

PUBLIC NOTICE

DEVELOPMENT CORPORATION OF ABILENE, INC.

A regular meeting of the Development Corporation of Abilene, Inc. will be held on Tuesday, May 24, 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

May 24, 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 25, 2016, board meeting.
3. Sales tax report for May 2016, March 2016 financial reports, and update on cash flow projections.
4. Presentation of semi-annual reports of activities for six months ended March 31, 2016, by:
 - TTU Small Business Development Center
 - Abilene Chamber of Commerce for Military Affairs Committee
 - City of Abilene Airport Business Development Management Program
 - Abilene Industrial Foundation
5. Executive Session:
The DCOA reserves the right to adjourn into executive session at any time during the course of this meeting to discuss any item on the agenda, as authorized by Texas Government Code Sections 551.071 (Consultation with Attorney), 551.072 (Deliberations about Real Property), 551.074 (Personnel Matters) see list below, and 551.087 (Business Prospect/Economic Development). After discussion in executive session, any action or vote will be taken in public.

(Business Prospect/Economic Development) Section 551.087 – Economic development project in downtown Abilene.

(Consultation with Attorney) Section 551.071 – A potential amendment to the existing FY16 contract with the Abilene Industrial Foundation.
6. Discussion and possible approval of a resolution authorizing contracts to make additional modifications and repairs to the Spec 3 building in Five Points Business Park (leased to Prairie Dog Pet Products).
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 _____, 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 25, 2016

MEMBERS PRESENT: Dave Copeland John Beckham Marelyn Shedd

MEMBERS ABSENT: Dani Ramsey Jack Rich

STAFF PRESENT: Kent Sharp Kim Tarrant Stanley Smith

GUESTS PRESENT: Bruce Kreitler - City Council
Brooke Crum - Abilene Reporter News

1. CALL THE MEETING TO ORDER: President Dave Copeland called the meeting to order at 1:35 p.m. at 174 Cypress St., 3rd floor conference room, Abilene Texas.

2. APPROVAL OF MINUTES FROM THE APRIL 12, 2016 BOARD MEETING: John Beckham moved to approve the minutes from the April 12, 2016, board meeting. Marelyn Shedd 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 April 25, 2016 and the time is 1:36 p.m. Later, President Copeland announced the date is still April 25, 2016 and the time is 1:48 p.m. No vote or action was taken in Executive Session.

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: Kent Sharp requested approval of resolution no. DCOA-2016.14 authorizing the transactions necessary to unwind DCOA properties located at 1325 and 842 Pine Street which have been under the New Markets Tax Credit (NMTC) for the last seven years. The NMTC compliance period ends on April 29, 2016, at which time the DCOA will purchase Banc One's interest in the investment fund, then eventually all properties will revert back to DCOA ownership.

Marelyn Shedd moved to approve resolution no. DCOA-2016.14 authorizing the transactions necessary to unwind the New Markets Tax Credit deal. John Beckham seconded and the motion carried.


5. DISCUSSION OF FUTURE MEETING DATES AND ADJOURNMENT: Kent Sharp said after sending out a poll to board members, the regularly scheduled meeting date of May 24, 2016 at 1:30 pm will be the only meeting in May. There being no further business the meeting was adjourned.

Dave Copeland, President

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MEMORANDUM

May 11, 2016

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

The sales tax rebate for May is \$3,886,028.56 which represents March sales. This is 4.72% below last year and 5.66% below the projected FY 16 budget amount. The breakdown of the rebate is \$2,914,521.42 to the General Fund and \$971,507.14 for economic development. Of this rebate, \$63,706.20 is from prior periods, audit payments, future payments, and unidentified payments. For the period of October through May, sales tax is 3.27% below last year and 4.23% below the projected FY 16 budget amount. I have requested the detail from the state.

Should you have any questions, please contact me.

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
March	2,278,078.73	759,359.57	3,037,438.30	2,186,523.32	728,841.10	2,915,364.42
April	2,201,001.23	733,667.07	2,934,668.30	2,337,248.73	779,082.91	3,116,331.64
May	3,058,881.51	1,019,627.17	4,078,508.68	2,914,521.42	971,507.14	3,886,028.56
YTD	<u>\$21,423,977.28</u>	<u>\$7,141,325.72</u>	<u>\$28,565,303.00</u>	<u>\$20,722,540.37</u>	<u>\$6,907,513.44</u>	<u>\$27,630,053.81</u>
June	<u>\$2,468,865.01</u>	<u>\$822,955.00</u>	<u>\$3,291,820.01</u>			
July	<u>2,336,436.58</u>	<u>778,812.19</u>	<u>3,115,248.77</u>			
August	<u>2,994,226.69</u>	<u>998,075.56</u>	<u>3,992,302.25</u>			
September	<u>2,433,407.29</u>	<u>811,135.76</u>	<u>3,244,543.05</u>			
FY TOTAL	<u>\$31,656,912.85</u>	<u>\$10,552,304.23</u>	<u>\$42,209,217.08</u>			

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%
March	759,360	728,841	-4.02%
April	733,667	779,083	6.19%
May	1,019,627	971,507	-4.72%
YTD	\$7,141,326	\$6,907,513	-3.27%
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 May '16 represents March '16 sales. Approximately \$15,926.55 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
February	1,175,879	1,012,685	1,061,353	1,137,082	1,139,896
March	732,189	821,529	743,945	759,360	728,841
April	769,064	800,963	726,196	733,667	779,083
May	977,461	965,056	981,409	1,019,627	971,507
FY TOTAL	<u>\$7,176,129</u>	<u>\$6,849,872</u>	<u>\$6,735,532</u>	<u>\$7,141,326</u>	<u>\$6,907,514</u>
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.

DEVELOPMENT CORPORATION OF ABILENE
STATEMENT OF NET POSITION
March 31, 2016 and 2015

	March 2016	March 2015
Current Assets:		
Cash and cash investments	\$ 16,970,848	\$ 16,817,889
Accounts receivable	35,293	173,059
Due from other governments	1,789,074	1,847,609
Total Current Assets	18,795,215	18,838,557
Noncurrent Assets:		
Notes receivable	19,774,429	17,368,480
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	61,724,152	56,664,226
Total Assets	\$ 80,519,367	\$ 75,502,783
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	16,296,785	30,330,077
Unrestricted, designated for purposes of trust	21,925,738	5,492,058
Total Net Position	80,172,246	75,117,881
Total Liabilities and Net Position	\$ 80,519,367	\$ 75,502,783

DEVELOPMENT CORPORATION OF ABILENE
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
For six months ending March 31, 2016 and 2015

	March 2016	Fiscal YTD 2016	Fiscal YTD 2015
Revenues:			
Sales and use taxes	\$ 729,411	\$ 5,157,493	\$ 5,388,032
Interest income	6,551	39,074	20,959
Building rental / land lease	65,377	540,575	548,642
Sale of Land	-	496,459	163,635
Miscellaneous revenue	-	60,016	153,404
Total Revenues	801,339	6,293,617	6,274,672
Expenses:			
Economic Development Projects	628,093	3,185,230	4,548,273
Life Sciences property maintenance	106,470	227,933	273,190
DCOA property maintenance	19,825	238,562	139,077
Abilene Industrial Foundation	29,523	174,324	175,567
TTU Small Business Development Center	11,250	56,175	68,194
Chamber Military Affairs	-	63,566	136,682
Airport Business Development Manager	8,452	39,655	39,882
Economic Development Operating Division	49,287	325,512	253,897
Total Expenditures	852,900	4,310,957	5,634,762
Changes In Net Position	(51,561)	1,982,660	639,910
Net Position at Beginning of Period	80,223,807	78,189,586	74,477,971
Net Position at End of Period	\$ 80,172,246	\$ 80,172,246	\$ 75,117,881

