

PUBLIC NOTICE

DEVELOPMENT CORPORATION OF ABILENE, INC.

A regular meeting of the Development Corporation of Abilene, Inc. will be held on Wednesday, December 20, 2017, 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

December 20, 2017
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 November 16, 2017, board meeting.
3. Sales tax report for December 2017 and preliminary financial reports for September 2017.
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
 - B. Prairie Dog Pet Products project
 2. 551.072 (Deliberations about Real Property)
 - A. Acquisition of parcels of land in West Abilene
 3. 551.074 (Personnel Matters)
 4. 551.087 (Business Prospect/Economic Development)
 - A. Project Mayday
 - B. Project CO2
 - C. Hardin-Simmons University
5. Discussion of next monthly board meeting.
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 _____, 2017, at _____.

City Secretary

NOTICE

Persons with disabilities who would like special assistance or need special accommodations to participate in this meeting should contact the Development Corporation of Abilene, Inc., (325) 676-6390, at least forty-eight (48) hours in advance of this meeting. Telecommunication device for the deaf is (325) 676-6360.

DEVELOPMENT CORPORATION OF ABILENE, INC.
BOARD MEETING MINUTES
November 16, 2017

MEMBERS PRESENT:	Dave Copeland Gregg Blair	John Beckham Jack Rentz	Jack Rich
STAFF PRESENT:	Kent Sharp	Kim Tarrant	
GUESTS PRESENT:	Mark Zachary Bruce Kreitler Mike Rains Doug Williamson Kate Alvarez Don Green Judy Wilhelm Justin Jaworski Shaun Martin Joe Spano	McMahon Law Firm City Council COA Finance Chamber Military Affairs Committee Abilene Regional Airport Abilene Regional Airport Small Business Development Center Abilene Industrial Foundation Chamber Military Affairs Committee Chamber Military Affairs Committee	

1. CALL THE MEETING TO ORDER:

President Dave Copeland called the meeting to order at 12:30 p.m. at 174 Cypress St., 3rd floor conference room, Abilene Texas.

2. APPROVAL OF MINUTES FROM THE OCTOBER 17, 2017, BOARD MEETING:

Jack Rich moved to approve the corrected minutes from the October 17, 2017, board meeting as presented. Jack Rentz seconded and the motion carried.

3. SALES TAX REPORT FOR NOVEMBER 2017: Mike Rains, the City's Director of Finance, presented the sales tax report for November 2017. The sales tax rebate is \$3,858,083.53, which represents September sales. Economic Development received \$964,520.88, which is 3.64% above last year and 3.64% above the projected FY 18 budget amount. For the period October through November, sales tax is 4.32% above last year and 4.32% above the approved FY 18 budget amount.

4. PRESENTATION OF ANNUAL REPORTS FOR FISCAL YEAR ENDED SEPTEMBER 30, 2017 BY: TEXAS TECH UNIVERSITY SMALL BUSINESS DEVELOPMENT CENTER, ABILENE INDUSTRIAL FOUNDATION, ABILENE CHAMBER OF COMMERCE MILITARY AFFAIRS COMMITTEE, AND CITY OF ABILENE AIRPORT BUSINESS DEVELOPMENT MANAGER:

Texas Tech University Small Business Development Center (SBDC):

Judy Wilhelm, Director of the SBDC, presented their FY17 annual report to the DCOA. The year for SBDC was tough due to funding cuts and hiring freezes but one of the best years for assistance to individuals covering a wide range of businesses from dentists to snake removal with funds totaling \$9,267,500. SBDC is a partner in the new BE in Abilene program and will participate in training the award recipients, following up afterwards to assist in the first several years in business to avoid normal pitfalls of new businesses. The annual Needs Assessment survey done for the Northwest Texas corridor in partnership with the SBDC network and the Federal Reserve of Dallas shows accessing capital as the biggest challenge for small business owners followed by quality workforce.

