

**DEVELOPMENT CORPORATION OF ABILENE, INC.**  
**BOARD MEETING MINUTES**  
**June 26, 2007**

<b>MEMBERS PRESENT:</b>	Ray Ferguson Joe Crawford	Stan Lambert Mike Schweikhard
<b>MEMBER ABSENT:</b>	Dee Moore	
<b>STAFF PRESENT:</b>	Richard Burdine David Wright	Kim Tarrant Dan Santee
<b>GUESTS PRESENT:</b>	Bill Ehrie Gary Robinett Brian Bethel	Abilene Industrial Foundation “            “            “ 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 MAY 22, 2007 MEETING.** Stan Lambert made a motion to approve the minutes from the May 22, 2007 meeting. Joe Crawford seconded and the motion carried.
3. **PRELIMINARY FINANCIAL AND STATUS REPORTS FOR MAY 2007.** David Wright reviewed the financial reports for May 2007. Total assets as of May 31, 2007 were \$51.7 million, total liabilities were \$2.4 million, and the DCOA had an undesignated fund balance of \$21.2 million. Contractual obligations are nearly \$10.2 million. There are several DCOA-Board approved projects waiting for signed contracts, totaling \$6.27 million.
4. **DISCUSSION AND POSSIBLE APPROVAL OF A RESOLUTION AUTHORIZING AN AGREEMENT WITH THE EULA INDEPENDENT SCHOOL DISTRICT TO MITIGATE THE FINANCIAL IMPACT OF ADOPTING FREEPORT TAX EXEMPTION.** The Abilene ISD voted to adopt Freeport during a meeting in 05/07 to be effective in the 2007 tax year. Mr. Burdine met with the Eula ISD school board earlier this month to discuss possible adoption of the Freeport Tax Exemption, but Eula ISD Administration is concerned about the projected initial loss of approximately \$8,400/year. Staff proposes the DCOA Board consider entering into a 10-year agreement with the Eula ISD whereby the Eula ISD will adopt the Freeport Tax Exemption and the DCOA will make up their net reduction in tax revenues collected up to \$10,000 per year for 10 years, beginning with the 2007 tax year.

Some board members expressed concern that the Economic Development sales tax Act may not allow the DCOA to contract with EISD for the funds as presented. This item was skipped for possible discussion after the Executive Session.

**Item #5 was not discussed until after the Executive Session ended.**

6. **EXECUTIVE SESSION:** Pursuant to Tex. Gov't Code Sec. 551.087, an executive session may be held (1) to discuss or deliberate regarding commercial or financial information that the

governmental body has received from a business prospect that the governmental body seeks to have locate, stay, or expand in or near the territory of the governmental body and with which the governmental body is conducting economic development negotiations; or (2) to deliberate the offer of a financial or other incentive to a business prospect described by Subdivision (1). After discussion of the contemplated economic development matters in executive session, any action or vote will be taken in public.

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 since deliberation in open session would have a detrimental effect on the DCOA's negotiations with a third party. After discussion in executive session, any action or vote will be taken in public.

Pursuant to Tex. Gov't Code Sec. 551.071, an executive session may be held to consult with the DCOA attorney regarding pending or contemplated litigation or a settlement offer regarding DCOA funded projects or on a matter in which the duty of the attorney to the governmental body under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with Chapter 551 of the Government Code. After discussion of the contemplated legal matters in executive session, any action or vote will be taken in public.

At 1:48 p.m. the Board went into Executive Session. At 3:48 p.m. the Board reconvened and announced that no vote or action was taken in Executive Session.

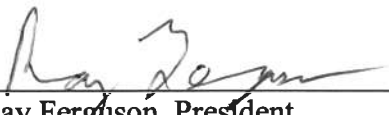
No action on Agenda Item 4 was taken at this time.

5. **DISCUSSION AND POSSIBLE APPROVAL OF A RESOLUTION AUTHORIZING ASSISTANCE FOR PROJECT JW.** Item #5 was picked back up. There was no public discussion of this item as the only person present not aware of this project was Brian Bethel from the A-RN. Mr. Burdine suggested the Board take action now and adjourn the meeting, and he would brief Mr. Bethel about Project JW after the meeting. It was mentioned that the original proposal for \$2.5 million has been reduced to \$2 million eliminating the provision for lease payments and the resolution No. DCOA-2007.16 was amended to reflect the change.

Joe Crawford moved to approve Resolution No. DCOA-2007.16 as amended, authorizing assistance for Project JW in an amount not to exceed \$2,000,000. Mike Schweikhard seconded the motion and it carried unanimously.

President Ferguson announced that the DCOA special Board meeting for Friday, June 29<sup>th</sup> has been cancelled and will likely be rescheduled for Thursday, July 5<sup>th</sup> at 12:00 noon.

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

  
Ray Ferguson, President