

PUBLIC NOTICE

DEVELOPMENT CORPORATION OF ABILENE, INC.

A regular meeting of the Development Corporation of Abilene, Inc. will be held on Friday, November 22, 2019, at Develop Abilene conference room, 174 Cypress St., 3rd floor, Abilene, Texas, commencing at 10:00 a.m. to consider the following agenda:

SIGNED:


Misty Mayo, CEO

AGENDA

November 22, 2019
10:00 a.m.

Develop Abilene Conference Room
174 Cypress St., 3rd floor

1. Call the meeting to order.
2. Approval of minutes from the October 22, 2019 board meeting.
3. Preliminary financial report for September 2019.
4. Discussion and possible approval of the DCOA's FY 2019 Annual Report of Activities.
5. Executive Session:
The DCOA reserves the right to adjourn into executive session at any time during the course of this meeting to discuss any of the matters listed, as authorized by the Texas Government Code Sections:
 1. 551.071 (Consultation with Attorney)
 - A. Lease negotiations for land and buildings/hangars at the Abilene Regional Airport
 - B. Insurance Coverage (including property, liability and Directors and Officers liability coverages)
 2. 551.072 (Deliberations about Real Property)
 - A. Acquisition of property in Central Abilene
 - B. Sale/lease of property in South Abilene
 3. 551.074 (Personnel Matters)
 4. 551.087 (Business Prospect/Economic Development)
 - A. Project Mayday
6. Discussion and possible approval of a resolution authorizing a new consolidated lease agreement with Eagle Aviation Services, Inc. for property at the Abilene Regional Airport.
7. Discussion and possible approval of a resolution authorizing a Construction Procurement Policy for DCOA.
8. Discussion of the next board meeting date.
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 22nd day of November, 2019, at 2:00 p.m.



Assistant 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
October 22, 2019

MEMBERS PRESENT: John Beckham Jack Rich Vic Corley
 Sam Vinson

STAFF PRESENT: Misty Mayo Kim Tarrant

GUESTS PRESENT: Mark Zachary McMahon Surovik Suttle, PC
 Chris Shelton McMahon Surovik Suttle, PC
 Justin Jaworski Abilene Industrial Foundation
 Michael Rice City of Abilene
 Don Green City of Abilene, Airport
 Kate Alvarez City of Abilene, Airport
 Doug Peters Abilene Chamber of Commerce
 Judy Wilhelm Small Business Development Ctr.
 Becky Green Small Business Development Ctr.
 Josh Black Abilene Preservation League

1. CALL THE MEETING TO ORDER: President John Beckham called the meeting to order at 1:32 p.m. at 174 Cypress St., 3rd floor conference room, Abilene, Texas.

2. APPROVAL OF MINUTES FROM THE SEPTEMBER 10, 2019 BOARD MEETING: Jack Rich moved to approve the minutes from the September 10, 2019, board meeting. Vic Corley seconded, and the motion carried.

3. SALES TAX REPORT FOR OCTOBER 2019 AND FINANCIAL REPORT FOR AUGUST 2019: Kim Tarrant, Chief Operating Officer of the DCOA, presented the sales tax report for October 2019. The sales tax rebate for October is \$3,884,663.45 which represents August sales. Economic Development received \$971,165.86 which is 3.80% above last year and 1.03% above the projected FY20 budget amount. Of this rebate, \$171,530.78 is from prior periods, audit payments, future payments and unidentified payments. This is the first rebate for our 2019-2020 fiscal year.

The DCOA's total current assets as of August 31, 2019 were \$33,183,391. The August revenues totaled \$1,318,651 and total expenditures were \$1,679,776 with \$1,371,050 being spent on 12 different projects.

4. PRESENTATION OF ANNUAL REPORTS FOR FISCAL YEAR ENDED SEPTEMBER 20, 2019 BY: AMERICA'S SMALL BUSINESS CENTER, ABILENE INDUSTRIAL FOUNDATION, ABILENE CHAMBER OF COMMERCE MILITARY AFFAIRS COMMITTEE AND CITY OF ABILENE AIRPORT BUSINESS DEVELOPMENT MANAGER: Misty Mayo, CEO of the DCOA explained to the board that this year's annual reports have been prepared to be more succinct than prior reports and driven by numbers and data. Mrs. Mayo introduced Judy Wilhelm with the America's Small Business Development Center to present their annual report.