Abilene Industrial Foundation (AIF):

Justin Jaworski, Executive Director of the AIF presented the annual report for FY17. Several of the leads responded to this past year were looking for developable raw acreage or a building of at least 100,000 sq ft to finish out. The DCOA is currently in the process of developing acreage located at FM 18 and Hwy 36 for an industrial park, on which the AIF has already received several inquiries.

This past year the AIF has been working alongside the DCOA, SBDC and ACU developing a new entrepreneurship program, BE in Abilene. The goal is to find qualified applicants to participate in ACU's Griggs Center Springboard competition to compete against one another for prize money. Participants who are awarded funds will then be required to meet with the SBDC to ensure each business has the necessary tools and information to succeed.

The other program introduced by the AIF in the last year is NEXT University, a career development program to help fill the workforce gap long term and provide businesses with the needed skilled labor. The Communities in Schools (CIS) workforce coach works with high school juniors and seniors to make them aware of the industrial programs available as an alternative to a 4-year college and provides one-on-one support to ensure the student successfully completes the chosen program.

Abilene Chamber of Commerce Military Affairs (MAC):

Doug Williamson, Vice President for Military Affairs, presented the annual report for FY17. Abilene received the Barksdale Trophy, which recognizes the best relationship between a community and a military base. In 2016, Dyess' economic impact/spending in the City of Abilene was approximately \$424 million. MAC continues to be focused on two important issues: 1) another round of base realignment and closure activity and, 2) the B-21 next generation bomber. Proactive work is constantly being done to strengthen the base's position to gain future missions. One item currently out-of-compliance at the base is an old fence that stands 750 feet from the centerline of the runway instead of

the required 1,000 feet. The City of Abilene applied for a Texas Military Preparedness Commission (TMPC) grant of \$281,678, matched by the DCOA for \$198,880, with the remaining \$82,000 from Dyess, to demolish the fence and erect a new one. MAC expects to hear the results of the TMPC grant funding in December.

City of Abilene Airport Business Development (ABI):

Kate Alvarez, Marketing and Development Manager for Abilene Regional Airport presented their FY17 annual report. Enplanements are up 4%, which is also reflected in the number in rental cars and parking lot revenues. Marketing continues as it has in the past with TV commercials, billboards, print and radio ads. Social media still tends to be one of the best ways to communicate with potential and current passengers. During the past year, the 5:30 a.m. flight to Dallas was dropped leaving six flights a day, but ABI is still working with American Airlines to possibly add it back. Currently there is a \$250 fare to fly from Abilene to Dallas, which does not compete well with the cost to drive to Dallas.

5. **PRESENTATION AND POSSIBLE APPROVAL OF THE FY 17 ANNUAL REPORT OF ACTIVITIES OF THE DEVELOPMENT CORPORATION OF ABILENE, INC.:** Kent Sharp, CEO of the DCOA presented the DCOA's FY17 Annual Report of Activities. The board approved an additional \$179,600 to purchase the acreage needed for construction of the new TSTC Abilene campus. Groundbreaking was held in April, and construction on the new campus is underway. Earlier this year, the DCOA formed a partnership with AIF and Communities in Schools (CIS) to hire a workforce training coach (Coach) whose responsibility it is to provide one-on-one support to at-risk high school juniors and seniors to finish and graduate. After a skills assessment, the Coach will ensure these students complete one of the workforce training programs through Cisco and obtain a certificate in HVAC, electrical, plumbing, welding or industrial maintenance. The BE in Abilene program focuses on Strategy 3 pertaining to the development of an entrepreneurial ecosystem in Abilene. The DCOA board approved \$250,000 to fund the program and has partnered with the AIF, SBDC and ACU to administer the program.

The property located at Hwy 36/FM 18 was cleared, which resulted in another 100 acres of developable land with easy access to the airport. Enprotec/Hibbs & Todd are under contract to develop a site plan and preliminary plat, which are expected to be complete in January. Another matter not mentioned in the annual report is the transitioning of the AbLabs building to different ownership. Hardin Simmons University made an offer to purchase the building, parking lot and all equipment inside to move their physical therapy program from its current location on the HSU campus. In addition to providing more space, the building will allow the possibility of a research component and educational collaboration with other universities in Abilene.

