

DEVELOPMENT CORPORATION OF ABILENE, INC.
BOARD MEETING MINUTES
February 8, 2005

MEMBERS PRESENT: **Joe Crawford**
 Ray Ferguson
 Syd Niblo
 Stan Lambert

MEMBERS ABSENT: **Dee Moore**

STAFF PRESENT: **Richard Burdine**
 Kim Tarrant
 John Dugan
 Sharon Hicks
 David Wright
 Susan Campbell

GUESTS PRESENT: **Bill Ehrie** **AIF**
 Thad De Jesus **Abilene Reporter-News**

1. **CALL TO ORDER.** Ray Ferguson called the meeting to order at 1:30 p.m. in the Develop Abilene Conference Room located at 174 Cypress, 3rd floor, Abilene, TX.
2. **APPROVAL OF MINUTES FROM JANUARY 11, 2005 BOARD MEETING.** Joe Crawford made a motion to approve the minutes from the January 11, 2005 meeting. Syd Niblo seconded. The motion carried by unanimous consent.
3. **PRELIMINARY FINANCIAL AND STATUS REPORT FOR DECEMBER 2004.** David Wright presented the preliminary December 2004 report, which indicates total assets of \$23.9 million, liabilities of \$3 million, and an undesignated fund balance of almost \$6.1 million. Depreciation on our facilities will be reported annually, not monthly. Cumulative depreciation as of December 2004 is \$2.3 million, bringing total fixed assets to \$16.6 million and total holdings to \$40.6 million. The sales tax rebate for January was \$512,175.00 which represents November 2004 sales. This is 9.19% above last year.

Expenses for December include a \$60,000 credit for 402 Cedar (EHT), which represents two payments made against the loan that should have been posted on the accounts receivable side rather than expensed out. The amount has been moved to the balance sheet and removed as an expense here.

We still have over \$9.1 million in projects that are authorized for Richard Burdine to pursue, but still not under contract.

4. **DISCUSSION AND POSSIBLE APPROVAL OF A RESOLUTION AUTHORIZING ASSISTANCE FOR RENTECH BOILER SYSTEMS, INC.** Richard Burdine presented a request from Rentech in the amount of \$150,000 to allow them to purchase equipment that will bring in-house work they are currently contracting out –most of it going out of state. With this equipment, they can hire 14 additional personnel in fabrication. All of these jobs will pay in excess of \$30,000/year including benefits. They are also anticipating hiring an additional five people in the office in various capacities, with these jobs paying between \$30,000 and \$45,000 a year. Staff is recommending an earnable loan of \$150,000 payable over five years. Rentech will commit to increase employment by 19, bringing total employment up to 269 in Abilene.

A motion was brought before the board by Syd Niblo to approve Resolution No. DCOA-2005.11 and seconded by Stan Lambert. The motion passed by unanimous consent.

5. **DISCUSSION AND POSSIBLE APPROVAL OF REVISED RESOLUTION NO. DCOA 2005.02 AUTHORIZING AMENDED ASSISTANCE FOR PROJECT WRITE.** In November 2004 the DCOA Board approved a \$2 million assistance package for Project Write. It assumes 208 employees over the next three to four years. Project Write would like to restructure the assistance to better meet the Company's needs as they grow, but not the total amount. The first \$1 million loan would be for start-up costs and the creation of 104 jobs. The second \$1 million loan would support the creation of an additional 104 jobs, payable upon the Company hiring its 105th employee. The second loan would be secured by a letter of credit for the full amount which would be adjusted downward as they earn principal/reductions for employment.

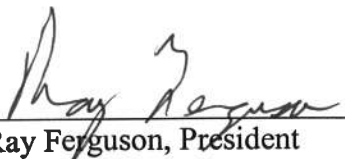
A motion was brought before the board by Joe Crawford to approve Revised Resolution No. DCOA-2005.02 and seconded by Syd Niblo. The motion carried unanimously.

6. **UPDATE FROM CEO ON PROPOSED STATE LEGISLATION CONCERNING USE OF DCOA FUNDS FOR PROJECTS RELATED TO A MILITARY BASE OR FACILITY.** Richard Burdine referred to proposed House Bill No. 548 submitted by Representative Delisi. It includes in the definition of a "project" the infrastructure, improvements, land acquisition, buildings, or expenditures that are found by the board of directors to be required or suitable to promote a military base in active use to prevent the possible closure. It also allows use of funds for redeveloping a military base that has been closed, and attracting new military missions to a military base in active use, which is an ongoing effort of the Military Affairs Committee. It adds an NAICS code that describes national security which covers all the armed forces. Mr. Burdine anticipates the bill will pass, which focuses on making Texas very attractive for military base retention and expansion.
7. **EXECUTIVE SESSION: Pursuant to Tex.Gov't Code Sec. 551.072, an executive session may be held to discuss the possible exchange, lease, or value of real property associated with a project to be funded by the DCOA's negotiations with a third party discussion in executive session, any action or vote will be taken in public.**

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At 1:49 p.m. the Board went into Executive Session. At 2:41 p.m. the Board reconvened and announced that no vote or action was taken in Executive Session.

8. **ADJOURNMENT.** The next DCOA Board Meeting is scheduled for February 22, 2005 as a planning meeting. As there was no further business, the meeting was adjourned.



Ray Ferguson, President