

**DEVELOPMENT CORPORATION OF ABILENE, INC.**  
**BOARD MEETING MINUTES**  
**August 9, 2011**

**MEMBERS PRESENT:** Paul Cannon            Scott Senter  
Marelyn Shedd

**MEMBERS ABSENT:** Mike Schweikhard    Dani Ramsay

**STAFF PRESENT:** Richard Burdine       Kim Tarrant  
Dan Santee

**GUESTS PRESENT:** Bill Ehrie, Abilene Industrial Foundation  
BJ Prichard, Enprotec/Hibbs & Todd  
Jack Harkins, Tittle Luther Partnership  
Marlisa Goldsmith, KRBC  
Jaime Adame, Abilene Reporter-News

1. **CALL TO ORDER.** Paul Cannon called the meeting to order at approximately 1:34 pm in the conference room of the Abilene Life Sciences Accelerator, 1325 Pine Street, Abilene, Texas.
2. **APPROVAL OF MINUTES FROM THE JULY 26, 2011 BOARD MEETING.** Marelyn Shedd moved to approve the minutes from the July 26, 2011 board meeting. Scott Senter seconded and the motion carried.
3. **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 August 9, 2011, and the time is 1:35 p.m. Mr. Cannon later announced the date is still August 9, 2011, and the time is 2:30 p.m. No vote or action was taken in Executive Session.

4. **DISCUSSION AND POSSIBLE APPROVAL OF A RESOLUTION AUTHORIZING APPROVAL OF A BID AND FUNDING FOR INSTALLATION OF FIRE SUPPRESSION SYSTEMS IN HANGARS 0 AND 1 AT THE ABILENE REGIONAL AIRPORT OCCUPIED BY EAGLE AVIATION SERVICES, INC.** The existing fire suppression system in Hangar 0, constructed in 1999, does not work properly, and Hangar 1 does not have a fire suppression system. The engineers working on the fire safety issues estimated each fire suppression system would cost \$500,000 for a total of \$1 million.

Bids for both Hangar 0 and Hangar 1 fire suppression systems were opened on August 5<sup>th</sup>. The two bids received were from Automatic Fire Protection at a total bid of \$1,122,937 and from The CFP Group at a total bid of \$1,207,936. Additional items related to Hangar 1 fire suppression installation that will be contracted separately, total \$31,622.

Staff recommends awarding the bid to Automatic Fire Protection at a total cost of \$1,122,937 for Hangars 0 and 1 plus an 8% contingency of \$89,835 and funding of \$31,622 for related items, for total funding of \$1,244,394.

A motion was made by Scott Senter to approve Resolution No. DCOA-2011.23 as presented. Marelyn Shedd seconded and the motion carried.

- 5. DISCUSSION AND POSSIBLE APPROVAL OF A RESOLUTION AUTHORIZING APPROVAL OF BIDS AND FUNDING FOR INSTALLATION OF DOMESTIC WATER LINE, ADDITIONAL FIRE HYDRANTS AND FIRE LINE AT THE ABILENE REGIONAL AIRPORT TO SERVICE THE HANGARS OCCUPIED BY EAGLE AVIATION SERVICES, INC.** On July 19, 2011 two bids to accomplish this project were opened. Both bids were over the budgeted amount of \$684,000 with a 46% swing between the two bids, indicating a lack of consistency between the bids. On July 26<sup>th</sup> the DCOA voted to reject both bids. The project was re-bid with the domestic water line portion of the project separated from the fire service lines in order to get more competitive bids.

Two new bids were opened on August 5<sup>th</sup> with two bids received from Starks Construction at a total bid for both projects of \$650,896 and Bowles Construction Co. at a total bid of \$831,976. Additional items related to these projects that will be contracted separately, total \$85,331.

Staff recommends awarding the bid to Starks Construction at a total cost of \$650,896 for both projects plus an 8% contingency of \$52,072 and funding of 85,331 for related items, for total funding of \$788,299.

Marelyn Shedd moved to approve Resolution DCOA-2011.24 as presented. Scott Senter seconded and the motion carried.

- 6. DISCUSSION AND POSSIBLE APPROVAL OF A RESOLUTION AUTHORIZING ASSISTANCE FOR PROJECT ML.** Efforts are being made to relocate a faculty member from the Lubbock TTUHSC School of Pharmacy (SOP) to the Abilene campus to become a member of the Center for Immunotherapeutic Research team. He would come with intellectual property for organic accelerants for microbial growth. This technology is the basis around which a company was recently formed. The proposed DCOA assistance is contingent on a private sector investment of \$1,000,000.

Project ML job creation projects 13 jobs over 3 years with all salaries paying \$30,000+/year. The company's capital investment is proposed to be a total of \$660,000 for both relocated equipment and the purchase of new equipment.

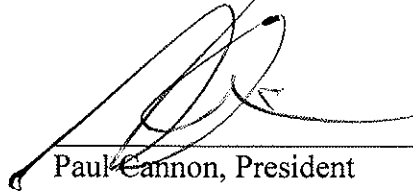
Once in full production Project ML will lease space in the Abilene Life Sciences Accelerator (ALSA) at \$30/s.f./year. They ask that rental payments be deferred for the first 12 months of a 36-month lease, to be fully paid over the last 24 months, allowing them to begin making lease payments closer to the time when they begin generating revenue.

Contingent on the Company's firm commitment for private investment of \$1 million, staff recommends total DCOA assistance of \$297,000 as follows: job creation incentive of \$211,000; capital investment incentive of \$66,000 (10% of \$660,000); and relocation assistance not to exceed \$20,000 to help the company president relocate laboratory equipment and his household from

Lubbock to Abilene. The agreement will also include a “claw back” provision requiring that the total amount of incentives paid to Project ML be refunded to the DCOA if the company leaves Abilene before the end of the 5<sup>th</sup> year of the agreement.

A motion was made by Marelyn Shedd to approve Resolution No. DCOA-2011.25 as presented. Scott Senter seconded and the motion carried.

- 7. ADJOURNMENT.** The next meeting is August 23<sup>rd</sup>. There being no further business, the meeting was adjourned.



Paul Cannon, President