

DEVELOPMENT CORPORATION OF ABILENE, INC.
BOARD MEETING MINUTES
November 8, 2011

MEMBERS PRESENT: Paul Cannon Dani Ramsay
Marelyn Shedd Scott Senter

MEMBER ABSENT: Mike Schweikhard

STAFF PRESENT: Richard Burdine Kim Tarrant
Mindy Patterson Melissa Murphy

GUESTS PRESENT: Judy Wilhelm, Small Business Development Center
Bill Ehrie, Abilene Industrial Foundation/Mil. Affairs Comm.
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 OCTOBER 11, 2011 BOARD MEETING.** Scott Senter moved to approve the minutes from the October 11, 2011 board meeting. Marelyn Shedd seconded and the motion carried.
3. **SALES TAX REPORT FOR OCTOBER 2011.** Mindy Patterson pointed out that the City's sales tax rebate of \$3.56 million received in October represents August sales and is up 34.53% from last October. The sales tax rebate for economic development was \$890,386.
4. **PRESENTATION OF ANNUAL REPORTS FOR FISCAL YEAR ENDED SEPTEMBER 30, 2011 BY: ABILENE INDUSTRIAL FOUNDATION, CITY OF ABILENE AIRPORT BUSINESS DEVELOPMENT AND TEXAS TECH UNIVERSITY SMALL BUSINESS DEVELOPMENT CENTER.** Bill Ehrie presented the FY 2011 Annual Report for the Abilene Industrial Foundation (AIF). Of the \$140,000 marketing budget, \$106,060 was spent. The AIF made 85 local retention visits and 89 consultant visits. Of the 72 leads received, 32 were responded to and four prospect files were opened. Given that low number, Mr. Ehrie explained that there are many companies that have projects waiting but are not willing to execute at this time due to the current economic situation and the uncertainty in Washington about tax laws and healthcare reform. He predicts more activity by November 2012. Mr. Ehrie reviewed the success of several projects including Broadwind Towers and BlueCross BlueShield of Texas. The AIF continues its marketing efforts with advertisements, trade show and conference participation and website and electronic marketing. The AIF's marketing and retention efforts go hand in hand with the efforts of the Chamber's Military Affairs Committee (MAC) in supporting Dyess AFB.

Melissa Murphy presented the FY 2011 Annual Report from the City of Abilene Airport Business Development Management program. They made several presentations to civic groups in Abilene and surrounding cities throughout the year (heavily concentrating on Brownwood), taking advantage of the opportunity to promote the advantages of flying from Abilene versus driving to another airport. They have sponsored several events in an effort to connect with the community. The Abilene Regional Airport has used several venues to market the airport including television, radio and print ads, social media and outdoor billboards.

The *ABI-VIP Passenger Rewards Program* continues to do well and keeps growing. There are currently 1,080 passengers registered in the program, compared to 1,000 last year. Airport staff is also focusing on monthly *Passenger Appreciation Days*. These are sponsored by local businesses (mainly hotels) that provide free refreshments for departing passengers.

For FY 2011, enplanements were up 11% for the first three quarters. However, 7% of this is attributed to fire fighters flying out of Abilene to help out in the rest of the state with the large volume of fires this year. Therefore, true trending is about a 3 to 4% increase. Rental car revenue was down 7.38% YTD and parking lot revenue was up .72% YTD. And finally, Abilene Christian University's Mass Communications Dept. has taken on Abilene Regional Airport as their class project this fall. They will be putting together a marketing campaign for the airport.

Judy Wilhelm presented the FY 2011 Annual Report from the Texas Tech University Small Business Development Center (SBDC). The SBDC has contracted with the DCOA since 1990, providing free business counseling services to clients in a 17-county region and has been in Abilene for 25 years. In FY11 the SBDC focused on assisting with local contracting awards for Dyess AFB. For FY12 the SBDC will be focusing primarily on assisting with exporting from Abilene. Of the 804 clients the SBDC served in FY11, 365 were new clients and 439 were returning clients. The SBDC helped clients open 86 new businesses and create 252 jobs. Capital formation totaled about \$6.5 million. In addition to performing their contractual obligations, the SBDC is highly involved in the community.

