

**DEVELOPMENT CORPORATION OF ABILENE, INC.**  
**BOARD MEETING MINUTES**  
**July 5, 2005**

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

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

**GUESTS PRESENT:**     **Melissa Borden**               **Abilene Reporter-News**  
                              **Tim Simmonds**               **Abilene Industrial Foundation**

1. **CALL TO ORDER.** Ray Ferguson called the meeting to order at 1:30 p.m. in the Chamber of Commerce conference room located at 174 Cypress, 2nd floor, Abilene, TX.
2. **APPROVAL OF MINUTES FROM JUNE 7, 2005 BOARD MEETING.** Stan Lambert made a motion to approve the minutes from the June 7, 2005 meeting. Dee Moore seconded. The motion carried by unanimous consent.
3. **PRELIMINARY FINANCIAL AND STATUS REPORTS FOR MAY 2005.** David Wright presented the preliminary May 2005 reports. The sales tax rebate for June is \$550,349, which represents April sales and is 8.87% above last year. Assets as of May 31, 2005 totaled slightly over \$25.1 million, total liabilities are a little over \$2.7 million, and the DCOA has an undesignated fund balance of just over \$10 million.
4. **DISCUSSION AND POSSIBLE APPROVAL OF A RESOLUTION AUTHORIZING FINANCIAL ASSISTANCE FOR AIR TECHNICAL SYSTEMS.** Richard Burdine presented information on this company which was established in January 2005 and is located in the IXX Industrial Park near Tye, Texas. They do sheet metal fabrication providing evaporative cooler modules for various processes, some of which are used in most major car manufacturers paint booths. The modules are also used in natural gas line compressor inlet coolers and turbine inlet coolers.

The Tye Economic Development Corporation has approved \$13,500 (10% of purchase price) to assist the company with the purchase of a water jet cutter, which is a very specialized piece of equipment not available in the Abilene area. The company is also requesting DCOA assistance with the purchase of the water jet cutter. Staff proposes \$138,100 in assistance to be paid in arrears annually over five years upon receipt of job certifications in exchange for the creation of 11 new jobs in addition to the existing 3 jobs. Because the project is located outside the Abilene city limits but within the ETJ, the Taylor County Commissioners will have to approve the project as well.

A motion was made by Stan Lambert to approve Resolution No. DCOA-2005.22 and seconded by Syd Niblo. The motion carried.

- 5. DISCUSSION AND POSSIBLE APPROVAL OF A RESOLUTION AUTHORIZING FINANCIAL ASSISTANCE FOR PROJECT AN.** Richard Burdine presented information regarding this organization, which is currently doing business in a different city. They offer an extensive training program, creating job marketable professional workers for a growing industry. This company will facilitate the construction of a 30,000 square-foot facility at an estimated cost of \$6 million and has requested DCOA assistance for infrastructure improvements. According to the Development Corporation Act, the DCOA can only assist with streets and roads, water and sewer utilities, electric utilities, gas utilities, drainage, site improvements, and telecommunications and Internet improvements. They are expected to generate an annual payroll in excess of \$2.4 million by the 5<sup>th</sup> year of operation and create 39 jobs paying in excess of \$30,000/year.

Staff proposes assistance of \$850,000 for infrastructure improvements structured as a 0% loan with no payments required and full forgiveness after 7 years of operation. If the business is discontinued for any reason during the 7-year period, building ownership will revert to another party and the DCOA can take a lien to secure the unearned balance.

Syd Niblo moved to approve Resolution No. DCOA-2005.23. Stan Lambert seconded. The motion passed by unanimous consent.

- 6. DISCUSSION AND POSSIBLE APPROVAL OF A RESOLUTION AUTHORIZING FINANCIAL ASSISTANCE FOR PROJECT ENTERPRISE.** Richard Burdine presented information about this company, which is related to Project AN mentioned above and represents the research component. This entity will combine research with training with the ability to increase research capabilities for the Abilene community. Research staffing will increase each year for five years with full staffing to be at 4 high-wage jobs. Staff proposes a forgivable loan of \$150,000 at 0% interest with annual principal reductions for 10 years calculated at 7% of salaries expended for research. As with Project AN, if the business is discontinued at any time during the 10-year period, building ownership will revert to another party and the DCOA can take a lien to secure the unearned balance.

A motion was made by Joe Crawford to approve Resolution No. DCOA-2005.24 and seconded by Dee Moore. The motion carried unanimously.

- 7. DISCUSSION AND POSSIBLE APPROVAL OF A LETTER OF AGREEMENT AMENDING PREVIOUSLY APPROVED FINANCIAL ASSISTANCE FOR TRANSCEND SERVICES, INC. (PROJECT WRITE).** Richard Burdine explained the DCOA previously approved a total assistance package of \$2 million for Transcend Services, Inc. (TSI) under the identity of Project Write. The terms of the first \$1 million loan include a principal reduction of \$150,000 earned each month at the rate of \$25,000/month for 6 months ending 9/05 and for the first 15 employees hired. The balance is then earned through quarterly certifications of jobs created. Part of the security for this loan is a \$150,000 Letter of Credit.

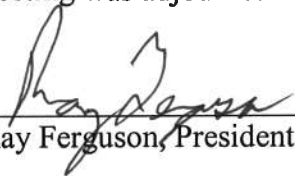
As of June 30, 2005 Transcend has created 18 new jobs. Transcend requests the DCOA consider allowing the full principal reduction against the first loan of \$150,000 be earned as of June 30, 2005 instead of continuing monthly reductions through September 2005. The letter of credit will remain in place as collateral through October 30, 2005. There is no change in the total amount of assistance.

A motion was made by Stan Lambert to approve the Letter of Agreement effective July 5, 2005 between the DCOA and Transcend Services, Inc. Joe Crawford seconded and the motion passed by unanimous consent.

- 8. 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 1:58 p.m. the Board went into Executive Session. At 2:15 p.m. the Board reconvened and announced that no vote or action was taken in Executive Session.

- 9. ADJOURNMENT.** There being no further business, the meeting was adjourned.

  
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Ray Ferguson, President