

PUBLIC NOTICE

DEVELOPMENT CORPORATION OF ABILENE, INC.

A regular meeting of the Development Corporation of Abilene, Inc. will be held on Tuesday, November 22, 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

November 22, 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 October 11, 2016, board meeting.
3. Sales tax report for November 2016 and financial report for September 2016.
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. Outstanding insurance claims
 2. 551.072 (Deliberations about Real Property)
 3. 551.074 (Personnel Matters)
 4. 551.087 (Business Prospect/Economic Development)
 - A. Project Food
 - B. Project Plastic
 - C. TSTC's new Abilene campus
5. Presentation of Annual Reports for Fiscal Year Ended September 30, 2016 by:
 - Texas Tech University Small Business Development Center
 - Abilene Industrial Foundation
 - Abilene Chamber of Commerce Military Affairs Committee
 - City of Abilene Airport Business Development Manager
6. Presentation and possible approval of the FY16 Annual Report of Activities of the Development Corporation of Abilene, Inc.
7. Strategic Plan status update presented by Kent Sharp, CEO.

8. Discussion of the next Board meeting date and time.
9. 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.

Jack Rich made an inquiry concerning introducing a motion to approve this request and then made a motion to approve the annual contracts as presented with the Abilene Industrial Foundation, the Airport Business Development Management Program, the Abilene Chamber's Military Affairs Committee and the Small Business Development Center, with the following change to the AIF contract as presented: the FY 2017 budget in the contract should be reflected as \$619,775 (including changing the Operating Expenses amount to \$471,775) and a provision added to the FY 2017 contract to provide for a one-time \$60,000 payment to the AIF from the amounts remaining in the FY 2016 budget for salaries/benefits to account for unplanned work performed by the Chamber President during FY 2016 relating to implementation of the new strategic plan developed by TIP Strategies, Inc., upon receipt and approval of an invoice for that purpose. John Beckham seconded and the motion carried.

5. DISCUSSION AND POSSIBLE APPROVAL OF A RESOLUTION AUTHORIZING SPONSORSHIPS FOR ABILENE CHRISTIAN UNIVERSITY'S 2016 STARTUP WEEK AND 2017 SPRINGBOARD COMPETITION: Kent Sharp requested \$7,500 for a Platinum Level sponsorship of the 2016 Startup Week for Entrepreneurship at ACU scheduled for November 14-18th. He also requested \$25,000 for a Platinum Level sponsorship of the 2017 Springboard Competition. The DCOA has sponsored the Springboard Competition in years past at the \$5,000 level, and this will be the first time for DCOA to sponsor the Startup week.

John Beckham made the motion to approve resolution No. DCOA-2017.01 as presented. Dani Ramsay seconded and the motion passed. Marellyn Shedd and Jack Rich abstained from voting due to a real or perceived conflict of interest.

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

Dave Copeland, President

MEMORANDUM

November 9, 2016

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

The sales tax rebate for November is \$3,722,741.70 which represents September sales. This is 5.03% below last year and 5.03% below the projected FY 17 budget amount. The breakdown of the rebate is \$2,792,056.28 to the General Fund and \$930,685.42 for economic development. Of this rebate, \$107,167.17 is from prior periods, audit payments, future payments, and unidentified payments. For the period of October through November, sales tax is 1.72% below last year and 1.72% below the projected FY 17 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 2015-16	Actual 2015-16	2015-16	Actual 2016-17	Actual 2016-17	2016-17
October	\$2,456,044.80	\$818,681.60	\$3,274,726.40	\$2,511,352.80	\$837,117.60	\$3,348,470.40
November	2,940,002.89	980,000.96	3,920,003.85	2,792,056.28	930,685.42	3,722,741.70
YTD	\$5,396,047.69	\$1,798,682.56	\$7,194,730.25	\$5,303,409.08	\$1,767,803.02	\$7,071,212.10
December	\$2,203,231.83	\$734,410.61	\$2,937,642.44			
January	2,265,278.52	755,092.84	3,020,371.36			
February	3,419,688.86	1,139,896.28	4,559,585.14			
March	2,186,523.32	728,841.10	2,915,364.42			
April	2,337,248.73	779,082.91	3,116,331.64			
May	2,914,521.42	971,507.14	3,886,028.56			
June	2,263,315.79	754,438.60	3,017,754.39			
July	2,272,925.02	757,641.67	3,030,566.69			
August	2,955,004.91	985,001.64	3,940,006.55			
September	2,268,511.95	756,170.65	3,024,682.60			
FY TOTAL	\$30,482,298.04	\$10,160,766.00	\$40,643,064.04			

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, INC.
1/2 CENT SALES TAX REVENUE
Monthly and Year-to-Year Comparisons

Accounting Period Month	Actual 2015-16	Actual 2016-17	% Change
October	\$818,682	\$837,118	2.25%
November	980,001	930,685	-5.03%
YTD	\$1,798,683	\$1,767,803	-1.72%
December	\$734,411		
January	755,093		
February	1,139,896		
March	728,841		
April	779,083		
May	971,507		
June	754,439		
July	757,642		
August	985,002		
September	756,171		
FY TOTAL	\$10,160,766		

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 November '16 represents September '16 sales. Approximately \$26,791.79 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 2012-13	Actual 2013-14	Actual 2014-15	Actual 2015-16	Actual 2016-17
October	\$855,868	\$815,126	\$868,660	\$818,682	\$837,118
November	891,956	896,761	987,887	980,001	930,685
FY TOTAL	<u>\$1,747,824</u>	<u>\$1,711,887</u>	<u>\$1,856,547</u>	<u>\$1,798,683</u>	<u>\$1,767,803</u>
December	\$773,104	\$766,502	\$836,922	\$734,411	
January	728,710	744,242	798,120	755,093	
February	1,012,685	1,061,353	1,137,082	1,139,896	
March	821,529	743,945	759,360	728,841	
April	800,963	726,196	733,667	779,083	
May	965,056	981,409	1,019,627	971,507	
June	827,415	773,012	822,955	754,439	
July	826,951	794,307	778,812	757,642	
August	927,272	966,814	998,076	985,002	
September	797,862	845,806	811,136	756,171	
YTD	<u>\$10,229,372</u>	<u>\$10,115,471</u>	<u>\$10,552,304</u>	<u>\$10,160,766</u>	

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Revenue is recorded on this basis for budgetary purposes.

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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
September 30, 2016 and 2015
Preliminary

	September 2016	September 2015
Current Assets:		
Cash and cash investments	\$ 20,111,606	\$ 20,306,992
Accounts receivable	194,627	173,059
Due from other governments	1,789,074	1,847,609
Prepaid expense	2,910	8,200
Total Current Assets	22,098,217	22,335,860
Noncurrent Assets:		
Notes receivable	3,686,267	11,125,563
Notes receivable - earning economic incentives	8,374,760	3,807,207
Capital assets, net of depreciation	48,974,663	39,295,746
Total Noncurrent Assets	61,035,690	54,228,516
Total Assets	\$ 83,133,907	\$ 76,564,376
Liabilities		
Current:		
Accounts payable	\$ 737,543	\$ 870,510
Total Current Liabilities	737,543	870,510
Total Liabilities	737,543	870,510
Net Position		
Net Investment in capital assets	48,974,663	39,295,746
Restricted for contractual obligations	13,090,516	8,549,691
Unrestricted, designated for purposes of trust	20,331,185	27,848,429
Total Net Position	82,396,364	75,693,866
Total Liabilities and Net Position	\$ 83,133,907	\$ 76,564,376

DEVELOPMENT CORPORATION OF ABILENE
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
For the year ending September 30, 2016 and 2015

Preliminary - Budget Basis

	<u>September 2016</u>	<u>Fiscal YTD 2016</u>	<u>Fiscal YTD 2015</u>
Revenues:			
Sales and use taxes	\$ 756,171	\$ 10,160,766	\$ 10,552,304
Interest income	14,605	168,358	116,504
Building rental / land lease	86,163	1,099,980	1,070,896
Sale of Land		496,459	163,635
Miscellaneous revenue	207,328	324,495	611,483
Total Revenues	<u>1,064,267</u>	<u>12,250,058</u>	<u>12,514,822</u>
Expenses:			
Economic Development Projects	329,639	5,480,573	8,826,830
Life Sciences property maintenance	20,397	355,444	554,433
DCOA property maintenance	24,571	379,947	256,506
Abilene Industrial Foundation	146,498	501,676	410,382
TTU Small Business Development Center	29,944	155,606	157,763
Chamber Military Affairs	126,657	338,410	391,382
Airport Business Development Manager	62,455	161,008	139,442
Economic Development Operating Division	71,023	670,616	562,189
Total Expenditures	<u>811,184</u>	<u>8,043,280</u>	<u>11,298,927</u>
Changes In Net Position	253,083	4,206,778	1,215,895
Net Position at Beginning of Period	<u>82,143,281</u>	<u>78,189,586</u>	<u>74,477,971</u>
Net Position at End of Period	<u>\$ 82,396,364</u>	<u>\$ 82,396,364</u>	<u>\$ 75,693,866</u> A

