

PUBLIC NOTICE

DEVELOPMENT CORPORATION OF ABILENE, INC.

A special-called meeting of the Development Corporation of Abilene, Inc. ("DCOA") will be held on Thursday, August 2, 2018, at City Council Chamber, 555 Walnut St., 2nd floor, Abilene, Texas, commencing between 11:00 a.m. and 11:59 a.m. (scheduled to follow a joint meeting of the Abilene City Council and DCOA) to consider the following agenda:

SIGNED:



Kent Sharp, CEO

AGENDA – SPECIAL-CALLED

August 2, 2018
Between 11:00 a.m. and 11:59 a.m.

City Council Chambers
555 Walnut St., 2nd floor, Abilene, TX

1. Call the meeting to order.
2. Approval of minutes from the July 18, 2018, board meeting.
3. Financial report for June 2018.
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 including, but not limited to, contracts for roof replacement, roof repairs, roof design and roof monitoring services on Vine St. buildings located at 4009, 4109 and 4125 Vine St., and hangars and other structures at the Abilene Regional Airport, Abilene, Texas.
 - B. Prairie Dog Pet Products project
 2. 551.072 (Deliberations about Real Property) and 551.071 (Consultation with Attorney)
 3. 551.074 (Personnel Matters)
 4. 551.087 (Business Prospect/Economic Development) and 551.071 (Consultation with Attorney)
 - A. Lone Star Canvas & Sign Works and/or Lone Star Dry Goods Co.
5. Discussion and possible approval of a resolution authorizing amended financial assistance for Lone Star Canvas & Sign Works and/or Lone Star Dry Goods Co.
6. Discussion and possible approval of a DCOA revised budget for FY 2018 and new budget for FY 2019.
7. Discussion of the next monthly board meeting.
8. 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 27th day of July, 2018, at 4:55 p.m.


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.

[http://www.abilene.com/Shared Documents/DCOA/Agenda/FY1018/2018-08-01_Agenda_Special-Called.docx](http://www.abilene.com/Shared%20Documents/DCOA/Agenda/FY1018/2018-08-01_Agenda_Special-Called.docx)

DEVELOPMENT CORPORATION OF ABILENE, INC.
BOARD MEETING MINUTES
July 18, 2018

MEMBERS PRESENT: John Beckham Jack Rich Greg Blair
Seaton Higginbotham Vic Corley

STAFF PRESENT: Kent Sharp Kim Tarrant Rick Jones

GUESTS PRESENT: Mark Zachary McMahon Surovik Suttle, PC
Chris Shelton McMahon Surovik Suttle, PC
Marjorie Knight City of Abilene Finance
Robert Hanna City Manager, City of Abilene
Justin Jaworski Abilene Industrial Foundation
Doug Williamson Abilene Chamber MAC
Don Green Abilene Airport
Kate Alvarez Abilene Airport

1. CALL THE MEETING TO ORDER: President John Beckham called the meeting to order at 1:30 p.m. at 174 Cypress St., 3rd floor conference room, Abilene, Texas.

2. APPROVAL OF MINUTES FROM THE JUNE 28, 2018, BOARD MEETING: Jack Rich moved to approve the minutes from the June 28, 2018, board meeting. Greg Blair seconded, and the motion carried.

3. SALES TAX REPORT FOR JULY 2018: Marjorie Knight with the City's Finance department presented the sales tax report for July 2018. The sales tax rebate is \$3,543,641.47, which represents May sales. Economic Development received \$885,910.37, which is 10.02% above last year and 16.93% above the projected FY18 budget amount. Of this rebate, \$109,621.31 is from prior periods, audit payments, future payments and unidentified payments. For the period of October through July, sales tax is 10.88% above last year and 11.51% above the approved FY18 budget amount.

4. 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 John Beckham announced the date is July 18, 2018 and the time is 1:58 p.m. Later, President Beckham announced the date is still July 18, 2018 and the time is 3:35 p.m. No vote or action was taken in Executive Session.