Greg Blair made a motion to accept the FY 17 annual reports given by the SBDC, AIF, MAC and ABI, and to approve the DCOA'S FY 17 Annual Report as presented. Jack

Rich seconded and the motion passed. The annual report will be presented to the City Council in December.

6. EXECUTIVE SESSION – SESSION 1:

I hereby announce we are going into Executive Session pursuant to Texas Government Code Sections 551.071, 072, 074 and 087 to consult with our legal counsel, discuss real property transactions, personnel matters, and discuss economic development negotiations involving a business prospect, as set forth on the agenda. Any vote or action will be taken in open session.

President Dave Copeland announced the date is November 16, 2017, and the time is 1:15 p.m. Later, President Copeland announced the date is still November 16, 2017, and the time is 1:57 p.m. No vote or action was taken in Executive Session.

7. DISCUSSION OF THE NEXT MONTHLY BOARD MEETING SCHEDULED FOR WEDNESDAY, DECEMBER 20, 2017, AT 1:30 P.M.: President Copeland announced the next scheduled meeting of the DCOA would be Wednesday, December 20, 2017.

8. ADJOURNMENT:

There being no further business the meeting was adjourned.

Dave Copeland, President

MEMORANDUM

December 06, 2017

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

The sales tax rebate for December is \$3,193,407.96 which represents October sales. This is 6.74% above last year and 6.74% above the projected FY 18 budget amount. The breakdown of the rebate is \$2,395,055.97 to the General Fund and \$798,351.99 for economic development. Of this rebate, \$56,885.56 is from prior periods, audit payments, future payments, and unidentified payments. For the period of October through December, sales tax is 5.04% above last year and 5.04% above the approved FY 18 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

DEVELOPMENT CORPORATION OF ABILENE, INC.
1/2 CENT SALES TAX REVENUE
Five Year Comparison

Accounting Period Month	Actual 2013-14	Actual 2014-15	Actual 2015-16	Actual 2016-17	Actual 2017-18
October	\$815,126	\$868,660	\$818,682	\$837,118	\$879,590
November	896,761	987,887	980,001	930,685	964,521
December	766,502	836,922	734,411	747,969	798,352
FY TOTAL	<u>\$2,478,388</u>	<u>\$2,693,469</u>	<u>\$2,533,093</u>	<u>\$2,515,772</u>	<u>\$2,642,463</u>
January	\$744,242	\$798,120	\$755,093	\$793,214	
February	1,061,353	1,137,082	1,139,896	1,092,352	
March	743,945	759,360	728,841	757,151	
April	726,196	733,667	779,083	760,192	
May	981,409	1,019,627	971,507	1,016,082	
June	773,012	822,955	754,439	767,736	
July	794,307	778,812	757,642	805,208	
August	966,814	998,076	985,002	1,000,259	
September	845,806	811,136	756,171	813,341	
YTD	<u><u>\$10,115,471</u></u>	<u><u>\$10,552,304</u></u>	<u><u>\$10,160,766</u></u>	<u><u>\$10,321,307</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.

3.2

CITY OF ABILENE SALES TAX COMPARISON

Accounting Period Month	GENERAL FUND Actual 2016-17	ECONOMIC DEVELOPMENT Actual 2016-17	TOTAL 2016-17	GENERAL FUND Actual 2017-18	ECONOMIC DEVELOPMENT Actual 2017-18	TOTAL 2017-18
October	\$2,511,352.80	\$837,117.60	\$3,348,470.40	\$2,638,770.11	\$879,590.03	\$3,518,360.14
November	2,792,056.28	930,685.42	3,722,741.70	2,893,562.65	964,520.88	3,858,083.53
December	2,243,907.19	747,969.06	2,991,876.25	2,395,055.97	798,351.99	3,193,407.96
YTD	\$7,547,316.27	\$2,515,772.08	\$10,063,088.35	\$7,927,388.73	\$2,642,462.90	\$10,569,851.63
January	\$2,379,642.60	\$793,214.20	\$3,172,856.80			
February	3,277,055.77	1,092,351.92	4,369,407.69			
March	2,271,451.66	757,150.55	3,028,602.21			
April	2,280,576.71	760,192.23	3,040,768.94			
May	3,048,245.25	1,016,081.75	4,064,327.00			
June	2,303,207.45	767,735.82	3,070,943.27			
July	2,415,625.09	805,208.36	3,220,833.45			
August	3,000,777.33	1,000,259.11	\$4,001,036.44			
September	2,440,024.41	813,341.47	\$3,253,365.88			
	<u>\$30,963,922.54</u>	<u>\$10,321,307.49</u>	<u>\$41,285,230.03</u>			