Summary of Current Period Economic Development Projects:

Rentech '12 - Principal reduction for capital investment	\$ 120,000
Rentech '12 -Principal reduction for job creation	34,200
Hangar Doghouses - A/E	3,141
Hangar 0 Doghouse	26,543
EASI De-Fuel Truck	3,900
Spec 3 Remediation/Repair	141,855
Total	<u>\$ 329,639</u>

A: Reconciliation to Beginning Fund Balance - FY 16

FY 15 Net Position before audit accruals	75,693,866
Add: Fixed assets capitalized	3,849,788
Add: Gain on sale of assets	150,307
Add: Change in accrued expenses	38,044
Less: Change in accrued revenue	(196,301)
Less: Proceeds from sale of land	(163,635)
Less: Depreciation	(1,182,483)
	<u>78,189,586</u>

**Development Corporation of Abilene
Economic Program Status
As of September 30, 2016**

Economic Programs:	Project	Amount Budgeted	Prior Years Disbursement	Current Year Disbursement	Balance reserved for budgeted programs
TTU Pharmacy School	5242	\$ 1,893,035	\$ 1,702,310	\$ 190,725	\$ -
Pactiv (formerly PWP)	5251	2,507,899	2,507,899	-	-
TTU 842 Pine	5308	853,999	690,999	163,000	-
Pepsi Beverage Co.	5321	140,000	140,000	-	-
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	1,076,253	806,885	269,368	-
Rentech '12	5342	470,000	315,800	154,200	-
Owens Machine & Tool	5345	88,761	64,682	24,079	-
Hangar Doghouses A/E	5348.1	423,000	305,155	17,163	100,682
Hangar Doghouses Construction	5348.2	2,732,618	2,559,870	162,385	10,363
Hangar 0 Doghouse Construction	5348.3	2,000,000	-	603,023	1,396,977
EASI De-Fuel Truck	5354	111,560	56,000	22,200	33,360
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	13,320	6,480
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	679,300	99,222	580,078	-
Corley Wetsel Trucking	5376	455,200	-	-	455,200
Clavel Corp	5377	56,256	31,150	25,106	-
Fehr Foods 14	5378	160,278	53,426	53,426	53,426
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	156,130	1
Datroo 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	1,426,901	-	87,422	1,339,479
Praire Dog Pet Products	5394	-	-	-	-
Five Points Rail Spur	5395	33,942	-	33,942	-
Spec 3 Remediation	5396	244,795	-	214,993	29,802
ALSF Unwind	5397	116,616	-	116,616	-
18/36 Industrial Park	5397	52,000	-	-	52,000
Subtotal Economic Program Obligation Reserve		\$ 32,010,148	\$ 14,963,842	\$ 5,480,573	\$ 11,565,733
Plus Administrative Division Obligations:					
Economic Development Operating Division	Division 2760	705,210	-	670,616	34,594
Life Sciences Property Maintenance	Division 2765	384,420	-	355,444	28,976
DCOA Property Maintenance	Division 2775	1,716,464	-	379,947	1,336,517
Abilene Industrial Foundation	Division 2775	501,676	-	501,676	-
TTU Small Business Dev Center	Division 2775	200,000	-	155,606	44,394
Chamber Military Affairs	Division 2775	397,000	-	338,410	58,590
Airport Business Development Manager	Division 2775	182,720	-	161,008	21,712
Subtotal Administrative Divisions Obligation Reserve		\$ 4,087,490	\$ -	\$ 2,562,707	\$ 1,524,783
Total reserve for obligated programs					\$ 13,090,516
DCOA Board approved projects waiting for signed contracts:					
Dyess JLUS		\$ 50,000	Expiration Date 6/17/17		
TSTC New Campus Ops		4,000,000	3/21/17		
Broadwind Towers 2016		715,000	2/24/17		
		<u>\$ 4,765,000</u>			

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

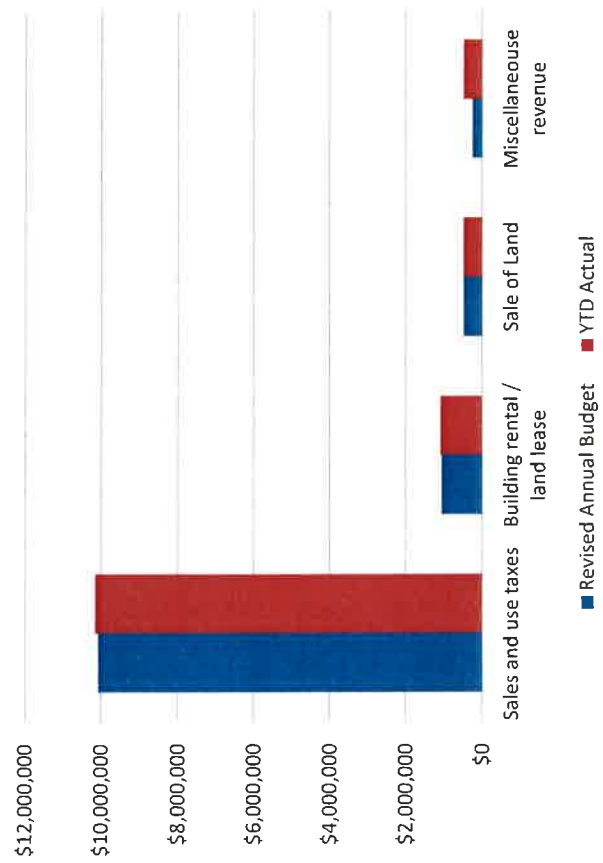
Revenue

	Revised Annual Budget	YTD Actual	% of Budget
Sales and use taxes	10,088,060	10,160,766	101%
Building rental / land lease	1,072,880	1,099,980	103%
Sale of Land	496,460	496,459	100%
Miscellaneous revenue	267,940	492,853	184%
Revenue	11,925,340	12,250,058	103%

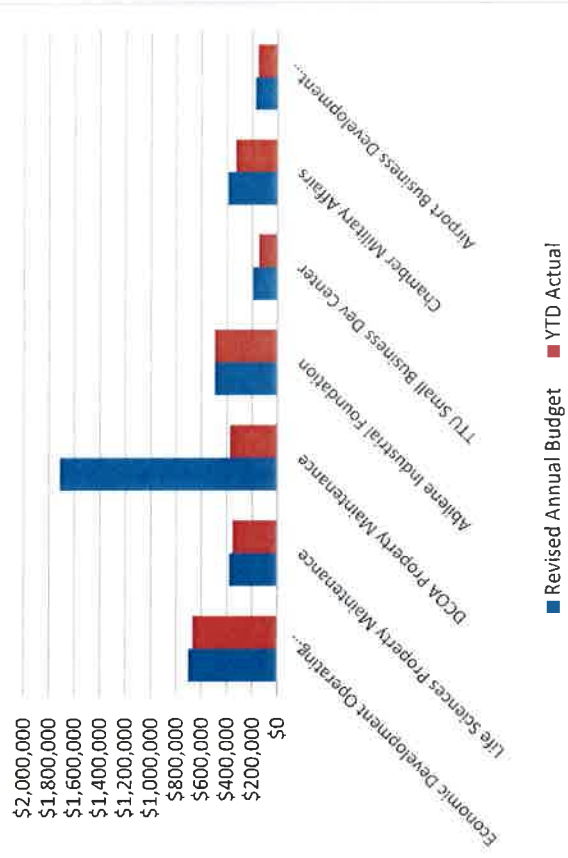
Expenses

	Revised Annual Budget	YTD Actual	% of Budget
Economic Development Operating Division	705,210	670,616	95%
Life Sciences Property Maintenance	384,420	355,444	92%
DCOA Property Maintenance	1,716,464	379,947	22%
Abilene Industrial Foundation	501,676	501,676	100%
TTU Small Business Dev Center	200,000	155,606	78%
Chamber Military Affairs	397,000	338,410	85%
Airport Business Development Manager	182,720	161,008	88%
	4,087,490	2,562,707	63%

FY 16 Budget vs Actual Revenue



FY 16 Budget vs Actual Expenses



3.8

DEVELOPMENT CORPORATION OF ABILENE, INC.
BOARD AGENDA
MEETING DATE: November 22, 2016

PROJECT: Annual Reports for FY16

STAFF: Kent Sharp, CEO

GENERAL INFORMATION

Since 1990, the DCOA has contracted with the Abilene Industrial Foundation (AIF) for promotion and marketing services for Abilene and the immediate vicinity. The board began funding in 1992 the efforts of the Chamber Military Affairs Committee to retain the existing level of operations at Dyess Air Force Base and possible expansion of missions.

