

PUBLIC NOTICE

DEVELOPMENT CORPORATION OF ABILENE, INC.

A meeting of the Development Corporation of Abilene, Inc. ("DCOA") will be held on April 4, 2023, at 174 Cypress Street, 2nd Floor Board Room, Abilene, Texas commencing at 1:30 pm to consider the Agenda set forth below.

The meeting may include members of the DCOA's Board of Directors ("Board") participating remotely by videoconference. In accordance with the Texas Government Code, the location of the meeting where a quorum of the DCOA's Board will be physically present is 174 Cypress Street, 2nd Floor Board Room, Abilene, Texas and it is the intent of the DCOA to have a quorum present at that location.

Under Agenda Item 3, the opportunity for public comment will be announced and members of the public should identify themselves at that time should he or she choose to make any comments concerning any Items on the Agenda. Under Item 3 on the Agenda, public comments concerning Items on the Agenda are allowed for up to 3 minutes per person (or in the event that a person addresses the Board through a translator, such public comments on Items on the Agenda is allowed for up to 6 minutes).

AGENDA

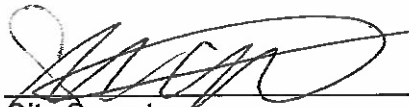
April 4, 2023
1:30 pm

1. Call the meeting to order
2. Invocation
3. Public Comment on Agenda Items
4. Governance Schedule
5. Approval of minutes from the March 1, 2023, board meeting
6. DCOA Financial Report for February 2023
7. Presentation of Audit for Fiscal Year 2022
8. 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:
 - A. 551.071 (Consultation with Attorney)
 - B. 551.072 (Deliberations about Real Property)
 - C. 551.074 (Personnel Matters)
 - D. 551.087 (Business Prospect/Economic Development)
 1. Project Future
 2. Project Able
 3. Project New Wave
 4. Project Radar


9. Presentation from Site Selection Group on Competitive Analysis & Target Industry Study commissioned by the DCOA
10. Report from the President and CEO:
 - A. Strategic Plan Objectives:
 1. Business Retention & Expansion Initiatives
 2. Business Attraction Initiatives
 3. Marketing & Brand Management Initiatives
 4. Workforce Development Initiatives
 5. Real Estate Initiatives
 6. Effective Operations Initiatives
 - B. Discussion and possible approval of a Resolution approving expenditures over \$50,000 as described in the President and CEO's report
11. Discussion and possible approval of a Resolution approving an Agreement with Project Able
12. Discussion and possible approval of a Resolution acknowledging completion of the DCOA's annual review of the Investment Policy, Investment Strategy, and Diversification Strategies and Guidelines
13. Discussion of a DCOA Budget for Fiscal Year 2024
14. Discussion on next board meeting date
15. 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 30th day of March, 2023 at 4:15 p.m.



City Secretary



Misty Mayo, President & CEO

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.

GOVERNANCE SCHEDULE

FY 2023 DCOA Governance Schedule

2022			2023									
Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	
	✓	✓	✓	✓	✓	✓						Post Agenda (72 hrs prior to the meeting)
			✓									Monthly Board Meeting (minimum quarterly meeting)
			✓									Annual Meeting of Board of Directors (first regularly scheduled board meeting of the year)
					✓							State of the City Address by Mayor
												Annual Economic Development Plan to City Council (prior to, or in conjunction with, the annual budget)
												Annual Budget to City Council (sixty days prior to start of next fiscal year: August 1, 2023)
												Additional Meetings, as needed

Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	
												Governance: Monthly Board Meeting Review
✓	✓	✓	✓	✓	✓	✓						Approval of Last Meeting's Minutes
	✓	✓	✓	✓	✓	✓						Financial Report Presented by DCOA Staff (Accounting Firm, As Requested)
	✓	✓	✓	✓	✓	✓						Schedule Next Meeting Date
	✓				✓							Quarterly Sales Tax Report
		✓										Written Quarterly Investment Report (within 45 days following the end of the quarter)
												Review of Strategic Plan
												Review of Governance Checklist

Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	
												Governance: Semi-Annual & Annual Reviews
			✓									Presentation/Proclamation to Outgoing Board Members (City of Abilene and the Board)
			✓									Welcome New Board Member(s)
			✓									New Board Member(s) Onboarding
			✓									Officer Election (President, Chair, Vice Chair, Secretary, Treasurer & others, as determined)
			✓									Bank Account Signature Card
												DCOA Insurance Coverage

FY 2023 DCOA Governance Schedule

2022			2023									
Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Governance: Reports of Activity
✓												Partners Written Reports of Activity for activity from April 1, 2022 - September 30, 2022 due October 15, 2022
												Partner Written Reports of Activity for activity from October 1, 2022 - March 31, 2023 due April 15, 2023
	✓											Report of Activity from Partners

Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Governance: Annual Approvals
	✓											Annual Consideration and Commission for a Financial Audit
												Review and adopt a written resolution approving the DCOA Investment Policy, Investment Strategy, and Procedures for Operation of the Investment Program (annually)
						✓						Financial Audit Prepared by 3rd Party Auditor
						✓						Financial Audit Presented to Board
						✓						Submit Required Report (Local Gov. Code 502.151) to Comptroller by April 1, 2023
												Annual Budget Request from Partners due June 1, 2023
												Annual Budget to Board (sixty days prior to start of next fiscal year: August 1, 2023)
												Staffing/Staff Evaluation (Staff Potential Conflicts of Interest)
												New Fiscal Year Contracts for Partners

Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Project & Properties Review on Demand
	✓	✓	✓	✓	✓	✓						Properties (as needed)
	✓	✓	✓	✓	✓	✓						Projects (as needed)
	✓	✓	✓	✓	✓	✓						Board Approval of Expenditures Over \$50,000 (as required)
			✓									● Benchmark Comparisons

Rev. 03/31/23

**BOARD MEETING MINUTES
MARCH 1, 2023**

DEVELOPMENT CORPORATION OF ABILENE, INC.
BOARD MEETING MINUTES
MARCH 1, 2023

MEMBERS PRESENT:	Sam Vinson Floyd Miller	Vic Corley Tracy Howle	Shea Hall
STAFF PRESENT:	Misty Mayo Brock New Rick Jones	Julie Johncox Ashley Whitmer Evan Steele	Regi McCabe-Gossett Akane Thaxton Sevie Schonerstedt
GUESTS PRESENT:	Chris Shelton, Officer Anderson,	McMahon Surovik Suttle, PC Abilene Marshal's Department	

1. **CALL THE MEETING TO ORDER:** Chair Sam Vinson called the meeting to order at 9:30 am and introduced all Board Members present.

2. **INVOCATION:** Chair Sam Vinson offered the invocation.

3. **PUBLIC COMMENT ON AGENDA ITEMS:** Chair Sam Vinson announced an opportunity for the public to comment on any of the agenda items. He further stated that there would be no votes or formal action taken during public comment, that this would allow members of the public to present ideas and information to the DCOA Board and staff pertaining to the items on the agenda, and that if there was anyone who would like to make a public comment, to please state their name and address. No members of the public requested to make public comment. Thus, Vice Chair Sam Vinson moved on to Agenda Item 4.

4. **GOVERNANCE SCHEDULE:** President & CEO Misty Mayo stated that the governance schedule for Fiscal Year 2023 is in the packet. The governance schedule is a tool that ensures the DCOA is operating on schedule, and it can be amended as needed. The DCOA is currently on schedule with both the governance schedule and strategic plan.

5. **APPROVAL OF MINUTES FROM THE JANUARY 27, 2023 BOARD MEETING:** Floyd Miller moved to approve the Minutes from the January 27, 2023 Board Meeting. Shea Hall seconded, and the motion passed.

6. **DCOA FINANCIAL REPORT FOR JANUARY 2023 AND QUARTERLY SALES TAX REPORT:** Regi McCabe-Gossett, DCOA Controller, presented the Financial Report for January 2023. As of January 31, 2023, the DCOA's year-to-date total operating revenue was \$6,087,154, and cash at the end of the period was \$27,564,870. The DCOA's total assets were \$78,218,513, and the DCOA's total liabilities were \$329,375.