America's Small Business Development Center (SBDC): Judy Wilhelm presented the annual report for FY19, which included the following: The America's SBDC received full Accreditation from the National Association this year, which is a requirement for federal funding from the U.S. Small Business Administration. This was the second year to assist with the BE in Abilene program and the SBDC developed a student intern program. The SBDC was co-sponsor of the Small Business Week celebration presented by the Abilene Chamber of Commerce with approximately 400 attendees. Three new counties were added to the SBDC's service area – Palo Pinto, Parker and Wise. The report shows the names of the businesses that have been helped, how many clients have been counseled, new business jobs created, and the number of workshops hosted.

Abilene Industrial Foundation (AIF): Justin Jaworski presented the AIF's FY19 annual report, which included the following: The AIF is responsible for marketing the Economic Development program, new business recruitment and business retention. The AIF has taken the lead role for the *NEXT*University program and is a partner in the Be in Abilene program with the SBDC and the ACU Griggs Center. One of the biggest challenges facing Abilene is locating workers to fill jobs for companies we are trying to recruit. Several of the potential leads wanted assurance of an available workforce before discussing a relocation to Abilene. Included with the AIF's report is a report for *NEXT*University.

Abilene Chamber of Commerce Military Affairs Committee (MAC): Doug Peters presented the MAC's FY19 annual report, which included the following: Local support for Dyess Airmen will continue to be crucial and building relationships with senior military and elected officials is also a key focus. The economic impact of Dyess AFB increased \$74.5 million over the previous year resulting in approximately \$1.4 million dollars a day to the Abilene economy. Two squadrons of B-21's are designated to be stationed at Dyess AFB and work continues in securing a weapons storage area which will make Dyess an even more desirable location for the B-21. Advocacy in Washington consists of research and development dollars to keep the B-1 viable until the B-21 arrives. Texas Senate Bill 1200 passed allowing Texas to recognize equivalent licensing from other states in support of Air Force spousal employment. In FY20 staff will be working on a Medal of Honor for Edwin Dyess and ramping up support for the Home Away from Home program in hopes of making a difference in the suicide rates of airmen.

City of Abilene Airport Business Development (ABI):

Kate Alvarez, Marketing and Development Manager for the Abilene Regional Airport presented their FY19 annual report, which included the following: This past year was devoted to mainly three core missions: 1) A marketing push covering 79 zip codes that resulted in enplanements increasing by 5%; 2) In air service development, a continuous effort was made for successful conferences and headquarter meetings resulting in a good lead for a second airline. In addition, a Small Community Air Service Development Program grant application was submitted to the USDOT and award selection announcements will be made by early 2020; and 3) A focus on ramping-up and moving forward with the airport's land use planning on approximately 200 acres identified for various economic opportunities. The Advisory Aerospace study is looking at specific aeronautical industries that might be willing to locate on or near the airport.

5. EXECUTIVE SESSION I: 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 October 22, 2019 and the time is 2:05 p.m. Later, President Beckham announced the date is still October 22, 2019 and the time is 4:02 p.m. No vote or action was taken in Executive Session.

6. DISCUSSION AND POSSIBLE APPROVAL OF A RESOLUTION FINALIZING ALLOCATION OF PROCEEDS RECOVERED FROM THE TMLIRP REGARDING THE JUNE 12, 2014 HAILSTORM: Misty Mayo, CEO of the DCOA presented resolution DCOA-2020.02 approving the final allocation of \$4,378,095 from the City of Abilene as part of the TMLIRP claim settlement from the June 2014 hailstorm for damage to DCOA-owned property. The payment reflects the DCOA's actual costs for completing the roofing projects at 4009, 4109 and 4125 Vine St. and the Blue Cross Blue Shield facility at 4002 Loop 322.

Jack Rich moved to approve resolution DCOA-2020.02 recognizing the final allocation of \$4,378,095.00 from the City of Abilene in reference to property damage that the DCOA realized as a result of the June 12, 2014 hailstorm. Vic Corley seconded and the motion passed.

