

**DEVELOPMENT CORPORATION OF ABILENE, INC.  
BOARD MEETING MINUTES  
FEBRUARY 14, 2012**

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

**MEMBER ABSENT:** Dani Ramsay

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

**GUESTS PRESENT:** Bill Ehrie, Abilene Industrial Foundation  
Brennan Peel, Abilene Reporter-News

1. **CALL TO ORDER.** Paul Cannon called the meeting to order at 1:34 p.m. in the conference room of the Abilene Life Sciences Accelerator, 1325 Pine Street, Abilene, Texas.
2. **APPROVAL OF MINUTES FROM THE JANUARY 31, 2012 BOARD MEETING.** Scott Senter moved to approve the minutes from the January 31, 2012 board meeting. The motion was seconded by Marelyn Shedd and passed by unanimous consent.
3. **SALES TAX REPORT FOR FEBRUARY 2012 AND STATUS OF FUNDS REPORT FOR DECEMBER 2011.** Mike Rains noted that the sales tax rebate for economic development of \$1,175,879 for February represents December sales. This is 20% above December 2010 sales. Cumulative sales tax is up 25.07% above last year for the period October through February. As of December 30, 2011 the total fund balance was \$64.3 million with \$33 million of that invested in fixed assets and \$11.2 million as undesignated balance (available for projects). The two largest revenue items are from sales tax and rental income. The largest expenditures were for Eagle Aviation's Hangar 4 construction and Broadwind Towers (f/k/a Tower Tech).
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 February 14, 2012, and the time is 1:40 p.m. Mr. Cannon later announced the date is still February 14, 2012, and the time is 2:46 p.m. No vote or action was taken in Executive Session.

5. **DISCUSSION AND POSSIBLE APPROVAL OF A RESOLUTION AUTHORIZING ASSISTANCE FOR FEHR FOODS.** Fehr Foods began with 27 employees when they first started operations in Abilene in 1992. Since that time, the DCOA has assisted with several changes and expansions to the cookie-making company. As of June 2011, Fehr's FTE total was 263.7.

In October 2010, Grupo Nutresa purchased 100% of the stock of Fehr Holdings, including Fehr Foods and its affiliates, making the Abilene operation the only one in the U.S. Grupo Nutresa has invested \$900,000 in the Abilene facility since 2010, and they plan to invest an additional \$4.1 million for Project El Dorado, which is the addition of a new cream cookie line, increasing cream cookie capacity by 18 million pounds per year, a 30% increase. 39 new jobs will be created and they

will make use of equipment currently not being used. Grupo Nutresa also plans a \$1 million capital investment for plant improvements, for total capital investment of \$5.1 million.

Staff recommends the DCOA authorize assistance of up to \$510,000 in capital investment incentives for Fehr Foods, Inc., based on 10% of actual costs, to assist with capital investment in Project El Dorado and plant improvements, to be paid over 3 years.

A motion was made by Mike Schweikhard to approve Resolution No. DCOA-2012.11 as presented. Scott Senter seconded and the motion carried.

- 6. DISCUSSION AND POSSIBLE APPROVAL OF A RESOLUTION AUTHORIZING AMENDED ASSISTANCE FOR BROADWIND TOWERS (F/K/A TOWER TECH SYSTEMS, INC. DBA TTSI).** Broadwind Towers (BT) manufactures utility-scale wind tower, monopole & wind turbine structures and assembly in Abilene's Five Points Business Park. Among job creation and capital investment incentives, the DCOA's original assistance package included \$75,000 for two training sessions through the Fast Track Welding Training program.

Because of economic swings, there were several amendments to the assistance package. Out of the 150 new jobs to be originally created, BT reported 109 FTEs through Oct. 2011. The company recently signed a contract with Caterpillar (CAT) to manufacture masts for heavy oilfield trucks used in this area; therefore they need to add welders to fulfill this contract and 2012 tower orders.

In November 2011, the DCOA reallocated \$20,500 from job creation incentive funds to use instead for advanced welder training for current and returning employees conducted by TSTC. The company now requests the DCOA reallocate another \$38,400 from job creation incentive funds to be used for training: \$30,000 for advanced welding training for 20 students, and \$8,400 for leadership training for the supervisory team.

Scott Senter moved to approve Resolution No. DCOA-2012.12 as presented. The motion was seconded by Marelyn Shedd and carried.

- 7. ADJOURNMENT.** Richard is not available on Feb. 28<sup>th</sup> (the next regularly scheduled meeting). If a meeting is necessary before March 13<sup>th</sup> (possibly on Feb. 27<sup>th</sup>), notice will be given to all concerned parties. There being no further business, the meeting was adjourned.

  
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Mike Schweikhard, Vice President