Summary of Current Period Economic Development Projects:

EASI De-Fuel Truck	\$ 1,750
Fehr Foods Expansion - Job Creation	101,237
Fehr Foods Expansion - Capital Investment	500,000
Clavel Corporation - Job Creation	11,633
Clavel Corporation - Capital Investment	13,473
Total	\$ 628,093

**Development Corporation of Abilene
Economic Program Status
As of March 31, 2016**

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	847,290	640,360	206,930	-
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	88,761	64,682	24,079	-
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	137,385	35,363
EASI De-Fuel Truck	5354	111,560	56,000	8,750	46,810
Fehr Foods ' 13	5356	222,815	148,543	74,272	-
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	1,601,237	2,019,804
Broadwind Towers 2014	5373	1,614,706	99,222	580,078	935,406
Corley Wetsel Trucking	5376	455,200	-	-	455,200
Clavel Corp	5377	56,256	31,150	25,106	-
Fehr Foods 14	5378	162,278	53,426	53,426	55,426
Gift Card System	5379	82,100	22,340	33,055	26,705
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	133,646	22,485
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	-	38,823	31,177
Lone Star Canvas	5390	50,000	-	-	50,000
Abimar Foods 2015	5391	-	-	-	-
BCBS Roof Repairs	5392	953,400	-	-	953,400
TTUHSC School of Public Health	5393	1,541,017	-	-	1,541,017
Praire Dog Pet Products	5394	-	-	-	-
Five Points Rail Spur	5395	37,342	-	-	37,342
Spec 3 Remediation	5396	100,000	-	-	100,000
Subtotal Economic Program Obligation Reserve		\$ 30,652,504	\$ 14,963,842	\$ 3,185,230	\$ 12,503,432
Plus Administrative Division Obligations:					
Economic Development Operating Division	Division 2760	710,150	-	325,512	384,638
Life Sciences Property Maintenance	Division 2765	521,140	-	227,933	293,207
DCOA Property Maintenance	Division 2775	2,303,290	-	238,562	2,064,728
Abilene Industrial Foundation	Division 2775	604,780	-	174,324	430,456
TTU Small Business Dev Center	Division 2775	200,000	-	56,175	143,825
Chamber Military Affairs	Division 2775	397,000	-	63,566	333,434
Airport Business Development Manager	Division 2775	182,720	-	39,655	143,065
Subtotal Administrative Divisions Obligation Reserve		\$ 4,919,080	\$ -	\$ 1,125,727	\$ 3,793,353
Total reserve for obligated programs					\$ 16,296,785

DCOA Board approved projects waiting for signed contracts:	Amount	Expiration Date
Dyess JLUS	\$ 50,000	6/17/16
TSTC New Campus Ops	\$ 4,000,000	9/21/16
	<u>\$ 4,050,000</u>	

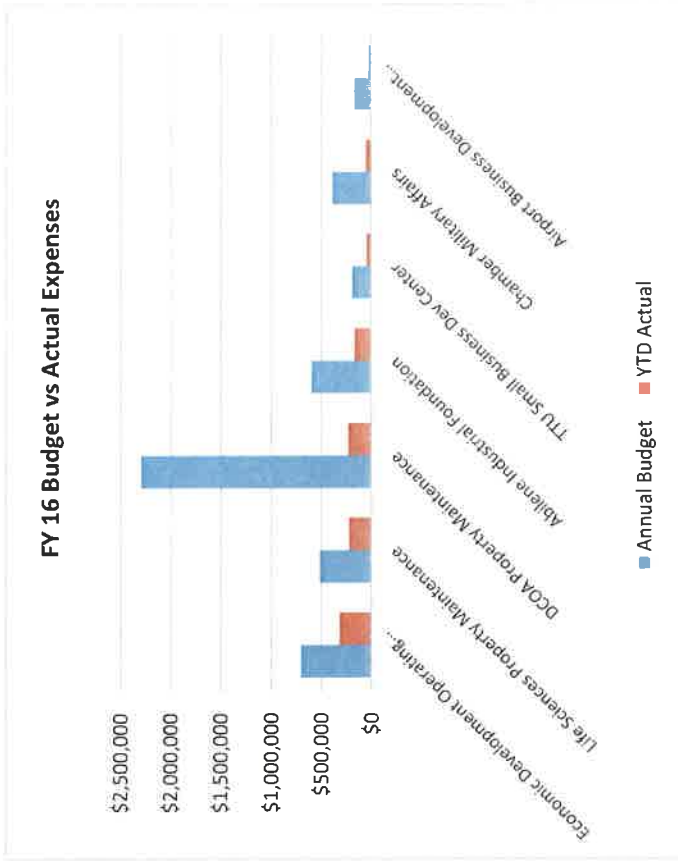
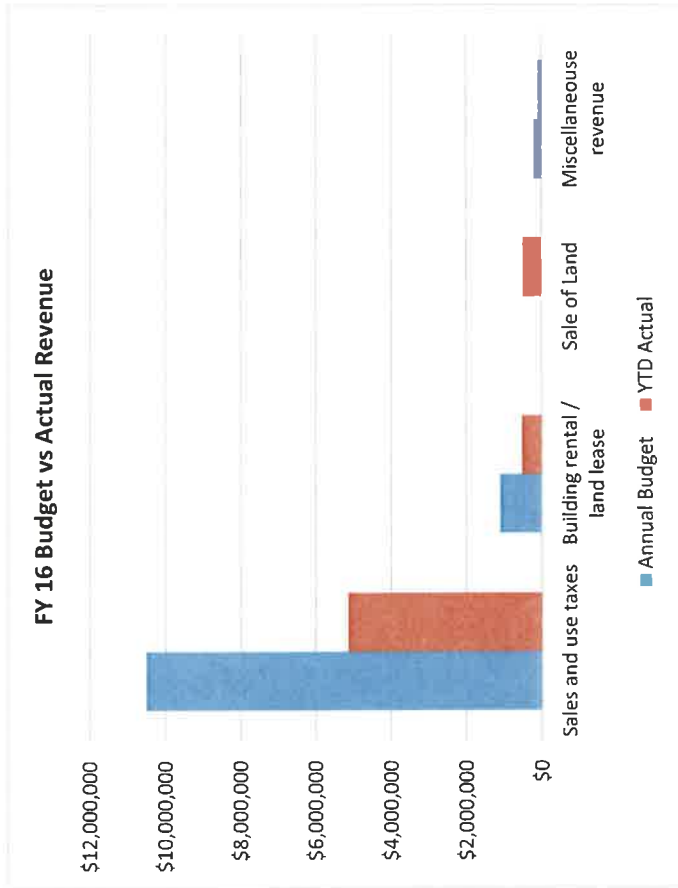
**Development Corporation of Abilene
Revenue and Expense
Budget vs Actual Comparison
October 2015 - March 2016**

Revenue

	Annual Budget	YTD Actual	% of Budget
Sales and use taxes	10,521,260	5,157,493	49%
Building rental / land lease	1,107,350	540,575	49%
Sale of Land	-	496,459	0%
Miscellaneous revenue	196,980	99,090	50%
Revenue	11,825,590	6,293,617	53%