7. DISCUSSION AND POSSIBLE APPROVAL OF A RESOLUTION AUTHORIZING A STREET EXPENDITURE AGREEMENT FOR USE OF STREET MAINTENANCE FUNDS DURING FY 2020: Misty Mayo presented resolution DCOA-2020.01 authorizing an expenditure not to exceed \$2,000,000 in 2020 for the reconstruction of portions Turner Dr., John Knox Dr., Village Dr., Cedar Run Rd., Rolling Green Dr. and Curry Lane.

Jack Rich moved to approve resolution DCOA-2020.01 authorizing funds not to exceed \$2,000,000.00 in 2020 for the reconstruction of portions of the above-named streets. Sam Vinson seconded and the motion passed.

8. DISCUSSION AND POSSIBLE APPROVAL OF A RESOLUTION AUTHORIZING A TEMPORARY CONSTRUCTION EASEMENT TO UNION PACIFIC RAILROAD COMPANY FOR REPAIRS TO TRACKS RUNNING ADJACENT TO THE ACCESS BUSINESS PARK: Kim Tarrant, COO for the DCOA presented resolution DCOA-2020.03 authorizing a temporary construction easement to Union Pacific Railroad Company (UPRC) in the DCOA's Access Business Park. The UPRC rail line runs along the northern boundary of the Access Business Park, and UPRC is contracting to build a parallel track or siding to the current track. UPRC is willing to pay \$4,600 for temporary access across a portion of the Access Business Park for their construction crews.

Vic Corley moved to approve resolution DCOA-2020.03 authorizing a temporary construction easement in the Access Business Park to Union Pacific Railroad Company for its new rail siding project in exchange for consideration of \$4,600.00. Jack Rich seconded and the motion passed.

9. DISCUSSION AND POSSIBLE APPROVAL OF A RESOLUTION AUTHORIZING FINANCIAL ASSISTANCE FOR PROJECT PEANUT: Misty Mayo presented resolution DCOA-2020.05 handed out in the board meeting for discussion and approval of an incentive package for Project Peanut. Project Peanut is a \$5 million project that includes building a new 35,000 sq ft approximate facility in the Access Business Park for manufacturing and distribution warehousing. The proposed incentive is 15% of the company's capital investment with estimated DCOA funding up to \$750,000 plus provide five (5) acres of land valued at \$30,000/acre (or \$150,000) for a total incentive package up to \$900,000. In exchange the company will retain at least 23 full-time positions and create 92 new positions for total employment of 115 at the end of a five-year period. The incentive package will require City Council's approval.

After further discussion by the board, Jack Rich moved to approve resolution DCOA-2020.05 authorizing an incentive package for Project Peanut including up to \$900,000. Vic Corley seconded and the motion passed.

10. DISCUSSION AND POSSIBLE APPROVAL OF A RESOLUTION AUTHORIZING THE OPENING AND ADMINISTRATION OF A DCOA BANK ACCOUNT: John Beckham presented resolution DCOA-2020.04 authorizing the opening of a DCOA bank account with First Financial Bank Abilene for day-to-day operations. The balance in the account will be maintained in an amount of not more than \$25,000 and any checks written over \$1,500 will require two signatures. The signors would include the DCOA's CEO, COO, President and Treasurer. Discussion ensued regarding the possibility of increasing the minimum amount per check that would require two signatures.

Sam Vinson moved to approve resolution DCOA-2020.04 authorizing the opening of a DCOA bank account amended to require that any expenditure over \$5,000 (rather than \$1,500) require two signatures. Jack Rich seconded and the motion passed.

11. DISCUSSION OF NEXT MONTHLY BOARD MEETING: President Beckham announced the next scheduled meeting of the DCOA Board will be on November 22, 2019, at 10:00 a.m.