The DCOA began partial funding of the Airport Business Development Management Program in 2002. The Airport Master Plan recommends pursuit of a marketing program that will help the airport build activity within its business segments.

The Texas Tech University Small Business Development Center (SBDC) has also contracted with the DCOA since 1990, providing business counseling services to clients in a 17-county region, free-of-charge.

SPECIAL CONSIDERATIONS

The FY16 contracts expired 9-30-16, and the DCOA approved funding for new FY17 contracts. Attached are reports covering activities during FY16 through 9-30-16.

FUNDING/FISCAL IMPACT

None.

STAFF RECOMMENDATION

Staff recommends the board approve the attached reports.

ATTACHMENT

Texas Tech Small Business Development Center Year End FY16 Summary
Abilene Industrial Foundation FY16 Year-End Progress Report
Abilene Chamber of Commerce Military Affairs Committee FY16 Report
Abilene Regional Airport's FY16 Annual Report

America's SBDC
Texas Tech–Abilene
Year End Report FY16



DATE: October 16, 2016
TO: Development Corporation of Abilene (DCOA)
FROM: Texas Tech Small Business Development Center (America's SBDC at Texas Tech)
SUBJECT: FY 16 Year End Report (May 30 2016- September 30, 2016)

TTU-SBDC continues to receive (see attached) annual approval letters from the U S Small Business Administration and the Northwest Texas SBDC Regional Office regarding their status for continued operations of the Texas Tech Small Business Development Center in Abilene.

Texas Tech Small Business Development Center (TTU-SBDC) has register 359 new clients and logged 224.50 confirmed jobs/expansions during FY16. The listed jobs have produced 2.1 million in capital formation for Abilene. Total amount billed to DCOA from the TTU-SBDC as of September 31, 2016 was \$155,606.26. The cost per job to the Development Corporation of Abilene is approximately \$693 per job.

TTU-SBDC clients opened 41 Abilene businesses with

38% being funded through owner injection

17% of SBDC client loans were supported by U S Small Business Association

34% of those requiring larger amounts were funded by local banks

11% were started using other sources.

Additional services were requested by 35% of returning clients. . Those returning clients included several that were initially assisted as far back as 1993. Thanks to the assistance from the Development Corporation of Abilene the TTU-SBDC has been able to provide consistent quality services that allow the Abilene citizen a "go to" place for business information and guidance at various stages of their business cycle.

The types of businesses assisted ranged from health care (medical), wholesale, art/entertainment, construction, retail, transportation, education and food/accommodations. Although food trucks are a current trend in Abilene and nationwide the TTU-SBDC assisted a smaller percentage of those currently in operation in Abilene.

In addition, 99 clients from 16 counties surrounding Abilene (assigned service area) were consulted during FY16. These counties contribute to the Abilene economy through the purchase of goods/ supplies for their businesses in their respective community.

TTU-SBDC provided 37 seminars with topics ranging from Starting a Business, Putting your Business on the Map, Managing Employees, Taxes and Payroll, Q&A with Abilene City Staff, Driving Visitors to your Website, Required Recordkeeping and other small business related concerns.

Over 1800 hours of training was provided to the Abilene Small Business Community.

In addition the TTU-SBDC and the U.S. Small Business Administration provides a two day seminar every other month, titled Boots2Business (B2B), for the active duty military on Dyess AFB. A certificate is provided upon completion of the B2B and the class is taught by professionals in their related fields. In addition, Dallas Momentum Texas gave a one day business seminar for the Abilene veterans and spouses. The SBDC's Procurement Assistance Center is always available for the one-to one consulting regarding selling to the federal, state and local municipalities. Majority of requests are for assistance in completing the electronic forms that are required to do business with the various entities.

The TTU-SBDC continues to provide services as requested to other agencies within Abilene as well as the small business client. Those agencies include Meals on Wheels, Better Business Bureau and continuous support of the activities of Abilene Christian University's Entrepreneurship programs. The TTU-SBDC consultants recently participated in judging business plans for students at ACU. The TTU-SBDC Director is a member of the Abilene Chamber of Commerce Board, Workforce Investment Fund, Workforce Task Force Committee and Small Business Task Force Committee, Black Chamber Small Business Committee and the Hispanic Business Council.

The TTU-SBDC is currently preparing to offer assistance to small business owners regarding the Safe Quality Food (SQF) regulation as part of the FDA Food Safety Modernization Act passed in 2011. This applies to business owners desiring to sell food products to larger facilities such as HEB, etc. The compliance for the small business will start in 2018 and the medium sized < 500 will 2017. This will require specific training in food handling and certification. This training will be offer through the TTU-SBDC by qualified engineers in this area of expertise.

The TTU-SBDC gained additional training to enhance their current background in assessing financial records allowing for enhanced assistance helping small business owners to increase their profits. There has been an increase in requests for assistance in this area. Classes have been held regarding such topics as increase profit and product costing.

Currently in partnership with Dallas Federal Reserve in disseminating a survey that not only addresses the Abilene area but the 95 counties that are considered West Texas. It is only my opinion, however, I believe we will find the results to be similar to last year showing a need for skilled labor force, interpersonal skills, finding new markets, etc.

Assisting the West Central Texas Council of Governments (WCTCOG) and the U.S. Department of Agriculture (USDA) by developing business plans for the WCTCOG's revolving loan fund for smaller business loans. The revolving loan fund is a product of USDA and is administered by the WCTCOG for micro loans.

SBDC Success Story:

West Techs - Chill Water Specialist, a service business, selling and servicing Chilling Units (industrial and Commercial HVAC Chill Water systems). The company started with only the owner, Mr. Mike Petty, in 2006 and has continued to expand through the acquisition of a mechanical contracting business and sheet metal

fabrication shop. Not only has Mr. Petty expanded his business to include the new companies, purchased a building and has enlarged his staff to 25 employees but has a Lubbock, Texas location also. A substantial amount of work is conducted outside of Abilene. The owner came to the SBDC in 2005 and stated that he was "the best Chiller person In West Texas... but I don't know business" and that is how we came to meet Mike Petty.

The TTU-SBDC has been experienced a good year with expectations of a better FY17. We have several larger projects in the pipeline that are requiring new construction or extensive renovations and will be opening and logged during FY17. The TTU-SBDC promotes entrepreneurship to the fullest, however, when entrepreneur becomes seriously engaged in starting a business, buying a business or just expanding their current business the TTU-SBDC is the place to start.

*Thank You for your assistance to the Texas Tech Small Business Development Center – Abilene
(America's SBDC)*



**NORTHWEST TEXAS
SMALL BUSINESS DEVELOPMENT CENTER
REGIONAL NETWORK**

ABILENE

AMARILLO

LUBBOCK

MIDLAND/ODESSA

STEPHENVILLE

WICHITA FALLS

October 10, 2016

To: Judy Wilhelm
Director
TTU SBDC @ Abilene
Texas Tech University

From: Craig Bean
Executive Director
NWTSBDC
Texas Tech University

Subject: Audit results for FY 2016 and preliminary requests for FY 2017

Judy it is my pleasure to inform you that there were no adverse findings from the Audit of the TTU SBDC @ Abilene for FY 2016. Your center, once again, is the standard that we judge all of the other centers by in our network. The outstanding job you and your staff do every day is a testament to the standard you hold your program to.

As a result of the outstanding Audit result, there are no audit findings that impacted FY 2016 results or are there any items requiring attention for FY 2017.

Again let me congratulate you on an excellent result and a job well done.

*Congratulations,
Ben*



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.

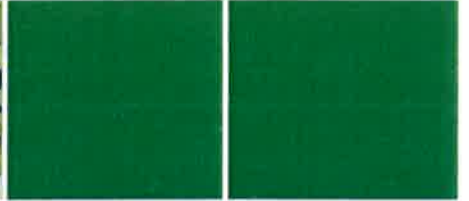
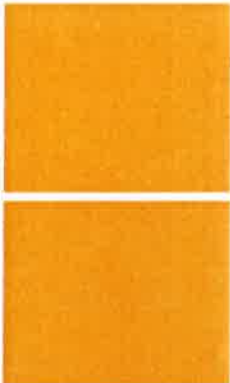
The few concerns found were discussed during the review and these concerns were addressed.

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



 **Develop Abilene**
Abilene Industrial Foundation

Semi-Annual Report
April 1, 2016 -
September 30, 2016





November 22, 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 April 1, 2016 to September 30, 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
Spent to Date \$120,117

Category	10/2015 thru 3/2016	4/2016 thru 9/2016	Total
Contacts	29	218	247
Leads (Qualified)	32	5	37
Projects	7	1	8
Retention/Expansion Visits	66	44	110
Consultant Activity	22	10	32
Trade Shows/Conferences	4	5	9

The following report reflects a 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,

A handwritten signature in black ink, appearing to read "Justin Jaworski".