Expenses

	Annual Budget	YTD Actual	% of Budget
Economic Development Operating Division	710,150	325,512	46%
Life Sciences Property Maintenance	521,140	227,933	44%
DCOA Property Maintenance	2,303,290	238,562	10%
Abilene Industrial Foundation	604,780	174,324	29%
TTU Small Business Dev Center	200,000	56,175	28%
Chamber Military Affairs	397,000	63,566	16%
Airport Business Development Manager	182,720	39,655	22%
	4,919,080	1,125,727	23%



W. 8

**America's SBDC at Texas Tech
Mid – Year Report
FY16
10/01/2015 – 03/31/2016**

DATE: April 15, 2016
TO: Development Corporation of Abilene (DCOA)
FROM: Texas Tech Small Business Development Center (America's SBDC at Texas Tech)
SUBJECT: FY 16 Mid-Year Report

The Texas Tech Small Business Development Center (TTU-SBDC) has registered 188 new clients and logged 142 new jobs/ expansions during this six month period of FY 16. The listed jobs have produced 1.2 MM in capital formation for Abilene. Hours billed to DCOA from TTU-SBDC as of March 31, 2016-- \$67,050.

TTU-SBDC received the required certification for continued operation from the Association of Small Business Development Centers in October of FY 16. Attached is a letter of approval from the U. S. Small Business Administration regarding their recent evaluation of the Abilene center. There were no findings during the audit. Third Party Impact Survey required by the State of Texas Comptrollers' Office is in progress.

Recently released information from the State of Texas in affiliation with the Texas SBDC program states that for every \$1.00 invested in the SBDC program \$5.85 in tax revenue is generated by SBDC clients. It has also been determined that \$ 107million in additional taxes were a result of the SBDC work in Texas with a cost per job to the State of Texas, was \$1,342. Cost per job creation to the Development Corporation of Abilene for the TTU-SBDC is approximately \$800 per job with a more accurate number being provided at the end of the fiscal year.

The TTU-SBDC participated in a survey with the Dallas Federal Reserve this past year. This survey included a 95 county area in the Northwest region of Texas. The survey was directed at small business owners associated with the Northwest Texas SBDC program and the Federal Reserve's list. The results reflect much of the same information that has been identified in various other surveys. Attached is a document cover with hand out/short review at DCOA meeting.

Meetings with James Childers, Assistant City Manager and Dana Schoening, Planning Director to discuss the role of the TTU-SBDC in assisting with their endeavors of making City Hall more business friendly. One option on the drawing board is to have a panel comprised of various departments from the city to meet with current and potential small business owners at the TTU-SBDC to share information and ideas.

Joined U. S. Small Business Administration (SBA) in meetings regarding Dyess contracting with emphasis on reviving a partnership agreement between Department of Defense (DOD) and SBA. This partnership document has been in existence but was never fully executed. The new contracting individual with the SBA has strong contracting experience that allows for a much stronger partnership for all. Various

changes will impact how some of the bids are distributed locally and when fully implemented it will prove to be more beneficial for the local small contractor.

TTU-SBDC has experienced personnel changes in the past month. We will be replacing one consultant and hopefully increasing staffing in the near future. The full staffing is due to the continued increase in requested assistance from existing business owners.

TTU-SBDC continues to be very involved in community activities that support local agencies and small business. Currently in the process of providing the Abilene Visitors and Convention Bureau with detailed statistical information for nine surrounding towns.

In December the TTU-SBDC participated in a program hosted by the Abilene Regional Airport that was designed to seek and disseminating information regarding Disadvantaged Businesses for bidding on airport projects. A list of current U. S. Small Business Administration's Disadvantage Business clients was recently provided to the airport.

TTU-SBDC hosted the 20 Under 40 event for Abilene in conjunction with the Abilene Reporter News. This group is the future of Abilene and work life stages that utilize the SBDC program. This was an opportunity to encourage these citizens to stay and grow with Abilene.

Provided detailed statistical information to the Abilene Reporter News for a current publication.

Continue to support and participate in various organizations to include Hispanic Business Council, Mercado, Black Chamber Business Committee and annual event. Employees continue to serve on various committees within the community.

TTU-SBDC has been invited to speak at various organizations to include Global Entrepreneurship Week, American Business Women's Association, Leadership Abilene and Rotary Clubs.

SEMINARS:

The TTU-SBDC has experienced an increase in seminar attendance over the past six months. Much of the activity has resulted in new clients for the SBDC.

Starting a Business (3)	Required Record Keeping
Franchising (Panel - franchise owners)	Cost Accounting (Cost of producing your product)
Putting your Business on the Map (Google)	Prepare to Meet Your Banker (Panel - local lenders)
Comptroller (State Sales Tax Requirements) (2)	

FEATURED CLIENT:

Geneco Technologies is a company that is located within the Extra Territorial Jurisdiction of Abilene that borders Tye and Abilene. Geneco was founded in October of 2010 in a small building with two employees and currently employees 56.

Geneco is a woman owned business. Amye Butler is the owner of the company; however, Amye willingly gives much credit to her husband Brad, who is also in the business, as a vital part of her success. As a child she accompanied her father on plumbing and mechanical jobs as he owned his own mechanical business.

Geneco specializes in mechanical contractor services including heating, ventilation, air conditioning, plumbing and electrical installation and service. Geneco is one of three companies in the area that installs and services Variable Refrigerant Flow (VRF) systems. These systems feature energy recovery which results in extremely high primary-energy ratio and low cooperating costs.

Governmental agencies are especially interested in utilizing the VRF type of technology and contracting with companies who can supply and service them. For this reason, Geneco obtain an 8(a) Certification, that makes the company eligible as a select group for bidding on designated contracts issued by the governmental agencies. The specialized certification is very time consuming and arduous to acquire.

Geneco has won many large contracts with Dyess AFB as well as working with many municipalities. The TTU-SBDC has been instrumental in assisting Mrs. Butler obtaining the 8(a) and recently assisted with her business plan for new building and expansion.



U. S. SMALL BUSINESS ADMINISTRATION
LUBBOCK DISTRICT OFFICE
1205 TEXAS AVE. ROOM 408
LUBBOCK, TEXAS 79401-2693
806-472-7462, FAX 806-472-7487

April 14, 2016

To: Judy Wilhelm, Director
Texas Tech University Small Business Development Center @ Abilene

From: Scotty Arnold
Lead Economic Development Specialist / SBDC Project Officer
U.S. Small Business Administration

Subject: Texas Tech University Small Business Development Center @ Abilene Site Center Review.

Dear Ms. Wilhelm,

I would very much like to express my appreciation for the cooperation and kindness that your office exhibited toward Mr. Garcia and me during the recent review of the Texas Tech Small Business Development Center @ Abilene. The review was conducted on April 13th. My findings are as follows:

The Texas Tech University Small Business Development Center @ Abilene functions well within the guidelines requirements of the United States Small Business Expectations for Small Business Development Centers. The documentation of the files reviewed was all found to be done in the ranges of Above Average to Excellent. All files review exceeded the parameters necessary to meet SBA's requirements, the counseling numbers, new business start-ups and capital infusion either met or exceeded each goal requirement. The preliminary financial review indicated that all funds were collected and spent within the regulations established by the award agreement between Texas Tech University and the United States Small Business Administration.

The few concerns found were discussed during the review and these concerns were addressed.

