Strategic Planning	5386	130,000	105,000	-	25,000
Coca Cola Refreshments	5387	3,200,000	-	-	3,200,000
Martin Sprocket & Gear	5388	160,000	-	-	160,000
Industrial Maintenance Training AISD	5389	70,000	-	-	70,000
Subtotal Economic Program Obligation Reserve		\$ 26,684,693	\$ 14,963,842	\$ 307,407	\$ 11,413,444
Plus Administrative Division Obligations:					
Economic Development Operating Division	Division 2760	710,150	-	128,160	581,990
Life Sciences Property Maintenance	Division 2765	521,140	-	76,213	444,927
DCOA Property Maintenance	Division 2775	2,303,290	-	54,138	2,249,152
Abilene Industrial Foundation	Division 2775	604,780	-	40,920	563,860
TTU Small Business Dev Center	Division 2775	200,000	-	12,281	187,719
Chamber Military Affairs	Division 2775	397,000	-	-	397,000
Airport Business Development Manager	Division 2775	182,720	-	9,487	173,233
Subtotal Administrative Divisions Obligation Reserve		\$ 4,919,080	\$ -	\$ 321,199	\$ 4,597,881
Total reserve for obligated programs					\$ 16,011,325

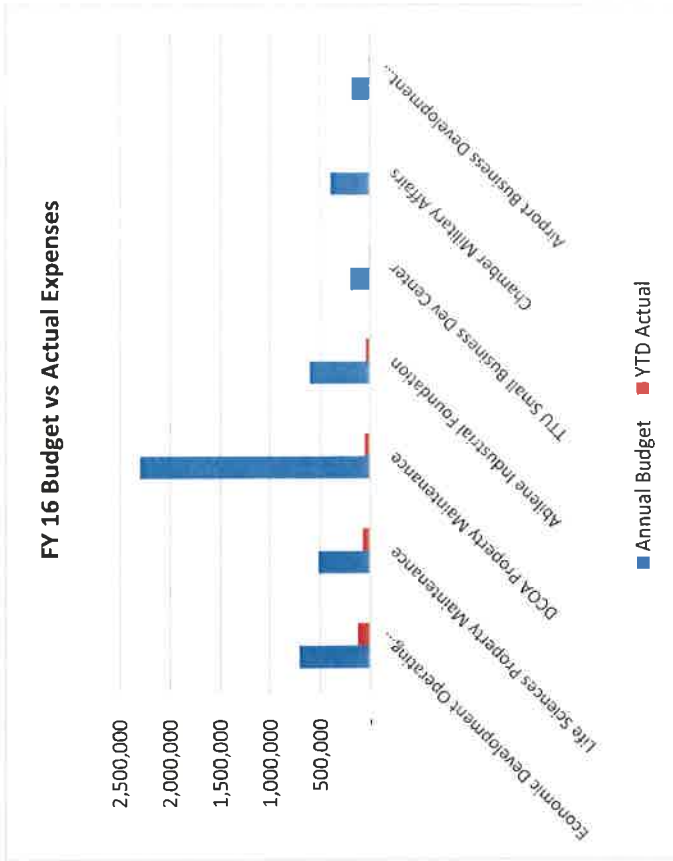
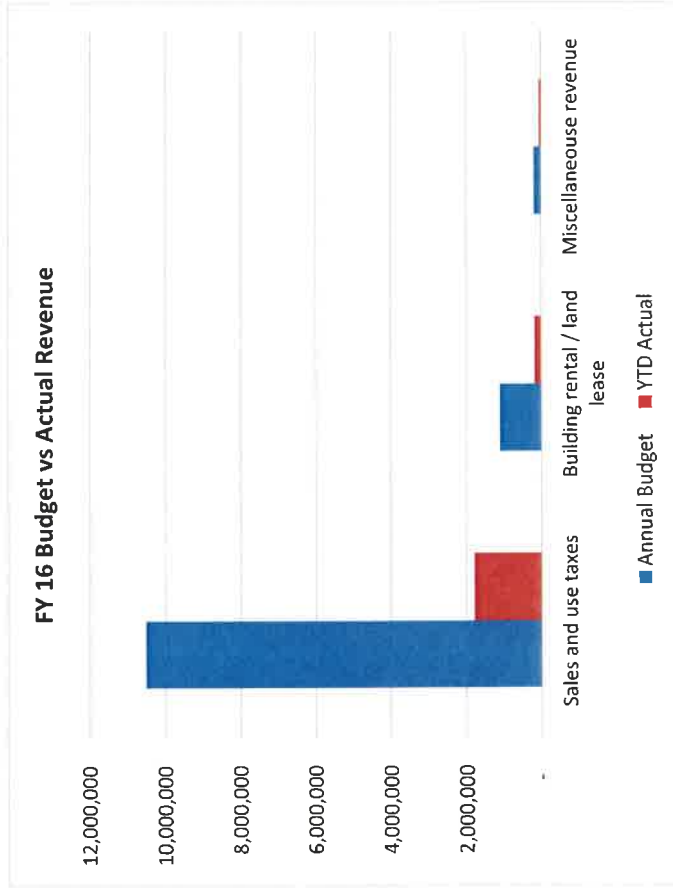
DCOA Board approved projects waiting for signed contracts:		Expiration Date
TTUHSC School of Public Health	\$ 1,951,431	12/24/15
Dyess JLUS	50,000	12/17/15
Prairie Dog Pet Products (Project Goldstar)	4,500,000	3/8/16
Blue Cross Blue Shield Roof Repairs	953,400	4/13/16
Abimar Foods Expansion	1,500,000	4/13/16
Lone Star Canvas & Sign Works (Project Thread Count)	112,000	5/7/16
	\$ 9,066,831	