Justin Jaworski
Executive Director
cc: Kim Tarrant, Doug Peters

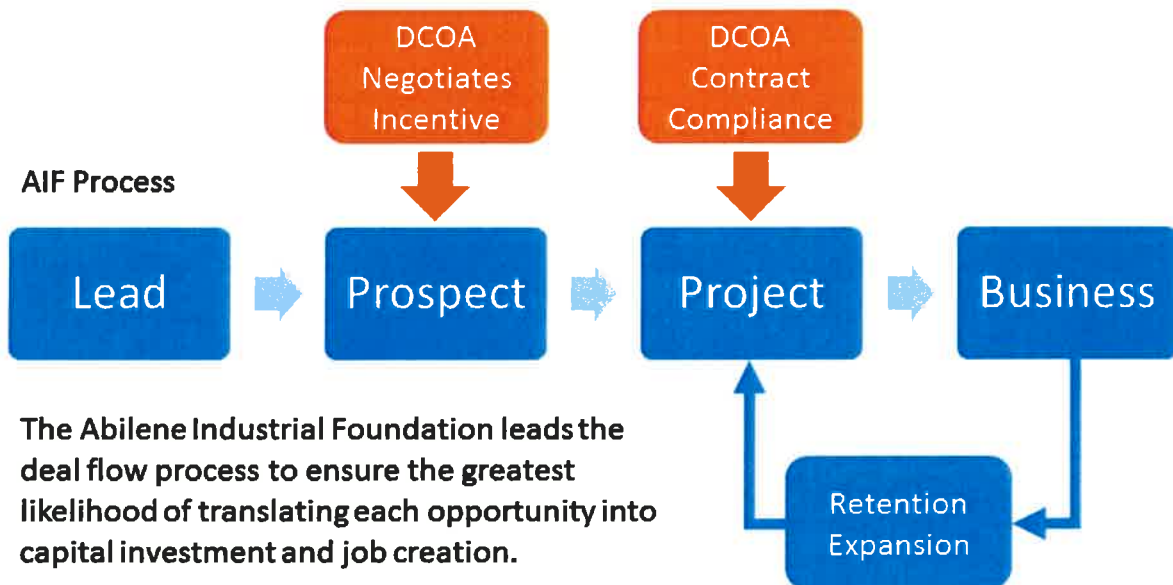
About the Abilene Industrial Foundation

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 the city.

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 from new and expanding businesses. Once qualified leads have been identified, a diligent effort is undertaken to translate each of these into prospects that are specifically interested in a business project in Abilene. This "deal flow" process is referred to as "CLP2" and is designed to maximize the investment potential for the City of Abilene as depicted in the following diagram and explained in detail in the following summary.

CLP2 Deal Flow Process

CLP2 represents the process of Contacts, Leads, Prospects and Project, where the second "P" is represented by the number 2.





CLP2 Process Definition

The AIF tracks and records interactions with various individuals and companies in one of the five following categories: Contacts, Leads, Unqualified Leads, Prospects and Projects in a database environment collectively referred to as "CLP2."

Contacts are instances where the AIF is simply contacted by phone, email or direct reference. They can be typically categorized as one of the following sub-categories: general information requests, new business inquiries, real estate searches or information regarding economic development incentives. Practically any inquiry relative to the AIF's activities qualify it as a contact including, but not limited to, phone calls asking about the general state of Abilene's economy, commercial or industrial sites and buildings, prospective developers or general inquiries regarding summary data about Abilene such as population.

Leads are represented by an interest in doing business with a specific request to include the Abilene area, but are considering sites in other localities. Leads are received directly from businesses as part of the BRE program, site selection consultants or from the Governor's Office of EDT. Contacts transition into leads when a contact expresses a specific interest in placing a business in the city and therefore make a specific inquiry for available sites and buildings as well as possible incentives.

Unqualified Leads are those that do not meet one or more of the listed criteria as specified by the originating contact or organization such as the Governor's Office of EDT. Typical criteria which disqualify Abilene as a potential site for a lead includes geographic requirements such as a minimum distance from a major metropolitan area or a minimum population count or an available site or building. Leads are only disqualified at the request of the distributor based on a site's inability to meet the minimum selection criteria.

Prospects are leads that have responded to a proposal or RFI submitted by the organization with the intent to select Abilene for a proposed project. Prospects are typically those that have planned a site visit or are in the process of negotiating an incentive agreement with the Development Corporation of Abilene and/or the City of Abilene, but have not been awarded any assistance.

Projects are the final designation for a prospect that has agreed to pursue a project in Abilene as a result of a request for assistance. After the DCOA and/or City of Abilene has adopted a resolution for the provision of assistance for a prospect, it is officially designated as a project. After which, subsequent entries track for progress of the project until completion. These entries track meetings and conversations pertaining to the project of bringing the new business. They may also include specifics regarding new construction, modifications to existing structures or compliance reporting of actual capital investment and job creation.

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.

Oct 1, 2015 to Mar 31, 2016

Apr 1, 2016 to Sep 30, 2016

29

218

Contact Summary

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

<i>Contact Type</i>	<i>Number Recorded</i>
<i>General Information</i>	205
<i>Commercial/Industrial Real Estate</i>	4
<i>New Business</i>	4
<i>Economic Development Incentives</i>	5

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. In any case, the information gathered and disseminated by the AIF is often the means by which the process starts. As a result, the AIF compiles over 60 pages of summary data that is distributed in multiple publications as well as the organization's website. More contacts are generally received in the second half of the year as the spring and summer are the time of year when trade shows are scheduled.

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.

Oct 1, 2015 to Mar 31, 2016

Apr 1, 2016 to Sep 30, 2016

32

5

Unqualified Leads

10

5

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 5 unqualified leads, 3 were designated as unqualified due to the lack of available industrial buildings. Abilene's continued lack of available real estate is a major barrier to growth. In most cases, these leads are seeking industrial buildings between 100,000 to 250,000 square feet in size. The other two were unqualified as due to geographic constraints or infrastructure requirements.

Projects

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

Oct 1, 2015 to Mar 31, 2016

Apr 1, 2016 to Sep 30, 2016

7

1

Fiscal Year Project Summary

Project Name	Status	Capex/Jobs
AbiMar Foods - Project NEXT USA	Equipment has been installed and integrated into the assembly line on the South 1 st plant	\$15MM/50
EASI - Project Doghouse Hangar 0	Construction underway with the aim to be complete by November	\$1.5MM
Coca-Cola - Project Blow Mold	Project complete, building expansion and new equipment are finished and fully operational	\$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	Finish out construction complete; installation of equipment underway, aim to be operational by 2017	\$30MM/215
Lone Star Canvas - Project Thread Count	New equipment has been installed and is fully operational, moved 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
Broadwind Towers	Construction underway for new structure; orders placed for new equipment	\$7.2MM/None

Capital Investment	Job Creation	Job Retention
\$87.3 M	304	910

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

Oct 1, 2015 to Mar 31, 2016

Apr 1, 2016 to Sep 30, 2016

66

44

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 companies including: EASI, Nation Wide Products, Martin Sprocket and Gear, Rentech, Clavél Corporation, Workforce Solutions, Zoltek-Toray, Owens Machine and Tool, Lighthouse Global Electric, Lone Star Canvas & Sign Works, Broadwind Towers and Heavy Industries, Cisco College, Tige Boats, Zoltek-Toray Group and Coca-Cola Refreshments.

Business Retention Visits

The AIF met with the following businesses in the second 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>Status</i>
4/8/2016	Broadwind Towers & Heavy Industry	170	↓10
4/13/2016	Milsoft Utilities	65	↑5
4/15/2016	Blue Cross Blue Shield	1,075	↑25
5/3/2016	Pactiv	100	-
5/18/2016	PetroSmith	205	↓230
6/15/2016	Clavél Corporation	14	-
7/14/2016	Martin Sprocket & Gear	90	-
7/14/2016	EASI	435	↑35
8/30/2016	Run Energy	190	↓10
8/31/2016	AbiMar Foods	410	

Notable findings from these meetings include the following:

- Broadwind Towers and Heavy Industry meetings lead to an expansion project formerly referred to as Project Wind. The plant recently changed leadership and is now working to expand the production capacity of their existing facility and construct a new structure as well.
- Milsoft Utilities expressed a strong interest in moving their headquarters to Abilene as their existing lease is expected to expire in late 2017. However, the lack of available parking represented a significant barrier to their considerations and has not been resolved.
- PetroSmith cut more than half of their workforce as a result of low oil prices consistently below the threshold of \$60 per barrel. This threshold is repeatedly cited as the level at which that would justify a rekindled pursuit of the Cline Shale oil reserve.
- EASI (Eagle Aviation Services) has grown their operation slightly. The recent Hangar 1 "doghouse" extension has allowed the company to begin servicing the new Embraer 175 regional aircraft with the second extension well on its way to completion.
- Run Energy has held steady over the past few years with approximately 200 employees. Though they were down 10 employees at the point of the meeting, candidates were already in training to begin filling those empty positions.
- AbiMar Foods recently brought a group of their senior leadership to Abilene expressing their interest in making Abilene their U.S. headquarters and grow their operation to include production for chocolate and coffee products.