Best Regards,



Scotty L. Arnold

Lead Economics Development Specialist/SBDC Project Officer
SBA Lubbock-West Texas District Office
1205 Texas Avenue, Room 408
Lubbock, TX 79401

4.5



FACES

OF ENTREPRENEURS

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SBDC
NORTHWEST TEXAS

NWTSBDC 2015 ANNUAL REPORT



April 8, 2016

Memo for: Board of Directors, Development Corporation of Abilene (DCOA)
From: Abilene Chamber of Commerce (ACOC)
Subject: Semiannual Report on Military Affairs, Oct 15 – Mar 16

EXECUTIVE SUMMARY: The Military Affairs Committee has successfully planned and executed multiple outreach and engagement efforts through the semiannual period, building on the bedrock of past efforts to continuously improve our position. These efforts will continue to expand in the future, with the ultimate goal of protecting the viability of Dyess AFB and its crucial economic impact for Abilene.

This report describes the activities of the ACOC in the area of military affairs from October 2015 to March 2016. Since the report is intended to provide the DCOA Board with the information needed to achieve transparency and accountability for the use of taxpayer dollars, the emphasis is primarily on outreach and engagement activities external to Dyess AFB. The local support to Airmen and the base provided by the volunteer Military Affairs Committee is an integral component of the overall community support for the base, and although not directly funded by DCOA, those activities are also an essential part of the overall efforts.

Since the last report, several issues have been resolved which favor the Air Force and Dyess AFB. First, the potential for a budget fight and a possible shutdown was resolved when Congress agreed to a 2-year budget deal to fund the Department of Defense. This included funding for procurement, research, and development for the B-1B Lancer, which is a positive indicator of continued support for the aircraft through its' planned retirement in 2040. The Air Force also approved the award of the B-21 Long Range Strike Bomber contract to Northrup-Grumman Corporation, which allows the program to move into final development and initial production. The number one outreach priority for the MAC is to engage the Pentagon and our elected officials to maximize our chances at being one of the early bases to receive this new aircraft, similar to the efforts of our community 30 years ago to bring the B-1B to Abilene. Finally, the election year turmoil has effectively pushed the potential for a Base Realignment and Closure (BRAC) effort to at least 2019, but the administration is becoming more insistent in their need for some way to shed approximately 20% of the current DoD base infrastructure. This will bear close watching, especially as more and more states and communities set up funding and formal organizations to protect themselves from closure actions.

The ACOC and MAC have continued to support and promote Dyess AFB during this busy semiannual period through a variety of activities. Beginning in October, the Chamber supported the Airmen and families of the 317th Airlift Group as they coped with the tragedy of a C-130J crash in Afghanistan. Along with providing food for unit members and lodging for the immediate families, the City of Abilene stepped up to host the memorial service for the fallen at the Abilene Civic Center, to include an honor guard from the Abilene Police Department. The support continues, as the MAC is spearheading an effort to expand the Dyess Memorial Park, with the first new memorial to be dedicated to the crew of TORQE 62.

The MAC also attended the Airlift/Tanker Association convention in Orlando, FL in October. This annual meeting brings Air Force mobility leaders together with contractors, suppliers, government officials, and communities to share information and build relationships. This is one of the most valuable engagement activities the MAC conducts, with more time for substantive discussions with Air Force leaders compared to other conferences; for next year's convention, the MAC will sponsor an exhibitor booth to bring a bit of Texas to the conference, and to increase the exposure and visibility of the community's efforts.

In January, we led a trip to visit Headquarters, Air Mobility Command at Scott AFB, IL, to discuss mobility issues directly with 4-star General Carlton Everhart, Commander of AMC, and his staff. The discussions included basing potential for C-130Js, Reserve Command associate units, Aeromedical Evacuation operations, and funding and procurement for C-130Js. After Scott, the team continued to Washington DC for meetings with six congressional staff delegations, plus a face-to-face discussion with Senator John Cornyn (R-TX). Our message was consistent: Abilene provides world-class support to Dyess AFB, and Dyess would be an outstanding choice as an initial base for the B-21 Long Range Strike Bomber.

In March, the MAC was honored to have 4-star General Robin Rand, Commander of Air Force Global Strike Command, as featured speaker for the quarterly MAC luncheon. His visit coincided with the timing of the Global Strike Command Senior Leader Conference, bringing together all of the general officers, wing commanders and command chiefs, and GSC staff for planning and discussions. This was the first time this conference had ever been held outside of Barksdale AFB, where GSC is headquartered, and it is a tremendous positive indicator of how well the 7th Bomb Wing's transition from Air Combat Command to Global Strike Command has been executed.

Also in March, MAC sent a representative to attend the promotion and assumption of command ceremonies for Major General Glen D. VanHerck, former 7th Bomb Wing Commander. General VanHerck is the new commander for the USAF Warfare Center at Nellis AFB, NV, and is responsible for the graduate-level training and combat exercises for our best warfighting forces (like "Top Gun" for the Air Force...but much bigger). The invitation to attend is just one example of the benefits of maintaining enduring relationships with Air Force

senior leaders, and it is probable General VanHerck will move into a more senior leadership position in the future.

Abilene was represented at the USAF Spouses Charity Ball in Washington DC, on April 2, and was recognized as a sponsor for donating a "Taste of Texas" basket (featuring a Perini's tenderloin!). This event is a crucial networking opportunity, bringing general officers from across the Air Force to one place for an enjoyable evening, but not one with a particular agenda. We were able to renew contacts with many senior leaders, and reinforce the message that Abilene is one of the most supportive military communities in the country.

The MAC also recently facilitated a Defense Economic Assistance grant application from the City of Abilene to receive money appropriated by the State of Texas to improve military installations within the state. The proposed project was an existing, "shovel-ready" Air Force project to improve and expand the Visitor Control Center at the front gate. Although the grant was ultimately not selected for approval by the Texas Military Preparedness Commission, the feedback was that the grant package and the project were worthwhile, but the request did not score well on several criteria. Specifically, Dyess had a high (good) score from the 2005 BRAC, and Abilene has a low unemployment rate compared to other communities around the state. Arguably, both of these are good things, and not something to try to change, but it validates that the commission's process is designed to focus the taxpayers' money where it is needed most. The MAC will continue to seek support from this grant in the future, as well as pursuing other state, federal, and private grants as they become available.

There are numerous events planned for the next year, all similar to the ones described above, to include the annual "DC Barbeque", the Air Force Association Convention, the Strategic Deterrence Coalition Conference, the Association of Defense Communities Symposium, and the semiannual Bomber Constituents Meeting. It should be noted that the extent of the military affairs outreach by ACOC would not be possible without DCOA's recognition of the value of this important work and commitment to annual funding. The Abilene MAC is a true public-private partnership that continues to pay dividends for Abilene and Dyess AFB. Thank you for your continued endorsement and support.

Any questions regarding the contents of this report may be directed to the Vice President for Military Affairs.



Brian A. Yates, Col (Ret), USAF
Abilene Chamber of Commerce
Vice President for Military Affairs

**Abilene Regional Airport's
FY 2016 Semi-Annual Report
To**

Development Corporation of Abilene

By using a visible marketing strategy including TV, radio, print and social media, the Business Development Management program continues its effort to increase airline passenger enplanements, recover some of our leaked passenger base, continue communication with other potential air carrier service and encourage economic growth for the airport. We find this method effective in keeping our 16 county catchment area cognizant of what Abilene Regional Airport has to offer and to consider Abilene Regional Airport first when making flight reservations.

