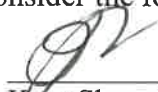


PUBLIC NOTICE

DEVELOPMENT CORPORATION OF ABILENE, INC.

A regular meeting of the Development Corporation of Abilene, Inc. will be held on Monday, April 25, 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

April 25, 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 April 12, 2016, board meeting.
3. 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.
4. Discussion and possible approval of a resolution authorizing the transactions necessary to unwind the New Markets Tax Credit deal that netted additional funds to construct the Abilene Life Sciences Accelerator (now known as AbLabs) and purchase biotech research equipment.
5. Discussion of future meeting dates and 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
April 12, 2016

MEMBERS PRESENT: Dave Copeland John Beckham Marelyn Shedd
 Dani Ramsey

MEMBER ABSENT: Jack Rich

STAFF PRESENT: Kent Sharp Kim Tarrant Stanley Smith

GUESTS PRESENT: Justin Jaworski – Abilene Industrial Foundation
 Bruce Kreitler - City Council
 Diane Terrell - Davis, Kinard & Co., P.C.
 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 MARCH 21 AND MARCH 29, 2016 BOARD MEETINGS: John Beckham moved to approve the minutes from the March 21st board meeting and the March 29th board meeting as corrected with two small changes. Dani Ramsay seconded and the motion carried.

3. SALES TAX REPORT FOR APRIL 2016 AND FEBRUARY 2016 FINANCIAL REPORTS: Kent Sharp, CEO of the DCOA presented the sales tax report for April 2016. The sales tax rebate for February was \$3,116,331.64 which represents February sales. Economic Development received \$779,082.91, which is 6.19% above last year and 5.14% above the projected FY 16 budget amount. For the period October through April, sales tax is 3.03% below last year and 3.99% below the projected FY 16 budget amount. The DCOA's total current assets as of February 29, 2016 were \$19,351,178. The February 2016 revenues totaled \$1,252,614 and total expenditures \$656,090 with \$423,995 being spent on nine different projects.

4. PRESENTATION OF THE FY15 AUDIT PERFORMED BY DAVIS KINARD & CO., P.C.: Diane Terrell with Davis Kinard & Co., P.C. presented the DCOA's FY 15 audit report, which was conducted as part of the City of Abilene's annual audit. At the end of fiscal year 2015 on September 30, 2015, the DCOA had a total net position of \$78,189,585. This was a \$2.5 million or 3% increase from the beginning of the fiscal year.

5. DISCUSSION AND ACCEPTANCE OF THE FINAL STRATEGIC PLAN AS PREPARED BY TIP STRATEGIES: Kent Sharp presented the final Strategic Plan which incorporates all the changes and suggestions the Strategic Planning committee, different organizations and individuals of the community provided to the consultant, TIP Strategies.

Marelyn Shedd moved to approve by oral resolution the final Strategic Plan as presented. John Beckham seconded and the motion carried.

6. 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 April 12, 2016 and the time is 1:50 p.m. Later, President Copeland announced the date is still April 12, 2016 and the time is 2:46 p.m. No vote or action was taken in Executive Session.

7. DISCUSSION AND POSSIBLE APPROVAL OF THE DCOA'S SEMI-ANNUAL ANNUAL REPORT OF ACTIVITIES FOR THE PERIOD OCTOBER 1, 2015 THROUGH MARCH 31, 2016: Kent Sharp presented the DCOA's Semi-Annual Report for the period ended March 31, 2016. If approved by the board, Mr. Sharp will present the Semi-Annual Report to City Council on May 12, 2016.

John Beckham moved to approve by oral resolution the Semi-Annual Report of Activities as presented. Dani Ramsay seconded and the motion was carried.

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

Dave Copeland, President

DEVELOPMENT CORPORATION OF ABILENE, INC.

BOARD AGENDA

MEETING DATE: April 25, 2016

PROJECT: Unwinding the New Markets Tax Credit Transaction for Abilene Life Sciences

STAFF: Kent Sharp, CEO

BACKGROUND

Prior to the economic downturn in the late 2000's, the DCOA invested millions to provide necessary infrastructure for Abilene's growing biotech research business sector. Investments include infrastructure assistance for the Texas Tech University Health Sciences Center (TTUHSC) Schools of Pharmacy, Nursing and Public Health in the 1700 block of Pine St. The board also assisted Receptor Logic, Inc. move to Abilene to conduct cancer research and development. Later, Experimmune was assisted to continue the research component through TTUHSC. A donor conveyed the 6,000 sq. ft. building at 842 Pine to the DCOA in 2008 and construction of the Abilene Life Sciences Accelerator (ALSA) at 1325 Pine was completed in mid-2010.

In early 2009, DCOA was approved by the National Development Council (NDC) for a New Markets Tax Credit (NMTC) allocation in the amount of \$10 million (\$3.9 million in actual tax credits) that netted an additional \$2.6 million for investment in the project to assist with construction and purchase of biotech research equipment for both locations. To facilitate the transaction, a new entity was formed called the Abilene Life Sciences Foundation, Inc. (ALSF), a Texas non-profit. The ALSF has 5 board members – Mayor Norm Archibald, Dave Copeland as President of the DCOA, Greg Blair as President of the Abilene Improvement Corp., Joe Pearson representing Hendrick Health System, and Deborah Emery representing TTUHSC. Ownership of both properties was conveyed to the ALSF along with a majority of the equipment. The ALSF and DCOA signed a Master Lease agreement that allowed the DCOA to market the ALSA (now known as AbLabs) and negotiate sub-leases with tenants. TTUHSC currently occupies the entire structure at 842 Pine, while 1325 Pine is empty after TTUHSC moved out last fall. The DCOA is also responsible for all maintenance, upkeep and utilities for the structures but does receive a monthly payment from TTUHSC for use of the 842 Pine facility.

NMTC TRANSACTION UNWIND

On April 13, 2009, the DCOA approved resolution DCOA-2009.10 authorizing participation in the NMTC transaction and authorizing the CEO to execute documents on the DCOA's behalf. The following items illustrate what the DCOA will do on April 29, 2016, in order to facilitate the NMTC unwinding process:

1. In 2009, the DCOA sold 842 Pine, 1325 Pine and the equipment therein, plus 1342 Walnut (AbLabs parking lot) to ALSF for the amount of \$7,039,296. DCOA retained a first lien on the property and became the Leverage Lender in the deal. For \$29,637, the DCOA will purchase 100% of the interest in the investment fund (Put Option). ALSF will eventually convey the properties back to DCOA.

2. Two of the three loans (Note A for \$7,039,296 and Note B for \$2,610,704) will be assigned to the DCOA, which will then be forgiven in exchange for ALSF's conveyance of the properties back to DCOA.
3. Note C in the amount of \$150,000 will be paid off by DCOA and represents "exit fee".
4. Other "general" actions not listed above will also be required to facilitate the process.

The chart below illustrates how the initial transaction occurred.

FISCAL IMPACT

Note C payoff	\$150,000
Purchase of Investment Fund Interest	\$ 29,637
Legal fees to facilitate the unwind process (est)	<u>\$ 6,000</u>
TOTAL	\$185,637 (est)

STAFF RECOMMENDATION

Staff recommends approval of Resolution DCOA-2016.14 authorizing the transactions necessary to unwind the New Markets Tax Credit transaction from April 2009 that netted the Abilene Life Sciences construction and equipment project a total of \$2,610,704.

ATTACHMENTS

None.

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Abilene Life Sciences Accelerator Project