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

John Beckham, President

DEVELOPMENT CORPORATION OF ABILENE
STATEMENT OF NET POSITION
September 30, 2019 and 2018

	September 2019	September 2018
Current Assets:		
Cash and cash investments	\$ 32,039,336	\$ 22,646,452
Accounts receivable	4,466,848	2,606,933
Due from other governments	1,983,177	1,834,074
Prepaid expense	17,800	5,106
	<u>38,507,161</u>	<u>27,092,565</u>
Total Current Assets		
Noncurrent Assets:		
Notes receivable, net	2,638,480	2,886,267
Notes receivable - earning economic incentives	9,934,211	10,188,383
Capital assets	60,410,934	63,885,149
Accumulated depreciation	(14,132,185)	(15,831,323)
	<u>46,278,749</u>	<u>48,053,826</u>
Total capital assets, net		
Total Noncurrent Assets	<u>58,851,440</u>	<u>61,128,476</u>
Total Assets	<u>\$ 97,358,601</u>	<u>\$ 88,221,041</u>
Liabilities		
Current:		
Accounts payable	\$ 762,567	\$ 338,803
Accrued expenses	1,789,830	2,606,933
	<u>2,552,397</u>	<u>2,945,736</u>
Total Current Liabilities		
Total Liabilities	<u>2,552,397</u>	<u>2,945,736</u>
Net Position		
Net Investment in capital assets	46,278,749	48,053,826
Restricted for contractual obligations	14,543,383	11,963,158
Unrestricted, designated for purposes of trust	33,984,072	25,258,321
	<u>94,806,204</u>	<u>85,275,305</u>
Total Net Position		
Total Liabilities and Net Position	<u>\$ 97,358,601</u>	<u>\$ 88,221,041</u>

DEVELOPMENT CORPORATION OF ABILENE
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
For the year ending September 30, 2019 and 2018
Preliminary - Budget Basis

	September 2019	Fiscal YTD 2019	Fiscal YTD 2018
Revenues:			
Sales and use taxes	\$ 996,654	\$ 11,731,008	\$ 11,385,339
Investment earning	93,951	776,257	531,927
Building rental / land lease	97,222	1,138,997	1,100,645
Sale of Building	770,000	770,000	1,491,496
Building and Equipment Claims	4,378,095	4,378,095	-
Miscellaneous revenue	-	9,420	116,636
Total Revenues	6,335,922	18,803,777	14,626,043
Expenses:			
Economic Development Projects	559,669	7,932,341	11,610,888
Life Sciences property maintenance	-	-	176,204
DCOA property maintenance	90,878	683,870	386,369
Abilene Industrial Foundation	104,656	659,724	588,368
TTU Small Business Development Center	26,494	192,075	202,462
Chamber Military Affairs	85,976	331,662	331,074
Airport Business Development Manager	51,755	174,530	199,802
ACU Griggs Center	1,665	30,751	-
Economic Development Operating Division	68,503	879,314	994,410
Total Expenditures	989,596	10,884,267	14,489,577
Changes In Net Position	5,346,326	7,919,510	136,466
Net Position at Beginning of Period	89,459,577	86,886,393	85,138,839
Net Position at End of Period	\$ 94,805,903	\$ 94,805,903	\$ 85,275,305 ^A

Summary of Current Period Economic Development Projects:

EASI De-fuel Truck	\$ 3,900
TSTC New Abilene Campus - Job training	400,000
Dyess-TMPC Grant Match - Dyess Fence	21,652
Vine St. Roof Project	1,542
Abilene Education Foundation - WF Coach	5,778
Interim CEO	5,777
Airport Roofing Project	48,686
Chamber 2020 Census Count	26,471
Ford F350 Pickup	45,863
Total	\$ 559,669

^A Reconciliation to Beginning Fund Balance - FY19

FY18 Net Position before audit accruals	85,275,305 ^A
Add: Fixed assets capitalized	5,643,299
Add: Change in accrued revenue	2,599,019
Add: Change in accrued expenses	787,148
Less: Loss on sale of capital assets	(3,527,199)
Less: Proceeds from sale of capital assets	(2,241,496)
Less: Depreciation	(1,649,683)
	86,886,393

