

DEVELOPMENT CORPORATION OF ABILENE, INC.
BOARD MEETING MINUTES
APRIL 15, 2010

MEMBERS PRESENT:	Paul Cannon Scott Senter Dani Ramsay	Mike Schweikhard Marelyn Shedd
STAFF PRESENT:	Richard Burdine Mindy Patterson	Kim Tarrant Dan Santee
GUESTS PRESENT:	Diane Terrell Bill Ehrie Gary Robinett Jocelyn Tovar Carl P. Kieke	Davis Kinard (auditor) Abilene Industrial Foundation Abilene Industrial Foundation KTXS TV Abilene Reporter-News

1. **CALL TO ORDER.** Paul Cannon called the meeting to order in the Develop Abilene conference room located at 174 Cypress Street, 3rd floor, Abilene, TX.
2. **APPROVAL OF MINUTES FROM THE MARCH 23, 2010 BOARD MEETING.** Scott Senter moved to approve the minutes from the March 23, 2010 board meeting. Mike Schweikhard seconded and the motion carried.
3. **PRELIMINARY STATUS OF FUNDS REPORT FOR FEBRUARY 2010 AND EXPLANATION OF FINANCIAL REPORTS PREPARED FOR THE DCOA BOARD.** The total sales tax rebate for April is \$2,405,638.71 which represents February sales. This is 2.46% below last year at this time. Based on this rebate, sales tax is 7.67% below last year for the cumulative period of October through April. For economic development, the rebate is \$601,409.68. Total DCOA assets as of February 28, 2010 were slightly over \$60 million and the undesignated fund balance was almost \$9.7 million. There was a brief review of how contractual obligations are tracked and budgeted.
4. **PRESENTATION OF THE FY09 AUDIT PERFORMED BY DAVIS KINARD & CO., P.C.** The DCOA is audited as part of the City of Abilene's annual audit. As of September 30, 2009, total assets for the DCOA totaled \$59.8 million. Nineteen percent of assets are in cash and investments. Notes receivable were \$17.1 million and nearly \$29.5 million represents investment in capital assets net of related debt. \$17.4 million was restricted for contractual obligations, leaving \$12.1 million unrestricted, designated for future projects.

From FY08 to FY09, the DCOA experienced an increase in net assets of \$1.3 million representing a return on equity of 2.3%. Sales tax revenues decreased 3.7%. For FY09, there was a deficit of \$279,293 of expenditures over revenues.

- 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 Paul Cannon announced the date is April 15, 2010, and the time is 1:59 p.m. Mr. Cannon left the room so as not to participate in the discussion of Agenda items no. 6 and 7 due to a conflict of interest. Mr. Cannon was called back into the room after discussion of those items concluded.

Mr. Cannon then announced the date is still April 15, 2010, and the time is 3:44 p.m. No vote or action was taken in Executive Session.

Paul Cannon then recused himself to abstain from voting on the next two agenda items and left the meeting, leaving Vice President Mike Schweikhard to conduct the remainder of the meeting.

- 6. DISCUSSION & POSSIBLE APPROVAL OF A RESOLUTION AUTHORIZING ASSISTANCE FOR PROJECT JD.** Project JD is a local company that assembles and distributes a seasonal product across the U.S, selling directly or indirectly to large retailers and numerous regional wholesalers. Because the product is seasonal, the company had to employ people seasonally as well. As of September 2009, Project JD acquired a patent for another seasonal product which they also assemble and distribute across the U.S., giving them a product to sell during the off-season times of the original product.

To facilitate the new operation, Project JD needs to renovate a 10,000-15,000 sq. ft. space in its existing warehouse into a climate-controlled assembly area. Improvements include fire sprinklers, HVAC system, electrical work, and construction & engineering fees for a total of \$275,000. With its recent expansion the company can convert 20 seasonal and part-time jobs to 8 permanent, full-time equivalents, and create 3 new full-time jobs for total FTE employment of 11.

Staff recommends a total assistance package of \$105,250 as follows: up to \$64,000 for the creation of 11 full-time jobs paid out in arrears over three years and up to \$41,250 for capital equipment and improvements to the facility paid at 15% of actual cost paid out over three years, with annual payments not to exceed \$13,750.

Scott Senter moved to approve Resolution No. DCOA-2010.14 as presented. Marelyn Shedd seconded. The motion carried, with Paul Cannon abstaining from voting.


- 7. DISCUSSION & POSSIBLE APPROVAL OF A RESOLUTION AUTHORIZING ASSISTANCE FOR PROJECT DJ.** Project DJ is a world leader in wind turbine blade manufacturing since the 1970s with customers all over the world. However, the operation

proposed for Abilene will focus on wind blade repair. The technicians that repair blades are highly trained with salaries ranging from \$40,000 to \$50,000/year. Project DJ anticipates creating 31 new jobs in this salary range, 1 job in the \$50,000-\$60,000/year range and 1 job over \$60,000/year. The company also estimates capital investment of \$800,000.

Staff recommends a total assistance package not to exceed \$566,250 as follows: up to \$416,750 for the creation of 33 new jobs paid in arrears over three years; up to \$80,000 for capital equipment purchases paid at 10% of actual costs over three years; up to \$16,500 paid at 50% of actual training costs limited to \$500/employee; and up to \$53,000 relocation assistance paid at 50% of actual costs limited to \$1,500 for 32 employees and \$5,000 for one employee.

A motion was made by Dani Ramsay to approve Resolution No. DCOA-2010.15 as presented. The motion was seconded by Scott Senter. The motion carried with Paul Cannon abstaining from voting.

8. **ADJOURNMENT.** Staff will let board members know if it is necessary to have the April 27th board meeting. After that, the next scheduled board meetings are May 11th and May 25th; however, Mr. Burdine is not available to meet on May 11th. The members discussed changing the first May meeting date to Thursday, May 13th instead. There being no further business, the meeting was adjourned.



Paul Cannon, President