Abilene Regional Airport appreciates the continued assistance received from DCOA, supporting our goal of improving air service and growing our customer base.

FY16 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. Presentations made during these engagements highlight the operations of the airport, construction updates, air service needs and fare comparisons as well as focusing on the advantages of flying from Abilene versus driving to another airport. 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.

We will continue to stay in contact with our regional community leaders and make ourselves available to speak at various events.

Presentations/Events FY16 YTD:

Oct. 7	Wednesday Rotary Club of Abilene
Oct. 8	Leadership Abilene Class of 16, City Day
Oct. 16	Brownwood Chamber of Commerce Presenting Sponsor
Oct. 28	Texas Midwest Communities Network Exhibitor
Dec. 3	Rotary Club of Eastland
Jan. 14	ABI-VIP Grand Prize Give-a-way, 95.1 the Wolf
Mar. 15	Rotary Club of Breckenridge
Mar. 23	Abilene Business Expo
Mar. 30	Winters School Tour

Marketing

TV, Radio & Print

Pink Goose Media & ACT Marketing refreshed our commercials for ABI with new “destinations” using iconic city imagery. While staying consistent with this imagery we also have radio spots on 5 local stations that target our catchment area and demographics as well as billboards throughout the greater Abilene area.

Social Media

Facebook: 2,433 page likes, engaging our 35 - 64 year old passengers with our story.

www.facebook.com/abileneairport

Twitter: 940 followers, engaging our 18 – 45 year old passengers with imperative news and travel blogs.

[@abairport](https://twitter.com/abairport)

Instagram: 170 followers, engaging 15 – 30 year old passengers through pictures. @abaiairport

Sponsorships

Increasing our top of mind awareness while connecting with the community through sponsoring various events throughout the year.

Abilene Philharmonic Association – Program Sponsor

Abilene Zoo – Train Sponsor

TMCN- Marketing Sponsor

Taste of Abilene- VIP Sponsor

Brownwood Tourism Board- Sponsor

Special Programs

ABI-VIP Passenger Rewards Program: 1,930 members-to-date. This program continues to grow and serves as a strong tool to communicate with our passengers as well as surrounding area businesses as they serve as sponsors.

Parking Badge program: An incentive for our frequent business travelers. Milsoft is our current company taking advantage of this program, with 25 parking badges in use throughout the year. We intend to offer it to more companies in the near future.

Customer Service Initiative: Implemented an annual training program for City and airline employees to increase positive customer service at the airport.

On the Airport

Enplanements: As of March 2016, YTD enplanements are down 6% over March 2015.

Revenues: Major revenue sources to the airport are the car rental concessions and the parking lot, this measurement is compared to March 2015 numbers.

Rental Car Revenue is down 13%.

Parking lot revenue is down 3%.

Outlook:

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. We will remain vigilant studying our market and the economy as we plan our continued marketing campaign efforts.

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 economic development. We continue conversations with additional air service providers, providing them with updates and information needed to look closely at potential growth for commercial service.

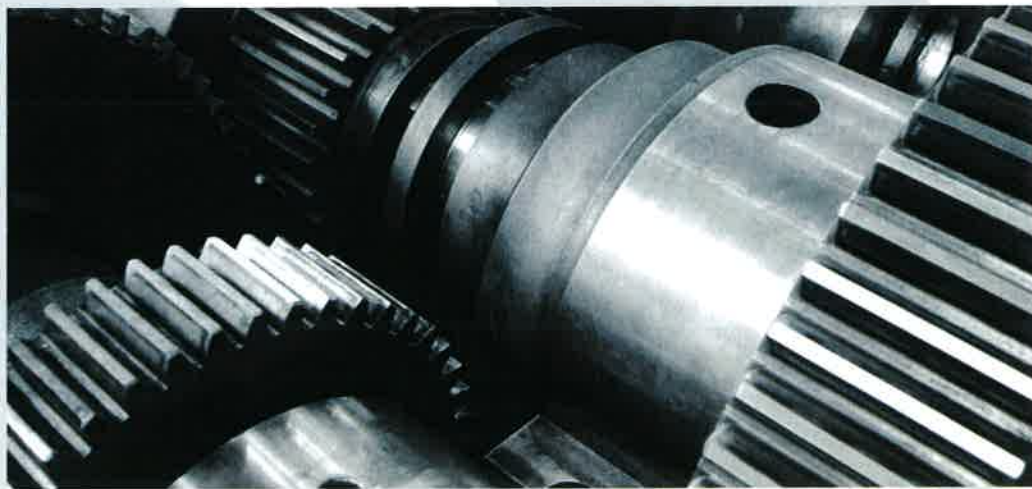


Develop Abilene

Abilene Industrial Foundation

2015-2016

Semi-Annual
Report



April 15, 2016

4.12



April 15, 2016

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

Mr. Kent Sharp:

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, 2015 to March 31, 2016 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 \$ 51,555.64

Category	10/2015 thru 3/2016	4/2016 thru 9/2016	Total
Contacts	29		29
Leads (Qualified)	32		32
Projects	7		7
Retention/Expansion Visits	66		66
Consultant Activity	22		22
Trade Shows/Conferences	5		5

The following report reflects mid-year marketing summary, retention activities, and financial report for this period. Please let me know if you have any questions regarding the content.

Sincerely,

Justin Jaworski
cc: Kim Tarrant, Doug Peters

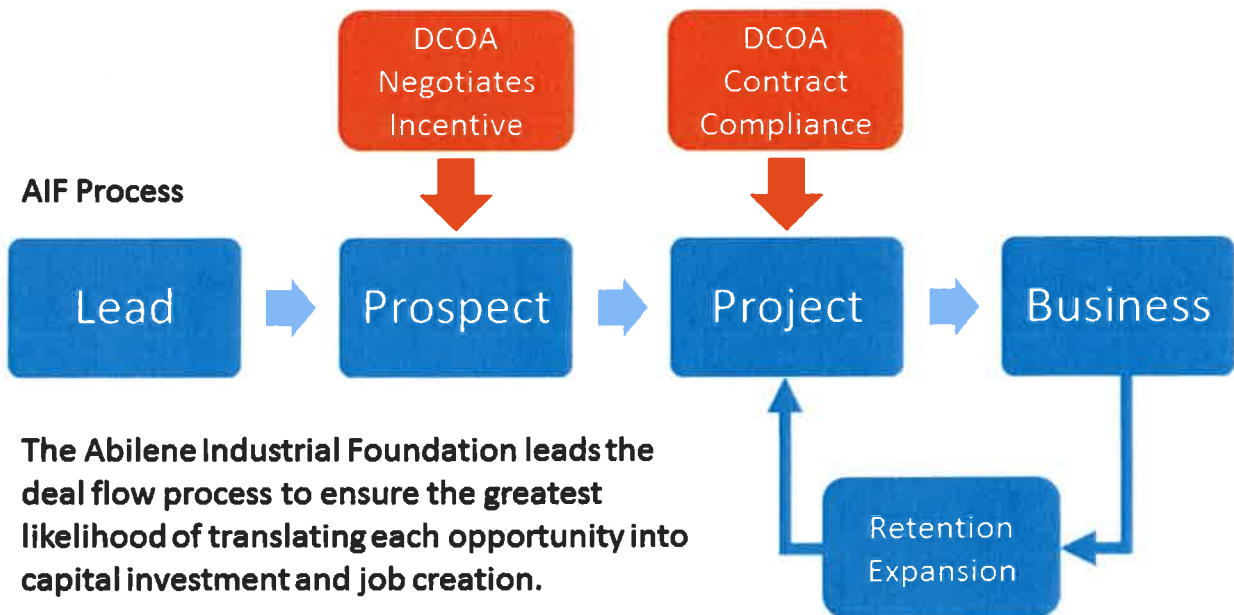
About the Abilene Industrial Foundation

The Abilene Industrial Foundation, an affiliate of the Abilene Chamber of Commerce, serves as the marketing and development arm for the Development Corporation of Abilene. Its purpose is to promote the growth, development and diversification of the economy in and around Abilene, Texas, by attracting new industries, retaining and expanding existing industries and supporting the federal, state and military agencies presently located in Abilene.