Regi McCabe-Gossett presented the Sales Tax Report for February 2023 as reported by the City of Abilene. The sales tax rebate for February is \$1,597,138, which represents December 2022 sales. The year-to-date sales tax rebate was 7.01% above last year and 0.0% above the budgeted amount. Regi McCabe-Gossett also presented a comparison of Abilene's sales tax compared to peer cities that were identified in studies conducted by Site Selection Group.

7. **EXECUTIVE SESSION:** Chair Sam Vinson stated: I hereby announce we are going into Executive Session pursuant to Texas Government Code Sections 551.071, .072, .074, and .087 to consult with legal counsel, discuss real property transactions, personnel matters, and discuss economic

development negotiations involving a business prospect, as set forth on the Agenda, and that any vote or action will be taken in open session.

Chair Sam Vinson announced the date is March 1, 2023, and the time is 9:55 am. Later, Chair Sam Vinson announced the date is still March 1, 2023, and the time is 10:47 am, and that no vote or action was taken in Executive Session.

8. REPORT FROM THE PRESIDENT AND CEO: President & CEO Misty Mayo provided a report on the DCOA's initiatives regarding the DCOA's Strategic Plan Initiatives.

Business Retention & Expansion Initiatives

Strategy – Establish a sustainable system for identifying, researching, and engaging existing Type A businesses.

- 4 Business Retention & Expansion meetings with existing Type A companies regarding future expansion plans

Strategy – Develop programs to support the growth of existing businesses.

- Developed new video for companies to utilize in recruiting talent to Abilene
- 4 Business Retention & Expansion meetings with existing Type A companies regarding workforce training needs
- 1 Appraisal completed of the facilities owned by the DCOA at the Abilene Regional Airport (Ricondo commissioned by DCOA to complete appraisal)

Business Attraction Initiatives

Strategy – Commission a competitive analysis and target industry study to prepare research that evaluates the DCOA's resource capabilities and identifies prospect industries aligned with those resources.

- Compiled additional information for extensive analysis of Abilene's competitiveness (DCOA commissioned Site Selection Group to conduct Competitive Analysis & Target Industry Study)

Strategy – Utilize and expand data & software assets to perform next-level, competitive business retention and expansion, business development, promotion, and marketing operations.

- Added new Business Analyst as a blended position with Business Retention and Expansion to perform in-depth analysis of current data resources and identify gaps in data for competitiveness

Strategy – Implement systems that identify and engage targeted prospects, manage their interactions with the DCOA and lead them to an Abilene location decision.

- DCOA commissioned the Perryman Group to perform an audit of how the DCOA models economic impact of projects
 - “Our assessment indicates that the current approach used by the DCOA offers an appropriate mechanism for initial evaluation of potential projects.”
 - “To the extent that the purchases by the businesses result in taxable sales, the approach that the DCOA uses is conservative.”
- 3 prospects requested additional information about Abilene – 2 international companies and 1 U.S.-based company
 - After receiving the DCOA's response to their request for information submitted through the Governor's Office of Economic Development & Tourism
- 4 Marketing Missions
 - Consultant Connect Summit
 - Medical Design & Manufacturing West Tradeshow
 - Texas Economic Development Council Legislative Conference
 - International Economic Development Council Leadership Summit

Marketing & Brand Management Initiatives

Strategy – Identify and develop resources needed to draw prospect interest and confirm the appropriateness of an Abilene location.

- Worked with Flyer View Group to develop new wall maps that market Abilene’s location & local assets
- Contracted with REsimplifi to compile and market Abilene’s real estate assets on DevelopAbilene.com
- FY 2022 Annual Report live on DevelopAbilene.com

Strategy – Promote existing growth to leverage positive messages for workforce, business retention and expansion, and business attraction.

- Developed new promotional videos highlighting Abilene’s location, assets, and recent successes
- President & CEO Misty Mayo presented at Abilene Realtors Association (strategic discussions on the DCOA’s recent successes and strategic plan)
- Leveraged 2022 Deal of the Year Impact Award for Renewable Energy and 2022 CiCi Award for Corporate Investment to garner further interest in Abilene through Salesforce email marketing
- Intentional Advertising Partners – Texas Tech Techsan, Texas Monthly, Expansion Solutions Magazine, Site Selection Magazine, Area Development, Elite Reports with Newsweek, Business Facilities, Abilene Reporter News
- Advertising Impressions
 - Over 3.1 million current subscribers to our intentional advertising partners
 - 50 states represented
 - Over 100 million impressions generated from print efforts

Strategy – Utilize proactive marketing to implement organizational and industry marketing, and state, national, and international outreach efforts.

- 100% of DCOA Team involved in Texas Economic Development Council (President & CEO Misty Mayo serves as Treasurer & Investment Committee Chair)

Workforce Development Initiatives

Strategy – Implement programs to sustain and enhance the skills and capabilities of the regional workforce aligned with targeted industries.

- DCOA Commissioned Crescendo Consulting Group to conduct a Childcare Study to define Abilene’s main childcare issues our local Type A businesses face
 - Promoted childcare needs assessment survey through social media and Salesforce email marketing
 - 500+ responses to online community survey
 - 50 companies and organizations represented in study
 - 105 people in attendance at 12 focus groups over 3 days
 - 26 people interviewed through 22 virtual interviews

Strategy – Further enhance and invest in education and training with educational partners, including an emphasis on exiting Dyess Airmen.

- \$13,000 matching grant from DCOA to fund equipment for Wylie ISD’s Construction and Electrical Program
 - 93 students enrolled in the Construction and Electrical program in it’s inaugural year
 - Current NEXTU Program of Study offered at Wylie ISD
 - Funds will fully equip the new construction and electrical shop at Wylie ISD
 - Provides hands-on, job ready experience for students
- Complete NEXTU Micro-Internship
 - 4 students from Abilene ISD & Wylie ISD (2 winning teams from the NEXTU Brand Competition)
 - Month-long micro-internship working alongside industry professionals to complete project
 - Produced new logo and brand book for NEXTU Program

Real Estate Initiatives

Strategy – Analyze and evaluate costs and benefits of all DCOA properties to determine the best use for each property and formulate plans to implement.

- Completed necessary concrete repairs to DCOA-owned Hangar 2 leased by Eagle Aviation Services, Inc.
- Launched project to upgrade and expand the fire road serving Building C/D and contiguous properties at Five Points Business Park
- Completed Blue Cross Blue Shield parking lot project as part of the new contract and retention project with Blue Cross Blue Shield
- Completed appraisal of property at Loop 322 and Industrial Boulevard. Completed appraisal of the facilities owned by the DCOA at the Abilene Regional Airports

Effective Operations Initiatives

Strategy – Employ systems to ensure engagement of qualified and dedicated Staff and Board Members to ensure their contributions through effective training and education.

- 1 Team Member completed Economic Development Ethics Workshop through International Economic Development Council

Strategy – Manage engagement of Partners to deliver aspects of the DCOA’s comprehensive responsibilities.

- Update NEXTU reporting system to build a comprehensive and historical database for the program

President & CEO Misty Mayo presented Resolution DCOA-2023.11, approving expenditures greater than or equal to \$50,000 for approval. Shea Hall made a motion to approve Resolution DCOA-2023.11, approving expenditures greater than or equal to \$50,000. Floyd Miller seconded, and the motion passed.

9. DISCUSSION AND POSSIBLE APPROVAL OF A RESOLUTION APPROVING AGREEMENTS WITH ATMOS ENERGY CORPORATION TO GRANT EASEMENTS ON PROPERTY IN NORTHWEST ABILENE:

President & CEO Misty Mayo presented Resolution DCOA-2023.12, amending and restating the DCOA’s previous authorizations to grant an easement to Atmos Energy Corporation. The Resolution authorizes and approves of the grant of (i) the Pipeline Easement (including the real property set forth in the Resolution) and (ii) the aboveground easement (including the real property set forth in the Resolution) to Atmos Energy Corporation.

