


PUBLIC NOTICE

DEVELOPMENT CORPORATION OF ABILENE, INC.

A regular meeting of the Development Corporation of Abilene, Inc. will be held on Tuesday, September 13, 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

September 13, 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 August 24, 2016, board meeting.
3. September 2016 sales tax and July 2016 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 of the matters listed, as authorized by the Texas Government Code Sections:
 1. 551.071 (Consultation with Attorney)
 - A. Contract with the City of Abilene
 2. 551.072 (Deliberations about Real Property)
 3. 551.074 (Personnel Matters)
 - A. CEO Annual Review
 4. 551.087 (Business Prospect/Economic Development)
 - A. Project Plastic
 - B. Project Food
 - C. Project Nano
5. UNTABLE: Discussion and possible action by oral resolution related to the second annual performance evaluation of DCOA's CEO, Kent Sharp.
6. 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.

(Broadwind) for assistance to expand their Abilene plant and funding in an amount not to exceed \$715,000. Broadwind is based in Manitowoc, Wisconsin and employs 170 full-time people in Abilene manufacturing towers for the wind turbines scattered throughout West Texas. The expansion will include construction of an additional structure and purchase of equipment. It will occur in four phases at a total estimated cost of \$7,150,000. The company doesn't anticipate any new employment. The DCOA has assisted Broadwind since 2008 and the existing agreement from 2014 still has an unfunded balance of \$771,771. Staff recommends approval of up to \$715,000 paid at 10% of the project cost and funded under two separate notes receivable secured by a corporate guaranty. The company will earn the note balances over 5 years. If Broadwind enters into a new agreement for this assistance, the existing 2014 agreement will be canceled and the available balance of \$771,771 rescinded.

Dana Ramsay moved to approve resolution no. DCOA-2016.18 authorizing funding up to \$715,000 to assist Broadwind Towers as stated in the resolution. Jack Rich seconded and the motion passed.

4. EXECUTIVE SESSION – SESSION 2: 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 August 24, 2016 and the time is 1:30 p.m. Later, President Copeland announced the date is still August 24, 2016 and the time is 2:27 p.m. No vote or action was taken in Executive Session

6. DISCUSSION AND POSSIBLE ACTION BY ORAL RESOLUTION RELATED TO THE SECOND ANNUAL PERFORMANCE EVALUATION OF DCOA'S CEO, KENT SHARP: Dave Copeland moved to table this item until the next DCOA board meeting. John Beckham seconded and the motion carried.

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

Dave Copeland, President

MEMORANDUM

September 08, 2016

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

The sales tax rebate for August is \$3,024,682.60 which represents July sales. This is 6.78% below last year and .40% below the revised FY 16 budget amount. The breakdown of the rebate is \$2,268,511.95 to the General Fund and \$756,170.65 for economic development. Of this rebate, \$48,857.62 is from prior periods, audit payments, future payments, and unidentified payments. For the period of October through September, sales tax is 3.71% below last year and .85% above the revised 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
June	\$2,468,865.01	\$822,955.00	\$3,291,820.01	2,263,315.79	754,438.60	3,017,754.39
July	2,336,436.58	778,812.19	3,115,248.77	2,272,925.02	757,641.67	3,030,566.69
August	2,994,226.69	998,075.56	3,992,302.25	2,955,004.91	985,001.64	3,940,006.55
September	2,433,407.29	811,135.76	3,244,543.05	2,268,511.95	756,170.65	3,024,682.60
YTD	\$31,656,912.85	\$10,552,304.23	\$42,209,217.08	\$30,482,298.04	\$10,160,766.00	\$40,643,064.04
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%
June	822,955	754,439	-8.33%
July	778,812	757,642	-2.72%
August	998,076	985,002	-1.31%
September	811,136	756,171	-6.78%
YTD	\$10,552,304	\$10,160,766	-3.71%
 FY TOTAL	 <u><u>\$10,552,304</u></u>		

Note: Report reflects the month sales tax is received from Austin.
Revenue is recorded on this basis for budgetary purposes.