In fulfillment of its contract with the DCOA, the AIF devotes a considerable amount of effort generating contacts. From these contacts, the organization aims to produce qualified leads for new business. Once qualified leads have been identified, a diligent effort is undertaken to translate each of these into actual projects for new business development.

This "deal flow" process is designed to create investment for the City of Abilene as depicted in the following diagram.

Deal Flow Process



Contacts

Contacts are categorized as one of the following: general information requests, new business inquiries, searches for commercial real estate and questions regarding economic development incentives.

Contacts from October 1, 2015 to March 31, 2016

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Contact Summary

The following table summarizes the types and number of contacts generated over the past six months.

<i>Contact Type</i>	<i>Contacts</i>
<i>General Information</i>	19
<i>Commercial/Industrial Real Estate</i>	2
<i>New Business</i>	6
<i>Economic Development Incentives</i>	2

Contacts are the first step in generating potential leads for new investment. In many cases, a contact uses the information provided by the AIF as part of its site selection process. This process has been known to happen in as short a time as a few weeks and as long as 2-3 years, depending on the project.

Leads

Leads are defined by those requests that express an interest in doing business specifically in Abilene. Many of these leads come from the Governor's Office of Economic Development and Tourism who have made a request for an RFI/RFP. Other leads come from direct contact with site consultants and businesses.

Leads from October 1, 2015 to March 31, 2016

32

Unqualified Leads

10

Every year the AIF receives leads that are designated as "unqualified." This designation is only assigned when mandatory criteria specified by the client or contact cannot be met. Even in this instance, each of these leads are recorded in the AIF database in order to map trends that might help the economic development program better position the City of Abilene to qualify for these leads in the future.

Of the 10 unqualified leads, 6 were designated as unqualified due to the lack of available industrial buildings. Previous economic development studies, including the most recent, have cited Abilene's lack of available real estate as a major barrier to growth. In most cases, these leads are seeking industrial buildings between 100,000 to 250,000 square feet in size.

Projects

Projects are created when an incentive agreement has been executed between the company and DCOA.

Projects from October 1, 2015 to March 31, 2016

7

Project Summary

Project Name	Status	Capex/Jobs
AbiMar Foods - Project NEXT USA	Final upgrades to building are being completed to prepare for installation of new equipment	\$15MM/50
EASI - Project Doghouse Hangar 0	Agreement with contractor to be approved shortly with construction to begin in June	\$1.5MM
Coca-Cola - Project Blow Mold	Building permits issued by City, construction is in progress	\$31.9MM
Martin Sprocket - Project Pike	Project complete; monitoring the company for resulting new job creation	\$1.6MM/15
Prairie Dog Pet Products - Project Goldstar	DCOA is performing final remediation to Spec 3, finish out construction to follow	\$24MM/215
Lone Star Canvas - Project Thread Count	New equipment has been installed and is fully operational, moving into second facility	\$124K/12
Hat Creek Carriers	Lease executed with DCOA; company moved in at the end of March; monitoring new job creation	None/12

Capital Investment	Job Creation	Job Retention
\$74 M	304	700

Business Retention/Expansion

Abilene provides an ongoing network of support to help primary employers promote growth and expansion. The Business Retention-Expansion (BRE) program performs annual on-site visits to employers, providing a platform for businesses to express interest in expansion.

The BRE program also provides an avenue for businesses to communicate issues affecting their operations including workforce, infrastructure or capital and to make requests for assistance to address these concerns.

Program objectives include:

- Demonstrating support for local businesses
- Identifying opportunities for expansion
- Helping solve immediate business concerns
- Building community capacity to sustain growth
- Establishing a long-term plan to meet the needs of primary employers

Retention/Expansion from October 1, 2015 to March 31, 2016

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Semi-Annual Manufacturers Luncheon

Twice a year, the Abilene Industrial Foundation hosts a lunch at Lytle Land and Cattle for the manufacturers operating in the City of Abilene. The purpose of the event is to provide an educational presentation to these employers and allow an opportunity for other manufacturers to connect with one another. More than 50 attendees were present at the fall event that represented 14 companies including: AbiMar Foods, EASI, Nation Wide Products, Bridgestone-Bandag, Frontier Welded Products, Martin Sprocket and Gear, Rentech, Clavel Corporation, Workforce Solutions, Zoltek-Toray, Atmos, Owens Machine and Tool, Lighthouse Global Electric, Reynolds Manufacturing and Coca-Cola Refreshments.

Business Retention Visits

The AIF met with the following businesses in the first half of fiscal year 2015-2016. The company's total employees are listed in addition to a general indication of their overall employment. As with any company, these numbers fluctuate throughout the year for a wide range of reasons, sometimes unique to that select business.

<i>Date</i>	<i>Company</i>	<i>Employees</i>	<i>Employment</i>
10/2/2015	Coca-Cola (Plant and Warehouse)	330	Up (30)
10/5/2015	MicroMetals	34	Down (6)
10/19/2015	Martin Sprocket and Gear	80	Down (10)
10/21/2015	Teleperformance	425	Up (25)
10/22/2015	Salta Pipe	35	Unknown
11/17/2015	Chike Nutrition	10	Flat
12/3/2015	Bridgestone-Bandag	155	Down (20)
12/8/2015	Cooperative Response Center	40	Flat
12/8/2015	Tigé Boats	180	Flat
1/22/2016	Abilene State Supported Living Center	1,240	Down (100)
1/28/2016	Eagle Aviation Services	400	Flat
1/29/2016	Hirschfeld Steel	80	Down (5)
2/15/2016	World Gift Card	4	Flat
2/15/2016	Tucker Energy Services	5	Flat
2/26/2016	USPS (Mail Processing Center)	Unknown	Unknown
3/30/2016	Pactiv	100	Flat

Notable findings from these meetings include the following:

- MicroMetals is facing increasing competition from Chinese-based manufacturers that offer a comparable product at a lower price.
- Martin Sprocket and Gear still has plans to grow their employment as originally indicated when the company requested assistance from the DCOA.
- Teleperformance has a growth period during open enrollment defined by the Affordable Care Act that is usually followed by a corresponding loss of jobs.
- Bridgestone-Bandag is experiencing a lower average employment, but one that is not without precedent for the company.
- Abilene State Supported Living Center has a large variance in their employment which is believed to be due, in part, to a low unemployment rate.
- Hirschfeld Steel was reportedly down from its historical number, but recently announced plans to grow its employment at their Abilene facility.