Tracy Howle made a motion to approve the Resolution DCOA-2023.12, amending and restating the DCOA’s previous authorizations to grant an easement to Atmos Energy Corporation. Shea Hall seconded, and the motion passed.

10. DISCUSSION AND POSSIBLE APPROVAL OF A RESOLUTION AWARDING A BID FOR IMPROVEMENTS TO BUILDING C AT 1121 FULWILER RD., ABILENE, TAYLOR COUNTY, TEXAS AND LOCATED IN FIVE POINTS BUSINESS PARK:

President & CEO Misty Mayo presented Resolution DCOA-2023.13, authorizing the award of a bid for improvements to Building C. The improvements will allow Building C to accommodate semi-trucks on the west and north side of the building and box trucks on the east side of the building. President & CEO Misty Mayo explained the bids were solicited in accordance with the DCOA’s Construction Procurement Policy. Each contractor’s bid was evaluated and scored in accordance with the DCOA’s Construction Procurement Policy and the highest ranking contractor is Bontke Brothers Construction.

Vic Corley made a motion to approve Resolution DCOA-2023.13, authorizing the award of a bid to Bontke Brothers Construction for the Improvements in the amount \$1,624,775.00. Tracy Howle seconded, and the motion passed.

11. DISCUSSION AND POSSIBLE APPROVAL OF A RESOLUTION AMENDING AND RESTATING THE DCOA'S PREVIOUS AUTHORIZATION OF AN INCENTIVE FOR PROJECT BONANZA: President & CEO Misty Mayo presented Resolution DCOA-2023.14, amending and restating the DCOA's previous authorization of an incentive, including a contract for the lease of real property and the sale of real property, for Project Bonanza. Project Bonanza is a business attraction project who is expanding their operations into Abilene. The Company and the DCOA have determined that 718 Polaris Drive in Five Points Business Park is suitable for the expansion project. In order to expedite Project Bonanza's expansion into Abilene, the DCOA desires to lease real property and approximately 71,000 square feet of a building located at 1121 Fulwiler Road for an initial term of 27 months with an annual base rent of \$10 per year with an option for 2 renewal terms of 1 year each at a monthly base rent of \$45,000. Project Bonanza projects, over a 7-year period, a capital investment of \$42,500,000, and to employ 175 full time employees (FTEs).

The DCOA estimates the value of the land, leased property, and other betterments and improvements to be received by the Company to be \$2,168,250. As part of the sale of the land to the Company, the DCOA may purchase an Owner's Policy of Title Insurance covering the land at a cost of up to \$4,278.58 and pay other ordinary closing costs related to the sale of the land to Project Bonanza.

The Resolution authorizes an incentive package for Project Bonanza in an amount not to exceed \$8,483,250, \$2,168,250 of which will be distributed as the in-kind incentive and \$6,315,000 of which will be distributed to the Company as a cash incentive in exchange for the Company's creation of at least 175 FTEs by the end of a 7-year period. The incentive package will be funded at up to 19.96% of the Company's actual capital investment for the completion of the Company's facility. The Resolution also authorizes (i) the sale of land to the Company; (ii) the lease of the leased property to the Company for the term(s) and at the base rent set forth in the Resolution; and (iii) the payment of all closing costs related to the sale of the land to the Company.

Floyd Miller made a motion to approve Resolution DCOA-2023.14, amending and restating the DCOA's previous authorization of an incentive, including a contract for the lease of real property and the sale of real property, for Project Bonanza. Shea Hall seconded, and the motion passed.

12. DISCUSSION OF THE NEXT BOARD MEETING DATE: Board Members considered dates for the next meeting, and Chair Sam Vinson announced that the next scheduled meeting of the DCOA Board of Directors is tentatively scheduled for April 4, 2023, at 1:30 pm.

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

Sam Vinson, Chair

Shea Hall, Secretary & Treasurer

FINANCIAL REPORT FEBRUARY 2023

Development Corporation of Abilene, Inc.

Statement of Net Position

As of February 28, 2023

Unaudited

	FY23 February 28, 2023	FY22 February 28, 2022
ASSETS		
Current Assets		
Cash & Cash Equivalents		
Cash	\$ 9,259,797	\$ 27,068,111
Investments	\$ 19,876,808	\$ -
Total Cash & Cash Equivalents	\$ 29,136,605	\$ 27,068,111
Other Current Assets		
Accounts Receivable	\$ 2,688,801	\$ 2,677,536
Interest Receivable on Investments	\$ 90,945	\$ -
Prepaid Expenses	\$ 181,180	\$ 210,049
Total Other Current Assets	\$ 2,960,926	\$ 2,887,585
Total Current Assets	\$ 32,097,530	\$ 29,955,696
Fixed Assets		
Land	\$ 2,715,874	\$ 2,715,874
Construction in Progress	\$ -	\$ -
Building & Improvements	\$ 25,311,780	\$ 25,230,356
Other Improvements	\$ 21,933,404	\$ 21,933,404
Machinery & Equipment	\$ 7,264	\$ 7,264
Vehicles	\$ 70,862	\$ 70,862
Total Accumulated Depreciation	\$ (16,137,745)	\$ (14,693,264)
Total Fixed Assets	\$ 33,901,439	\$ 35,264,497
Notes Receivable		
Notes Receivable - Earning Economic Incentives	\$ 7,435,188	\$ 12,202,158
Notes Receivable - BE in Abilene	\$ 255,417	\$ 425,000
Notes Receivable - Long Term	\$ 5,020,951	\$ 5,598,374
Accrued Interest on Notes Receivable	\$ 287,849	\$ 221,106
Allowance for Accrued Interest on Notes Receivable	\$ (287,849)	\$ (218,208)
Total Other Assets	\$ 12,711,556	\$ 18,228,431
TOTAL ASSETS	\$ 78,710,525	\$ 83,448,624
LIABILITIES & NET ASSETS		
Liabilities		
Current Liabilities		
Accounts Payable	\$ 235,167	\$ 185,438
Due to City of Abilene	\$ 14,035	\$ (622)
Payroll Liabilities	\$ 134,983	\$ 112,390
Total Liabilities	\$ 384,185	\$ 297,207
Net Assets		
Investment in Capital Assets	\$ 35,311,054	\$ 35,311,054
Unrestricted Net Assets	\$ 1,009,183	\$ (886,199)
Restricted Net Assets	\$ 50,251,608	\$ 54,597,907
Net Income	\$ (8,245,506)	\$ (5,871,345)
Total Net Assets	\$ 78,326,340	\$ 83,151,417
TOTAL LIABILITIES & NET ASSETS	\$ 78,710,525	\$ 83,448,624

Restricted Net Assets Detail - Contractual Obligations & Operating Expenses	
Contracted Economic Development Expenses	\$ 36,251,448
FY 24-28 City Street Maintenance (Approved; Not Contracted)	\$ 10,000,000
Mar-Sept '23 DCOA Operating Expenses	\$ 4,000,160
	\$ 50,251,608

Development Corporation of Abilene
Revenues, Expenses, and Changes in Net Position
February 28, 2023