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

Accounting Period Month	Actual 2016-17	Actual 2017-18	% Change
October	\$837,118	\$879,590	5.07%
November	930,685	964,521	3.64%
December	747,969	798,352	6.74%
YTD	\$2,515,772	\$2,642,463	5.04%
January	\$793,214		
February	1,092,352		
March	757,151		
April	760,192		
May	1,016,082		
June	767,736		
July	805,208		
August	1,000,259		
September	813,341		
	<u>10,321,308</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 December '17 represents October '17 sales. Approximately
\$14,221.39 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
STATEMENT OF NET POSITION
September 30, 2017 and 2016
Preliminary

	September 2017	September 2016
Current Assets:		
Cash and cash investments	\$ 20,791,125	\$ 20,111,606
Accounts receivable	1,677,765	1,872,392
Due from other governments	1,757,691	1,757,691
Prepaid expense	500	2,910
Total Current Assets	<u>24,227,081</u>	<u>23,744,599</u>
Noncurrent Assets:		
Notes receivable, net	3,286,267	3,686,267
Notes receivable - earning economic incentives	11,479,057	8,374,760
Capital assets	62,437,447	62,437,447
Accumulated depreciation	<u>(14,190,010)</u>	<u>(14,190,010)</u>
Total capital assets, net	<u>48,247,437</u>	<u>48,247,437</u>
Total Noncurrent Assets	<u>63,012,761</u>	<u>60,308,464</u>
Total Assets	<u><u>\$ 87,239,842</u></u>	<u><u>\$ 84,053,063</u></u>
Liabilities		
Current:		
Accounts payable	\$ 321,683	\$ 464,891
Accrued expenses	<u>1,693,565</u>	<u>1,695,748</u>
Total Current Liabilities	<u>2,015,248</u>	<u>2,160,639</u>
Total Liabilities	<u>2,015,248</u>	<u>2,160,639</u>
Net Position		
Net Investment in capital assets	48,247,437	48,247,437
Restricted for contractual obligations	9,531,663	13,090,515
Unrestricted, designated for purposes of trust	<u>27,445,494</u>	<u>20,554,472</u>
Total Net Position	<u>85,224,594</u>	<u>81,892,424</u>
Total Liabilities and Net Position	<u><u>\$ 87,239,842</u></u>	<u><u>\$ 84,053,063</u></u>

DEVELOPMENT CORPORATION OF ABILENE
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
For the year ending September 30, 2017 and 2016
Preliminary - Budget Basis

	September 30 2017	Fiscal YTD 2017	Fiscal YTD 2016
Revenues:			
Sales and use taxes	\$ 813,342	\$ 10,321,308	\$ 10,160,766
Investment earning net of change in fair value of investments	(706)	275,171	168,358
Building rental / land lease	55,509	1,045,554	1,099,980
Sale of Land		-	496,459
Miscellaneous revenue	8,990	84,200	324,495
Total Revenues	<u>877,135</u>	<u>11,726,233</u>	<u>12,250,058</u>
Expenses:			
Economic Development Projects	15,151	5,770,966	5,480,573
Life Sciences property maintenance	27,190	285,888	355,444
DCOA property maintenance	76,425	325,784	379,947
Abilene Industrial Foundation	85,954	520,034	501,676
TTU Small Business Development Center	33,937	155,512	155,606
Chamber Military Affairs	117,858	375,786	338,410
Airport Business Development Manager	34,164	152,223	161,008
Economic Development Operating Division	71,760	807,870	670,616
Total Expenditures	<u>462,439</u>	<u>8,394,063</u>	<u>8,043,280</u>
Changes In Net Position	414,696	3,332,170	4,206,778
Net Position at Beginning of Period	<u>84,809,898</u>	<u>81,892,424</u>	<u>78,189,586</u>
Net Position at End of Period	<u>\$ 85,224,594</u>	<u>\$ 85,224,594</u>	<u>\$ 82,396,364</u> A