**Development Corporation of Abilene
Economic Program Status
As of September 30, 2019**

Economic Programs:	Project	Amount Budgeted	Prior Years Disbursement	Current Year Disbursement	Balance reserved for budgeted programs
Murf Systems	4998	\$ 237,240	\$ 237,240	\$ -	\$ -
TTU 842 Pine	5308	1,020,231	1,020,231	-	-
TTUHSC School of Nursing	5331	1,884,357	1,614,989	269,368	-
Hangar Doghouses A/E	5348.1	423,000	352,301	-	70,699
EASI De-Fuel Truck	5354	158,360	125,000	23,400	9,960
5 Pts RR Expansion	5363.1	30,800	24,320	-	6,480
BWJ Consulting	5382	614,109	529,109	85,000	-
Coca Cola Refreshments	5387	1,232,712	616,356	616,356	-
Martin Sprocket & Gear	5388	160,000	160,000	-	-
Industrial Maintenance Training AISD	5389	162,154	112,154	18,944	31,056
Lone Star Canvas	5390	10,066	-	10,066	-
Abimar Foods 2015	5391	900,000	600,000	300,000	-
TTUHSC School of Public Health	5393	1,115,104	836,328	278,776	-
Praire Dog Pet Products	5394	-	-	-	-
Broadwind Towers	5400	99,672	-	99,672	-
TSTC New Abilene Campus	5401	4,179,600	579,600	400,000	3,200,000
Donald Hardin, Jr. Service Contract	5405	28,500	25,500	3,000	-
Access Business Park A/E	5406	64,150	64,051	-	99
Access Business Park Ph 1 Development	5406.1	1,258,101	644,506	496,252	117,343
BE In Abl Grant	5407	250,000	-	-	250,000
Dyess-TMPC Grant Match	5408	21,652	-	21,652	-
5 Pts Purchase Zoltek Property	5410	5,065,000	4,897,522	125,768	41,710
5 Pts. Business Park Repairs/Cleanup	5410.1	1,000,000	-	974,169	25,831
Fulwiler Property Re-Roof Design	5410.2	134,658	-	4,658	130,000
BrightFarms/TEX Greenhouse	5412	-	-	-	-
Streetlights - 5 Points	5413	66,978	-	66,978	-
Dyess JLUS	5414	15,617	15,617	-	-
Vine St. Roof Project	5415	1,789,830	1,350	1,734,750	53,730
City Street Maintenance	5416	8,500,000	-	-	8,500,000
ACU NEXT Lab	5417	300,000	-	300,000	-
Abilene Educ Foundation	5418	51,437	-	49,727	1,710
Hardin Simmons Universtiy	5419	250,000	-	250,000	-
842/834 Pine St	5420	4,857	-	4,857	-
Interim CEO	5421	113,777	-	107,065	6,712
N 1st Land Purchase	5422	98,592	-	93,005	5,587
CEO Search Firm 2019	5423	40,000	-	35,937	4,063
Workforce Solutions High Demand Job Training	5424	31,658	-	31,658	-
Airport Roofing Project	5425	1,976,786	-	1,434,949	541,837
FDLIC	5426	1,035,000	-	-	1,035,000
Chamber 2020 Census	5427	100,000	-	26,471	73,529
Airport-Aerospace Cluster Study	5428	55,000	-	24,000	31,000
Ford F350 Pickup	5429	45,878	-	45,863	15
Subtotal Economic Program Obligation Reserve		\$ 34,524,876	\$ 12,456,174	\$ 7,932,341	\$ 14,136,361
Plus Administrative Division Obligations:					
Economic Development Operating Division	Division 2760	940,470	-	879,314	61,156
DCOA Property Maintenance	Division 2775	857,210	-	683,870	173,340
Abilene Industrial Foundation	Division 2775	692,275	-	659,724	32,551
TTU Small Business Dev Center	Division 2775	245,000	-	192,075	52,925
Chamber Military Affairs	Division 2775	397,000	-	331,662	65,338
Airport Business Development Manager	Division 2775	191,993	-	174,530	17,463
ACU Griggs Center	Division 2775	35,000	-	30,751	4,249
Subtotal Administrative Divisions Obligation Reserve		\$ 3,358,948	\$ -	\$ 2,951,926	\$ 407,022
Total reserve for obligated programs					\$ 14,543,383
DCOA Board approved projects waiting for signed contracts:					
JLUS Implementation		\$ 55,000		Expiration Date 12/10/2019	
Staff Retention Bonuses		12,500		11/30/2019	
		<u>\$ 67,500</u>			