The Comprehensive Annual Financial Report (CAFR) will reflect revenue based upon the month the sales tax is paid by the vendor to the State Comptroller in accordance with GASB 33 requirements.

Revenue for September '16 represents July '16 sales. Approximately \$12,214.41 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
June	766,944	827,415	773,012	822,955	754,439
July	756,886	826,951	794,307	778,812	757,642
August	920,096	927,272	966,814	998,076	985,002
September	800,200	797,862	845,806	811,136	756,171
FY TOTAL	<u>\$10,420,256</u>	<u>\$10,229,372</u>	<u>\$10,115,471</u>	<u>\$10,552,304</u>	<u>\$10,160,766</u>
 YTD	 <u><u>\$10,420,256</u></u>	 <u><u>\$10,229,372</u></u>	 <u><u>\$10,115,471</u></u>	 <u><u>\$10,552,304</u></u>	

Note: Report reflects the month sales tax is received from Austin.
Revenue is recorded on this basis for budgetary purposes.

The Comprehensive Annual Financial Report (CAFR) will reflect revenue based upon the month the sales tax is paid by the vendor to the State Comptroller in accordance with GASB 33 requirements.

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

	<u>July</u> <u>2016</u>	<u>July</u> <u>2015</u>
Current Assets:		
Cash and cash investments	\$ 19,074,968	\$ 18,855,257
Accounts receivable	35,293	173,059
Due from other governments	1,789,074	1,847,609
Prepaid expense	<u>550</u>	<u>-</u>
Total Current Assets	<u>20,899,885</u>	<u>20,875,925</u>
Noncurrent Assets:		
Notes receivable	10,792,229	11,192,229
Notes receivable - earning economic incentives	8,979,062	4,311,887
Capital assets	51,765,462	47,929,002
Accumulated depreciation	<u>(9,815,739)</u>	<u>(8,633,256)</u>
Total capital assets, net	<u>41,949,723</u>	<u>39,295,746</u>
Total Noncurrent Assets	<u>61,721,014</u>	<u>54,799,862</u>
Total Assets	<u>\$ 82,620,899</u>	<u>\$ 75,675,787</u>
Liabilities		
Current:		
Accounts payable	\$ <u>347,121</u>	\$ <u>384,902</u>
Total Current Liabilities	<u>347,121</u>	<u>384,902</u>
Total Liabilities	<u>347,121</u>	<u>384,902</u>
Net Position		
Net Investment in capital assets	41,949,723	39,295,746
Restricted for contractual obligations	16,349,469	9,824,802
Unrestricted, designated for purposes of trust	<u>23,974,586</u>	<u>26,170,337</u>
Total Net Position	<u>82,273,778</u>	<u>75,290,885</u>
Total Liabilities and Net Position	<u>\$ 82,620,899</u>	<u>\$ 75,675,787</u>

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

	July 2016	Fiscal YTD 2016	Fiscal YTD 2015
Revenues:			
Sales and use taxes	\$ 757,641	\$ 8,419,594	\$ 8,743,093
Interest income	7,958	145,478	107,652
Building rental / land lease	114,517	921,267	891,524
Sale of Land		496,459	163,635
Miscellaneous revenue	5,248	112,199	567,261
Total Revenues	<u>885,364</u>	<u>10,094,997</u>	<u>10,473,165</u>
Expenses:			
Economic Development Projects	458,308	4,155,600	7,742,485
Life Sciences property maintenance	22,107	314,581	492,248
DCOA property maintenance	23,843	334,629	212,230
Abilene Industrial Foundation	42,116	325,330	316,199
TTU Small Business Development Center	21,469	113,437	120,881
Chamber Military Affairs	-	131,421	235,901
Airport Business Development Manager	10,724	85,808	88,218
Economic Development Operating Division	46,041	549,999	452,089
Total Expenditures	<u>624,608</u>	<u>6,010,805</u>	<u>9,660,251</u>
Changes In Net Position	260,756	4,084,192	812,914
Net Position at Beginning of Period	<u>82,013,022</u>	<u>78,189,586</u>	<u>74,477,971</u>
Net Position at End of Period	<u>\$ 82,273,778</u>	<u>\$ 82,273,778</u>	<u>\$ 75,290,885</u>

