


PUBLIC NOTICE

DEVELOPMENT CORPORATION OF ABILENE, INC.

A regular meeting of the Development Corporation of Abilene, Inc. will be held on Tuesday, February 23, 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

February 23, 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 February 2, 2016, and February 5, 2016, board meetings.
3. Sales tax report for February 2016 and preliminary December 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. 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
February 2, 2016

MEMBERS PRESENT: Dave Copeland Dani Ramsay John Beckham
 Marilyn Shedd

MEMBERS ABSENT: Jack Rich

STAFF PRESENT: Kent Sharp Kim Tarrant Stanley Smith

GUESTS PRESENT: Justin Jaworski – Abilene Industrial Foundation
 Brian Yates - Abilene Chamber of Commerce
 Doug Peters - Abilene Chamber of Commerce
 Bruce Kreitler - Abilene City Council
 Brooke Crum - Abilene Reporter News

1. CALL THE MEETING TO ORDER: President Dave Copeland called the meeting to order at 1:30 p.m. at 174 Cypress St., 3rd floor conference room, Abilene Texas.

2. APPROVAL OF MINUTES FROM THE JANUARY 25, 2016 BOARD MEETING: Dani Ramsay moved to approve the minutes from the January 25, 2016, board meeting. John Beckham seconded and the motion carried.

3. 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 February 2, 2016, and the time is 1:32 p.m. Later, President Copeland announced the date is still February 2, 2016, and the time is 1:49 p.m. No vote or action was taken in Executive Session.

4. DISCUSSION AND POSSIBLE APPROVAL OF A RESOLUTION AUTHORIZING A CONTRACT WITH TRAC-WORK, INC. TO REHAB THE RAIL SPUR CROSSING ON FIVE POINTS PARKWAY IN THE FIVE POINTS BUSINESS PARK: Kent Sharp discussed the need to rehab the existing timber crossing on Five Points Parkway. In 2013, the board approved a contract with Central State Resources, LLC (CSR) to design a layout for proposed expansion of rail service in the Five Points Business Park. In 2015, the board approved a second contract with CSR for development of construction plans. Included in the construction plans was the rehabilitation of the existing timber crossing, which is in poor condition. The wooden track will be replaced with concrete panels. Staff received two bids for the work: 1) Lone Star Railroad Contractors, Inc. for \$38,785; and 2) Trac-Work, Inc. for \$33,942. Staff recommends a contract with Trac-Work, Inc. plus funding of \$33,942 and a 10% contingency of \$3,400, totaling \$37,342.

Marelyn Shedd moved to approve resolution no. DCOA-2016.10 authorizing a contract with Trac-Work, Inc. in the amount of \$33,942 and an additional 10% contingency of \$3,400 to rehabilitate the rail crossing on Five Points Parkway. Dani Ramsay seconded and the motion carried.

5. DISCUSSION AND POSSIBLE APPROVAL OF A RESOLUTION AUTHORIZING MATCHING FUNDS FOR A GRANT TO MAKE DYESS AIR FORCE BASE ENTRANCE IMPROVEMENTS: Kent Sharp requested funding for the Military Affairs Committee (MAC) up to \$200,000 to cover a portion of the 20% contribution required for a Texas Military Preparedness Commission (TMPC) grant to improve the Visitor's Control Center located at the main gate of Dyess AFB on Arnold Blvd. MAC is currently working to secure additional state grant funds to further improve Dyess' military value, thereby further protecting it from possible closure actions. The \$1.75 million project is designed and ready for bidding; however, there is no budget money available for construction. MAC is requesting the DCOA provide \$200,000 of the match, and in-kind contributions from the federal government will make up the difference. Staff recommends the board approve funding up to \$200,000 to cover the match contribution.

John Beckham moved to approve resolution no. DCOA-2016.11 authorizing up to \$200,000 to be used as a portion of the match contribution for a Texas Military Preparedness Commission grant to improve the Dyess AFB Visitor's Control Center. Dani Ramsay seconded and the motion carried.