5. DISCUSSION AND POSSIBLE APPROVAL OF A RESOLUTION AUTHORIZING FUNDS FOR ADDITIONAL STREETLIGHTS IN THE FIVE POINTS BUSINESS PARK: Kent Sharp, CEO of the DCOA, reported that the previous resolution approved by the DCOA board on January 22, 2018, is for AEP to install twelve streetlights in the Five Points Business Park on Polaris St. and Five Points Parkway with funding of up to \$80,560. Mr. Sharp stated that after the board's approval, the streetlight plan was submitted to the City traffic engineer for final approval. The City engineer asked that two additional streetlights be installed at the two curves on Five Points Parkway, which are conflict areas. Mr. Sharp asked Robert Hanna, City Manager, to address the additional streetlights and help define

conflict areas. Mr. Hanna explained the purpose of a streetlight is to light up an area of potential conflict where points of collision are more likely to happen, such as an intersection or at curved angles. That's why City staff came back and requested the two additional streetlights be added on the curves. Mr. Hanna also stated that after further discussions with Mr. Sharp, James Rogge (head of traffic services), Michael Rice (Assistant City Manager) and himself, the decision was made not to press the matter at this time. Once the properties on Five Points Parkway are further developed, then the City will request the two streetlights be added. No action was taken on this item.

6. DISCUSSION AND POSSIBLE APPROVAL OF A RESOLUTION AUTHORIZING AMENDED FINANCIAL ASSISTANCE FOR LONE STAR CANVAS & SIGN WORKS AND/OR LONE STAR DRY GOODS CO.: This item was skipped.

7. DISCUSSION AND POSSIBLE APPROVAL OF A RESOLUTION AUTHORIZING THE PURCHASE OF PROPERTIES IN WEST ABILENE AND AUTHORIZATION TO EXPEND FUNDS FOR REPAIRS AND CLEANING: This item was skipped.

8. DISCUSSION AND POSSIBLE APPROVAL OF A DCOA REVISED BUDGET FOR FY 2018 AND NEW BUDGET FOR FY 2019: Kent Sharp presented to the board a handout for review of the revised FY18 budget and the proposed FY19 budget. The board discussed the budget, asked questions about the projected FY19 sales tax revenue and reviewed the line items. Robert Hanna pointed out there was not a FY19 budget amount for the Abilene Industrial Foundation (AIF). Mr. Sharp explained he had several discussions with Justin Jaworski (Executive Director of the AIF) about the AIF's request to increase the budget and had not informed Kim Tarrant (Chief Administrative Officer) of the final number. Mrs. Tarrant stated \$692,275 would be the AIF's budget amount for FY19, \$44,000 over the approved FY18 budget. Mr. Jaworski was asked about the additional money and he stated the FY19 budget includes one new position, a full-time administrator. Upon further examination, the DCOA's portion of \$1,500,000 for the street maintenance had not been included in the budget. Jack Rich stated he would rather see all the numbers correctly calculated in the budget rather than just penciled-in. Mr. Hanna said the deadline to submit the FY19 budget to the City council is September 13th. The decision was made to hold the next board meeting in early August to approve the budget and present it to the City council for final approval at the end of August. There was no action taken relating to this item.

9. DISCUSSION OF NEXT MONTHLY BOARD MEETING: President Beckham announced the next scheduled meeting of the DCOA Board would be Thursday, August 2, 2018, commencing after a joint meeting of the Abilene City Council and DCOA.

