

**DEVELOPMENT CORPORATION OF ABILENE, INC.  
BOARD MEETING MINUTES  
FEBRUARY 26, 2008**

**MEMBERS PRESENT:** Mike Schweikhard                      Stan Lambert  
   Dee Moore    Paul Cannon

**MEMBER ABSENT:**     Joe Crawford

**STAFF PRESENT:**      Richard Burdine                      Kim Tarrant  
   A.C. Alrey                                  Susan Campbell  
   David Wright                          Dan Santee  
   Don Green                                 Melissa Murphy

**GUESTS PRESENT:**     Bill Ehrie                                  Abilene Industrial Foundation  
   Bruce Bixby                              Bixby Enterprises  
   Kyle Peveto                                Abilene Reporter-News

- 1. CALL TO ORDER.** Mike Schweikhard 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 JANUARY 29, 2008 MEETING.** Paul Cannon made a motion to approve the minutes from the January 29, 2008 meeting. Stan Lambert seconded and the motion carried.
- 3. SALES TAX REPORT FOR FEBRUARY 2008 AND PRELIMINARY STATUS OF FUNDS REPORTS FOR JANUARY 2008.** David Wright reviewed the above-mentioned reports. The sales tax rebate for February for economic development is \$977,610.37 which is 4.61% above last year. For January 2008, total assets were about \$53.5 million, total liabilities were nearly \$2.4 million, and the undesignated fund balance was \$11.5 million.
- 4. FY07 ANNUAL REPORT FROM THE CITY OF ABILENE AIRPORT BUSINESS DEVELOPMENT PROGRAM AND REQUEST FOR FY08 OPERATING FUNDS.** Don Green, Airport Manager, presented the FY07 Annual Report of the Airport's Business Development Management program and introduced Melissa Murphy, the new Business Development Manager. Of the \$132,500 total funding approved for FY07, \$95,209 was spent for program salary and consultant costs. Enplanements for 2007 were down 1% compared to 2006, which is due to Allegiant's presence then withdrawal from our market. However if the Allegiant effect is not considered, the Airport experienced a 4% growth in enplanements. Major revenue sources are car rentals (up 35% over FY06), concessions and the parking lot.

For FY08 staff anticipates the Business Development program emphasizing more community outreach to increase market share and would like to hire Sabre Airline Solutions to develop a Request for Proposal (RFP) to solicit additional airline service at the airport.

A motion was made by Stan Lambert to approve total funding of \$94,420 for FY08 as follows: \$59,420 for operating expenses and \$35,000 for the air service RFP by Sabre. The motion was seconded by Dee Moore and it carried.

- 5. This item was tabled and will be considered after Executive Session.**

- 6. DISCUSSION AND POSSIBLE APPOINTMENT OF AN AD HOC COMMITTEE TO STUDY A REQUEST FROM BRUCE BIXBY OF BIXBY ENTERPRISES FOR DCOA ASSISTANCE TO CONSTRUCT SMALL SPECULATIVE INDUSTRIAL BUILDINGS.** Local developer Bruce Bixby is interested in constructing 10,000 to 20,000 square-foot structures to accommodate the wind energy industry. The service and maintenance companies that work on the wind turbines are expected to move into the area due to the increasing number of turbines being erected. There is a shortage of such facilities in Abilene to meet these needs. He would like the DCOA to consider partnering with him in this endeavor. If a majority of the Board wishes to consider this proposal further, staff recommends appointment of an ad hoc committee to meet with Mr. Bixby, other interested developers and staff to discuss this request and make a full report with recommendation to the DCOA board at the March board meeting.

Concerns were expressed regarding available building inventory (currently zero), the amount of risk involved for developers, and trying to avoid potential conflicts that could arise between the DCOA and local developers in constructing these 10,000 to 20,000 square-foot speculative buildings. Mr. Bixby also requested the ad hoc committee consider developing policies on these issues.

Paul Cannon moved for the DCOA Board to appoint an ad hoc committee based on staff's recommendation noted above. Stan Lambert seconded the motion and it passed by unanimous consent. Stan Lambert volunteered to be on this committee and Joe Crawford was appointed to the ad hoc committee.