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.

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

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

Advertising Metrics from April 1, 2016 to September 30, 2016

Placements	Print Impressions	Digital Impressions
3	22,500	7,500

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
4,196	2,904	10,310	836	62%

Google Analytics for April 1, 2016 to September 30, 2016

Users	Sessions	Page Views	Mobile	Bounce Rate
4,064	3,088	7,418	602	71%

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

Social Media Analytics for April 1, 2016 to September 30, 2016

Facebook		Twitter		LinkedIn	
Posts	6	Posts	6	Posts	6
Likes	19	Followers	43	Followers	?
Website Clicks	0	Impressions	?	Impressions	?

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.

Distributed Materials for October 1, 2015 to March 31, 2016: 118

Distributed Materials for April 1, 2016 to September 30, 2016: 549



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, provide networking opportunities, promote workforce development initiatives and connect with legislators.

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
- 2015 Site Consultant Day - TEDC event in Dallas, Texas
- Austin Allies - The High Ground of Texas in Austin, Texas

Trade Shows and Conferences for April 1, 2016 to September 30, 2016

- MRO Americas - Aviation aerospace trade show in Dallas, Texas
- TMCN Membership Meeting in Abilene, Texas
- TMCN Lawmakers Luncheon in Coleman, Texas
- E3 Summit in Abilene, Texas
- Great States Investment Summit - Economic development summit in Dallas, 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 32 site selection consultants at three 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

Site Consultant Activity for April 1, 2016 to September 30, 2016

- 10 - Great States Investment Summit 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. The second half featured Lone Star Canvas & Signs works as well as an education piece regarding the DevelopAbilene 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, RIMs multipliers that combine with adjusted data, specific to the Abilene area, in order to provide decision makers a return on investment for a project. Each project funded by the DCOA is accompanied by a press release which highlights the company background, project summary, estimated economic impact and approved incentive.

Downtown

As part of the organization's efforts to support Strategy 6 of the Strategic Plan that aims to "make downtown Abilene a center for employment and investment," the AIF spent a significant amount of energy towards the downtown hotel project. The City's initial work to acquire Request for Proposals from private sector developers were not answered. In response, the AIF lead an effort to reimagine the initiative as part a greater vision for downtown Abilene. This vision focused on creating "a sense of place" for this vital part are of the city, of which included a downtown hotel and convention center.



As a result of that effort, a more comprehensive RFP was submitted which garnered immediate attention from several private developers. The response was significant enough to warrant an extension of the deadline to allow two additional developers that wish to submit a proposal, but needed more time to do so. After receipt of these proposals, the City will work to qualify and select the best submission and determine how the project might best move forward.



Budget

The following table is a summary for marketing-specific expenses incurred in the last six months of the fiscal year. The AIF marketing budget is typically 25%-30% expended in the first six months with the majority of expenses incurred in the second six months.

<i>Category</i>	<i>Budget</i>	<i>4/1/16 to 9/30/16</i>	<i>Year-to-Date</i>
<i>Advertisements</i>	\$20,000	\$9,354	\$16,706
<i>Website</i>	\$1,000	\$1,260	\$6,269
<i>Marketing Materials</i>	\$15,000	\$13,534	\$15,207
<i>Public Relations</i>	\$53,000	\$18,328	\$41,475
<i>Trade Show/Conferences</i>	\$30,000	\$2,543	\$3,528
<i>Site Consultant Activity</i>	\$25,000	\$5,043	\$10,440
<i>Direct Mail</i>	\$1,000	\$648	\$648
<i>Business Retention Activity</i>	\$5,000	\$1,637	\$4,887
<i>Local Communications</i>	\$15,000	\$15,658	\$15,658
<i>Membership & Affiliations</i>	\$10,000	\$550	\$2,300
<i>Workforce</i>	\$0	\$3,000	\$3,000
<i>Total</i>	\$175,000.00	\$71,555.00	\$120,118.00



November 15, 2016

Memo for: Board of Directors, Development Corporation of Abilene (DCOA)
From: Abilene Chamber of Commerce (ACOC)
Subject: Semiannual Report on Military Affairs, April 2016 – October 2016

EXECUTIVE SUMMARY: The Military Affairs Committee (MAC) planned and executed over a dozen outreach and engagement efforts since last April, an increase in activity from the last report. While the ongoing local support for Dyess Airmen will continue to be a distinct advantage in these efforts, a key focus is building relationships with senior military and elected officials. These efforts will allow us to proactively posture Abilene and Dyess to ensure the success of the military mission, thereby protecting the long-term viability of Dyess AFB.

This report describes the activities of the ACOC in the area of military affairs from October 2015 to March 2016. The intent is to provide the DCOA Board with information to achieve transparency and accountability for the use of taxpayer dollars. The emphasis of our efforts is on outreach and engagement activities external to Dyess AFB. Additionally, 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.

The national environment for the Air Force and Dyess AFB continues to be an ever-changing landscape. The recent election results certainly surprised many experts, and it remains to be seen what effects will result from the change in administration in January. Some of the potential changes could include partial relief for the military from the constraints of the ongoing Budget Control Act, a change in overall manpower for the services, and an increase in military operations across the globe. The B-1B Lancer has just completed an upgrade of their avionics and they are being tasked to cover the Pacific theater for the first time in years. The C-130J Super Hercules is still in high demand worldwide, and our current position as one of only two active duty C-130J bases in the Continental US appears to be solid. The funding for the B-21 Raider development does not appear to be in jeopardy at this time, which bodes well for our efforts to ultimately posture Dyess as one of the operating locations for that new weapon system. There is also the potential that a Republican Congress may be more open to a request for a new round of Base Realignment and Closure (BRAC) coming from the Trump administration. The ACOC will continue to closely monitor these and other developments to proactively position ourselves as favorably as possible.

In April, MAC representatives attended the Boeing-sponsored Bomber Constituents Meeting in Washington DC. This meeting allowed engagement with civic leaders from all of the Air Force communities with bomber bases, as well as providing updates on weapon system upgrades and budget status. Later that month, Dyess AFB leadership invited the entire MAC to attend a Night Sortie Social on the flight line at Dyess, where they received tours, briefing, and demonstrations on the B-1B and C-130J.

In May, the Air Force Global Strike Command sponsored a Civic Leaders tour of several bases, which afforded the opportunity to speak directly with the 4-star Commander of Global Strike Command as well as his staff. The meeting was mutually beneficial and Abilene remains committed to keeping a presence within the Civic Leader program. Later that month, MAC representatives attended the Global Strike Command 70th Anniversary Heritage Day at Barksdale AFB, LA, highlighting the accomplishments of USAF strategic forces back to the inception of the Air Force.

In June, MAC representatives participated in the Association of Defense Communities national convention in Washington, DC. This meeting brings together representatives from cities around the country, with installations from every service, to discuss national-level issues and to develop contacts and relationships. At the same time, we also participated in the Strategic Deterrence Coalition conference in Albuquerque, NM, to meet with senior military and civic leader involved with the nation's nuclear enterprise. This is the first time we have attended this meeting and we are exploring the value of our participation in terms of the potential future B-21 mission at Dyess.

July and August were relatively calm months, but there were still events to support. MAC sent representatives to the Air Force Reserve Command change of command ceremony at Robins AFB, GA. We leveraged our existing relationships with the outgoing commander to meet the new AFRC commander, and to discuss our support for the new Reserve Bomb Group. We were also able to express our openness to additional Reserve mission at Dyess. Later, MAC sent two people to present the Abilene Trophy to Dover, DE. The Abilene Trophy is the Air Mobility Command award for the community with the best support for its' installation, and is an annual opportunity to highlight the support we provide here in Abilene. Finally, MAC and Dyess sent members to attend the Texas Defense and Veterans Affairs Committee Meeting, held in Wichita Falls. The main focus of the meeting was on encroachment by wind turbines, but it offered yet another opportunity to develop relationships with state elected officials.

In September, MAC sponsored 25 people on our annual trip to Washington, DC. The trip included meetings at the Pentagon, with House and Senate staffers, and standing committee staffs. We also received industry briefings from Boeing, Lockheed-Martin, and Northrup Grumman on current and future weapons system issues. The trip culminated with over 90 people attending a Perini's-catered dinner at George Washington's River Farm. The guest list included several general officers and senior leaders, including the Vice Chairman of the Joint Chiefs of

Staff, the Commander of Air Mobility Command, and Congressman Neugebauer. Also in September, MAC representatives attended the Air Force Association Convention, where we were able to renew old contacts and forge new ones among the senior (and emerging) leaders of our Air Force. At the end of the month, MAC members paid their respects to our fallen warriors at the TORQE 62 memorial ceremony at Dyess AFB. The MAC provided the plaque for the moving ceremony and our presence and support was well-received.