Summary of Current Period Economic Development Projects:

Hangar Doghouses - A/E	\$ 1,938
Hangar 1 Doghouse	209,587
EASI De-Fuel Truck	1,950
BWJ Consulting (Job creation)	26,271
BWJ Consulting (Capital investment)	137,376
Datrou Technolgies (Job creation)	12,242
Datrou Technolgies (Capital investment)	35,002
5 Pts Rail Spur Crossing	33,942
Total	<u>\$ 458,308</u>

Development Corporation of Abilene
Economic Program Status
As of July 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	2,507,899	2,507,899	-	-
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	150,667	-	150,667	-
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	12,452	105,393
Hangar Doghouses Construction	5348.2	2,732,618	2,559,870	162,385	10,363
Hangar 0 Doghouse Construction	5348.3	2,000,000	-	211,087	1,788,913
EASI De-Fuel Truck	5354	111,560	56,000	16,350	39,210
Fehr Foods ' 13	5356	222,815	148,543	74,272	-
Tucker Energy Services	5359	585,000	91,030	80,675	413,295
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	163,647	338,060
Dyess Telecomm Upgrade	5383	6,935	6,935	-	-
Pine St. Buildings - Hail Damage	5384.1	10,016	10,016	-	-
Pine St. Buildings - Construction	5384.2	449,690	293,559	156,131	-
Datrou Technologies	5385	280,750	34,216	47,244	199,290
DCOA Strategic Planning	5386	130,000	105,000	20,000	5,000
Coca Cola Refreshments	5387	3,200,000	-	-	3,200,000
Martin Sprocket & Gear	5388	-	-	-	-
Industrial Maintenance Training AISD	5389	70,000	-	50,100	19,900
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	1,339,479	-	-	1,339,479
Praire Dog Pet Products	5394	-	-	-	-
Five Points Rail Spur	5395	37,342	-	33,942	3,400
Spec 3 Remediation	5396	244,795	-	73,138	171,657
ALSF Unwind	5397	180,000	-	116,616	63,384
Subtotal Economic Program Obligation Reserve		\$ 32,405,036	\$ 14,963,842	\$ 4,155,600	\$ 13,285,594
Plus Administrative Division Obligations:					
Economic Development Operating Division	Division 2760	702,710	-	549,999	152,711
Life Sciences Property Maintenance	Division 2765	384,420	-	314,581	69,839
DCOA Property Maintenance	Division 2775	1,818,140	-	334,629	1,483,511
Abilene Industrial Foundation	Division 2775	400,000	-	325,330	74,670
TTU Small Business Dev Center	Division 2775	200,000	-	113,437	86,563
Chamber Military Affairs	Division 2775	397,000	-	131,421	265,579
Airport Business Development Manager	Division 2775	182,720	-	85,808	96,912
Subtotal Administrative Divisions Obligation Reserve		\$ 4,084,990	\$ -	\$ 1,855,205	\$ 2,229,785
Total reserve for obligated programs					\$ 15,515,379
DCOA Board approved projects waiting for signed contracts:					
Dyess JLUS		\$ 50,000		12/17/16	
TSTC New Campus Ops		4,000,000		9/21/16	
18/36 Industrial Park Land Clearing		52,000		12/16/16	
		<u>\$ 4,102,000</u>			