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

Dave Copeland, President

DEVELOPMENT CORPORATION OF ABILENE, INC.
BOARD MEETING MINUTES
February 5, 2016

MEMBERS PRESENT: Marelyn Shedd Dani Ramsay Dave Copeland

MEMBER ABSENT: John Beckham Jack Rich

STAFF PRESENT: Kent Sharp Kim Tarrant

GUESTS PRESENT: Bruce Kreitler, Steve Savage - Abilene City Council; Robert Hanna - City Manager; Don Green - Abilene Regional Airport; Katie Alford, Larry Gill, Joe Canon - Dodge Jones Foundation; Gail Gregg, Audra Ude, Dr. David Young - Abilene Independent School District; Dr. Elton Stuckly, Mike Reeser, Gail Lawrence, Jeff Kilgore, Rick Denbow, Adam Harvey, Jonathan Hoekstra, Ray Fried - Texas State Technical College; Alecea Rush – KTXS reporter; Brooke Crum – Abilene Reporter News

1. CALL THE MEETING TO ORDER: President Dave Copeland called the meeting to order at 10:33 a.m. at 174 Cypress St., Chamber conference room, 2nd floor, Abilene Texas.

2. PRESENTATION BY TEXAS STATE TECHNICAL COLLEGE ON A NEW INDUSTRIAL WORKFORCE TRAINING CENTER IN ABILENE: Larry Gill introduced Mike Reeser, Chancellor of Texas State Technical College (TSTC). Chancellor Reeser gave a presentation on the current workforce challenges in Texas and the need for a new industrial training campus in Abilene. Texas leads the nation in job creation, but faces a shortage on workers in middle-skill jobs. The gap will get worse before better because the average age of a worker is over 50. Since FY 2003 the small number of technical college courses and allied health courses offered has caused a “supply gap” in technical training. TSTC’s mission is to help build the Texas workforce by offering affordable training, skills and placement for the industrial jobs in high demand today. TSTC owns and operates “Center for Employability Outcomes” (C4EO), which is a research, development and commercialization division focused on optimizing student employability. C4EO creates advanced skills modeling and data analytics tools that connect educators, individuals, and industry. Current initiatives focus on aligning learning outcomes with marketable skills to close regional skill gaps.

TSTC was founded in 1965 with the first campus in Waco, Texas. Fifty years later they have a total of 11 campuses, with Hutto (Austin Metro Area) and Rosenberg (Houston Metro Area) being the two newest campuses and construction to begin in the Spring of 2016 on the Fort Bend facility. TSTC is 1) an agency of the State with a Governor-appointed Board; 2) they teach more hours of technical training than any other college in Texas; and 3) TSTC is the only college in Texas to adopt a funding model based entirely on student employment outcomes – aligning with its purpose of strengthening Texas with a highly skilled, technically-competent workforce. The Texas Legislature already authorized \$12 million in bonding capacity for the state-operated two-year college to construct a new industrial training campus in Abilene. TSTC is requesting the Abilene private sector, the DCOA and the city to jointly contribute \$6 million to the project over a 10 year period (\$600,000/year) which includes a tract of land to build the facility on. The

Abilene campus will begin with industrial systems & welding plus general academic classes. Each program would start with 100 students and eventually the campus would be able to support 3-4,000 students. State grant opportunities will be available for students from modest income households. TSTC is hoping to get a commitment on the remaining operating funds and acquire the tract of land in hopes to start construction this summer.

3. ADJOURNMENT: Due to another engagement Dave Copeland left the presentation early and not having a quorum, the board meeting was adjourned. The two remaining board members stayed for the remainder of the TSTC presentation.

Dave Copeland, President

MEMORANDUM

February 10, 2016

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

The sales tax rebate for February is \$4,559,585.14 which represents December sales. This is .25% above last year and .75% below the projected FY 16 budget amount. The breakdown of the rebate is \$3,419,688.86 to the General Fund and \$1,139,896.28 for economic development. Of this rebate, \$101,621.16 is from prior periods, audit payments, future payments, and unidentified payments. For the period of October through February, sales tax is 4.33% below last year and 5.28% 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
February	3,411,247.43	1,137,082.47	4,548,329.90	3,419,688.86	1,139,896.28	4,559,585.14
YTD	\$13,886,015.81	\$4,628,671.91	\$18,514,687.72	\$13,284,246.90	\$4,428,082.29	\$17,712,329.19
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%
February	1,137,082	1,139,896	0.25%
YTD	\$4,628,672	\$4,428,082	-4.33%
March	759,360		
April	733,667		
May	1,019,627		
June	822,955		
July	778,812		
August	998,076		
September	811,136		
FY TOTAL	\$10,552,304		

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 February '16 represents December '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.