**Development Corporation of Abilene
Revenue and Expense
Budget vs Actual Comparison
October 2018 - September 2019**

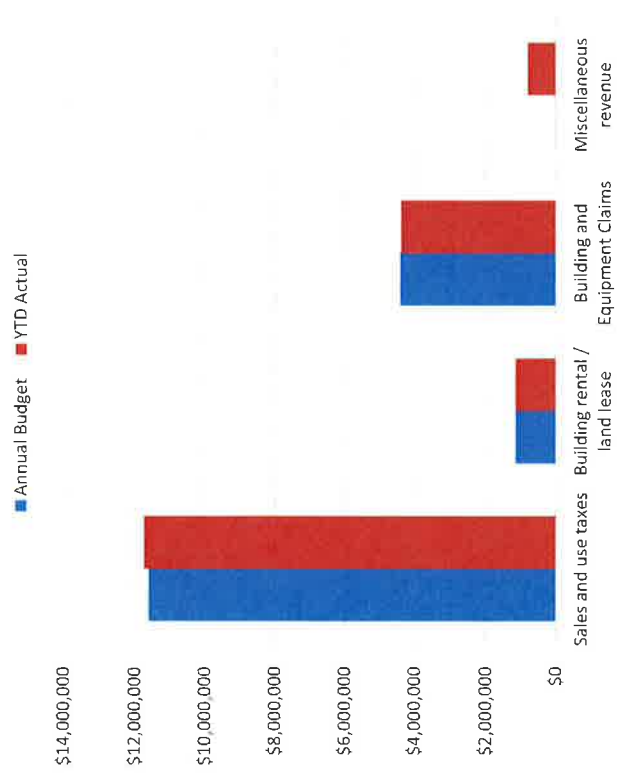
Revenue

	Annual Budget	YTD Actual	% of Budget
Sales and use taxes	11,594,920	11,731,008	101%
Building rental / land lease	1,139,945	1,138,997	100%
Building and Equipment Claims	4,407,530	4,378,095	99%
Miscellaneous revenue	9,421	785,677	8340%
Revenue	17,151,816	18,033,777	105%

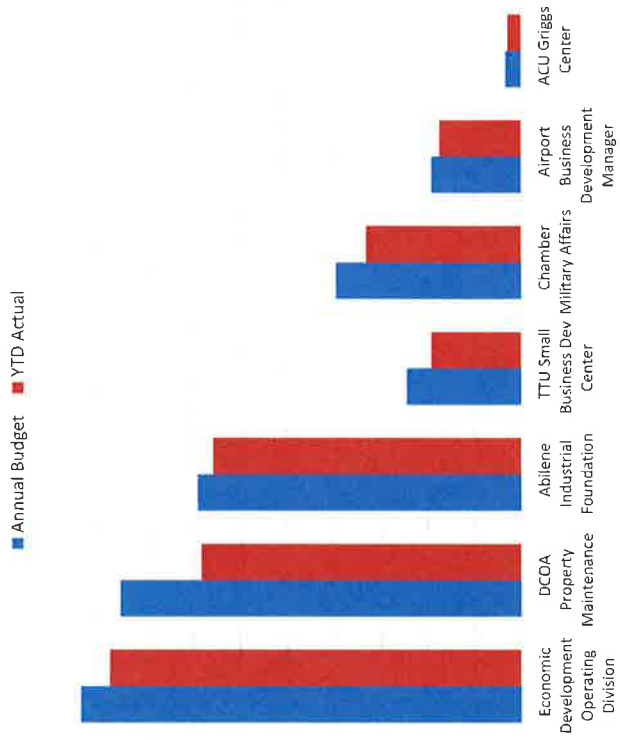
Expenses

	Annual Budget	YTD Actual	% of Budget
Economic Development Operating Division	940,470	879,314	93%
DCOA Property Maintenance	857,210	683,870	80%
Abilene Industrial Foundation	692,275	659,724	95%
TTU Small Business Dev Center	245,000	192,075	78%
Chamber Military Affairs	397,000	331,662	84%
Airport Business Development Manager	191,993	174,530	91%
ACU Griggs Center	35,000	30,751	88%
	3,358,948	2,951,926	88%

FY 19 Budget vs Actual Revenue



FY 19 Budget vs Actual Expenses



Information for Item #4 will be available
during the board meeting

Information for Item #6 and Item #7 will
be available during the board meeting