

DEVELOPMENT CORPORATION OF ABILENE, INC.
BOARD MEETING MINUTES
MAY 10, 2011

MEMBERS PRESENT: Paul Cannon Mike Schweikhard
Scott Senter Marelyn Shedd
Dani Ramsay

STAFF PRESENT: Richard Burdine Kim Tarrant
Dan Santee Mindy Patterson

GUESTS PRESENT: Dawn Wagner, Concerned citizen
Pat Hippely, Taylor Co. Tea Party
David Sougstad, Emergent Technologies
Jaime Adame, Abilene Reporter-News

1. **CALL TO ORDER.** Paul Cannon called the meeting to order at approximately 1:30 pm in the conference room of the Abilene Life Sciences Accelerator, 1325 Pine Street, Abilene, Texas.
2. **APPROVAL OF MINUTES FROM THE APRIL 26, 2011 BOARD MEETING.** Marelyn Shedd moved to approve the minutes from the April 26, 2011 board meeting. Scott Senter seconded and the motion carried.
3. **FINANCIAL STATUS REPORT FOR MARCH 2011.** Mindy Patterson reviewed the DCOA financial statements as of March 31, 2011. Total assets were \$62.2 million while total liabilities were \$362,503. The total fund balance was nearly \$61.9 million and the undesignated fund balance for economic development was almost \$11.3 million. Most of the building/space rental revenue for March was attributed to April rent payments received early and rent from the property at 842 Pine. The two largest expenditures were a \$360,000 principal reduction for PWP and nearly \$480,000 in construction costs for the new EASI Hangar.

Richard Burdine reviewed the DCOA's Loan Summary as of March 31, 2011. Holland Training & Development has earned a principal reduction of \$36,000 for training local companies, which will be applied in April 2011. Kim Tarrant informed the board that Jacob Day/Day Sign Company is current with his loan payments.

4. **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 May 10, 2011, and the time is 1:38 p.m. Mr. Cannon later announced the date is still May 10, 2011, and the time is 2:40 p.m. No vote or action was taken in Executive Session.

5. **DISCUSSION AND POSSIBLE APPROVAL OF A RESOLUTION AUTHORIZING ASSISTANCE FOR PROJECT BC.** Project BC has been in Abilene since 1983 and currently owns over 100 acres of land south of Abilene in the City's 5-mile extraterritorial jurisdiction (ETJ). Among the Company's many functions, they operate drilling rigs and well

service units, and they manufacture new storage tanks and pressure vessels. They currently have 200 full-time employees.

Project BC is considering buying more land for construction of a 40,500 sq ft facility adjacent to the existing facility, for a new operation that will support and enhance the current operation and add 44 new jobs between Phases 1 and 2.

Staff recommends a Phase 1 assistance package totaling \$594,441 as follows: up to \$367,941 job creation incentive paid over three years for the creation of 24 jobs and up to \$226,500 capital investment incentive based on 10% of the company's investment in land, construction, utilities, and capital equipment. Funding will be paid up front as a 0% forgivable loan secured by a letter of credit with principal reductions of \$75,500/annually applied over three years.

Staff recommends a Phase 2 assistance package totaling \$560,927 as follows: up to \$260,727 job creation incentive paid over 3 years for the creation of 20 additional jobs and up to \$300,200 capital investment incentive based on 10% of company's investment in land, construction, utilities and capital equipment.

Scott Senter moved to approve Resolution No. DCOA-2011.16 as presented above. Mike Schweikhard seconded and the motion carried. Marelyn Shedd abstained from voting.

6. DISCUSSION AND POSSIBLE APPROVAL OF A RESOLUTION AUTHORIZING INFRASTRUCTURE ASSISTANCE FOR THE ANITA THIGPEN PERRY SCHOOL OF NURSING AT TEXAS TECH UNIVERSITY HEALTH SCIENCES CENTER- ABILENE. The Anita Thigpen Perry School of Nursing at Texas Tech University Health Sciences Center (TTUHSC) in Abilene (SON-Abilene) is temporarily housed in the Grant Building at 302 Pine St. Severe space limitations prevent students from receiving the best educational experience and prohibit the program from growing to its full potential.

Hendrick Medical Center plans to construct a 32,000 sq ft facility to house the SON-Abilene permanently as an addition to the School of Pharmacy – Abilene building at the corner of Pine and North 17th streets. This facility will also accommodate a state-of-the-art Simulation Center, whose technology is so advanced it will facilitate not only healthcare learning for students, but will also enhance educational research capabilities to improve the quality of care in the Abilene community. Classrooms, offices and administration will also be housed here to accommodate 200 students and support a total faculty and staff of 36 once fully developed.

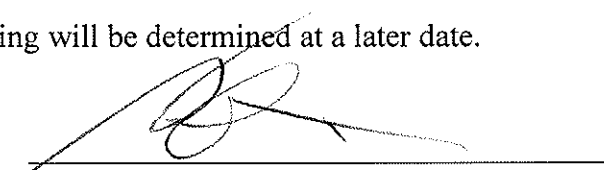
The DCOA Board was asked to consider investing in the project infrastructure, which is allowed under state law. Infrastructure expenditures are limited to streets and roads, water and sewer utilities, electric and gas utilities, drainage, site improvements and related improvements, and telecommunications and internet improvements. The estimated qualifying infrastructure expenditures are \$1,732,100.

Mr. Burdine reviewed additional short-term and long-term benefits to the community from this project. More discussion continued regarding supporting this project and the many benefits to be reaped by the Abilene community.

Staff recommends the DCOA approve a 7-year, 0% interest forgivable loan for infrastructure improvements of up to \$1,732,100 with principal reductions of \$247,442 per year the SON-Abilene is operated. While this project is not being funded for its job creation, the Abilene community will greatly benefit from having 200 students injecting their money into the local economy. Our community will also benefit from the creation of 36 new jobs, 27 paying \$90,000+/year and nine paying between \$35,000/year and \$55,000/year with an annual payroll of \$3.46 million.

A motion was made by Marelyn Shedd to approve Resolution No. DCOA-2011.17 as presented. Dani Ramsay seconded and the motion passed by unanimous consent.

7. ADJOURNMENT. The next board meeting will be determined at a later date.



Paul Cannon, President