3.3

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
February	1,175,879	1,012,685	1,061,353	1,137,082	1,139,896
FY TOTAL	<u>\$4,697,415</u>	<u>\$4,262,323</u>	<u>\$4,283,983</u>	<u>\$4,628,672</u>	<u>\$4,428,082</u>
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
December 31, 2015 and 2014

	December 2015	December 2014
Current Assets:		
Cash and cash investments	\$ 15,957,055	\$ 16,477,665
Accounts receivable	35,293	173,059
Due from other governments	1,789,074	1,847,609
Total Current Assets	17,781,422	18,498,333
Noncurrent Assets:		
Notes receivable	20,705,449	17,360,312
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	62,655,172	56,656,058
Total Assets	\$ 80,436,594	\$ 75,154,391
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	19,935,429	29,643,015
Unrestricted, designated for purposes of trust	18,204,321	5,830,728
Total Net Position	80,089,473	74,769,489
Total Liabilities and Net Position	\$ 80,436,594	\$ 75,154,391

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

	December 31, 2015	Fiscal YTD 2016	Fiscal YTD 2015
Revenues:			
Sales and use taxes	\$ 734,410	\$ 2,533,092	\$ 2,693,469
Interest income	6,514	16,517	10,917
Building rental / land lease	89,287	266,099	252,465
Miscellaneous revenue	9,952	41,262	163,635
Total Revenues	<u>840,163</u>	<u>2,856,970</u>	<u>3,140,566</u>
Expenses:			
Economic Development Projects	176,148	483,555	2,373,880
Life Sciences property maintenance	10,672	86,885	116,607
DCOA property maintenance	36,180	90,319	69,100
Abilene Industrial Foundation	38,795	79,715	69,274
TTU Small Business Development Center	13,069	25,350	28,350
Chamber Military Affairs	-	-	48,753
Airport Business Development Manager	5,742	15,229	13,162
Economic Development Operating Division	47,871	176,030	129,922
Total Expenditures	<u>328,477</u>	<u>957,083</u>	<u>2,849,048</u>
Changes In Net Position	511,686	1,899,887	291,518
Net Position at Beginning of Period	<u>79,577,787</u>	<u>78,189,586</u>	<u>74,477,971</u>
Net Position at End of Period	<u>\$ 80,089,473</u>	<u>\$ 80,089,473</u>	<u>\$ 74,769,489</u>

Summary of Current Period Economic Development Projects:

Hangar Doghouse A/E	\$ 2,275
EASI De-Fuel Truck	1,750
Broadwind Towers 2014 - Fencing	163,300
Industrial Maintenance Training	8,823
Total	<u>\$ 176,148</u>

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

Economic Programs:	Project	Amount Budgeted	Prior Years Disbursement	Current Year Disbursement	Balance reserved for budgeted programs
TTU Pharmacy School	5242	\$ 1,799,723	\$ 1,702,310	\$ -	\$ 97,413
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	5,460	112,385
Hangar Doghouses Construction	5348.2	2,732,618	2,559,870	136,902	35,846
EASI De-Fuel Truck	5354	64,260	56,000	3,500	4,760
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	2,067,883	1,902,313	165,570	-
Fehr Foods Expansion	5368	5,123,000	1,501,959	-	3,621,041
Broadwind Towers 2014	5373	1,614,706	99,222	163,300	1,352,184
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	-	8,823	61,177
Lone Star Canvas	5390	50,000	-	-	50,000
Abimar Foods 2015	5391	127,321	-	-	127,321
BCBS Roof Repairs	5392	953,400	-	-	953,400
TTUHSC School of Public Health	5393	1,951,431	-	-	1,951,431
Praire Dog Pet Products	5394	-	-	-	-
Subtotal Economic Program Obligation Reserve		\$ 30,937,274	\$ 14,963,842	\$ 483,555	\$ 15,489,877

Plus Administrative Division Obligations:

Economic Development Operating Division	Division 2760	710,150	-	176,030	534,120
Life Sciences Property Maintenance	Division 2765	521,140	-	86,885	434,255
DCOA Property Maintenance	Division 2775	2,303,290	-	90,319	2,212,971
Abilene Industrial Foundation	Division 2775	604,780	-	79,715	525,065
TTU Small Business Dev Center	Division 2775	200,000	-	25,350	174,650
Chamber Military Affairs	Division 2775	397,000	-	-	397,000
Airport Business Development Manager	Division 2775	182,720	-	15,229	167,491
Subtotal Administrative Divisions Obligation Reserve		\$ 4,919,080	\$ -	\$ 473,528	\$ 4,445,552
Total reserve for obligated programs					\$ 19,935,429