Unaudited

	Feb '23	FY23 YTD Oct '22 - Feb '23	FY23 Annual Budget
OPERATING REVENUES			
Sales and Use Tax	\$ 1,597,138	\$ 6,515,595	\$ 14,623,392
Interest Revenues	\$ 2,577	\$ 70,907	\$ 19,600
Land and Building Leases	\$ 294,790	\$ 1,395,157	\$ 3,285,529
TOTAL OPERATING REVENUES	\$ 1,894,505	\$ 7,981,659	\$ 17,928,521
OPERATING EXPENSES			
* Total Economic Development Expenses (Multi Year)	\$ 681,395	\$ 13,394,589	
Workforce Development Initiatives	\$ 28,504	\$ 76,611	\$ 400,000
Business Retention & Expansion	\$ -	\$ 3,302	\$ 350,000
Abilene Industrial Foundation	\$ -	\$ 174,735	\$ 350,000
Small Business Development Center	\$ 11,825	\$ 47,200	\$ 253,000
Military Affairs Committee	\$ 23,643	\$ 97,312	\$ 437,000
Abilene Regional Airport Business Development	\$ 12,416	\$ 94,913	\$ 231,959
ACU Griggs Center	\$ -	\$ -	\$ 45,500
Asset Management and Administration	\$ 375,834	\$ 1,466,388	\$ 4,430,761
* Property Maintenance (Multi Year)	\$ 133,935	\$ 513,102	\$ 1,120,000
Depreciation Expense	\$ 120,294	\$ 600,452	
TOTAL OPERATING EXPENSES	\$ 1,387,847	\$ 16,468,604	\$ 7,618,220
NET OPERATING REVENUE	\$ 506,658	\$ (8,486,944)	\$ 10,310,302
NON OPERATING REVENUES			
Miscellaneous Revenue	\$ -	\$ 15,000	\$ -
Investment Earnings	\$ 45,312	\$ 227,471	\$ 109,780
Investment Unrealized Gain/loss	\$ (90,912)	\$ (1,033)	\$ -
Gain/Loss on Disposal of Asset	\$ -	\$ -	\$ -
TOTAL NON OPERATING REVENUES	\$ (45,600)	\$ 241,439	\$ 109,780
NON OPERATING EXPENSES			
Miscellaneous Expense	\$ -	\$ -	
TOTAL NON OPERATING EXPENSES	\$ -	\$ -	
NET NON OPERATING REVENUES	\$ (45,600)	\$ 241,439	
NET REVENUES	\$ 461,058	\$ (8,245,506)	\$ 10,420,082

* Includes approved multi year expenses.

Development Corporation of Abilene, Inc.
Statement of Cash Flow
February 2023
Unaudited

	FY23 YTD Feb '23
OPERATING ACTIVITIES	
Net Revenue	(\$8,245,506)
Adjustments to Reconcile Net Revenue to Net Cash Provided by Operations:	
Accounts Receivable	\$68,959
Current Portion of Notes Receivables	\$149,111
Purchase of Accrued Interest on Treasuries	(\$9,665)
Prepaid Expense/Escrow	\$283,794
Notes Receivables - Earning Economic Incentives	\$75,000
Accounts Payable	(\$563,234)
	(\$8,241,540)
INVESTING ACTIVITIES	
Construction in Progress	\$40,712
Building & Improvements	(\$81,424)
Accumulated Depreciation	\$600,452
Notes Receivables	\$5,285,075
	\$5,844,815
Net Cash Increase for Period	(\$2,396,725)
Cash at Beginning of Period	\$31,533,330
Cash at End of Period	\$29,136,605

Development Corporation of Abilene, Inc.
Economic Development Program Status
February 28, 2023

FY23 Economic Development Project Activity for Multi Year Contracts

Multi Year Capital Improvement Projects & Contracts	Project Budget Amount	Prior Years Spend	Current YTD FY23 Spend	Balance Reserved	Project Completed?
City Street Maintenance Fund 2019	8,500,000	4,958,150	-	3,541,850	
EASI De-Fuel Truck 2015	222,500	212,750	9,750	-	Yes
Great Lakes Cheese Incentive 2021	30,000,000	8,000,000	8,000,000	14,000,000	
Great Lakes Cheese Land & Infrastructure 2021	3,300,000	2,659,653	-	-	Yes
Workforce Development Initiatives - NEXTU FY 2023	100,000	-	44,513	55,487	
Marigold & Fulwiler St. Upgrade/EDA Grant Match 2021	1,614,155	152,986	-	1,461,169	
United Ag & Turf (Quality Implement) 2021	500,000	250,000	50,000	200,000	
BCBS Parking Lot 2022	273,201	136,601	136,601	-	Yes
Lancium 2021	2,500,000	-	-	2,500,000	
BWJ Metalworks 2022	100,000	-	50,000	50,000	
ACU Next Lab 2021	2,930,000	-	-	2,930,000	
Hendrick Medical Center Operations Center 2021	1,540,000	-	-	1,540,000	
Dyess AFB DEAAG/Matching Grant 2021	536,337	527,045	-	9,292	
TSTC New Abilene Campus 2017	4,000,000	1,779,600	-	2,220,400	
TOTAL Multi Year Capital Projects	\$ 56,116,193	\$ 18,676,784	\$ 8,290,864	\$ 28,508,198	

Multi Year Economic Incentives Principal Reductions*	Economic Incentive Budget	Prior Years Expensed	Current YTD FY23 Expense	Remaining Economic Incentive Budget	Contract Completed?
BE in Abilene 2018	\$ 200,000	\$ 125,000	\$ 75,000	\$ -	Yes
BE in Abilene 2019	200,000	50,000	25,000	125,000	
BE in Abilene 2020	250,000	116,667	-	133,333	
Primal Pet Group 2015	9,500,000	4,002,432	5,497,568	-	Yes
Broadwind Towers 2016	570,628	456,503	114,126	-	Yes
FDLIC 2020	1,035,000	258,750	-	776,250	
Hartmann's 2020	900,000	-	-	900,000	
Abimar Foods 2020	2,000,000	666,667	666,667	666,667	
Primal Pet Group 2021	3,160,000	-	-	3,160,000	
Bavarian - Extrusion Concepts 2020	400,000	-	80,000	320,000	
Chike Next Level Blending 2020	387,000	-	-	387,000	
Primal Pet Group 2022	1,372,988	-	172,988	1,200,000	
Vista Flags 2021	60,000	20,000	20,000	20,000	
TOTAL Multi Year Economic Incentive Principal Reduction Earned	\$ 20,035,616	\$ 5,696,018	\$ 6,651,348	\$ 7,688,250	

**These incentives are expensed as Principal Reductions based on client's contractual compliance reports.*

APPROVED PROJECTS - NOT STARTED:

	Amount Reserved
JLUS Implementation/Matching Grant (Fall 2023)	\$ 55,000
TOTAL PENDING SIGNED CONTRACTS	\$ 55,000

AUDIT REPORT FISCAL YEAR 2022



14241 Dallas Parkway, Suite 1100 / Dallas, TX 75254

P 972.702.8262 / F 972.702.0673

forvis.com

Independent Auditor's Report

The Board of Directors
The Development Corporation of Abilene
Abilene, Texas

Opinions

We have audited the financial statements of the governmental activities and the major fund of the Development Corporation of Abilene (DCOA), a component unit of the City of Abilene, Texas (City) as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the DCOA's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of the DCOA as of September 30, 2022, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are required to be independent of the DCOA, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

As discussed in *Notes 1 and 3* to the financial statements, in fiscal year 2022, the DCOA adopted Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the DCOA's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the DCOA's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the DCOA's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison schedule as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

FORVIS, LLP

**Dallas, Texas
March 24, 2023**

REPORT FROM THE PRESIDENT AND CEO

VISION

The Vision of the Development Corporation of Abilene is to build the future Abilene.



MISSION

The Mission of the Development Corporation of Abilene is to lead economic growth in Abilene by attracting and sustaining industries that support job creation, foster strong business, and ensure a prosperous community.

BUSINESS RETENTION AND EXPANSION

Influence business growth in the community.

Create a culture that engages existing targeted-industry businesses as the catalyst for sustaining and growing our economic base.

BUSINESS ATTRACTION

Promote Abilene as the premier location for business.

Strengthen Abilene's competitive advantage by activating strategies that attract consistent and sustainable investment for the community.

MARKETING AND BRAND MANAGEMENT

Market the community aggressively and proactively.

Develop a robust marketing strategy for DevelopAbilene encompassing communication systems and strategic research to support all initiatives of the DCOA under a highly recognizable brand.

WORKFORCE DEVELOPMENT

Implement innovative workforce initiatives to support Type A Companies.

Initiate new innovative approaches to broaden workforce capacity, creating a sustainable pipeline of available workforce and support systems for existing and future Type A Companies.

