DEVELOPMENT CORPORATION OF ABILENE, INC. BOARD MEETING MINUTES MARCH 25, 2008

MEMBERS PRESENT: Joe Crawford Mike Schweikhard

Stan Lambert Paul Cannon

MEMBER ABSENT: Dee Moore

STAFF PRESENT: Richard Burdine Susan Campbell

A.C. Alrey Dan Santee Mindy Whisenhunt Don Green

Melissa Murphy

GUESTS PRESENT: Bill Ehrie Abilene Industrial Foundation

Bruce Tarletsky Sabre Airline Solutions Kyle Peveto Abilene Reporter-News

- 1. CALL TO ORDER. Joe Crawford 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 FEBRUARY 26, 2008 MEETING. Mike Schweikhard noted a typo on page 2 of the minutes. It should read "... a request from Bruce Bixby of Bixby Enterprises..." instead of "...of Bixy Enterprises...". Mike Schweikhard made a motion to approve the minutes from the February 26, 2008 meeting. Paul Cannon seconded and the motion carried.
- 3. SALES TAX REPORT FOR MARCH 2008 AND PRELIMINARY STATUS OF FUNDS REPORTS FOR FEBRUARY 2008. In the interest of time, this item was skipped.
- 4. DISCUSSION AND POSSIBLE APPROVAL OF A RESOLUTION AUTHORIZING ASSISTANCE FOR PROJECT CF. Project CF is an existing Abilene manufacturer in the baking industry. For over a year staff has been working with local and corporate management from Project CF to add a local shipping dock expansion to their capital improvements program for 2008. This expansion will cost approximately \$2.5 million and include the purchase of additional capital equipment, resulting in the automation of some operations and increased profits. The Company currently employs about 200 people and will retain at least 170 of those positions for at least five years.

Staff recommends the DCOA approve total maximum funding of \$250,000 (10% of \$2.5 million) for Project CF for the retention of 170 FTEs and capital investment of at least \$2.5 million. This funding will be disbursed at the rate of \$50,000/year over five years (in arrears) after review of actual receipts.

Stan Lambert moved to approve Resolution No. DCOA-2008.11 as presented. Paul Cannon seconded and the motion carried.

5. DISCUSSION AND POSSIBLE APPROVAL OF A RESOLUTION AUTHORIZING ADDITIONAL FUNDS FOR PROFESSIONAL SERVICES ASSOCIATED WITH THE EXPANSION OF SPEC 2 FOR PWP INDUSTRIES. PWP Industries currently leases the Spec

2 building from the DCOA and now requires additional warehouse space. Construction costs increased from the original \$6 million estimate to \$6,710,400. In Feb. 2008, the DCOA approved additional construction funds of \$1,045,900 (\$710,400 for additional construction and a 5% contingency of \$335,500). Because the construction cost increased, the fee for basic services, which is based on 5.75% of the total construction cost, also increased. Per our contract with PWP, Tittle Luther is also working with PWP to design renovations to the existing facility to add additional equipment.

Staff recommends the DCOA approve additional funding of \$93,975 for the professional services fees and other charges associated with the Spec 2 expansion.

Paul Cannon moved to approve Resolution No. DCOA-2008.10 as presented. Mike Schweikhard seconded the motion and it carried.

6. 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 March 25, 2008 and the time is 1:37 p.m. The date is still March 25, 2008 and the time is 2:58 p.m. No vote or action was taken in Executive Session.

7. DISCUSSION AND POSSIBLE APPROVAL OF A RESOLUTION AUTHORIZING ASSISTANCE FOR PROJECT SME. Project SME is a wind energy industry full-service provider with employees working throughout the U.S. The company offers engineering and construction, training, wind facility management, and repair & retrofit services. Project SME is interested in opening a regional maintenance & training center and a remanufacturing plant in Abilene at the former Lockheed plant. The company expects to create 89 jobs within two years, with 76 of these paying \$30,000 or more a year. Project SME also expects to make approximately \$5.7 million in capital investments.

Staff recommends the DCOA authorize total assistance of \$1,418,000 as follows: job creation incentives totaling \$848,000 payable over five years and capital investment incentives totaling \$570,000 (10% of \$5.7 million) payable over five years.

A motion was made by Paul Cannon to approve Resolution No. DCOA-2008.10 as presented. Stan Lambert seconded the motion and it passed by unanimous consent.

8. ADJOURNMENT. The next board meeting is tentatively scheduled for April 29, 2008. There being no further business, the meeting was adjourned.

Joe Crawford, President