DCOA Board approved projects waiting for signed contracts:

Dyess JLUS	50,000	Expiration Date	12/17/15
	<u>\$ 50,000</u>		

3.7

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

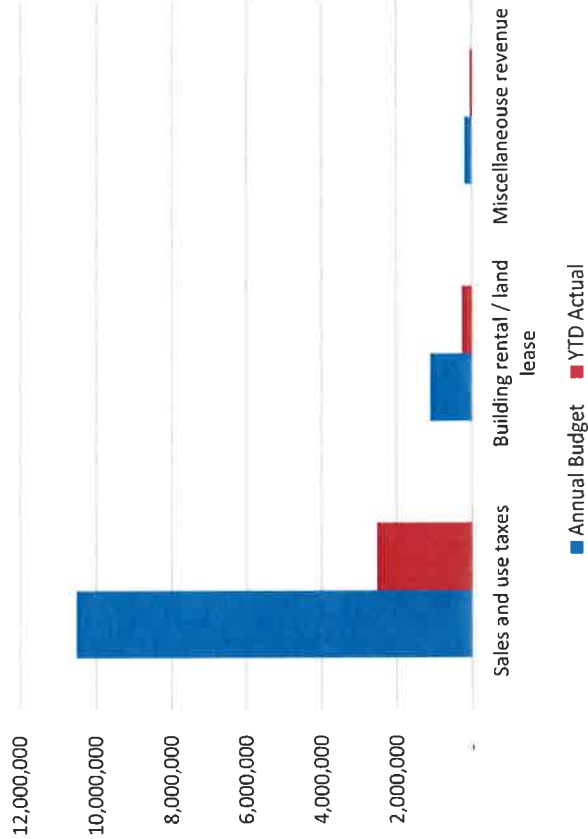
Revenue

	Annual Budget	YTD Actual	% of Budget
Sales and use taxes	10,521,260	2,533,092	24%
Building rental / land lease	1,107,350	266,099	24%
Miscellaneous revenue	196,980	57,779	29%
Revenue	11,825,590	2,856,970	24%

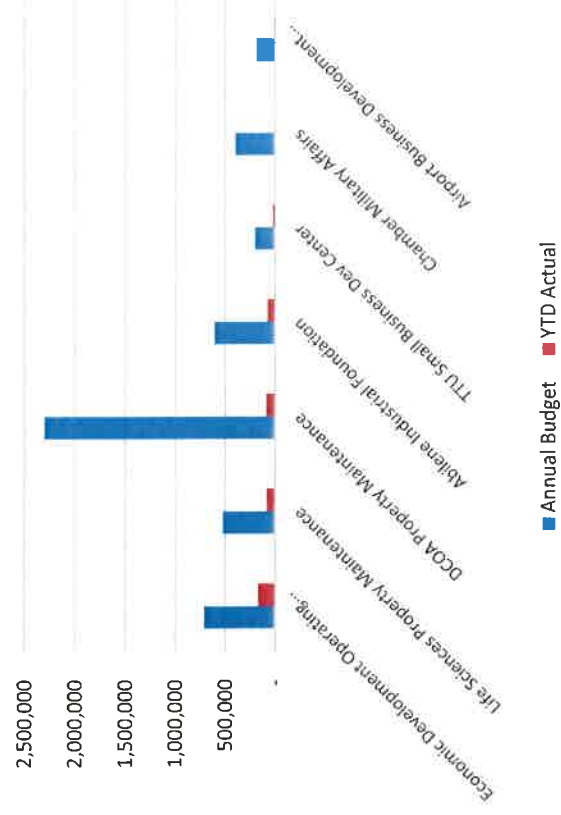
Expenses

	Annual Budget	YTD Actual	% of Budget
Economic Development Operating Division	710,150	176,030	25%
Life Sciences Property Maintenance	521,140	86,885	17%
DCOA Property Maintenance	2,303,290	90,319	4%
Abilene Industrial Foundation	604,780	79,715	13%
TTU Small Business Dev Center	200,000	25,350	13%
Chamber Military Affairs	397,000	-	0%
Airport Business Development Manager	182,720	15,229	8%
	4,919,080	473,528	10%

FY 16 Budget vs Actual Revenue



FY 16 Budget vs Actual Expenses



3.8