REAL ESTATE

Prioritize real estate assets that spur Abilene's future growth.

Lead industry development initiatives and strategic projects that most effectively impact long-term economic development success.

EFFECTIVE OPERATIONS

Ensure effectiveness to continue long-term success and impact for Abilene in economic development.

Establish sustainable mission-critical operations that maximize the DCOA's effectiveness in implementing strategies aligned with the Mission.

BUSINESS RETENTION & EXPANSION STRATEGIES

- Establish a sustainable system for identifying, researching, and engaging existing Type A businesses.
- Develop programs to support the growth of existing businesses.
- Become a hub for creative and innovative business.



BUSINESS ATTRACTION STRATEGIES

- Implement systems that identify and engage targeted prospects, manage their interactions with us, and lead them to an Abilene location decision.
- Commission a competitive analysis and target industry study to prepare research that evaluates our resource capacities and identifies prospect industries aligned with those resources.
- Utilize and expand data & software assets to perform next-level, competitive business retention and expansion, business development, promotion, and marketing operations.

MARKETING AND BRAND MANAGEMENT STRATEGIES

- Identify and develop resources needed to draw prospect interest and confirm the appropriateness of an Abilene location.
- Utilize proactive marketing to implement organizational and industry marketing, and state, national, and international outreach efforts.
- Promote existing growth to leverage positive messages for workforce, business retention and expansion, and business attraction.

WORKFORCE DEVELOPMENT STRATEGIES

- Examine all aspects of the regional workforce and create an action summary to support the needs identified.
- Implement programs to sustain and enhance the skills and capabilities of the regional workforce aligned with targeted industries.
- Further enhance and invest in education and training with educational partners, including an emphasis on exiting Dyess Airmen.

REAL ESTATE STRATEGIES

- Implement a real-time sustainable system that identifies and inventories all aspects of available real estate potentially suitable for the needs of targeted prospects, including consideration of acquisition & expansion of existing assets and Industrial Parks.
- Analyze and evaluate costs and benefits of all DCOA properties to determine the best use for each property and formulate plans to implement.
- Plan for long-term opportunities related to economic development incentives, incentive zones, and emerging opportunities.
- Evaluate master plans for both Industrial Parks for updates and improvements.

EFFECTIVE OPERATIONS STRATEGIES

- Employ systems to ensure engagement of qualified and dedicated Staff and Board members to ensure their contributions through effective training and education.
- Manage engagement of Partners to help deliver aspects of the DCOA's comprehensive responsibilities.
- Implement best practices for policies and financial management systems to ensure future strategic projects are considered, as well as appropriate budgeting, monitoring, recording, and reporting of financial practices.

BUSINESS RETENTION & EXPANSION INITIATIVES

REPORT FROM PRESIDENT & CEO

March 1, 2023 – April 3, 2023



Ricondo completed appraisal of the DCOA-owned facilities at the Abilene Regional Airport (commissioned by the DCOA)

BUSINESS RETENTION & EXPANSION STRATEGY – *Develop programs to support the growth of existing businesses.*



The Perryman Group completed the evaluation of the economic impacts of the Abilene Regional Airport and Eagle Aviation Services, Inc. (EASI) as it relates to EASI's maintenance and repair operation

BUSINESS RETENTION & EXPANSION STRATEGY– *Develop programs to support the growth of existing businesses.*



Establish a sustainable system for identifying, researching, and engaging existing Type A businesses.

BUSINESS RETENTION & EXPANSION STRATEGY– *Establish a sustainable system for identifying, researching, and engaging existing Type A businesses.*

BUSINESS ATTRACTION INITIATIVES

REPORT FROM PRESIDENT & CEO

March 1, 2023 – April 3, 2023



Completed Phase 3 of Competitive Analysis

BUSINESS ATTRACTION STRATEGY – Commission a competitive analysis and target industry study to prepare research that evaluates our resource capabilities and identifies prospect industries aligned with those resources.



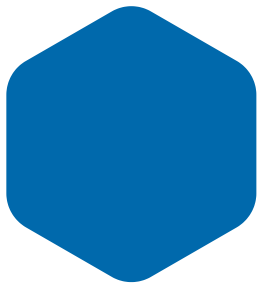
Announced 8th largest project in terms of capital investment in the DCOA's History – ABI Windows

BUSINESS ATTRACTION STRATEGY – Implement systems that identify and engage targeted prospects, manage their interactions with us, and lead them to an Abilene location decision.

MARKETING & BRAND MANAGEMENT INITIATIVES

REPORT FROM PRESIDENT & CEO

March 1, 2023 – April 3, 2023



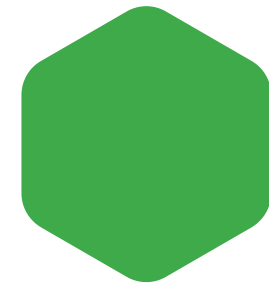
New aerial maps of Abilene completed by the DCOA

MARKETING & BRAND AWARENESS STRATEGY *Identify and develop resources needed to draw prospect interest and confirm the appropriateness of an Abilene location.*



Joined the International Dairy Foods Association to promote Abilene as the premier location for food manufacturing & leveraging membership through active participation at ice cream technology conference

MARKETING & BRAND AWARENESS STRATEGY *Utilize proactive marketing to implement organizational and industry marketing, and state, national, and international outreach efforts.*



Promoted the DCOA's success and strategies to 450+ stakeholders through Fiscal Year 2022 Annual Report campaign

MARKETING & BRAND AWARENESS STRATEGY *Promote existing growth to leverage positive messages for workforce, business retention and expansion, and business attraction.*

MARKETING & BRAND MANAGEMENT INITIATIVES

REPORT FROM PRESIDENT & CEO
March 1, 2023 – April 3, 2023

SOCIAL MEDIA UPDATE @DevelopAbilene

33 YEARS
of positive impact

FY 1989 - PRESENT

CONTRACTED CAPITAL INVESTMENT
\$3.3 BILLION

JOBS CREATED **8,421** JOBS RETAINED **9,437**

ABILITY IN ABILENE

We are pleased to welcome **Evan Steele** to the DCOA team as our Analyst | Business Retention & Expansion Manager.



ECONOMIC EXCELLENCE
DEVELOPED IN ABILENE

DevelopAbilene

PARTNERSHIPS BUILT TO LAST

BRIDGESTONE BANDAG ANNOUNCES \$60 MILLION INVESTMENT IN ABILENE

“Today we celebrate the growth and commitment of this plant and this community, with new investment and a physical expansion. Our company and our Abilene team have a vital role to play in the transformation of mobility brought forth by a desire of building greener retreats, while helping maximize fuel efficiency for fleets.”

Barry Owens
Senior Vice President
Bridgestone Americas Manufacturing Group



MARKETING & BRAND AWARENESS STRATEGY – Promote existing growth to leverage positive messages for workforce, business retention and expansion, and business attraction.

MARKETING & BRAND MANAGEMENT INITIATIVES

REPORT FROM PRESIDENT & CEO
March 1, 2023 – April 3, 2023

SOCIAL MEDIA UPDATE @DevelopAbilene



DevelopAbilene
DEVELOPMENT CORPORATION OF ABILENE

ABILENE'S FUTURE IS BRIGHT

VISION

The Vision of the Development Corporation of Abilene is to build the future Abilene.

MISSION

The Mission of the Development Corporation of Abilene is to lead economic growth in Abilene by attracting and sustaining industries that support job creation, foster strong business, and ensure a prosperous community.