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

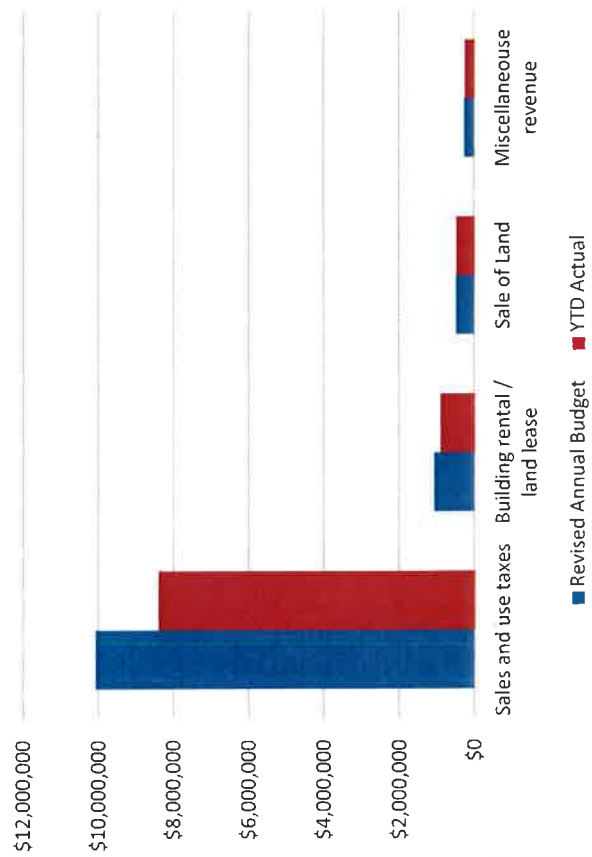
Revenue

	Revised Annual Budget	YTD Actual	% of Budget
Sales and use taxes	10,088,060	8,419,594	83%
Building rental / land lease	1,072,880	921,267	86%
Sale of Land	496,460	496,459	100%
Miscellaneous revenue	267,940	257,677	96%
Revenue	11,925,340	10,094,997	85%

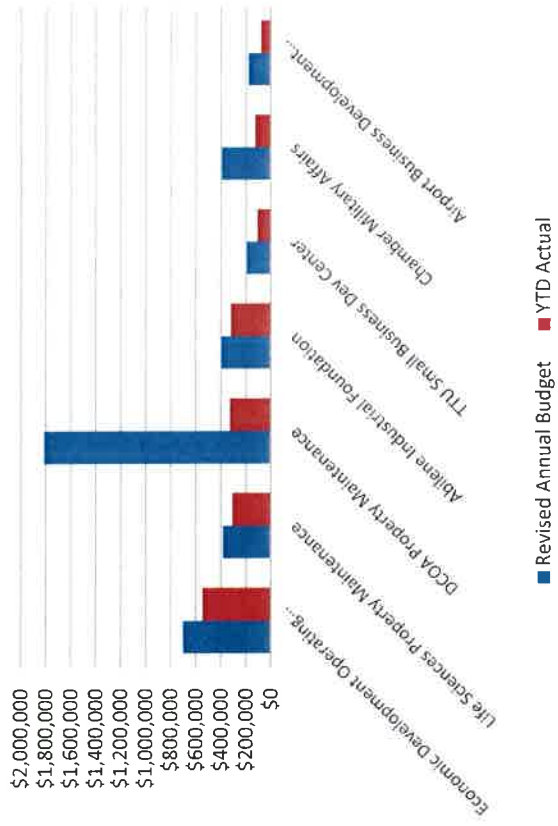
Expenses

	Revised Annual Budget	YTD Actual	% of Budget
Economic Development Operating Division	702,710	549,999	78%
Life Sciences Property Maintenance	384,420	314,581	82%
DCOA Property Maintenance	1,818,140	334,629	18%
Abilene Industrial Foundation	400,000	325,330	81%
TTU Small Business Dev Center	200,000	113,437	57%
Chamber Military Affairs	397,000	131,421	33%
Airport Business Development Manager	182,720	85,808	47%
	4,084,990	1,855,205	45%

FY 16 Budget vs Actual Revenue



FY 16 Budget vs Actual Expenses



3.8