

DEVELOPMENT CORPORATION OF ABILENE, INC.
BOARD MEETING MINUTES
September 20, 2005

MEMBERS PRESENT:	Joe Crawford Syd Niblo	Dee Moore Ray Ferguson
MEMBER ABSENT:	Stan Lambert	
STAFF PRESENT:	Richard Burdine Kim Tarrant John Dugan	Dan Santee David Wright David White
GUESTS PRESENT:	Melissa Borden Jerry Hitt	Abilene Reporter-News KTXS TV

- 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 AUGUST 16, 2005 BOARD MEETING.** Dee Moore made a motion to approve the minutes from the August 16, 2005 meeting. Joe Crawford seconded. The motion carried by unanimous consent.
- 3. PRELIMINARY FINANCIAL AND STATUS REPORTS FOR JULY 2005.** David Wright presented the preliminary July 2005 reports. The sales tax rebate for September is \$582,102.19 which represents July sales and is 7.07% above last year. Assets as of July 31, 2005 totaled slightly over \$25 million, total liabilities are a little over \$2.7 million, and the DCOA has an undesignated fund balance of just over \$12.7 million.
- 4. DISCUSSION AND POSSIBLE APPROVAL OF A RESOLUTION AUTHORIZING FUNDING FOR RESURFACING OF THE PARKING LOT AT 4002 LOOP 322 LEASED BY HEALTH CARE SERVICE CORPORATION (BLUECROSS BLUESHIELD).** Richard Burdine explained that the parking lots in the front and rear of the building plus all driveways leading into and out of the building are in need of repair. The most cost-effective repair involves a process called micro surfacing, which is more expensive and few contractors in the state can perform the process. Earlier this year, one contractor bid the project at \$155,480. Staff recommended the bid be rejected and the project be re-bid in hopes of getting additional bidders. However, the same and only bidder from the first time, Viking Construction from Georgetown, TX, bid again, with the bid amount now at \$163,278. Completion is expected within 10 working days from start.

Staff recommends the board accept the bid and authorize total funding of \$181,241, which includes the bid amount of \$163,278, \$1,633 payable to the City's Design Services Dept. for their services, and a 10% contingency of \$16,330.

A motion was made by Syd Niblo to approve Resolution DCOA-2005.25. Joe Crawford seconded, and the motion carried. Dee Moore abstained from voting.

5. THIS ITEM "DISCUSSION AND POSSIBLE APPROVAL OF A RESOLUTION AUTHORIZING ASSISTANCE FOR PROJECT CW" WAS MOVED AND DISCUSSED AFTER THE EXECUTIVE SESSION.

6. DISCUSSION AND POSSIBLE APPROVAL OF A RESOLUTION AUTHORIZING ADDITIONAL FUNDING FOR PARKING LOT IMPROVEMENTS AT THE ABILENE REGIONAL AIRPORT FOR USE BY EAGLE AVIATION SERVICES, INC. Richard Burdine explained that in September 2004, the board approved \$350,000 for capital improvements and the purchase of capital items. Included in this funding is the construction of two parking lots for Eagle Aviation Services (EASI), which was contracted to Wagley Construction. Two unforeseen circumstances have resulted in two separate change orders associated with this project.

The first is the result of the need for rock removal in the process of trenching for surface water drainage, totaling \$20,212. The second is the result of a high water table in one area of the parking lot, resulting in the need for additional sub-base material to ensure the parking lot can adequately handle regular vehicular traffic, totaling \$19,129. Additionally, staff had to employ an electrician to rewire an electronic gate at a cost of \$1,000 and additional lab fees of \$1,000 have resulted from the extra work.

The total parking lot cost is \$208,843 and the funding currently available is \$173,469, creating a deficit of \$35,373. Staff recommends the DCOA approve total funding in the amount of \$36,000 to complete parking lot improvements at the Abilene Regional Airport for the benefit of Eagle Aviation Services.

A motion was made by Syd Niblo to approve Resolution DCOA-2005.27 and seconded by Dee Moore. The motion passed by unanimous consent.

7. DISCUSSION AND POSSIBLE APPROVAL OF A RESOLUTION AUTHORIZING A SPONSORSHIP FOR THE SMALL BUSINESS INNOVATION RESEARCH/SMALL BUSINESS TECHNOLOGY TRANSFER PROGRAM (SBIR/STTR) WORKSHOP TO BE HELD AT THE TEXAS TECH SMALL BUSINESS DEVELOPMENT CENTER IN ABILENE ON SEPTEMBER 30TH AND OCTOBER 1, 2005. Richard Burdine explained that one of the recommendations of the Wadley-Donovan Study was to "reinvest" in our local and regional economy by encouraging growth of research and development (R&D). The largest source of venture capital funds is the federal government through the SBIR/STTR programs. Over \$2 billion is available each year.

It is believed our best source for potential SBIR/STTR researchers is our local universities. All three local universities, along with Texas Tech, strongly support this concept. To inform interested faculty about the SBIR/STTR programs and match them up with entrepreneurs, the Economic Development Department and the Texas Tech Small Business Development Center (SBDC) propose to host a workshop on September 30th and October 1, 2005 in the SBDC conference room. John Davis, president of the SBIR Resource Center, will present the workshop. His fee is \$4,500 plus travel expenses, and along with printing, food and beverages, etc., the total cost for the 2-day workshop should not exceed \$6,500.

Staff requests the DCOA sponsor the workshop with a grant not to exceed \$4,000. The SBDC will contribute \$2,500 and provide the meeting room at no cost.

A motion was made by Dee Moore to approve Resolution DCOA-2005.26 and seconded by Syd Niblo. The motion carried unanimously.

- 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.**

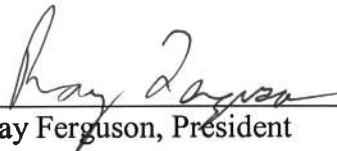
At 1:57 p.m. the Board went into Executive Session. At 2:21 p.m. the Board reconvened and announced that no vote or action was taken in Executive Session.

- 5. THIS ITEM WAS MOVED FROM ABOVE AND DISCUSSED AFTER EXECUTIVE SESSION: DISCUSSION AND POSSIBLE APPROVAL OF A RESOLUTION AUTHORIZING ASSISTANCE FOR PROJECT CW.** Richard Burdine explained that Project CW is an existing Abilene company that employs over 300 people in four states with 109 of those in Abilene. Project CW wishes to construct an addition to their existing Abilene facility, expecting to add 42 employees over the next year. Forty of the 42 new hires will earn salaries in excess of \$30,000/year.

The total project cost is estimated at \$2.5 to \$3 million. Staff proposes the DCOA assist Project CW in the form of an \$853,098 loan in exchange for the retention of 109 existing full-time equivalent employment positions (FTEs) and the creation of 42 new FTEs. Loan terms are 0% interest for up to 7 years secured by a second lien on the real estate behind the primary construction lender. A personal guaranty will be required of the company president. Principal reductions will be earned and applied annually.

A motion was made by Syd Niblo to approve Resolution DCOA-2005.21 and seconded by Dee Moore. The motion passed by unanimous consent.

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



Ray Ferguson, President