

RESOLUTION NO. 133-2018

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ABILENE, TEXAS APPROVING THE DEVELOPMENT CORPORATION OF ABILENE, INC. ("DCOA") REVISED FY 2018 AND PROPOSED FY 2019 BUDGETS.

WHEREAS, DCOA's FY 2018 revised revenues are up by \$2,707,001 due in large part to the sale of the AbLabs building last December to Hardin Simmons University (\$1,491,496) and increased sales tax collections (\$965,299); and,

WHEREAS, the FY2018 revised expenditures are up by \$7,842,928 due to; 1) additional private legal counsel fees (2760), 2) costs associated with DCOA's recent purchase of the Zoltek properties in the Five Points Business Park (2775), 3) air services consultant fees under an annual performance contract with the City of Abilene for the Airport Business Development program (2775), and 4) projects that include development of the new Access Business Park, and purchase of the Zoltek properties plus cleanup costs (2776); and,

WHEREAS, DCOA's proposed total FY 2019 revenues are \$12,664,069 and total expenditures (including economic development projects) are \$10,993,697, which results in a surplus budget of \$1,670,372; and

WHEREAS, two FY 2019 revenue items comprise the majority of the total revenues (Sales Tax of \$10,981,812 and Building Space Rent of \$1,145,758), and other items contributing to revenues include Principal on Loans, Investment Pool, and Land Lease; and

WHEREAS, Active Projects (2776) account for 69% of the total FY 2019 proposed expenses of \$10,993,697, with the largest projects being; 1) BrightFarms hydroponic greenhouse at \$1.7 million, 2) roof repairs/replacement of the hangars and parts storage building at the airport occupied by Eagle Aviation Services at \$1.6 million, 3) Street Maintenance Fund contribution of \$1.5 million, 4) continued cleanup efforts of the Zoltek properties at \$925,000, 5) expansion of Hangar 2 occupied by Eagle Aviation Services at \$870,000, 6) the second installment of the new TSTC campus incentive at \$400,000, and 7) the second year of the BE in Abilene entrepreneurship challenge grant program at \$250,000; and

WHEREAS, it is important to note that any economic development projects that may come about during the new fiscal year will have an impact on the proposed budget numbers; and,

WHEREAS, DCOA views economic development projects as investments in our community generating a return on investment to local taxing entities as well as the economy as a whole; and,

WHEREAS, resources provided to the Develop Abilene partners (Abilene Industrial Foundation, Chamber Military Affairs Committee, America's Small Business Development Center and Airport Business Development) make up 14% of total FY 2019 proposed expenses, and;

WHEREAS, Business Services/Administration (2760) accounts for 9% of total FY 2019 proposed expenses and includes such things as salaries, benefits and related payroll expenses for five (5) full-time DCOA personnel, professional services such as legal, possibly outsourced accounting, outsourced IT and telephone services, office space lease, advertising and promotional costs, and indirect cost allocation to City of Abilene for services provided; and

WHEREAS, the DCOA board of directors approved the budgets during a special-called board meeting on August 2, 2018, and,

WHEREAS, the DCOA Board requests the City Council approve DCOA's Revised FY 2018 budget and Proposed FY 2019 budget.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF ABILENE, TEXAS:

Part 1: That the Development Corporation of Abilene, Inc.'s Revised FY 2018 and Proposed FY 2019 budgets are approved as depicted in the attached Exhibit A.

Part 2. That this Resolution takes effect immediately upon its passage.

ADOPTED this 23rd day of August, 2018.

ATTEST:



Rosa Rios, City Secretary



Kyle McAlister, Mayor Pro-tem

APPROVED:



Stanley Smith, City Attorney