

DEVELOPMENT CORPORATION OF ABILENE, INC.
BOARD MEETING MINUTES
April 19, 2005

MEMBERS PRESENT: **Ray Ferguson**
 Stan Lambert
 Dee Moore

MEMBERS ABSENT: **Syd Niblo**
 Joe Crawford

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

GUESTS PRESENT: **Bill Ehrie** **AIF**
 Melissa Borden **Abilene Reporter-News**
 Chris Proctor-Cleveland **Abilene Regional Airport**
 Dan Weber **Abilene Regional Airport**

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 MARCH 30, 2005 BOARD MEETING.** Dee Moore made a motion to approve the minutes from the March 30, 2005 meeting. Stan Lambert seconded. The motion carried by unanimous consent.
3. **PRELIMINARY FINANCIAL AND STATUS REPORT FOR FEBRUARY 2005.** David Wright presented the preliminary February 2005 report. The total sales tax rebate for April is nearly \$1.9 million which represents February sales and is .64% below last year. Assets as of February 28, 2005 totaled almost \$24.6 million, total liabilities are nearly \$2.8 million, and the DCOA has an undesignated fund balance of slightly over \$7.5 million.
4. **PRESENTATION AND POSSIBLE APPROVAL OF MID-YEAR UPDATE FROM THE ABILENE INDUSTRIAL FOUNDATION (AIF) ON MARKETING ACTIVITIES.** Bill Ehrie presented a progress report for the period of October 1, 2004 to March 31, 2005. Of the \$140,000 marketing budget, \$28,807.74 has been spent.

The AIF had previously been outsourcing such items as an email newsletter, website updates, etc., with the newsletter alone costing the AIF \$3,500 per publication. The transition of Bitstreet and the consolidation/buyout of Camalott Communications caused a delay in sending out the email newsletter. During this time, the AIF decided that, with some minor computer system adjustments, they could do their own email newsletter, website updates, etc and save a considerable amount of money.

Planned expenditures are being reduced for trade shows because some of the host companies wind up paying for costs that the AIF had originally budgeted to pay for. This has already happened in Houston, and two additional companies are planning to absorb these costs in Dallas and Ft. Worth later this year by providing company-owned facilities, food, and promotional items.

There will be some late-year spending for marketing materials. The consultant visitations are working very well, especially repeat visits. AIF is convinced that there is very little to be gained by magazine advertising, other than keeping the presence of the community in the eyes of the general public outside the state of Texas. Retention visits are strong.

The biggest issue the AIF is facing is that the marketplace is moving from a printed publication to more direct visit activity, where a lot of their inquiries are retail related. Some of these inquiries have resulted in new retail businesses coming to Abilene.

5. **PRESENTATION AND POSSIBLE APPROVAL OF A MID-YEAR UPDATE FROM THE ABILENE REGIONAL AIRPORT ON THE BUSINESS DEVELOPMENT MANAGEMENT PROGRAM.** Chris Proctor-Cleveland presented the mid-year report. The program began October 1, 2002. On September 1, 2003, a second airline, Continental Connection, was obtained. The Airport Master Plan recommends pursuit of a marketing program that will help the airport build activity within its business segments. The airport ended FY2004 (as of September 30, 2004) with a 46% increase in passenger enplanements. They ended calendar year 2004 with 72,099 enplanements which was the second highest year in the history of the airport. The national average increase in passenger enplanements for calendar year 2004 was 7.2% compared to Abilene's increase of 28%.

The airport now has three departures before 8:00 a.m. and three arrivals after 6:45 p.m. which is perfect for day business travel. Parking revenue is up by 60% to \$229,000. Rental car revenue has increased, which in turn increases the airport's revenue, since the airport receives a portion of the rental car sales.

6. **DISCUSSION AND POSSIBLE APPROVAL OF A RESOLUTION AUTHORIZING FINANCIAL ASSISTANCE FOR PROJECT CS.** Richard Burdine presented information on Project CS. The existing company began in 1892 in the northeastern United States and focused on mine ventilation through the manufacture of industrial fans. This company has plants in Pennsylvania, Utah, and Florida. They are interested in building a plant in Abilene to cover the southwestern region of the United States.

The company's plan is to begin operations in space leased from an existing local entity to give them time to build a new facility to house local manufacturing. The new plant would then employ 23 people, with all jobs paying in excess of \$30,000/year including health benefits. This results in economic benefits for Abilene of an annual payroll of \$750,800 and capital investment in the community of \$1,242,000.

Total DCOA assistance would be \$436,450 with a maximum of \$196,450 loaned up front (payable over five years) for relocation assistance, building incentives, and equipment incentives. The \$240,000 balance would be a job creation incentive payable in arrears over three years.

At 2:31 p.m. the Board went into Executive Session. At 3:08 p.m. the Board reconvened and announced that no vote or action was taken in Executive Session.

10. **ADJOURNMENT.** Richard Burdine proposed May 24th as the next DCOA Board Meeting. Once a date has been decided upon, all board members will be notified. The meeting was adjourned.



Joe Crawford, Vice President