3,10

**Development Corporation of Abilene
Revenue and Expense
Budget vs Actual Comparison**

Revenue	Annual Budget	YTD Actual	% of Budget
Sales and use taxes	10,521,260	1,798,682	17%
Building rental / land lease	1,107,350	176,812	16%
Miscellaneous revenue	196,980	41,313	21%
Revenue	11,825,590	2,016,807	17%

Expenses	Annual Budget	YTD Actual	% of Budget
Economic Development Operating Division	710,150	128,160	18%
Life Sciences Property Maintenance	521,140	76,213	15%
DCOA Property Maintenance	2,303,290	54,138	2%
Abilene Industrial Foundation	604,780	40,920	7%
TTU Small Business Dev Center	200,000	12,281	6%
Chamber Military Affairs	397,000	-	0%
Airport Business Development Manager	182,720	9,487	5%
	4,919,080	321,199	7%



DEVELOPMENT CORPORATION OF ABILENE, INC.
BOARD AGENDA
MEETING DATE: January 12, 2016

PROJECT: Spec 3 Building Remediation Work for Prairie Dog Pet Products

STAFF: Kent Sharp, CEO

SUMMARY

Prairie Dog Pet Products (PDPP), otherwise known as Project Goldstar, is a manufacturer of quality pet products for the pet industry in the United States and globally. On September 8, 2015, the DCOA approved resolution DCOA-2015.18 authorizing a capital investment incentive to Project Goldstar to expand its manufacturing and distribution in the U.S. Abilene City Council approved the assistance on September 10, 2015. PDPP will be creating more than 200 direct new manufacturing and distribution jobs at this facility. The incentive of up to \$9,000,000 will assist the company in moving its corporate headquarters and establishing a manufacturing operation in the Spec 3 building located in the Five Points Business Park on 22.5 acres. The company would maintain distribution facilities in Texas and Colorado and then look for expansion opportunities after reaching max capacity in Abilene. The assistance approved is described as:

1. Spec 3 shell building value - \$5,000,000
2. Building finish-out - \$4,000,000

On November 17, 2015, the DCOA approved resolution DCOA-2016.04 authorizing additional finish-out funding for Prairie Dog Pet Products in the amount of \$500,000, making the total assistance package up to \$9,500,000.

On December 15, 2015, a New Markets Tax Credit (NMTC) financing structure was closed wherein Los Angeles-based National New Markets Fund, LLC is providing \$24 million in NMTC funding for Prairie Dog Pet Products with DCOA maintaining ownership of Spec 3 and leasing to PDPP for at least the 7-year compliance period for the NMTC deal. PDPP will contract with Emergent Construction Technologies (ECT) of Richardson, TX to complete the finish-out construction work.

REQUEST

Staff, along with ECT, recently assessed the condition of Spec 3 and determined several maintenance issues need to be addressed in order to provide PDPP and ECT with a shell building ready for finish-out. The following maintenance issues currently exist:

1. Gutters and downspouts - New gutters and down spouts are needed to handle runoff from heavy rains like those we have experienced this year. The existing system was not designed for such runoff. Gutters will be upgraded and more downspouts will be added.
2. Roof, wall and skylights – 2 broken skylights will be replaced, one skylight will be resealed, improved flashing will be installed at the north wall, and existing leaks on the roof will be repaired.
3. Dirt work – Base material will be moved to the east wall and compacted to address an opening left by the prior contractor.
4. Lightning protection system – Cable extensions will be reconnected and ground rods added to restore the lightning arrestor system.

