

DEVELOPMENT CORPORATION OF ABILENE, INC.
BOARD MEETING MINUTES
October 11, 2011

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

STAFF PRESENT: Richard Burdine Kim Tarrant
Dan Santee Mindy Patterson

GUESTS PRESENT: Bill Ehrie, Abilene Industrial Foundation
Jaime Adame, Abilene Reporter-News

1. **CALL TO ORDER.** Paul Cannon called the meeting to order at about 1:30 p.m. in the conference room of the Abilene Life Sciences Accelerator, 1325 Pine Street, Abilene, Texas.
2. **APPROVAL OF MINUTES FROM THE AUGUST 23, 2011 BOARD MEETING.** Scott Senter moved to approve the minutes from the August 23, 2011 board meeting. Mike Schweikhard seconded and the motion carried.
3. **SALES TAX REPORT FOR SEPTEMBER 2011 AND STATUS OF FUNDS REPORT FOR 2011.** Mindy Patterson pointed out that the City's sales tax rebate of nearly \$3.2 million received in September represents July sales and is up 23% from last September. The sales tax rebate for economic development of \$799,173 is 11.83% above last year for the period October through September. Major expenditures in August were EASI hangar construction and fire safety costs, ALSA contribution, and training.
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 October 11, 2011, and the time is 1:40 p.m. Mr. Cannon later announced the date is still October 11, 2011, and the time is 2:17 p.m. No vote or action was taken in Executive Session.

Marelyn Shedd left the meeting at this time due to a conflict of interest on Agenda Item No. 5 for Smith Pipe. She returned once discussions ended for that item.

5. **DISCUSSION AND POSSIBLE APPROVAL OF A RESOLUTION AUTHORIZING ASSISTANCE FOR PHASE 3 EXPANSION OF SMITH PIPE.** Marelyn Shedd excused herself from the board meeting due to a conflict with this item and did not return. Smith Pipe is a local company that currently owns over 10 acres of land south of Abilene in the City's 5-mile extraterritorial jurisdiction (ETJ). In addition to sales of used oilfield equipment and manufacturing new storage tanks and pressure vessels, Smith Pipe operates drilling rigs and well service units, etc. Earlier this year, the DCOA authorized total assistance of \$1,155,368 for Phases 1 and 2 expansion into pipe coating in exchange for capital investment by the company of \$5,267,000 and job creation of 44 new jobs.

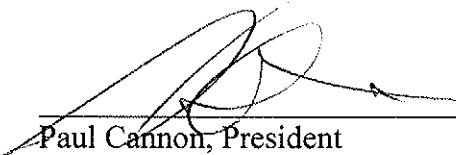
With recent well field development in South Texas, demand for oilfield tanks has grown substantially and Smith Pipe's current tank fabrication operation cannot keep up with demand. For their Phase 3 expansion, the company wants to purchase more land to construct a 15,000 sq ft main shop and a 5,000 sq ft paint and sand-blasting shop. The total estimated project cost for construction and equipment purchases is \$2,097,900 and plans are to create 31 new jobs in Phase 3.

Because this project is located in the City's ETJ, approval by the Taylor County Commissioners' Court will be required prior to finalization of the deal.

Staff proposes a Phase 3 expansion assistance package totaling \$521,790 as follows: job creation incentive of up to \$313,000 for the creation of 31 new jobs and capital investment incentive of up to \$208,790 based on 10% of company's investment in land, construction utilities and capital equipment, with all incentives paid in arrears over three years.

Dani Ramsay moved to approve Resolution No. DCOA-2012.01 as presented. Mike Schweikhard seconded and the motion carried.

- 6. ADJOURNMENT.** The next meeting is October 25th. There being no further business, the meeting was adjourned.



Paul Cannon, President