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

John Beckham, President

DEVELOPMENT CORPORATION OF ABILENE
STATEMENT OF NET POSITION
June 30, 2018 and 2017

	June 2018	June 2017
Current Assets:		
Cash and cash investments	\$ 26,534,583	\$ 19,164,538
Accounts receivable	2,606,933	1,677,765
Due from other governments	1,834,074	1,757,691
Total Current Assets	30,975,590	22,599,994
Noncurrent Assets:		
Notes receivable, net	2,986,267	3,386,267
Notes receivable - earning economic incentives	11,246,190	12,311,867
Capital assets	63,885,149	62,437,447
Accumulated depreciation	(15,831,323)	(14,190,010)
Total capital assets, net	48,053,826	48,247,437
Total Noncurrent Assets	62,286,283	63,945,571
Total Assets	\$ 93,261,873	\$ 86,545,565
Liabilities		
Current:		
Accounts payable	\$ 9,903	\$ 41,061
Accrued expenses	2,606,933	1,677,765
Total Current Liabilities	2,616,836	1,718,826
Total Liabilities	2,616,836	1,718,826
Net Position		
Net Investment in capital assets	48,053,826	48,247,437
Restricted for contractual obligations	8,097,727	10,035,960
Unrestricted, designated for purposes of trust	34,493,484	26,543,342
Total Net Position	90,645,037	84,826,739
Total Liabilities and Net Position	\$ 93,261,873	\$ 86,545,565

DEVELOPMENT CORPORATION OF ABILENE
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
For nine months ending June 30, 2018 and 2017

	June 2018	Fiscal YTD 2018	Fiscal YTD 2017
Revenues:			
Sales and use taxes	\$ 838,823	\$ 8,547,787	\$ 7,702,498
Investment earning	36,386	393,868	243,298
Building rental / land lease	61,576	800,503	803,878
Sale of Building	-	1,491,496	-
Miscellaneous revenue	-	76,940	63,076
Total Revenues	<u>936,785</u>	<u>11,310,594</u>	<u>8,812,750</u>
Expenses:			
Economic Development Projects	274,667	3,825,690	4,123,434
Life Sciences property maintenance	10,169	153,646	211,086
DCOA property maintenance	50,191	248,967	219,464
Abilene Industrial Foundation	60,630	461,488	354,202
TTU Small Business Development Center	21,975	143,531	96,262
Chamber Military Affairs	-	142,929	169,104
Airport Business Development Manager	-	95,215	93,244
Economic Development Operating Division	62,426	732,930	611,639
Total Expenditures	<u>480,058</u>	<u>5,804,396</u>	<u>5,878,435</u>
Changes In Net Position	456,727	5,506,198	2,934,315
Net Position at Beginning of Period	<u>90,188,310</u>	<u>85,138,839</u>	<u>81,892,424</u>
Net Position at End of Period	<u>\$ 90,645,037</u>	<u>\$ 90,645,037</u>	<u>\$ 84,826,739</u>

Summary of Current Period Economic Development Projects:

BWJ Consulting (Job Creation)	\$ 71,849
BWJ Consulting (Capital Investment)	85,000
Communities in School	4,221
Donald Hardin Jr - Services	1,750
Access Business Park A/E	4,460
Access Business Park Phase I	<u>107,387</u>
Total	<u>\$ 274,667</u>