The work described above should cost less than \$100,000, and staff is requesting the board authorize the money necessary to make the needed repairs. ECT expects to begin work on finish-out within the next month.

FISCAL IMPACT

Up to \$100,000 for needed repairs to Spec 3

STAFF RECOMMENDATION

Staff recommends approval of resolution DCOA-2016.08 authorizing up to \$100,000 for needed repairs to the Spec 3 building, in advance of construction of finish-out for PDPP.

ATTACHMENTS

Resolution DCOA-2016.08

S:\DCOA\Meeting Memos\FY2016\Spec 3 bldg work for PDPP 01-12-16 doc

RESOLUTION NO. DCOA-2016.08

A RESOLUTION OF THE DEVELOPMENT CORPORATION OF ABILENE, INC. (DCOA), ABILENE, TEXAS AUTHORIZING FUNDING FOR REMEDIATION WORK AT THE SPEC 3 BUILDING IN FIVE POINTS BUSINESS PARK, WHICH IS UNDER LEASE TO PRAIRIE DOG PET PRODUCTS (“PDPP”).

WHEREAS, Prairie Dog Pet Products (PDPP), otherwise known as Project Goldstar, is a manufacturer of quality pet products for the pet industry in the United States and globally; and,

WHEREAS, on September 8, 2015, the DCOA approved resolution DCOA-2015.18 authorizing a \$9,000,000 capital investment incentive to Project Goldstar to assist the company in moving its corporate headquarters and establishing a manufacturing operation in the Spec 3 building located in the Five Points Business Park on 22.5 acres, while maintaining distribution facilities in Texas and Colorado; and,

WHEREAS, on September 10, 2015, the Abilene City Council approved Resolution No. 54-2015 authorizing the DCOA’s assistance for Project Goldstar of \$9,000,000, which allows the company to earn ownership of the Spec 3 property valued at \$5,000,000, and provide them with an additional \$4,000,000 for finish-out; and,

WHEREAS, on November 17, 2015, the DCOA approved resolution DCOA-2016.04 authorizing additional finish-out funding for PDPP in the amount of \$500,000, making the total assistance package up to \$9,500,000, which was approved by Abilene City Council on November 19, 2015; and,

WHEREAS, on December 15, 2015, a New Markets Tax Credit (NMTC) financing structure was closed, wherein Los Angeles-based National New Markets Fund, LLC is providing \$24 million in NMTC funding for PDPP with DCOA maintaining ownership of Spec 3 and leasing to PDPP for at least the 7-year compliance period for the NMTC deal; and,

WHEREAS, PDPP will contract with Emergent Construction Technologies (ECT) of Richardson, TX to complete the finish-out construction work; and,

WHEREAS, staff, along with ECT, recently assessed the condition of Spec 3 and determined several maintenance issues need to be addressed in order to provide PDPP and ECT with a shell building ready for finish-out; and,

WHEREAS, staff requests the DCOA authorize funding for remediation work at the Spec 3 building in Five Points Business Park.

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

PART 1. DCOA hereby authorizes up to One Hundred Thousand and no/100’s Dollars (\$100,000.00) for remediation/repairs to the Spec 3 building at 6558 Five Points Parkway, Abilene, TX, in advance of finish-out construction by Prairie Dog Pet Products. Several maintenance issues need to be addressed in order to provide PDPP and Emergent Construction Technologies with a shell building ready for finish-out. The following maintenance issues currently exist:

1. Gutters and downspouts - New gutters and down spouts are needed to handle runoff from heavy rains like those we have experienced this year. The existing system was not designed for such runoff. Gutters will be upgraded and more downspouts will be added.
2. Roof, wall and skylights – 2 broken skylights will be replaced, one skylight will be resealed, improved flashing will be installed at the north wall, and existing leaks on the roof will be repaired.
3. Dirt work – Base material will be moved to the east wall and compacted to address an opening left by the prior contractor.
4. Lightning protection system – Cable extensions will be reconnected and ground rods added to restore the lightning arrestor system.

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 final contracts and all other related documents on behalf of the DCOA.

ADOPTED this the 12th day of January, 2016.

ATTEST:

 Dani Ramsay
 Secretary/Treasurer

 Dave Copeland
 President

APPROVED:

 Stanley Smith, Interim City Attorney

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