5. **PRESENTATION BY BILL EHRIE OF THE ANNUAL STATUS UPDATE ON ACTIVITIES OF TWO CONSULTANTS HIRED TO ASSIST WITH MAINTAINING EXISTING AND GAINING NEW MISSIONS AT DYESS AFB.** Bill Ehrie presented the annual status update from Rich Leidl and Jim Casey with Team Concepts, two consultants who contract with the Abilene Industrial Foundation to help maintain existing and gain new missions at Dyess AFB. Dyess AFB has now realized the success of a new mission that started about two to three years ago: the retention upgrade of the C130 to the new C130J aircraft. The first 12 C130Js will arrive by this December with Dyess eventually having a total of 26. Construction projects have been strong with the Armed Forces Reserve Center opening and the new C130J hangar, which should be completed in January 2012. Dyess continues with the retention of the B1s. Base housing has been completely replaced.
6. **EXECUTIVE SESSION 1.** 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 November 8, 2011, and the time is 2:27 p.m. Mr. Cannon later announced the date is still November 8, 2011, and the time is 2:59 p.m. No vote or action was taken in Executive Session.

7. **DISCUSSION AND POSSIBLE APPROVAL OF CHANGES TO THE DEVELOPMENT CORPORATION OF ABILENE'S INCENTIVE GUIDELINES, WHICH ARE USED WHEN DETERMINING THE AMOUNT OF ASSISTANCE AVAILABLE TO ELIGIBLE PROJECTS.** Richard Burdine reviewed the current Incentive Guidelines. The proposed change is for capital investment assistance for companies outside the city limits and within the five-mile extra-territorial jurisdiction (ETJ). Staff recommends changing the Incentive Guidelines to provide no

more than 7% of actual capital investment cost as capital investment incentive for companies in the ETJ.

Scott Senter moved to change the Incentive Guidelines as recommended. Dani Ramsay seconded and the motion carried.

- 8. DISCUSSION AND POSSIBLE APPROVAL OF A RESOLUTION AUTHORIZING AMENDED ASSISTANCE FOR BROADWIND TOWERS (f/k/a TOWER TECH SYSTEMS, INC. dba TEXAS TTSI).** The DCOA has previously assisted Broadwind Towers with a total of \$4,827,500 for job creation, capital investment, training and land & rail service incentives. Of this money \$2,382,973 has been paid to Broadwind over the last three years, leaving a balance of \$2,444,527. Due to the economic downturn, the company has experienced layoffs and furloughs of employees. The company recently signed a contract with Caterpillar (CAT) to manufacture masts for heavy oilfield trucks used in this area. Broadwind currently has 25 employees but needs an additional 97 welders at a higher welding skill level than is required for tower manufacturing, to fulfill the contract with CAT and to fulfill 2012 tower orders.

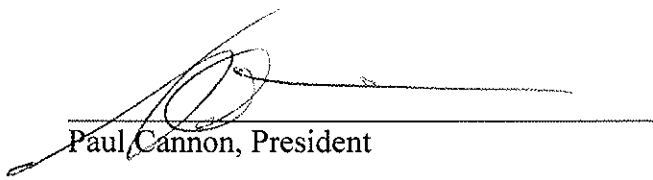
Staff recommends the board authorize a reallocation of job creation incentive funds for Broadwind Towers of \$20,500 to be used instead for advanced welder training for current and returning employees.

A motion was made by Marelyn Shedd to approve Resolution No. DCOA-2012.02 as presented. Dani Ramsay seconded and the motion carried.

EXECUTIVE SESSION 2. I hereby announce we are going back 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 November 8, 2011, and the time is 3:15 p.m. Mr. Cannon later announced the date is still November 8, 2011, and the time is 3:55 p.m. No vote or action was taken in Executive Session.

- 9. ADJOURNMENT.** The next meeting is November 22nd. There being no further business, the meeting was adjourned.



Paul Cannon, President