

**DEVELOPMENT CORPORATION OF ABILENE, INC.**  
**BOARD MEETING MINUTES**  
**March 30, 2005**

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

**STAFF PRESENT:**       **Richard Burdine**                     **Dan Santee**  
                              **Kim Tarrant**                         **David Wright**  
                              **John Dugan**                         **Susan Campbell**

**GUESTS PRESENT:**     **Bill Ehrie**                     **AIF**  
                              **Tim Simmonds**                 **AIF**  
                              **Jerry Hitt**                     **KTXS - TV**  
                              **Melissa Borden**             **Abilene Reporter-News**  
                              **Leon McKenzie**             **Project LM**

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. It was agreed to change the order of some agenda items.
  
2. **DISCUSSION AND POSSIBLE APPROVAL OF A RESOLUTION AUTHORIZING FINANCIAL ASSISTANCE FOR PROJECT LM.** Richard Burdine presented information on Project LM. It has the prospect of bringing 120 or more full-time positions in the software engineering, testing, and services field to Abilene. Project LM proposes to create 15 positions paying \$40k to \$50k per year, 50 positions paying \$50k to \$60k per year, and 55 positions paying over \$60k per year.

They are also very interested in establishing an internship program with the three local universities, Texas Tech, and Texas State Technical College. In addition to providing internship opportunities for students, it would also provide a career track into the company for those that qualify.

Staff recommends funding of up to a total amount of \$2,285,000 distributed in four forgivable loans upon the creation of 40 new jobs with each of the first three loans, and the final loan paid upon filling the 120<sup>th</sup> full-time position to support job creation. The collateral for these loans has yet to be determined, but acceptable to both parties. The DCOA's options are being second lien holder behind Project LM's primary lender and/or a letter of credit.

As an additional incentive for Project LM expanding their operations into Abilene, DCOA staff proposes to reimburse up to \$35,000 for lease payments and/or leasehold improvements paid by Project LM in excess of \$70,000 during the first year of operation.

This company has been in business for about six years and has experienced tremendous growth. Their main focus is on the telecom, banking, healthcare, and manufacturing sectors, as well as considering other lines of business.

A motion was made by Stan Lambert to approve Resolution DCOA-2005.14 and seconded by Dee Moore. The motion passed by unanimous consent.

3. **APPROVAL OF MINUTES FROM FEBRUARY 22, 2005 BOARD MEETING.** Syd Niblo made a motion to approve the minutes from the February 22, 2005 meeting. Joe Crawford seconded. The motion carried by unanimous consent.
4. **PRELIMINARY FINANCIAL AND STATUS REPORT FOR JANUARY 2005.** David Wright presented the preliminary January 2005 report. The total sales tax rebate for March is \$2.2 million which represents January sales. This is 15.05% above last year. However, this may be due to some misfiling. David has requested an audit of this information to verify data accuracy. Assets as of January 30, 2005 totaled almost \$24 million, total liabilities are nearly \$2.8 million, and DCOA has an undesignated fund balance of slightly over \$7.1 million. There will be some improvements to the Blue Cross Blue Shield facility which should be on the next financial report.

Joe Crawford asked about proposed legislative house bills that would affect the city's sales tax expansion. David explained there are several versions currently being proposed, with one bill in particular that would benefit Abilene substantially.

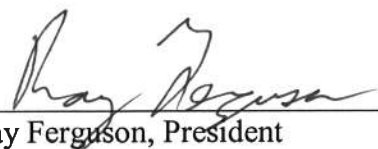
5. **EXECUTIVE SESSION: Pursuant to Tex.Gov't Code Sec. 551.072, an executive session may be held to discuss the possible exchange, lease, or value of real property associated with a project to be funded by the DCOA's negotiations with a third party discussion in executive session, any action or vote will be taken in public.**

At 1:45 p.m. the Board went into Executive Session. At 2:50 p.m. the Board reconvened and announced that no vote or action was taken in Executive Session.

Richard Burdine asked the Board to authorize funding for the purchase of 7.563 acres of land located near the BlueCross BlueShield facility at 4002 Loop 322. The property is currently owned by the Abilene State School, who wants to sell the property. The DCOA currently has the property leased. It is in the best interests of the DCOA and the City of Abilene to own that property. DCOA staff is recommending total funding of \$17,500 (\$15,000 for purchase and \$2500 for closing costs) be authorized to purchase the land.

A motion was made by Joe Crawford to approve Resolution DCOA-2005.15 and seconded by Stan Lambert. The motion carried. Dee Moore abstained from voting.

6. **ADJOURNMENT.** Richard Burdine proposed April 12<sup>th</sup> or April 19<sup>th</sup> as the next DCOA Board Meeting. Once a date has been decided upon, all board members will be notified. The meeting was adjourned.

  
Ray Ferguson, President