DevelopAbilene
DEVELOPMENT CORPORATION OF ABILENE

ABI WINDOWS ANNOUNCES A \$42.5 MILLION PROJECT TO EXPAND INTO ABILENE, TEXAS

175
FULL-TIME
JOBS CREATED

\$858.2 MILLION
ESTIMATED 10-YEAR
ECONOMIC IMPACT

150,000
SQUARE FOOT
ABILENE FACILITY

THE DCOA COMMITS MATCHING GRANT
Supporting Wylie ISD's NEXTU Program

DevelopAbilene
DEVELOPMENT CORPORATION OF ABILENE

What Comes NEXT

Find out how cutting-edge research out of Abilene, Texas is poised to change the world for better >

DevelopAbilene
DEVELOPMENT CORPORATION OF ABILENE

SEE WHY THERE'S ABILITY IN ABILENE

DevelopAbilene
DEVELOPMENT CORPORATION OF ABILENE

MARKETING & BRAND AWARENESS STRATEGY – Promote existing growth to leverage positive messages for workforce, business retention and expansion, and business attraction.

MARKETING & BRAND MANAGEMENT INITIATIVES

REPORT FROM PRESIDENT & CEO
March 1, 2023 – April 3, 2023

SOCIAL MEDIA UPDATE @DevelopAbilene



DEVELOPABILENE.COM

PARTNERSHIPS BUILT TO LAST BROADWIND LAUNCHES \$3 MILLION PROJECT IN ABILENE

“We are proud to be a part of the Abilene community and enhance our company in Abilene, Texas. This technology and capacity enhancements are critical to Broadwind Heavy Fabrications' commitment to provide quality service.”

Dan Schueller
President,
Broadwind Heavy Fabrications



LEADING THE FIELD IN EVERY INDUSTRY



2
BUSINESS PARKS

1,000+
AVAILABLE ACRES

698,000+
SQUARE FEET OF INDUSTRIAL REAL ESTATE

ONLY 1
ABILENE, TEXAS



MARKETING & BRAND AWARENESS STRATEGY – Promote existing growth to leverage positive messages for workforce, business retention and expansion, and business attraction.

WORKFORCE DEVELOPMENT INITIATIVES

REPORT FROM PRESIDENT & CEO

March 1, 2023 – April 3, 2023



Presented \$13,000 match funding committed by the DCOA to fund equipment for the Construction & Electrical Program through the DCOA's NEXTU Program at Wylie ISD

REAL ESTATE INITIATIVES

REPORT FROM PRESIDENT & CEO

March 1, 2023 – April 3, 2023



Awarded bid to Bontke Brothers Construction (as outlined in the DCOA's Construction Procurement Policy) for the Building C Improvements Project

REAL ESTATE STRATEGY – Analyze and evaluate costs and benefits of all DCOA properties to determine the best use for each property and formulate plans to implement.



Completed installation of a new fire road and water crossing serving Building C/D and contiguous properties in Five Points Business Park

REAL ESTATE STRATEGY – Analyze and evaluate costs and benefits of all DCOA properties to determine the best use for each property and formulate plans to implement.



Launched Access Business Park Streetlights Project

REAL ESTATE STRATEGY – Evaluate master plans for both Industrial Parks for updates and improvements.



Updated fire hydrants on the Airport Fire Suppression Loop, Hangar 0, Hangar 1, and Hangar 3

REAL ESTATE STRATEGY – Implement a real-time sustainable system that identifies and inventories all real estate potentially suitable for the needs of targeted prospects, including consideration of acquisition & expansion of existing assets and Industrial Parks.

EFFECTIVE OPERATIONS INITIATIVES

REPORT FROM PRESIDENT & CEO

March 1, 2023 – April 3, 2023

Completed custom reporting software system for NEXTU Program to improve data gathering and reporting

EFFECTIVE OPERATIONS STRATEGY –
Manage engagement of Partners to deliver aspects of the DCOA's comprehensive responsibilities.

Completed Fiscal Year 2022 audit and received a clean opinion

EFFECTIVE OPERATIONS STRATEGY –
Implement best practices for policies and financial management systems to ensure future strategic projects are considered, as well as appropriate budgeting, monitoring, recording, and reporting of financial practices.

Implemented the new lease accounting standard (GASB 87) as required by Governmental Accounting Standards Board (GASB)

EFFECTIVE OPERATIONS STRATEGY – Implement best practices for policies and financial management systems to ensure future strategic projects are considered, as well as appropriate budgeting, monitoring, recording, and reporting of financial practices.

EFFECTIVE OPERATIONS STRATEGY

Employ systems to ensure engagement of qualified and dedicated Staff and Board members to ensure their contributions through effective training and education.

- **DCOA Team Retreat to have strategic discussions regarding the DCOA's Strategic Plan and how it aligns with the DCOA's vision and mission**
- **1 Team Member completed the Economic Development Credit Analysis and Finance course through International Economic Development Council**
- **1 Webinar on Texas Access to Capital Update through Texas Economic Development Council**
- **All Board Members trained in Open Meetings Act & Public Information Act with completion of classes by new board member, Tracy Howle**

RESOLUTION NO. DCOA-2023.16

A RESOLUTION OF THE DEVELOPMENT CORPORATION OF ABILENE, INC. (“DCOA”) APPROVING EXPENDITURES GREATER THAN OR EQUAL TO \$50,000.

WHEREAS, the DCOA’s President (“President”) has provided a report of upcoming DCOA expenditures, each of which are expected to be greater than or equal to \$50,000 (the “Report”).

NOW THEREFORE, BE IT RESOLVED BY THE DEVELOPMENT CORPORATION OF ABILENE, INC., ABILENE, TEXAS, THAT:

PART 1. Each expenditure described in the Report is hereby approved and the President shall be and hereby is authorized to make and/or contract for each expenditure described in the Report.

The President is further authorized to, if necessary, on behalf of the DCOA, negotiate, enter into and execute all agreements, make expenditures under said agreements, and to take any steps necessary which are consistent with and necessary to effectuate the actions outlined above.

PART 2. This Resolution takes effect immediately upon passage.

ADOPTED this the 4th day of April, 2023.

ATTEST:

Shea Hall
Secretary/Treasurer

Sam Vinson
Chairman of the Board

APPROVED AS TO FORM:

Chris Shelton, Attorney at Law

EXPENDITURES OVER \$50,000

REPORT FROM PRESIDENT & CEO

VENDOR	CONTRACT AMOUNT	DETAILS
City of Abilene	\$1,088,857.77	Fiscal Year 2022 Street Maintenance Expense for East North 10 th (from Almond Street to Loop 322) <i>Project Approved by Resolution in January 2021</i>

**RESOLUTION ACKNOWLEDGING
COMPLETION OF THE DCOA'S
ANNUAL REVIEW OF THE
INVESTMENT POLICY,
INVESTMENT STRATEGY, AND
DIVERSIFICATION STRATEGIES AND
GUIDELINES**

RESOLUTION NO. DCOA-2023.15

A RESOLUTION OF THE DEVELOPMENT CORPORATION OF ABILENE, INC. (“DCOA”), ACKNOWLEDGING COMPLETION OF ITS ANNUAL REVIEW AND/OR ADOPTION OF THE INVESTMENT POLICY, INVESTMENT STRATEGY, AND DIVERSIFICATION STRATEGIES AND GUIDELINES.

WHEREAS, as set forth in the DCOA’s Investment Policy, the DCOA has completed its annual review of the Investment Policy and the Investment Strategy (as defined in the Investment Policy) and after completing its review, the DCOA desires to approve and adopt the Investment Strategy attached hereto as **Exhibit A** and fully incorporated herein, and there will not be any changes to the Amended and Restated Investment Policy adopted on January 27, 2022 by DCOA Resolution no. DCOA-2022.09; and,

WHEREAS, as set forth in the DCOA’s Investment Policy, the DCOA has completed its annual review of its diversification strategies and establishes the guidelines attached hereto as **Exhibit B** and fully incorporated herein.

NOW THEREFORE, BE IT RESOLVED BY THE DEVELOPMENT CORPORATION OF ABILENE, INC., ABILENE, TEXAS, THAT:

- PART 1.** The DCOA has completed its annual review of the Investment Policy and the Investment Strategy (as defined in the Investment Policy) and the DCOA hereby approves and adopts the Investment Strategy on **Exhibit A**.
- PART 2.** The DCOA hereby approves and adopts the diversification strategies and the guidelines on **Exhibit B**.
- PART 3.** This Resolution takes effect immediately upon passage.