Marketing

AIF marketing initiatives cover a wide range of goals, but mainly focus on:

- Branding Abilene in regional, state and national markets as a destination for new and expanding business development
- Creating and maintaining relationships with existing businesses in order to quickly identify opportunities for retention/expansion
- Building and growing relationships with site selection consultants, especially those within the greater Dallas/Ft. Worth metropolitan area
- Highlighting successes of the economic development program to local, state and national audiences

Advertising

The AIF places a number of ads in a wide range of publications throughout the year. In keeping with the ongoing effort to update our messaging, new advertisements have been designed to better communicate the economic development opportunities in Abilene. A significant portion of these are not published until the second half of the fiscal year. Three ads were placed this term and are attached at the end of this report.

Advertising Metrics from October 1, 2015 to March 31, 2016

Placements	Print Impressions	Digital Impressions
5	37,500	12,500

Website and Social Media

This past year, the AIF launched a new website. This new design is the first phase of development that will take place over the next year. Some of the added benefits include a more responsive design for use on a growing number of mobile devices, better search engine optimization, a larger amount of economic development data, newsletter content and a new sites and buildings database.

Google Analytics for October 1, 2015 to March 31, 2016

Users	Sessions	Page Views	Mobile	Bounce Rate
2,637	3,623	7,412	541	63%



Shortly following the release of the new website, the AIF created three social media sites to promote local economic development activities and better connect with stakeholders. The three sites include Facebook, Twitter and LinkedIn.

Social Media Analytics for October 1, 2015 to March 31, 2016

Facebook		Twitter		LinkedIn	
Posts	11	Posts	11	Posts	11
Likes	7	Followers	29	Followers	11
Website Clicks	0	Impressions	2,501	Impressions	880

Marketing Materials

The AIF produces and distributes a number of printed materials. These include the Community Profile (in two forms), the Manufacturers Directory, maps for Five Points Business Park and a number of other various items used for promotional purposes. These publications are periodically updated for both print and digital distribution. **To date, 118 printed materials were distributed from October 1, 2015 to March 31, 2016.**

Public Relations

A critical part of DevelopAbilene's economic development efforts are focused on promoting the successes and potential of the City of Abilene. To accomplish this endeavor, the AIF has contracted with a public relations firm to develop and execute a plan that communicates Abilene's strengths in a consistent, clear and compelling way.

These efforts increase awareness of local economic development projects through quality media coverage, detailed press releases in local publications and media opportunities with national news outlets. From October 1, 2015 to March 31, 2016, the AIF secured two highly visible placements in both national and regional media outlets.

First, Abilene was showcased on a number of live broadcasts on Fox Business news on Tuesday, October 27th. The broadcast was part of a three-month effort to find a wind farm owner and operator in the Abilene area willing to put reporter Jeff Flock atop a wind turbine. EDP Renewables provided an opportunity to place Jeff at the Lone Star Wind Farm just 10 miles north of Abilene. As a result, Abilene enjoyed a number of live broadcasts throughout the day which highlighted Texas as the wind leader in the U.S. and featured Abilene, Texas across the screen.

On January 26, 2016, the AIF put Chamber President/CEO Doug Peters on the Play Makers radio program with host Steve Klein in Dallas, Texas. The program is host to CEO's of businesses and non-profits in the greater DFW Metroplex and provided an opportunity to tell the Abilene story to business leaders in that area. Participation in the program was part of the AIF's anticipation of the Strategic Plan,

citing a need to continue "positioning Abilene as top of mind for businesses and talent in the DFW Metroplex." Though the AIF has done so in the past with regular visits to DFW to meet with site selection consultants, working with the public relations firm provides greater reach.

In addition to media coverage abroad, the AIF issued a number of press releases to highlight successes of the economic development program. This communication was done to help focus public perception on the "real value" generated by the efforts of the economic development program to counter what was being promoted as "overpaying for jobs."

Public Relations Summary for October 1, 2015 to March 31, 2016

Placements	Advertising Value	PR Value	Impressions
43	\$18,827	\$105,845	3,822,879

Trade Shows and Conferences

The AIF regularly participates in trade shows and conferences to promote prospect development, recruiting efforts and networking opportunities. The AIF, and its membership organizations, will participate in and attend tradeshows and conferences that have relativity to Abilene's targeted industries.

Trade Shows and Conferences for October 1, 2015 to March 31, 2016

- World Ag Expo - Largest agriculture expo in Tulare, California
- AWEA O&M - Wind energy Operation & Maintenance and Safety Expo in San Diego, California
- MRO Americas - Aviation aerospace trade show in Dallas, Texas
- 2015 Site Consultant Day - TEDC event in Dallas, Texas
- Austin Allies - The High Ground of Texas in Austin, Texas

Site Consultant Activity

The AIF conducts direct visits with site selection consultants and attends networking events with these individuals when the opportunity arises. The consultants targeted are those with a proven track record of producing clientele that Abilene has designated as attractive. With the success of past consultant special events, the AIF will continue to use these settings to build and strengthen relationships with a select group of consultants. **The AIF and DCOA met with a total of 22 site selection consultants at two different events.**

Site Consultant Activity for October 1, 2015, to March 31, 2016

- 6 - 2015 Site Consultant Day in Dallas, Texas
- 16 - Dallas Mavericks vs Sacramento Kings in Dallas, Texas



Local Communications

Recent years have indicated that a significant level of public unfamiliarity exists in regard to the value created by local economic development efforts. As a result, a new initiative has been put in place that will develop news content to create more awareness of the activities and effectiveness of DevelopAbilene that will feature successful projects and businesses operating in Abilene. For the first half of fiscal year 2015-2016, the AIF featured Coca-Cola and Tigé Boats, both of which have participated in the economic development program.

Additionally, a new data analysis model has been used to provide an estimated economic impact for projects being considered for incentives. The model is based on the North American Industry Classification System multipliers that combine with adjusted data, specific to the Abilene area, in order to provide decision makers a return on investment for a project.

Budget

The following table is a summary of marketing expenses incurred in the first six months. At this point in time, the AIF marketing budget is usually between 25%-35% expended as most of the marketing budget is used in the second half of the fiscal year. As of this report, approximately 30% of the budget has been spent.

<i>Category</i>	<i>Budget</i>	<i>10/1/15 to 3/31/16</i>	<i>4/1/16 to 9/30/16</i>
<i>Advertisements</i>	\$20,000.00	\$7,352.00	\$----
<i>Website</i>	\$1,000.00	\$5,008.17	\$----
<i>Marketing Materials</i>	\$15,000.00	\$1,634.81	\$----
<i>Public Relations</i>	\$53,000.00	\$23,147.58	\$----
<i>Trade Show/Conferences</i>	\$30,000.00	\$984.95	\$----
<i>Site Consultant Activity</i>	\$25,000.00	\$5,496.76	\$----
<i>Direct Mail</i>	\$1,000.00	\$93.80	\$----
<i>Business Retention Activity</i>	\$5,000.00	\$4,032.73	\$----
<i>Local Communications</i>	\$15,000.00	\$2,054.84	\$----
<i>Membership & Affiliations</i>	\$10,000.00	\$1,750.00	\$----
<i>Total</i>	\$175,000.00	\$51,555.64	\$----

DEVELOPMENT CORPORATION OF ABILENE, INC.
BOARD AGENDA
MEETING DATE: May 24, 2016

PROJECT: Spec 3 Building Existing Ventilation System Renovation for Prairie Dog Pet Products

STAFF: Kent Sharp, CEO

SUMMARY

Prairie Dog Pet Products (PDPP) is a manufacturer of quality pet products for the pet food industry in the United States and globally.