**Development Corporation of Abilene
Economic Program Status
As of June 30, 2018**

Economic Programs:	Project	Amount Budgeted	Prior Years Disbursement	Current Year Disbursement	Balance reserved for budgeted programs
Murf Systems	4998	\$ 237,240	\$ 237,240	\$ -	\$ -
TTU Pharmacy School	5242	2,018,255	2,018,255	-	-
TTU 842 Pine	5308	1,020,231	1,020,231	-	-
Enavail, LLC	5316	709,071	386,241	322,830	-
Petrosmith Ph 5	5330.1	452,000	301,334	150,666	-
TTUHSC School of Nursing	5331	1,345,621	1,345,621	-	-
Rentech '12	5342	500,000	470,000	30,000	-
Hangar Doghouses A/E	5348.1	423,000	352,301	-	70,699
EASI De-Fuel Truck	5354	134,960	101,600	13,650	19,710
Tucker Energy Services	5359	345,208	171,705	173,503	-
Five Points Infrastructure	5359.1	137,491	137,491	-	-
5 Pts RR Expansion	5363.1	30,800	24,320	-	6,480
Fehr Foods Expansion	5368	5,123,000	4,852,997	270,003	-
Fehr Foods 14	5378	160,278	160,278	-	-
BWJ Consulting	5382	614,109	372,260	156,849	85,000
Datroo Technologies	5385	234,785	142,785	-	92,000
DCOA Strategic Planning	5386	130,000	125,000	-	5,000
Industrial Maintenance Training AISD	5389	121,976	71,976	40,178	9,822
Lone Star Canvas	5390	18,000	-	-	18,000
Abimar Foods 2015	5391	600,000	300,000	300,000	-
BCBS Roof Repairs - A/E	5392.1	300,000	-	-	300,000
BCBS Roof Repairs - Construction	5392.2	2,700,000	-	2,103,315	596,685
TTUHSC School of Public Health	5393	557,552	557,552	-	-
Broadwind Towers	5400	110,000	-	-	110,000
TSTC New Abilene Campus	5401	4,179,600	179,600	-	4,000,000
Communities in Schools	5403	80,850	19,203	35,267	26,380
City Owned Surplus Land	5404	384,442	384,442	-	-
Donald Hardin, Jr. Service Contract	5405	28,500	6,000	16,500	6,000
Access Business Park A/E	5406	62,950	-	58,828	4,122
Access Business Park Ph 1 Development	5406.1	1,171,514	-	107,387	1,064,127
BE In Abl Grant	5407	250,000	-	-	250,000
BE in Abilene Admin ACU	5407.1	35,000	-	33,214	1,786
Dyess-TMPC Grant Match	5408	198,880	-	-	198,880
2018 Job Fair Sponsor	5409	3,500	-	3,500	-
Purchase Property - West Abilene	5410	15,000	-	10,000	5,000
Airport Access Road (TSTC)	5411	90,000	-	-	90,000
Subtotal Economic Program Obligation Reserve		\$ 24,523,813	\$ 13,738,432	\$ 3,825,690	\$ 6,959,691

Plus Administrative Division Obligations:

Economic Development Operating Division	Division 2760	899,177	-	732,930	166,247
Life Sciences Property Maintenance	Division 2765	270,650	-	153,646	117,004
DCOA Property Maintenance	Division 2775	471,490	-	248,967	222,523
Abilene Industrial Foundation	Division 2775	648,275	-	461,488	186,787
TTU Small Business Dev Center	Division 2775	245,000	-	143,531	101,469
Chamber Military Affairs	Division 2775	397,000	-	142,929	254,071
Airport Business Development Manager	Division 2775	185,150	-	95,215	89,935
Subtotal Administrative Divisions Obligation Reserve		\$ 3,116,742	\$ -	\$ 1,978,706	\$ 1,138,036
Total reserve for obligated programs					\$ 8,097,727

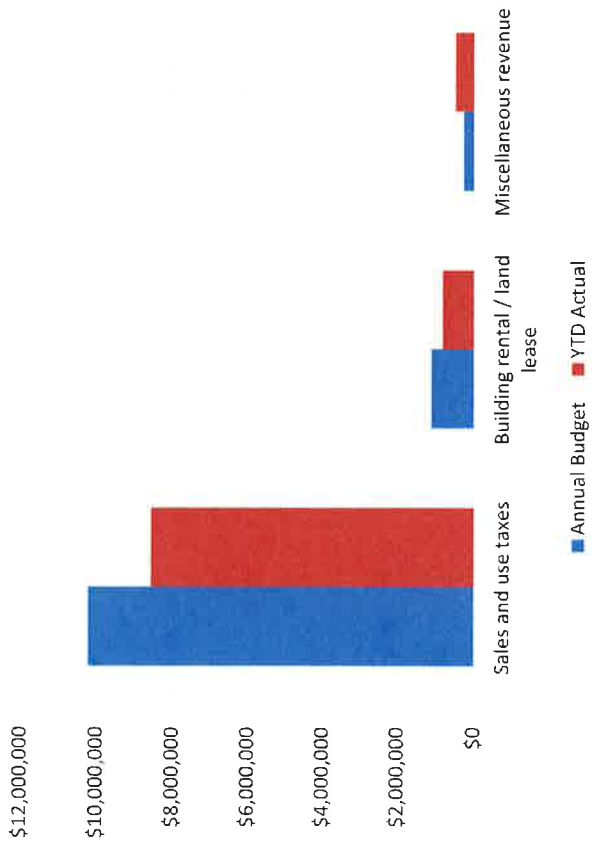
DCOA Board approved projects waiting for signed contracts:

		Expiration Date
Bright Farms (Project Ladybug)	\$ 1,700,000	09/13/2018
Dyess JLUS	50,000	06/30/2018
Five Pts Streetlights	80,560	07/22/2018
EASI Roof Cost Share	541,240	10/23/2018
ACU's NEXT Lab (Project Next)	300,000	12/26/2018
Access Business Park gas line extension	86,587	12/26/2018
	\$ 2,758,387	

**Development Corporation of Abilene
Revenue and Expense
Budget vs Actual Comparison
October 2017 - June 2018**

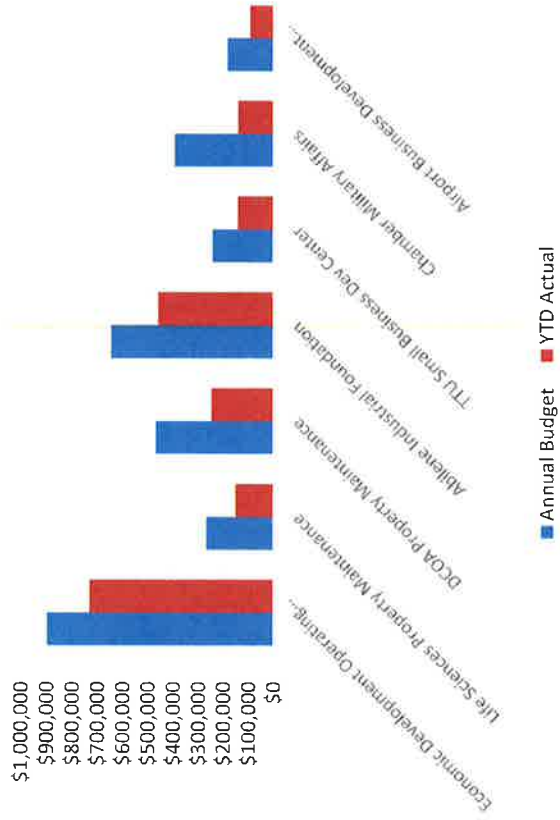
Revenue	Annual Budget	YTD Actual	% of Budget
Sales and use taxes	10,201,313	8,547,787	84%
Building rental / land lease	1,091,618	800,503	73%
Miscellaneous revenue	261,190	470,808	180%
Revenue	11,554,121	9,819,098	85%

FY 18 Budget vs Actual Revenue



Expenses	Annual Budget	YTD Actual	% of Budget
Economic Development Operating Division	899,177	732,930	82%
Life Sciences Property Maintenance	270,650	153,646	57%
DCOA Property Maintenance	471,490	248,967	53%
Abilene Industrial Foundation	648,275	461,488	71%
TTU Small Business Dev Center	245,000	143,531	59%
Chamber Military Affairs	397,000	142,929	36%
Airport Business Development Manager	185,150	95,215	51%
	3,116,742	1,978,706	63%

FY 18 Budget vs Actual Expenses



3.4

Information for Item #5 and #6
will be available during the board meeting