ADOPTED this the 4th day of April, 2023.

ATTEST:

Shea Hall
Secretary/Treasurer

Sam Vinson
Chairman of the Board

APPROVED AS TO FORM:

Chris Shelton, Attorney at Law

**INVESTMENT STRATEGY
FOR
DEVELOPMENT CORP OF ABILENE AGENCY
Account No. 19-002634**

A. BACKGROUND

The investment strategy outlined below represents an expansion and clarification of the Investment Strategy agreed at the formation of the cash management agency account owned by the Development Corporation of Abilene, Inc. (“Owner”) and identified as Account Number 19-002634 (“Account”) with First Financial Trust and Asset Management Company, N.A. (“FFTAM”). This Investment Strategy replaces any prior investment strategy.

B. OBJECTIVES

The objective of the Account is to:

1. Preserve and protect principal.
2. Maintain desired level of liquidity by matching investment maturities with forecasted cash flow requirements while creating reinvestment flexibility and a predictable cash flow.
3. Maximize risk-adjusted return while seeking current income via a laddered portfolio which minimizes the uncertainty of future rate changes.

C. INVESTMENT CHOICE

The specific investment strategy suggested for the Account is a U.S. Treasury Ladder (“UST Ladder”). The UST Ladder strategy contemplates a portfolio comprised exclusively of U.S. Treasury securities, which are direct obligations of the U.S. government. The strategy seeks to provide a guaranteed income and regular maturities by building an equally-weighted portfolio of U.S. Treasury securities based on a designated maturity range that are intended to be held until maturity. By staggering the maturities, Owner seeks to reduce risk and improve returns, while also creating reinvestment flexibility, a predictable cash flow, and a desired level of liquidity. The strategy seeks to eliminate the guesswork from predicting future rate changes, yet offers a partial hedge to future rising rates.

D. INVESTMENT PROCESS

1. Build a ladder composed of U.S. Treasury securities based on Owner’s designated maturity range.
2. Monitor portfolio positions without any active trading unless otherwise directed by Owner after considering cash flow needs.

3. Maintain designated maturity of the ladder by purchasing new U.S. Treasury securities at the longest available maturity in the range to replace those that mature or are sold as they reach the minimum maturity.

E. INVESTMENT AMOUNT AND ALLOCATION

1. The Account will be funded with an initial amount of \$19,900,000 (“Funds”).

2. Not less than \$5,000,000 of the Funds will be held as a cash reserve which will be invested in FFTAM’s institutional government money market fund and will not be subject to investment in the UST Ladder.

3. The remainder of the Funds will be invested in the UST Ladder with a maturity range of 6 months to 3 years and a maximum position exposure of 5.0%. The initial investment structure of the UST Ladder will be as follows:

Issue	S&P Rating	Amount	% of Portfolio	Maturity	Years to Maturity / Avg. Life	Yield to Maturity	Pick Up to Cash
Cash		\$ 2,416,216	16%		0.00	0.66%	0.00%
UST	AA+	\$ 402,703	3%	11/30/2022	0.48	1.56%	0.90%
UST	AA+	\$ 402,703	3%	12/31/2022	0.56	1.74%	1.08%
UST	AA+	\$ 402,703	3%	01/31/2023	0.65	1.85%	1.19%
UST	AA+	\$ 402,703	3%	02/28/2023	0.73	2.00%	1.34%
UST	AA+	\$ 402,703	3%	03/31/2023	0.81	2.13%	1.47%
UST	AA+	\$ 402,703	3%	04/30/2023	0.89	2.23%	1.57%
UST	AA+	\$ 402,703	3%	05/31/2023	0.98	2.29%	1.63%
UST	AA+	\$ 402,703	3%	06/30/2023	1.06	2.33%	1.67%
UST	AA+	\$ 402,703	3%	07/31/2023	1.15	2.37%	1.71%
UST	AA+	\$ 402,703	3%	08/31/2023	1.23	2.42%	1.76%
UST	AA+	\$ 402,703	3%	09/30/2023	1.31	2.46%	1.80%
UST	AA+	\$ 402,703	3%	10/31/2023	1.40	2.50%	1.84%
UST	AA+	\$ 402,703	3%	11/30/2023	1.48	2.54%	1.88%
UST	AA+	\$ 402,703	3%	12/31/2023	1.56	2.56%	1.90%
UST	AA+	\$ 402,703	3%	01/31/2024	1.65	2.63%	1.97%
UST	AA+	\$ 402,703	3%	02/29/2024	1.73	2.62%	1.96%
UST	AA+	\$ 402,703	3%	03/31/2024	1.81	2.69%	2.03%
UST	AA+	\$ 402,703	3%	04/30/2024	1.90	2.73%	2.07%
UST	AA+	\$ 402,703	3%	05/31/2024	1.98	2.75%	2.09%
UST	AA+	\$ 402,703	3%	06/30/2024	2.06	2.73%	2.07%
UST	AA+	\$ 402,703	3%	07/31/2024	2.15	2.75%	2.09%
UST	AA+	\$ 402,703	3%	08/31/2024	2.23	2.77%	2.11%
UST	AA+	\$ 402,703	3%	09/30/2024	2.32	2.81%	2.15%
UST	AA+	\$ 402,703	3%	10/31/2024	2.40	2.83%	2.17%
UST	AA+	\$ 402,703	3%	11/30/2024	2.48	2.86%	2.20%

Exhibit A

UST	AA+	\$	402,703	3%	12/31/2024	2.57	2.87%	2.21%
UST	AA+	\$	402,703	3%	01/31/2025	2.65	2.90%	2.24%
UST	AA+	\$	402,703	3%	02/28/2025	2.73	2.90%	2.24%
UST	AA+	\$	402,703	3%	03/31/2025	2.81	2.90%	2.24%
UST	AA+	\$	402,703	3%	04/30/2025	2.90	2.93%	2.27%
UST	AA+	\$	402,703	3%	05/31/2025	2.98	2.93%	2.27%

4. The remaining cash shown in the above table will be used to purchase new U.S. Treasury securities in the UST Ladder at the longest available maturity in the range until the securities at the shortest maturity in the range mature. When the remaining cash in the UST Ladder has been invested down, new U.S. Treasury securities will be purchased at the longest available maturity in the range to replace those that mature or are sold as they reach the minimum maturity.

Development Corporation of Abilene Practices & Procedures for the Operation of the Investment Committee

1. Overview

- a. The purposes of the practices and procedures for the operation of the investment account for the Development Corporation of Abilene (DCOA) is to establish internal controls to safeguard the DCOA and Investment Officers, and to establish standard operating procedures.

2. Management operations performed by DCOA Investment Officers

- a. Review of the cash position and any maturing investments during committee meetings.
- b. Maintenance of investment bookkeeping and accounting entries with reconciliation of accounting records.
- c. Keep documents related to each investment transaction with the monthly bank statements that correspond with the transaction date.

3. Execution of investment transactions

- a. The CEO and/or EVP/COO are authorized to *initiate and approve* an investment transaction; as well as *initiate and approve* a wire transfer of investment funds.
- b. Investment Officers are authorized to initiate an investment transaction and wire transfer of investment funds, *with the written approval* of the CEO and/or EVP/COO.

4. Overall portfolio management

- a. DCOA Investment Officers will follow the Governance Schedule outlined and meet quarterly.
- b. DCOA Investment Officers will review the investment portfolio during committee meetings and recommend any changes to portfolio and/or Investment Committee. Such changes will be voted on at committee meetings. Updates will be provided to the DCOA board of directors quarterly.
- c. The Investment Committee will meet on a quarterly basis to discuss such topics as economic outlook, investment strategies, portfolio diversification, maturity structure, potential risk of the DCOA's funds, evaluation and authorization of broker/dealers, portfolio's rate of return, and compliance with the investment policy.

