

**DEVELOPMENT CORPORATION OF ABILENE, INC.
BOARD MEETING MINUTES
FEBRUARY 24, 2009**

MEMBERS PRESENT:	Joe Crawford Marelyn Shedd Scott Senter	Mike Schweikhard Paul Cannon
STAFF PRESENT:	Richard Burdine	Kim Tarrant
GUESTS PRESENT:	Dee Moore Katherine Lane Gary Robinett Scott Martin	BlueCross Blue Shield KTAB News Abilene Industrial Foundation KTXS

- 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. OFFICER ELECTIONS FOR 2009: PRESIDENT, VICE PRESIDENT, AND SECRETARY/TREASURER.** The following nominations were offered: Joe Crawford for President, Mike Schweikhard for Vice President and Marelyn Shedd for Secretary/Treasurer. Paul Cannon moved to accept this slate of officers. Mike Schweikhard seconded and the motion passed by unanimous consent.
- 3. PRESENTATION OF CERTIFICATE OF APPRECIATION TO DEE MOORE AND WELCOME NEW BOARD MEMBER, SCOTT SENTER.** President Crawford welcomed new DCOA board member, Scott Senter and then presented a matted and framed Certificate of Appreciation to outgoing DCOA board member, Dee Moore. Ms. Moore stated she enjoyed serving and was thankful for the opportunity.
- 4. APPROVAL OF MINUTES FROM DECEMBER 23, 2008 MEETING.** Paul Cannon made a motion to approve the minutes from the December 23, 2008, meeting. Marelyn Shedd seconded and the motion carried.
- 5. SALES TAX REPORT FOR FEBRUARY 2009 AND PRELIMINARY STATUS OF FUNDS REPORTS FOR NOVEMBER 2008, DECEMBER 2008 AND JANUARY 2009.** The sales tax rebate for economic development for February 2009 was \$955,888, which is 6.25% above this same time last year. The January balance sheet reflects an undesignated fund balance of -\$61,507. This number is based on the assumption that all of the DCOA's obligations would be paid in this fiscal year, which is not the case. The majority of these obligations will be paid in the next two to five years.

Mike Schweikhard moved to approve these financial reports as presented. Scott Senter seconded and the motion 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.

President Joe Crawford announced the date is February 24, 2009 and the time is 1:30 p.m. Mr. Crawford then announced the date is still February 24, 2009 and the time is 3:10 p.m. No vote or action was taken in Executive Session.

- 7. DISCUSSION AND POSSIBLE APPROVAL OF A RESOLUTION AUTHORIZING ASSISTANCE FOR COCA-COLA BOTTLING COMPANY OF NORTH TEXAS.** Coca Cola (Coke) is an established employer for Abilene that has been in operation on Highway 351 for many years and currently employs 221 people. This facility is a specialty products plant running three production lines, which was constructed in 1975 and in need of updates. Within the last three years, the DCOA has helped to improve their accessibility, ultimately helping to prevent them from getting bottlenecked because of all the development occurring at Hwy 351 and I-20. In that same process, the DCOA helped remedy a long-standing sewer problem at the plant.

Coke is considering an expansion to include construction and installation of a 900 square-foot lab room and improvements to the syrup room at an estimated cost of \$5,000,000. Local Coke officials are hoping to position it as an innovative research and development center, which is in the corporate plan and will help ensure the long-term success of the facility. For the project to be considered by corporate, the internal return on investment ~~must~~ reach 15%. Currently the rate of return is 13.5%.

must

Coke requests and staff proposes a capital investment grant of \$500,000 or 10% of the estimated project cost, payable over three years upon receipt of invoices evidencing eligible expenses. This funding will bring the project rate of return to the required 15%.

A motion was made by Scott Senter to approve Resolution No. DCOA-2009.09 as presented. Paul Cannon seconded and the motion passed by unanimous consent.

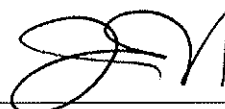
- 8. DISCUSSION AND POSSIBLE APPROVAL OF AN ORAL RESOLUTION AUTHORIZING THE CEO TO CONSIDER THE LABORATORY SPACE PROJECT AND LIFE SCIENCES ACCELERATOR PROJECT AS ONE PROJECT.** A donor conveyed a 6,000 sq. ft. building to the DCOA in December 2008 to meet Receptor Logic's immediate need for wet lab space. Asbestos remediation and construction began soon after to convert the building into laboratory space. Parking for the facility was secured via a lease agreement for a lot adjacent to the facility. As construction progressed, estimated actual costs totaling \$1,598,586 have exceeded the original budget of \$1,217,750, resulting in an overage of \$380,836.

Meanwhile, construction of a 22,000 sq. ft. Accelerator also began in December 2008. The board authorized funding of \$5,345,000 for construction of the Accelerator and authorized the CEO to negotiate a final contract. Staff was able to negotiate the construction cost of the Accelerator down from the original projection. While some costs for the Accelerator were over budget, total costs for the Accelerator are estimated to be under budget by \$504,201.

Because these two projects are closely intertwined, staff requests the board allow them to be considered as one project and allow the CEO to allocate approved funds between the projects as needed. It is important to note that no additional funding is being requested.

Marelyn Shedd moved to authorize by oral resolution, staff's recommendation as presented. Mike Schweikhard seconded and the motion carried.

9. **ADJOURNMENT.** The next regularly scheduled meeting date is March 24, 2009. There being no further business, the meeting was adjourned.



Joe Crawford, President