

DEVELOPMENT CORPORATION OF ABILENE, INC.
BOARD MEETING MINUTES
APRIL 13, 2009

MEMBERS PRESENT: Joe Crawford Mike Schweikhard
Marelyn Shedd
Scott Senter

MEMBERS ABSENT: Paul Cannon

STAFF PRESENT: Richard Burdine Kim Tarrant
Mindy Patterson Dan Santee

GUESTS PRESENT: Bill Ehrie Abilene Industrial Foundation
Carl Kieke 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 MARCH 30, 2009 MEETING.** A motion to approve the minutes from the March 30, 2009, meeting was made and seconded, and the motion carried.
3. **SALES TAX REPORT FOR APRIL 2009.** The sales tax rebate for economic development for April 2009 was \$616,560.04, which is 5.16% above this same time last year.
4. **This item moved after item 5.**
5. **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 April 13, 2009 and the time is 1:32 p.m. Mr. Crawford then announced the date is still April 13, 2009 and the time is 2:17 p.m. No vote or action was taken in Executive Session.

4. **PRESENTATION BY DAVIS KINARD & CO. OF AUDIT REPORT FOR FY2008.** Mindy Patterson reviewed the DCOA's part of the City of Abilene's FY 2008 audit. Current Assets were about \$19.6 million in FY07 and \$16 million in FY08. In FY07 total assets were \$54 million versus \$59 million in FY08. Revenues were approximately \$8.4 million in FY07 versus almost \$9 million in FY08. The City of Abilene received a clean audit.
6. **DISCUSSION & POSSIBLE APPROVAL OF A RESOLUTION AUTHORIZING PURCHASE OF 5.6 ACRES ADJACENT TO THE FIVE POINTS BUSINESS PARK.** UPS has a parcel distribution center at 365 Fulwiler Rd., south of Five Points

Business Parkway which contains a total of 13.56 acres. Currently 5.6 acres is vacant and not used by UPS. With the sale of 41.6 acres in the Park to Tower Tech and construction of Spec 3 on another 18 acres, developable space is becoming scarce and plans need to be made for expansion. By purchasing the excess 5.6 acres, the DCOA can re-plot that acreage plus the surrounding DCOA-owned acreage into a lot of 39.22 acres. An appraisal and survey of the 5.6 acres have been done at a total cost of \$4,030. The appraisal indicated a value of \$62,000 for the acreage and the purchase price is \$65,000.

Staff recommends the DCOA authorize the purchase of said 5.6 acres for \$65,000 plus closing, appraisal and survey costs for a total allocation of \$71,000.

A motion was made by Mike Schweikhard to approve resolution DCOA-2009.12 as presented above. The motion was seconded by Marelyn Shedd and the motion carried.

- 7. DISCUSSION & POSSIBLE APPROVAL OF A RESOLUTION AUTHORIZING THE DEVELOPMENT CORPORATION OF ABILENE'S PARTICIPATION IN A NEW MARKETS TAX CREDIT TRANSACTION FOR THE LIFE SCIENCES ACCELERATOR AND LABORATORY SPACE ON PINE STREET, AND EXECUTION OF ALL DOCUMENTS REQUIRED TO COMPLETE THE TRANSACTION.** The DCOA has invested millions of dollars to provide necessary infrastructure for Abilene's growing biotech research sector. The first investments were infrastructure assistance for the Texas Tech University Health Sciences Center School of Pharmacy at 1718 Pine and assisting Receptor Logic to move to Abilene to conduct cancer research and development.

The DCOA was recently approved by the National Development Council (NDC) for a 2009 New Markets Tax Credit (NMTC) allocation in the amount of \$10 million (\$3.9 million in actual tax credits) that will net an additional \$2 million for reinvestment in the Abilene life sciences project.

Staff recommends the DCOA participate in the NMTC transaction and authorize the CEO to execute documents on the DCOA's behalf.

Scott Senter moved to approve resolution DCOA-2009.10 (revised) as presented above. Marelyn Shedd seconded and the motion carried.

- 8. DISCUSSION & POSSIBLE APPROVAL OF A RESOLUTION AUTHORIZING FUNDING FOR LIGHTING UPGRADES IN HANGARS 0, 2 AND 3 AT THE ABILENE REGIONAL AIRPORT.** Last month the DCOA Board tabled action on funding of \$136,583 to upgrade the lighting in Hangars 0, 2, and 3 as part of the City's contract with TAC which is currently upgrading the lighting in the City-owned Hangar 1. EASI staff is pleased with the dramatic lighting improvement in Hangar 1 and that the lights are lower to the floor, allowing EASI personnel to change the bulbs themselves with equipment on-hand instead of renting a lift. The upgrades will reduce EASI's operating costs.

There are two payment options to reimburse the City of Abilene: Pay the entire \$136,583 in one lump sum or pay it out over five years, plus interest of \$16,419 (total \$152,742). Scott Senter recommended the DCOA pay in a lump sum and ask EASI to consider repaying the DCOA all or a portion of the cost through their utility savings.

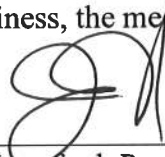
Marelyn Shedd made a motion to approve resolution DCOA-2009.13 as amended to eliminate the authorization for monthly payments to the City of Abilene, plus interest, in favor instead of a lump sum payment of \$136,583. The motion was seconded by Scott Senter and it passed by unanimous consent.

- 9. DISCUSSION & POSSIBLE APPROVAL OF A RESOLUTION AUTHORIZING ADDITIONAL ASSISTANCE FOR COCA COLA OF NORTH TEXAS.** In February 2009 the DCOA authorized \$500,000 to expand the Abilene Coca-Cola plant, including a 900 sq. ft. lab room and improvements to the syrup room. Because of this funding, the Abilene plant is again positioned for approval of a new Shrink Wrap project designed to improve packaging and marketing flexibility. This project is expected to cost \$4 million and is projected to be completed by the end of 2011, if approved. By authorizing additional funding of \$400,000 (10% of \$4 million) for this project, the Abilene plant will be an attractive location and make it more financially viable.

Staff requests the board consider funding of up to \$400,000 for capital investment in the Shrink Wrap project paid over 3 years, upon receipt of evidence of eligible costs.

Marelyn Shedd made a motion to approve resolution DCOA-2009.14 as presented above. Scott Senter seconded and it passed by unanimous consent.

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



Joe Crawford, President