5. Investment Reporting

- a. The Controller, and/or Investment Officers will prepare a quarterly investment report that is provided to the DCOA Board of Directors and Investment Committee, as required by the DCOA's investment policy. The report will be distributed at regularly scheduled board meetings. The investment report may be prepared and given on a more frequent basis.
- b. The DCOA Board of Directors or Investment Committee may, at any time, request the investment report be generated and presented.

Presented & Approved: _____

Authorized Signature: _____

DCOA BUDGET FISCAL YEAR 2024

PROPOSED – FY 2023 BUDGET ADJUSTMENT

HIGHLIGHTS

Salaries (Line 5) \$ 169,602

Inflation has been near 7%.

Employee Benefits (Line 6) \$ 24,312

Total FY23 Proposed Change in Budget \$ 185,754

PROPOSED – FY 2023 BUDGET ADJUSTMENT

FY 2023 Budget Adjustment PROPOSED

	Budget Item Description	FY 2023 Budget	Proposed FY 2023 Adjusted Budget	\$ Change Compared to FY 2023 Budget	% Change Compared to FY 2023 Budget
1	Investment & Interest Income	129,380	129,380	-	0.0%
2	Lease Revenue	3,285,529	3,285,529	-	0.0%
3	Sales Tax Revenue	14,623,392	14,623,392	-	0.0%
4	Total Revenue	18,038,301	18,038,301	-	0.0%

	Budget Item Description	FY 2023 Budget	Proposed FY 2023 Adjusted Budget	\$ Change Compared to FY 2023 Budget	% Change Compared to FY 2023 Budget
5	Salaries	1,125,227	1,294,829	169,602	15.1%
6	Employee Benefits	271,621	287,773	16,152	5.9%
7	Insurance	630,027	630,027	-	0.0%
8	IT Management, Software, & Hardware	150,000	150,000	-	0.0%
9	Marketing & Brand Management	1,462,339	1,462,339	-	0.0%
10	Other	25,000	25,000	-	0.0%
11	Office Furniture, Equipment, and Supplies	112,000	112,000	-	0.0%
12	Employee Growth & Development	100,000	100,000	-	0.0%
13	Professional Fees	400,000	400,000	-	0.0%
14	Facilities & Land Management	1,129,800	1,129,800	-	0.0%
15	Property Taxes	15,000	15,000	-	0.0%
16	Travel	50,000	50,000	-	0.0%
17	Utilities	79,747	79,747	-	0.0%
	Total Lines 5-17	5,550,761	5,736,515	185,754	

PROPOSED – FY 2023 BUDGET ADJUSTMENT

FY 2023 Budget Adjustment PROPOSED

	Budget Item Description	FY 2023 Budget	Proposed FY 2023 Adjusted Budget	\$ Change Compared to FY 2023 Budget	% Change Compared to FY 2023 Budget
18	Workforce Development Initiatives	400,000	400,000	-	0.0%
19	Military Affairs Committee	437,000	437,000	-	0.0%
20	Abilene Industrial Foundation	350,000	350,000	-	0.0%
21	Small Business Development Corporation	253,000	253,000	-	0.0%
22	ABI Regional Airport Business Development	231,959	231,959	-	0.0%
23	ACU Griggs Center	45,500	45,500	-	0.0%
24	Business Retention & Expansion Initiatives	350,000	350,000	-	0.0%
	Total Lines 18-24	2,067,459	2,067,459	-	
25	Total Operating Expenses Lines 5-24	7,618,220	7,803,974	185,754	2.4%

	FY23 Incentives and Fixed Assets Budget	FY 2023 Budget	Proposed FY 2023 Adjusted Budget	\$ Change Compared to FY 2023 Budget	% Change Compared to FY 2023 Budget
	FY23 Business Attraction Incentives	5,170,082	5,170,082	-	0.0%
	FY23 Capital Improvement Projects	2,000,000	2,000,000	-	0.0%
	FY23 Land Acquisition	3,250,000	3,250,000	-	0.0%
		10,420,082	10,420,082		

PROPOSED – FY 2024 BUDGET

HIGHLIGHTS

Facilities & Land Management (Line 14) \$ (129,800)

The FY 2023 Primal & ABI Windows expansion projects resulted in a reduction of property and land owned by the DCOA.

Salaries (Line 5) \$ 108,910

Inflation continues to be the primary variable driving operating costs higher across all industries.

It is necessary to keep pace with rising employment costs to retain and expand the team in order to achieve the DCOA's strategic objectives.

Marketing & Brand Management (Line 9) \$ 36,558

Employee Benefits (Line 6) \$ 24,312

The DCOA's Healthcare insurance expense increased by 6.5% from 2022 to 2023 and 75% of staff plan to select benefits in 2024, compared to the 50% in 2023.

Total FY24 Change in Operating Budget \$ 49,153*



PROPOSED – FY 2024 BUDGET

FY 2024 Budget PROPOSED

	Budget Item Description	FY 2024 Budget	PROPOSED FY 2023 ADJUSTED BUDGET	\$ Change Compared to PROPOSED FY 2023 ADJUSTED Budget	% Change Compared to PROPOSED FY 2023 ADJUSTED Budget
1	Investment & Interest Income	129,380	129,380	-	0.0%
2	Lease Revenue	3,498,993	3,285,529	213,464	6.5%
3	Sales Tax Revenue	14,988,977	14,623,392	365,585	2.5%
4	Total Revenue	18,617,350	18,038,301	579,049	3.2%

	Budget Item Description	FY 2024 Budget	PROPOSED FY 2023 ADJUSTED BUDGET	\$ Change Compared to PROPOSED FY 2023 ADJUSTED Budget	% Change Compared to PROPOSED FY 2023 ADJUSTED Budget
5	Salaries	1,403,739	1,294,829	108,910	8.4%
6	Employee Benefits	312,085	287,773	24,312	8.4%
7	Insurance	630,027	630,027	-	0.0%
8	IT Management, Software, & Hardware	156,280	150,000	6,280	4.2%
9	Marketing & Brand Management	1,498,898	1,462,339	36,558	2.5%
10	Other	25,000	25,000	-	0.0%
11	Office Furniture, Equipment, and Supplies	112,000	112,000	-	0.0%
12	Employee Growth & Development	100,000	100,000	-	0.0%
13	Professional Fees	400,000	400,000	-	0.0%
14	Facilities & Land Management	1,000,000	1,129,800	(129,800)	-11.5%
15	Property Taxes	15,360	15,000	360	2.4%
16	Travel	50,000	50,000	-	0.0%
17	Utilities	82,280	79,747	2,533	3.2%
	Total Expenses Lines 5-17	5,785,668	5,736,515	49,153	

PROPOSED – FY 2024 BUDGET

FY 2024 Budget PROPOSED

	Budget Item Description	FY 2024 Budget	PROPOSED FY 2023 ADJUSTED BUDGET	\$ Change Compared to PROPOSED FY 2023 ADJUSTED Budget	% Change Compared to PROPOSED FY 2023 ADJUSTED Budget
18	Workforce Development Initiatives	400,000	400,000	-	0.0%
19	Military Affairs Committee	437,000	437,000	-	0.0%
20	Abilene Industrial Foundation	350,000	350,000	-	0.0%
21	Small Business Development Corporation	253,000	253,000	-	0.0%
22	ABI Regional Airport Business Development	231,959	231,959	-	0.0%
23	ACU Griggs Center	45,500	45,500	-	0.0%
24	Business Retention & Expansion Initiatives	350,000	350,000	-	0.0%
	Total Expenses Lines 18-24	2,067,459	2,067,459	-	
25	Total FY24 Operating Expenses Lines 5-24	7,853,127	7,803,974	49,153	0.6%

Amounts Reserved for Incentives & Capital Expenditures (Revenues - Expenses)	10,764,223	10,234,327
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FY24 Incentives & Fixed Assets Budget	
FY24 Business Attraction Incentives	\$ 5,000,000
FY24 Capital Improvement Projects	\$ 2,000,000
FY24 Land Acquisition	\$ 3,764,223
	\$ 10,764,223