In October, MAC attended a meeting with Congressman Phil Roe (R-TN), who is a member of the Veterans Affairs Committee, in Lubbock, TX. This meeting provided an opportunity to discuss Abilene's veterans issues and explore the potential for increased Veterans Administration support for Abilene in the future. The big event for the month was our participation as an exhibitor at the Airlift/Tanker Association convention in Nashville, TN. This is the first year we have hosted a booth and the reaction was overwhelmingly positive, especially to our West Texas mesquite-wood bar! The booth proved invaluable as a central location for discussions and attracted unsolicited compliments on Abilene and Dyess. We plan to make this an annual event.

Going forward to the next year, we will increase efforts to raise funds for the Dyess Memorial Park Expansion and will continue to support the city's Joint Land Use Study meetings. Perhaps most significantly, we are facilitating meetings between the City and Dyess on the potential for long-term partnership agreements that could both save the Air Force money and provide additional revenue to the city. The ACOC has retained two national-level experts to assist and advise the city during this process, and the hope is that this will open the door to substantial improvements that will increase the military value of Dyess for the future.

As always, none of these efforts would 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 Annual Report
To
Development Corporation of Abilene**

The Business Development Management program continues its effort to increase airline passenger enplanements, continue communication with other potential air carrier service and encourage economic growth for the airport. We believe the more visible marketing campaign that includes TV, print and radio advertisement continues to have its intended effect. We find this method to prove potential customers are considering Abilene Regional Airport first when making flight reservations and helps us recover some of our leaked passenger base.

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, focusing on the advantages of flying from Abilene. Presentations made during these engagements highlight the operations of the airport, construction updates, air service needs, fare comparisons and the importance of flying out of Abilene.

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. The Business Development Manager continues to participate in the Chamber of Commerce, Rotary, American Advertising Federation of Abilene as well as a Business Women's Lions Club to reach out to more local businesses and potential passengers.

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

Presentations/Events this year include:

Oct. 8	Leadership Abilene, City of Abilene Day
Oct. 23	Presenting Sponsor of Brownwood Chamber Luncheon
Oct. 28	Booth at TMCN Exhibit
Dec. 7-18	Passenger appreciation holiday contest & reception
Jan. 12	95.1 WOLF radio, VIP giveaway
Nov. 18	NBAA Conference attendee
Dec. 3	Eastland Rotary Club presentation
Mar. 8	SCC-AAAE Conference presentation
Mar. 15	Breckenridge Rotary presentation
Mar. 23	Business Expo Exhibitor
Mar. 30	Winters ISD tour
Apr. 19	Taste of Abilene Table sponsorship
May 9	Bonham School tour
May 19	TMCN Luncheon - Coleman

Jun. 21 LaVoz radio interview
Sept. 8 Leadership Abilene 2016 presentation
Sept. 27 KBCY Radio interview

Marketing the Airport

We've adapted a harmonious advertisement campaign, beginning with TV commercials then tailoring to our static billboard, digital billboard, print ads and radio ads. We believe continuity in our ad campaigns are essential. Moving forward we will shape our future ad campaigns to envelop search engine optimization (SEO) as digital advertising becomes increasingly necessary.

On Airport Development

Airport, DCOA and AIF staffs are discussing ways to market airport property for aeronautical and non-aeronautical commercial development. This includes a basic development plan for available airport land.

Social Media

Platforms like social media continue to evolve into helpful communication tools for all businesses. These platforms not only give the Abilene Regional Airport the ability to communicate with our passengers but also gives the opportunity to grow relationships with businesses in and out of the Big Country.

Facebook: www.facebook.com/abileneairport

- 2,976 page followers
- 22,000 'check-ins'

Facebook's analytics gives detailed information on users such as gender, language, and region so we are able to utilize best marketing practices accordingly.

Twitter: @abiairport,

- 1,050 followers

Twitter offers a tool to communicate to media relations as well as enabling customer engagement.

Instagram: @abiairport

- 280 followers

A vastly different demographic from the other 2 platforms, this platform helps us connect with a younger passenger base.

Sponsorships

Community partnerships to increase top of mind awareness by sponsoring various events during FY 2016:

Taste of Abilene, Rotary- VIP table sponsor
Abilene Philharmonic Association – Program Sponsor
Abilene Zoo – Train Sponsor
TMCN- Exhibit Sponsor

Special Programs

The **ABI-VIP Passenger Rewards Program** continues to be a strong tool for communicating with our passengers. The program is also a great way of sampling where our passengers are going and why, be it leisure or business to further develop a potential campaign to alternative commercial air services.

The program's objectives are to grow customer loyalty and develop a database of passenger information, giving them the opportunity to subscribe to email communications. This program continues to grow. We are consistently refining and refreshing the program with new sponsorships and new give-a-ways.

Parking Badge program, yet another incentive for our passengers. Specifically, our frequent business travelers. We have one company on board with this program and hope to offer it to more companies in the near future.

Enplanements:

YTD enplanements are down 8%

Revenues:

Major revenue sources to the airport are the car rental concessions and the parking lot.

Rental Car Revenue is down 2%

Parking Lot revenue is down 2%

EASI Parking Revenue Invoiced @ \$0.70

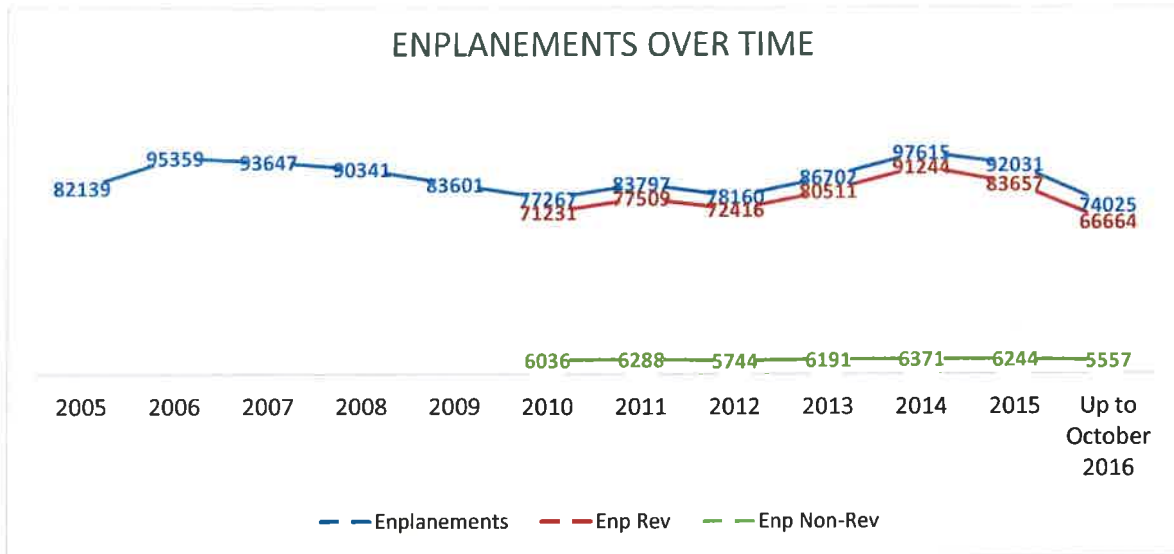
October	3221 Entries	\$2,254.70
November	2978 Entries	\$2,084.60
December	3040 Entries	\$2,128.00
January	3365 Entries	\$2,355.50
February	3119 Entries	\$2,183.30
March	3373 Entries	\$2,361.10
April	3273 Entries	\$2,291.10
May	3110 Entries	\$2,177.00
June	3439 Entries	\$2,407.30
July	2545 Entries	\$1,781.50
August	3730 Entries	\$2,611.00
September	3708 Entries	\$2,595.60

Total Entries: 38,901

Total Value: \$27,230.70

Business Development Outlook:

The merger of US Airways and American Airlines will continue through at least 2017. We have seen a direct correlation to the slow-down in oil production to our enplanements. The graph below shows our enplanements over the past 11 years, 2014 was a record year for the airport.



As we continue to see a fairly large cost spread between American Airline fares at ABI and DFW, we have reached out to our airline representatives; staying in contact with them gives us the opportunity to address any issues we, as an airport, can address to help grow and sustain our passenger base.

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, particularly for any new corporate business activity, to promote ABI as the airport of choice.

DEVELOPMENT CORPORATION OF ABILENE, INC.
BOARD AGENDA
MEETING DATE: November 22, 2016

PROJECT: DCOA Annual Report of Activities for FY16

STAFF: Kent Sharp, CEO

GENERAL INFORMATION:

The By-laws of the DCOA require an annual status report be submitted to the City Council.