Summary of Current Period Economic Development Projects:

EASI De Fuel Truck	\$ 3,900
Communities In School - Job Training	2,815
City-owned Surplus Land Purchase	6,436
Donald Harding Jr - Services	2,000
Total	<u>\$ 15,151</u>

A: Reconciliation to Beginning Fund Balance - FY 17

FY16 Net Position before audit accruals	82,396,364
Add: Fixed assets capitalized	1,094,043
Add: Gain on sale of assets	67,334
Add: Change in accrued expenses	159,508
Less: Change in accrued revenue	(31,383)
Less: Proceeds from sale of land	(496,459)
Less: Depreciation	(1,296,983)
	<u>81,892,424</u>

Development Corporation of Abilene
Economic Program Status
As of September 30, 2017

Economic Programs:	Project	Amount Budgeted	Prior Years Disbursement	Current Year Disbursement	Balance reserved for budgeted programs
Murf Systems	4998	\$ 237,240	\$ 235,665	\$ 1,575	\$ -
TTU Pharmacy School	5242	2,018,255	1,893,035	125,220	-
TTU 842 Pine	5308	1,020,231	853,999	166,232	-
Petrosmith Ph 5	5330.1	301,334	150,667	150,667	-
TTUHSC School of Nursing	5331	1,345,621	1,076,253	269,368	-
Rentech '12	5342	470,000	470,000	-	-
Hangar Doghouses A/E	5348.1	423,000	322,318	29,983	70,699
Hangar Doghouses Construction	5348.2	2,722,255	2,722,255	-	-
Hangar O Doghouse Construction	5348.3	1,667,772	603,023	1,064,749	-
EASI De-Fuel Truck	5354	111,560	78,200	23,400	9,960
Tucker Energy Services	5359	585,000	171,705	-	413,295
Five Points Infrastructure	5359.1	1,000,000	137,491	-	862,509
5 Pts RR Expansion	5363.1	30,800	24,320	-	6,480
Fehr Foods Expansion	5368	5,123,000	3,103,196	1,749,801	270,003
Broadwind Towers 2014	5373	679,300	679,300	-	-
Corley Wetsel Trucking	5376	455,200	-	455,200	-
Fehr Foods 14	5378	160,278	106,852	53,426	-
Gift Card System	5379	82,019	55,395	26,624	-
BWJ Consulting	5382	619,000	280,940	91,320	246,740
Datroo Technologies	5385	234,785	81,460	61,325	92,000
DCOA Strategic Planning	5386	130,000	125,000	-	5,000
Coca Cola Refreshments	5387	-	-	-	-
Martin Sprocket & Gear	5388	-	-	-	-
Industrial Maintenance Training AISD	5389	78,000	50,100	21,876	6,024
Lone Star Canvas	5390	50,000	-	-	50,000
Abimar Foods 2015	5391	300,000	-	300,000	-
BCBS Roof Repairs	5392	3,000,000	-	-	3,000,000
TTUHSC School of Public Health	5393	557,552	87,422	470,130	-
Praire Dog Pet Products	5394	-	-	-	-
Spec 3 Remediation	5396	253,318	214,993	38,325	-
18/36 Industrial Park	5398	50,000	-	50,000	-
2016 Startup Week / 2017 Springboard	5399	32,500	-	32,500	-
Broadwind Towers	5400	110,000	-	-	110,000
TSTC New Abilene Campus	5401	4,179,600	-	179,600	4,000,000
AbiMar Employee Relocation	5402	-	-	-	-
Communities in Schools	5403	80,850	-	19,203	61,647
City Owned Surplus Land	5404	386,960	-	384,442	2,518
Donald Hardin, Jr. Service Contract	5405	28,500	-	6,000	22,500
Subtotal Economic Program Obligation Reserve		\$ 28,523,930	\$ 13,523,589	\$ 5,770,966	\$ 9,229,375