- 7. DISCUSSION AND POSSIBLE APPROVAL OF A RESOLUTION AUTHORIZING AN EXTENSION OF PREVIOUSLY APPROVED FUNDING FOR THE SBIR/STTR PROGRAM.** Mr. Burdine explained that \$271,400 in funding had been previously authorized by the DCOA Board through FY07. Only \$50,551.59 was spent in FY07 leaving a balance of \$220,848.41. Now that several Phase 1 grant applications are "in the pipeline" and one has been funded but has not yet requested Phase 1 funding, there is more potential for Phase 1 and Phase 2 application activity in 2008 and 2009. Staff recommends the Board authorize the use of the unexpended \$220,848.41 for FY08 and FY09 as follows: \$57,848.41 for Phase 0 Pre-application; \$70,000.00 for Phase 1 Application; and \$93,000.00 for Phase 2 Application.

A motion was made by Stan Lambert to approve Resolution No. DCOA-2008.09 as presented. The motion was seconded by Paul Cannon and it passed by unanimous consent.

- 8. DISCUSSION AND POSSIBLE APPROVAL OF A RESOLUTION RATIFYING A CONTRACT FOR CONSTRUCTION OF THE SPEC 2 EXPANSION AND AUTHORIZING ADDITIONAL FUNDING.** PWP Industries currently leases the Spec 2 building from the DCOA and now requires additional warehouse space. Rose Builders guaranteed maximum price of \$6 million based on an early estimate. The guaranteed maximum amount for the expansion has now increased to \$6,710,400, primarily as a result of tenant requests and a requirement from the fire marshal. Staff recommends the DCOA approve additional funding of \$1,045,900 (\$710,400 for additional construction and a 5% contingency of \$335,500). The lease rate to be paid by PWP is 5.25% fixed, multiplied by the actual cost of the expansion; meaning these additional costs will be reflected in a higher lease rate paid by PWP to the DCOA.

A motion was made by Paul Cannon to approve Resolution No. DCOA-2008.06 as presented above. Dee Moore seconded and it passed by unanimous consent.

9. **EXECUTIVE SESSION.** I hereby announce we are going into Executive Session pursuant to Texas Government Code Sections 551.071, .072, and .087 to consult with our legal counsel, discuss real property transactions, and discuss economic development negotiations involving a business prospect, as set forth on the agenda. Any vote or action will be taken in open session.


The date is February 26, 2008 and the time is 2:42 p.m. The date is still February 26, 2008 and the time is 3:30 p.m. No vote or action was taken in Executive Session.

5. **DISCUSSION AND POSSIBLE APPROVAL OF A RESOLUTION AUTHORIZING A CONTRACT AND FUNDING FOR ROOF REPAIR AT 4109 VINE ST.** Paul Cannon moved for the CEO of the DCOA to request additional bids to supply a metal roof with a 25-year guarantee from all interested parties, consistent with metal roof bids submitted from two vendors, with the DCOA giving bid specifications. Dee Moore seconded and the motion carried.

10. **DISCUSSION AND POSSIBLE APPROVAL OF A RESOLUTION AUTHORIZING THE PURCHASE OF PROPERTY ON PINE AND WALNUT STREETS FOR CONSTRUCTION OF THE LIFE SCIENCES ACCELERATOR.** Staff identified four properties on the east side of Pine St., including the entire 1300 block plus one lot immediately north of N. 14<sup>th</sup> St. that are a good location for the Life Sciences Accelerator (Accelerator) because of its proximity to the Texas Tech Univ. Health Sciences Center (TTUHSC) School of Pharmacy. Also, there are two properties directly behind the Pine St. lots on Walnut St. that will be necessary to provide adequate parking for the Accelerator. Staff recommends the DCOA authorize total funding of \$325,000 to purchase the above-mentioned lots including a 10% contingency.

Stan Lambert moved to approve Resolution No. DCOA-2008.07 as presented above. Paul Cannon Seconded, and the motion carried.

11. **ADJOURNMENT.** The next regularly scheduled meeting will be March 25, 2008. There being no further business, the meeting was adjourned.

  
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Mike Schweikhard, Vice President