SPECIAL CONSIDERATIONS:

The DCOA's FY16 Annual Report covers activities for the period ended 9-30-16 and is the twenty seventh annual report submitted by DCOA since its inception. The City Council will consider the report in December.

FISCAL IMPACT:

None.

STAFF RECOMMENDATION:

Staff recommends the Board approve the DCOA's FY16 Annual Report.

ATTACHMENT:

DCOA's FY16 Annual Report of Activities

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DEVELOPMENT CORPORATION OF ABILENE



ANNUAL REPORT OF ACTIVITIES

October 1, 2015 – September 30, 2016

6.2

Letter from the CEO



Fiscal year 2015-2016

During the past year, the Development Corporation of Abilene, Inc. (DCOA) saw continued progress on projects already started plus initiated four new projects. Two of the new projects involve assistance to existing small businesses, a renewed approach taken by the DCOA (Lone Star Canvas & Sign Works and Hat Creek Carriers). The DCOA also continued its tradition of helping existing larger employers expand their capabilities (AbiMar Foods and Eagle Aviation Services), and we were instrumental in securing another new educational facility with advanced workforce training capabilities via Texas State Technical College.

As Envoy Air, Inc. (part of the American Airlines Group) launched into service the new Embraer 175 regional jets in January 2016, Eagle Aviation Services, Inc. (EASI) became one of the leaders in providing maintenance service on these new and much larger aircraft. That wouldn't have happened had the DCOA not approved construction of "doghouse" additions to two of EASI's five hangars at the Abilene Regional Airport at a total cost of over \$4.3 million, giving EASI a competitive edge for contracting work on the new jets. EASI currently employs more than 400 individuals in Abilene.

Colombian-based Grupo Nutresa, operating as AbiMar Foods in the U.S., continued to expand their cookie and cracker production lines at both Abilene plants. With AbiMar reporting employment approaching 600 people in Abilene, the DCOA was able to partner with the company in their \$15 million expansion of production capabilities.

This year the DCOA shifted more focus to small businesses operating in Abilene. Lone Star Canvas & Sign Works and Hat Creek Carriers each had less than 20 employees when they approached the DCOA about the possibility of expanding their enterprises locally. Each company was provided assistance to boost their employment and improve and/or expand operations.

Negotiations continued for assistance to establish a new Texas State Technical College campus in Abilene, which resulted in a commitment of financial assistance by the DCOA and other local community groups. Those funds will be leveraged against \$12 million in Texas Tuition Revenue Bonds approved by the state legislature during the last session. The new state of the art training facility will address a growing shortage of skilled welders and industrial maintenance workers challenging our industrial business community and is necessary for economic development efforts in Abilene.

Finish-out construction started last spring on a 100,000 square foot shell building in the Five Points Business Park, otherwise known as Spec 3, for Prairie Dog Pet Products (PDPP). Construction includes new office, production and warehousing space to be completed in November 2016 for a dynamic and fast-growing pet products manufacturer. Initially slated to employ 200 plus individuals in Abilene, product demand has now grown so much that the company fully expects to employ 500 or more by the end of 2018.

Finally, the Five Year Strategic Plan for economic development was delivered to the DCOA in March 2016. With the help of our economic development partners, this comprehensive guide establishes a program of work with detailed strategies and action items coupled with expected timeline completion dates. It will direct much of our efforts over the coming years. Accountability is core to the implementation of the plan and we, as well as our partners, fully understand the need to deliver results back to the community.

DEVELOPMENT CORPORATION OF ABILENE

History:

In 1989, this community set a precedent for the rest of Texas when Abilenians voted to become the first community to adopt a half-cent sales tax devoted specifically to economic development. On November 16, 1989, City Council authorized the creation of the Development Corporation of Abilene, Inc. (DCOA).

Goals:

The DCOA has identified four key goals for its economic development efforts:

GOAL 1: Develop and communicate a plan to implement the Five Year Strategic Plan

GOAL 2: Standardize the process of developing and presenting incentives for approval that aligns with the Five Year Strategic Plan for Economic Development.

GOAL 3: Plan, execute and evaluate a new workforce training program with our education partners and Workforce Solutions of West Central Texas

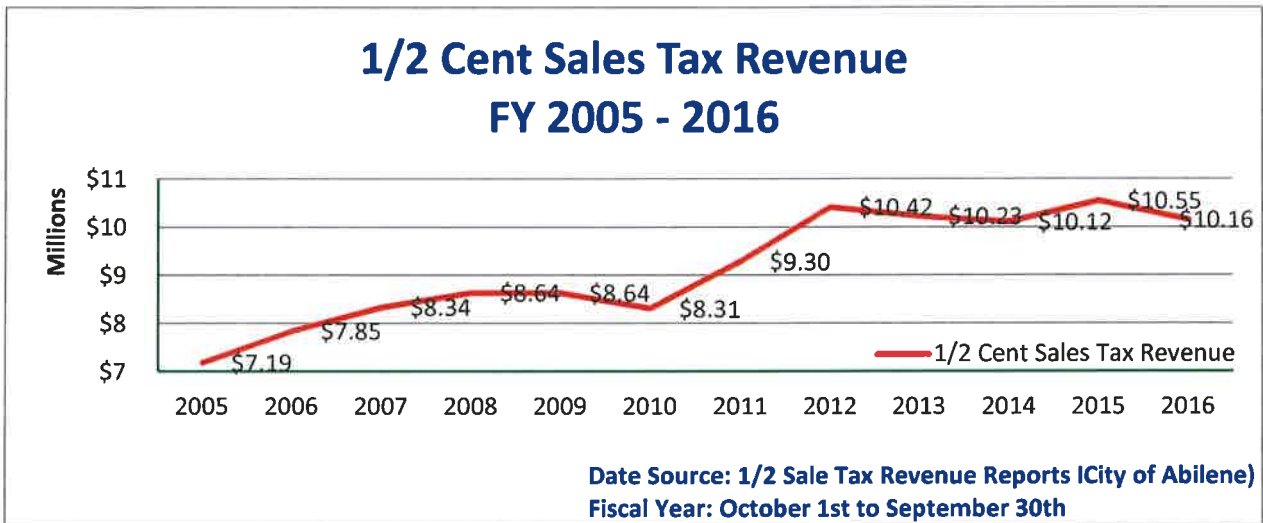
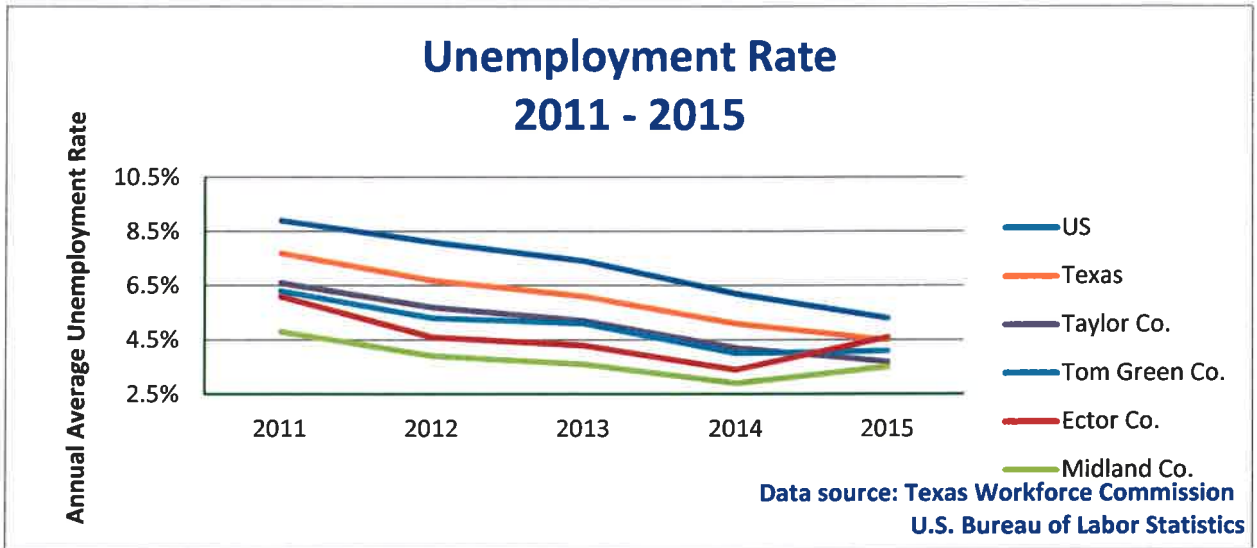
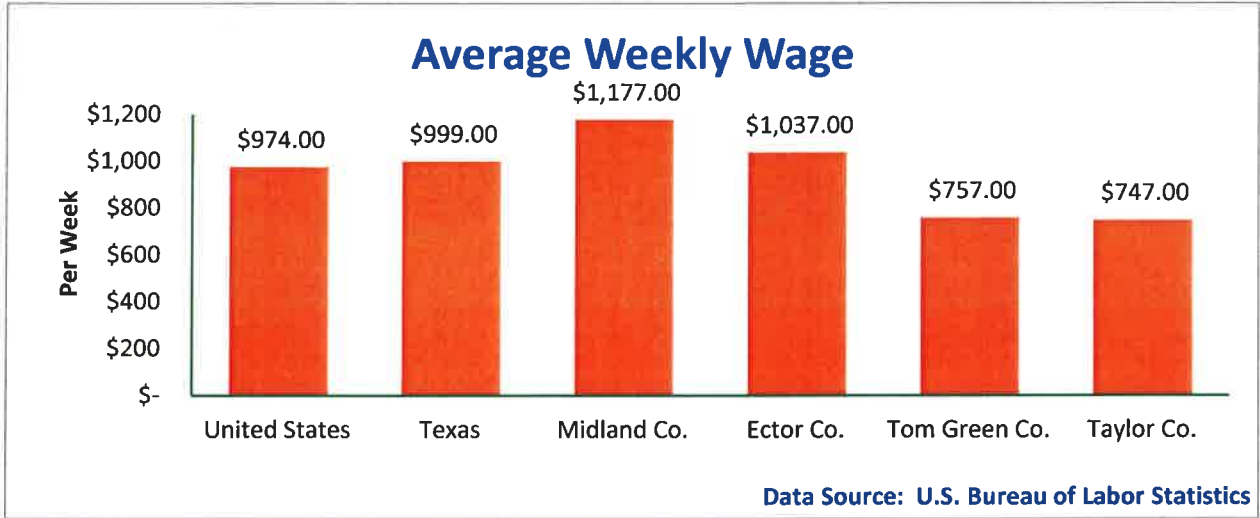
GOAL 4: Develop and execute a communications strategy, in conjunction with AIF, which raises the awareness of the local and outside media, as well as local stakeholders, of the successes of the DCOA.