Plus Adminstrative Division Obligations:

Economic Development Operating Division	Division 2760	840,950	-	807,870	33,080
Life Sciences Property Maintenance	Division 2765	291,691	-	285,888	5,803
DCOA Property Maintenance	Division 2775	390,814	-	325,784	65,030
Abilene Industrial Foundation	Division 2775	619,780	-	520,034	99,746
TTU Small Business Dev Center	Division 2775	200,000	-	155,512	44,488
Chamber Military Affairs	Division 2775	397,000	-	375,786	21,214
Airport Business Development Manager	Division 2775	185,150	-	152,223	32,927
Subtotal Adminstrave Divisions Obligation Reserve		\$ 2,925,385	\$ -	\$ 2,623,097	\$ 302,288
Total reserve for obligated programs					\$ 9,531,663

DCOA Board approved projects waiting for signed contracts:

Dyess JLUS	\$ 50,000	Expiration Date 12/31/17
	<u>\$ 50,000</u>	

3.7

Development Corporation of Abilene
Revenue and Expense
Budget vs Actual Comparison
October 2016 - September 2017

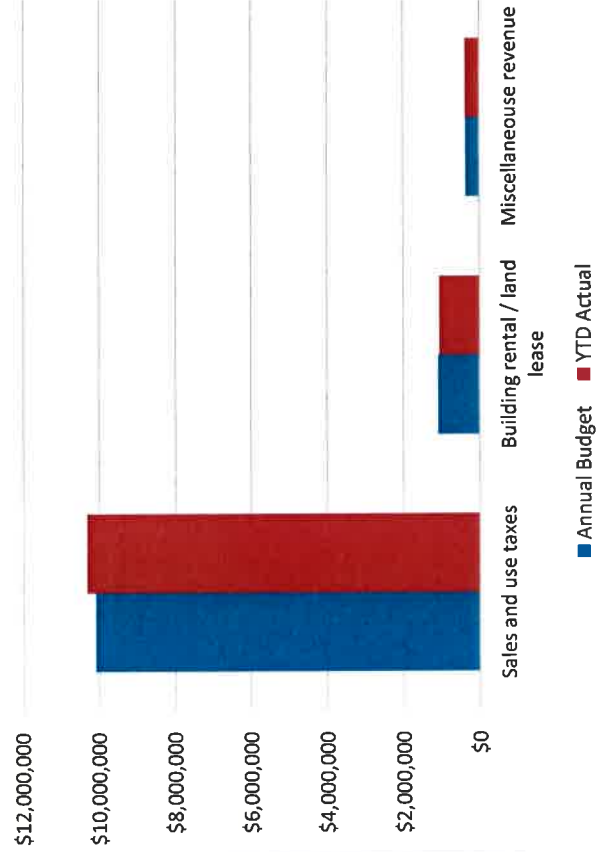
Revenue

	Annual Budget	YTD Actual	% of Budget
Sales and use taxes	10,088,060	10,321,308	102%
Building rental / land lease	1,074,009	1,045,554	97%
Miscellaneous revenue	350,790	359,371	102%
Revenue	11,512,859	11,726,233	102%

Expenses

	Annual Budget	YTD Actual	% of Budget
Economic Development Operating Division	840,950	807,870	96%
Life Sciences Property Maintenance	291,691	285,888	98%
DCOA Property Maintenance	390,814	325,784	83%
Abilene Industrial Foundation	619,780	520,034	84%
TTU Small Business Dev Center	200,000	155,512	78%
Chamber Military Affairs	397,000	375,786	95%
Airport Business Development Manager	185,150	152,223	82%
	2,925,385	2,623,097	90%

FY 17 Budget vs Actual Revenue



FY 17 Budget vs Actual Expenses