On September 8, 2015, the DCOA approved resolution DCOA-2015.18 authorizing a capital investment incentive to PDPP in order to expand its manufacturing and distribution in the U.S. PDPP will be creating more than 200 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 of land. The company would maintain distribution facilities in Texas, Colorado, and will then look for expansion opportunities after reaching maximum 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 has contracted with Emergent Construction Technologies (ECT) of Richardson, TX to complete the finish-out construction work.

On January 12, 2016, the DCOA approved resolution DCOA-2016.08 authorizing up to \$100,000 for needed repairs to the Spec 3 building according to ECT and staff assessment of the building. Since the approval of the funding a total of \$74,188.16 has been spent on various repair projects for the Spec 3 building as follows:

Lightning protection repairs	\$ 7,590.00
Fire protection repairs	\$ 13,487.70
Roof, wall and skylights repairs	\$ 23,500.00
Gutters and downspouts improvements	\$ 19,110.46
Ventilation system renovation: Engineering design	\$ 10,500.00
<hr/> Total Encumbered/Spent	<hr/> \$ 74,188.16
Total Remaining	\$ 25,811.84

This list above includes engineering design fees of \$10,500 to Bradshaw & Associates for renovation of the existing ventilation system as described below.

THE REQUEST

Due to recent heavy rainfall, it came to our attention that the Spec 3 building experiences water leaking into the building through the motorized louvers located on the north end. Staff contacted Bradshaw & Associates, a local engineering firm, for their suggestions on remediating the problem. During their assessments of the building it became apparent that the existing ventilation system leaks, does not provide sufficient air circulation for the type of the facility, and for future employees.

The report states:

The existing ventilation system consists of six 33,500 CFM fans and sixteen 8’ wide and 6’ high motorized louvers. The existing ventilation is designed for 4 air changes per hour (once every 15 minutes). Some of the existing sixteen 8’x 6’ motorized louvers with insect screens mounted on the outside of the louver do not close completely and allows rain water to enter the building. The existing louvers do not have a filter section, which allows dust to enter the building.

Bradshaw & Associates recommends replacing all existing six 33,500 CFM fans to six new 45,454 CFM fans as well as replacing existing fifteen (one of the existing sixteen louvers will become a window due to construction) 8’x 6’ motorized louvers with new fixed blade louvers, with motorized dampers, and a 40% filter section which will greatly reduce the amount of water and dust entering the building through the louvers.

A pre-bid meeting for renovation of the existing ventilation system was held on May 11th and bids for construction were opened on May 20, 2016, with two contractors bidding:

<u>Contractor</u>	<u>Base Bids</u>
Mulltex Mechanical Co., Inc.	\$127,900.00
Batjer & Associates, Inc.	\$132,250.00

During the bid opening, a change order estimated at \$10,000 reached agreement to move four of the fifteen proposed louvers to another location for better ventilation in order to accommodate PDPP’s ongoing construction.

There is \$25,812 remaining unused in the DCOA approved remediation fund, however staff recommends reserving this balance for other possible unknown repairs. As of now we are aware of a minor repair on a light pole electric feed located in the Spec 3 parking lot.

FISCAL IMPACT

Mulltex Mechanical Co., Inc. - Bid	\$127,900
Change Order (Relocation of four louvers – Estimate)	\$ 10,000
Contingency (5% of bid price plus change order)	\$ 6,895
TOTAL	\$144,795

STAFF RECOMMENDATION

Staff recommends approval of resolution DCOA-2016.15 authorizing a construction contract with Mulltex Mechanical Co., Inc. and funding of \$144,795 for ventilation system renovation on the Spec 3 building as described above, plus a 5% contingency.

ATTACHMENTS

Resolution DCOA-2016.15

6.2

RESOLUTION NO. DCOA-2016.15

A RESOLUTION OF THE DEVELOPMENT CORPORATION OF ABILENE, INC. (DCOA), ABILENE, TEXAS AUTHORIZING FUNDING AND CONTRACT WITH MULLTEX MECHANICAL CO., INC. FOR THE RENOVATION OF EXISTING VENTILATION SYSTEM 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) is a manufacturer of quality pet products for the pet food industry in the United States and globally; and,

WHEREAS, PDPP will lease the DCOA owned Spec 3 building located in the Five Points for at least for the 7-year compliance period for the New Markets Tax Credit (NMTC) deal; and,

WHEREAS, on January 12, 2016 the DCOA approved resolution DCOA-2016.08 authorizing remediation funds of up to \$100,000 for needed repairs to the Spec 3 building after assessment of the Spec 3 building by staff along with Emergent Construction Technologies, PDPP's finish-out constructor; and,

WHEREAS, recent heavy rainfall revealed several leaks at the Spec 3 building and staff contacted Bradshaw & Associates, a local engineering firm, for their suggestions on remediation for the problem; and,

WHEREAS, during their assessments of the Spec 3 building, it became apparent that the existing ventilation system leaks and does not provide sufficient air circulation for the type of the facility as well as for future employees; and,

WHEREAS, since the approval of the funding (resolution DCOA-2016.08) a total of \$69,508.38 has been spent on various repair projects for the Spec 3 building which includes repairing leaks on the roof, skylight, as well as all four walls and engineering design fees of \$10,500 to Bradshaw & Associates for developing mechanical and electrical drawings for renovation of the existing ventilation system, and; and,

WHEREAS, there is \$25,812 remaining unused in the DCOA approved remediation fund, however staff recommends reserving this balance for other possible unknown repairs. As of now we are aware of a needed reaper of a light pole electric feed in the Spec 3 parking lot; and,

WHEREAS, Bradshaw & Associates has developed mechanical and electrical drawings for renovation of a new ventilation system, which includes replacing all six 33,500 CFM fans to six new 45,454 CFM fans and replacing fifteen existing 8'x 6' motorized louvers with new fixed blade louvers with motorized dampers and a 40% filter section which will greatly reduce the amount of water and dust entering the building through the louvers; and,

WHEREAS, staff received two bids for renovation with the low bidder being Mulltex Mechanical Co., Inc. at \$127,900; and,

WHEREAS, it was agreed during the bid opening to modify the proposed location for four of the fifteen louvers to better accommodate PDPP's ongoing construction as well as to reach maximum air ventilation. This change order is estimated to cost an additional \$10,000 to the bid price; and,

WHEREAS, staff requests the DCOA approve a contract with Mulltex Mechanical Co., Inc. and funding for renovation of the existing ventilation system 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 a contract with Mulltex Mechanical Co., Inc. for One Hundred Forty Four Thousand Seven Hundred Ninety Five and no/100's Dollars (\$144,795.00) for renovation of the existing ventilation system at the Spec 3 building at 6558 Five Points Parkway, Abilene, TX. This renovation includes replacing all existing six 33,500 CFM fans to six new 45,454 CFM fans, replacing fifteen 8'x 6' motorized louvers with new fixed blade louvers with motorized dampers and a 40% filter section which four of the lovers will be relocated to better accommodate PDPP's ongoing construction as well as to reach maximum air ventilation.

The authorizing funding of One Hundred Forty Four Thousand Seven Hundred Ninety Five and no/100's Dollars (\$144,795.00) as follows:

Mulltex Mechanical Co., Inc. (Bid)	\$127,900
Change Order (Relocation of 4 louvers)	\$ 10,000
<u>Contingency (5%)</u>	<u>\$ 6,895</u>
Total	\$144,795

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 24th day of May, 2016.

ATTEST:

John Beckham
Secretary/Treasurer

Dave Copeland
President

APPROVED:

Stanley Smith, Interim City Attorney

6.4