Mission Statement:

The mission of the Development Corporation of Abilene, Inc. is to use sales tax revenue to effectively stimulate Abilene's economic growth. This is done by assessing the community's economic development needs, developing a plan to meet those needs, coordinating community economic development efforts, and supporting targeted activities that enhance the quality of life in the community and maximize the public's return on invested tax dollars.

SALES TAX COLLECTIONS AND UNEMPLOYMENT RATE



6.5

PROJECT SUMMARIES

October 1, 2015 to September 30, 2016

Prairie Dog Pet Products

The DCOA approved an assistance package totaling \$9,500,000 for Prairie Dog Pet Products (PDPP) in 2015. The company is a leading specialty manufacturer of premium pet treats and antlers. With a growing demand for products and limited space at the current Grand Prairie location, they are establishing a new \$30 million manufacturing plant and moving part of their corporate headquarters to the Spec 3 building in the Five Points Business Park. Since the structure had been vacant for eight years, the Board approved additional funds of \$244,795 to prepare the building for finish-out construction, including renovations to the existing ventilation system. Finish-out construction will be completed in November and PDPP hopes to be under production in January 2017.



Texas State Technical College

The first Texas State Technical College (TSTC) Abilene campus was established in 1985. There are now a total of three campuses; the main campus building on E. Hwy 80; a



hangar at the Abilene Regional Airport which houses the Airframe & Power plant program; and the Culinary Arts program located in the downtown district. The DCOA has assisted the Abilene campuses in various ways since 1990. TSTC believes in order to serve anticipated expanding growth in Abilene in the services, mining, manufacturing and trade industries there is a need for a new industrial training campus. TSTC recently

received authorization from the State of Texas to issue \$12 million in tuition revenue bonds to construct the new Abilene campus. They asked for \$6 million in match grant funding from the community over 10 years, including about 50 acres of land on Loop 322 in the NW quadrant of the Abilene Regional Airport. The DCOA board approved \$400,000 each year for the next ten years in operating funds as a partial match, and the remaining \$200,000 is being provided by the Abilene community.

AbiMar Foods, Inc.

The DCOA approved assistance for AbiMar Foods, Inc. to expand its cookie and cracker production. The company is investing \$15 million with the DCOA reimbursing 10% of actual costs up to \$1,500,000. The funds will help re-tool and modify two existing lines at the North 1st St. location and completely add a new line at the South 1st St. facility for cookie production. The company mainly merchandises its products under the brands Lil' Dutch Maid, Sun Valley, and Tru-Blu that are sold in 43 states in the United States, Mexico and in Panama. The DCOA has assisted the company since 1992 with many of its expansion and capital investment projects. Employment has grown from 27 in 1992 to almost 600 today. On August 31, 2016, several of the key corporate people from Colombia visited the facilities and expressed strong support for continued investment in their Abilene operations.



Broadwind Towers, Inc.

Broadwind Towers, Inc. is in the process of expanding its Abilene wind towers and monopoles production facility in four separate phases over the next couple of years at a total cost of about \$7,150,000. A recent extension of the production tax credit or PTC (a federal tax credit for renewable energy projects) prompted the decision to expand, with the Abilene plant chosen as the expansion site. The DCOA agreed to provide funding up to \$715,000 at 10% of Broadwind's actual costs. The company is based in Manitowoc, Wisconsin, and established a plant in



Abilene in 2008 with the DCOA's assistance. Current Abilene employment is about 170- full time individuals manufacturing towers for the wind turbines scattered throughout West Texas. No new employment is anticipated at this time. The expansion includes construction of an additional structure and purchase of production equipment. Phases I, II and III are expected to be completed by August 2017 with Phase IV expected by August 2018.

Lone Star Canvas & Sign Works

Lone Star Canvas & Sign Works is a locally owned manufacturer of custom canvas and vinyl products located in downtown. The products range from utility lift bags, truck tarps, patio enclosures, commercial and residential awnings, oil field products, boat covers, signs and decals. The company's success can be attributed to the international customers that purchase their products and its operation is the only one in Texas between the DFW Metroplex and El Paso.



In November of 2015 the DCOA approved \$112,000 to enable Lone Star Canvas to expand its operation. The company purchased a 10,000 square foot building and a 32' CNC cutting table with a fabric laser digitizer to automate some of its process and accommodate future growth.

18/36 Industrial Park

The DCOA approved a scrub clearing contract to clear 80 acres of land located at Hwy 36 and FM 18 owned by the DCOA. To accommodate development of the property, the acreage needs to be visible so prospective buyers can better visualize their project there. To retain a more natural appearance to the property, 1 or more trees per acre will be left intact. The property was purchased in 2002 with the intent to create a centralized distribution point in Abilene combining rail, air and highway access.



Strategic Plan

On March 29, 2016, a new, 5-year strategic plan completed by TIP Strategies of Austin was presented to the public in a joint meeting of the DCOA and Abilene City Council. The 10 strategies outlined in the plan include: 1) Aggressively marketing and promoting Abilene as a destination for new investment and employment; 2) Building a deep and highly skilled talent base through development, retention and attraction; 3) Developing and innovating an ecosystem that spawns and supports innovative people and businesses; 4) Position Abilene as “top of mind” or “first choice” for businesses and talent coming out of the Dallas-Fort Worth



Metroplex; 5) Support the growth and prosperity of existing businesses; 6) Making downtown Abilene a center of employment and investment; 7) Continue to redevelop the Pine Street Corridor as a central mixed-use artery connecting downtown to the City's emerging education and healthcare district; 8) Engage emerging leaders in economic development and civic affairs; 9) Leverage Dyess Air Force Base as a source of talent and an economic driver; and 10) Launch a community-wide public awareness campaign designed to encourage residents to become ambassadors for Abilene's success. The plan will be implemented over the next five years by various partners with the DCOA.

CEDA Award

The Texas Economic Development Council (TEDC) awarded the DCOA the annual Community



Economic Development Award (CEDA) for 2016. The CEDA program recognizes exceptional contributions of TEDC member cities toward the economic vitality of their communities and the State of Texas through creativity, leadership, and partnership in the achievement of business retention, business recruitment and community improvement. Abilene was awarded the State's highest recognition, competing against seven other communities in the 100,000 plus population category including Tyler, Round Rock, Frisco, Pasadena, Brownsville, Lubbock and San Antonio. Abilene was nominated based on its successful efforts to bring Prairie Dog Pet Products to the community. This is the first time in the 21-year history of the CEDA that Abilene has received this distinguished honor.



Board of Directors:

Dave Copeland President
Marelyn Shedd Vice President
John Beckham Secretary/Treasurer
Dani Ramsay
Jack Rich

Staff:

Kent Sharp Chief Executive Officer
Kim Tarrant Chief Administrative Officer
Akane Thaxton Economic Development Specialist
Don Hardin Property and Construction Project Manager
Cynthia Nesmith Administrative Coordinator



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