

**DEVELOPMENT CORPORATION OF ABILENE, INC.**  
**BOARD MEETING MINUTES**  
**MARCH 13, 2012**

**MEMBERS PRESENT:** Paul Cannon Mike Schweikhard  
Dani Ramsay Scott Senter

**MEMBER ABSENT:** Marelyn Shedd

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

**GUESTS PRESENT:** *Garner*  
Gavin Roberts, Abilene Reporter-News

1. **CALL TO ORDER.** President Paul Cannon called the meeting to order in the conference room of the Abilene Life Sciences Accelerator, 1325 Pine Street, Abilene, Texas, at about 1:30 pm.
2. **APPROVAL OF MINUTES FROM THE FEBRUARY 27, 2012 BOARD MEETING.** A motion was made by Mike Schweikhard to approve the minutes from the February 27, 2012 board meeting. Scott Senter seconded the motion and passed by unanimous consent.
3. **SALES TAX FOR MARCH 2012 AND STATUS OF FUNDS REPORT FOR JANUARY 2012.** In the absence of a representative from the City's finance dept., Richard Burdine reviewed this information with the board. The sales tax rebate for March, for economic development, was \$732,189 which represents January sales. This amount is 23.34% above last year for the period October through March.

On the status of funds report for January 2012, Mr. Burdine pointed out that the undesignated fund balance was at a little over \$12 million. There are several DCOA Board approved projects waiting for signed contracts including Coca-Cola, West Texas Innovation Network, and Project CD-Phase 1. If funds have been obligated to a project and the project is cancelled, those funds are returned to the undesignated fund balance, making them available again.

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 March 13, 2012, and the time is 1:45 p.m. Mr. Cannon later announced the date is still March 13, 2012, and the time is 2:35 p.m. No vote or action was taken in Executive Session.

5. **DISCUSSION AND POSSIBLE AUTHORIZATION FOR THE PRESIDENT TO SIGN A LETTER IN SUPPORT OF AN APPLICATION TO THE CANCER PREVENTION AND RESEARCH INSTITUTE OF TEXAS FOR A TEXAS LIFE SCIENCE INCUBATOR INFRASTRUCTURE AWARD FOR THE ABILENE LIFE SCIENCES ACCELERATOR.** Staff has been working with Dr. Weidanz, TTUHSC Pharmacy School and a representative from The University of Texas on an application for a Texas Life Sciences Incubator Infrastructure Award, solicited by the Cancer Prevention and Research Institute of Texas (CPRIT). CPRIT's objective is to establish a network of incubators for life science companies in the state. This is the second request for applications they have issued; however they haven't acted on the first round of applications yet.

The deadline is 3/15/12 to submit the application. The letter that the board would authorize the DCOA president to sign on behalf of the board would go in with this application packet. Part of the review process is that we may be invited to present our application in May 2012 to reviewers. CPRIT's intention is to make award notifications by the end of July for a 3-year grant period beginning Sept. 1, 2012.

The DCOA would be committing approximately \$2.18 million, which represents the ALSA operating funding support for the next 3 years the DCOA already expects to provide. Local investors will commit to another \$2.0 million for total local match of \$4.18 million. The application would request twice that amount from CPRIT, making a total grant request of about \$8.36 million. CPRIT will foster cancer research as well as product and service development in Texas by providing financial support for a wide variety of projects relevant to cancer.

The end game benefit for us is that we will create a stable team in our life sciences incubator that can be available to help companies grow.

Staff recommends the board approve funding of up to \$2,180,788 over the next three years as a partial match for a requested total CPRIT funding of \$8,361,576 and to authorize the board president to sign a letter supporting the CPRIT application to be submitted by 3/15/12.

Scott Senter moved to approve funding of up to \$2,180,788 over the next 3 years, to begin in FY 2013 and to authorize the board president to sign a letter supporting the CPRIT application as mentioned above. The motion was seconded by Dani Ramsay and carried.

- 6. DISCUSSION AND POSSIBLE APPROVAL OF A RESOLUTION AUTHORIZING CONTRACTS AND FUNDING FOR INTERIOR DEMOLITION WORK AND OTHER COSTS ASSOCIATED WITH 4109 VINE ST.** There is currently 7,000 sq ft of office space and 80,000 sq ft of warehouse space that can't be utilized because of fire suppression problems and because ADA requirements have not been met to allow a tenant(s) in this space.

Lighting in Warehouses B, C, and D and the Ryder building has been upgraded. In exchange the DCOA received an incentive payment of \$8,844 from AEP to improve energy efficiency. The parking lot at 4109 Vine St. is being rebuilt. The DCOA had previously approved contracts and funding to design a new dry pipe system for the offices, Warehouses C and D, and to prepare construction documents showing alterations required to satisfy TAS for access to the building and restrooms, and compliance with building codes.

However, previous bids to demo the existing fire suppression system, install a new dry pipe system and an alternate to demo and dispose of existing insulated ceiling panes, were rejected by the board for expense and safety issues. To save money and time, staff will contract directly to have the ceiling panels removed and disposed of in accordance with regulations due to the presence of asbestos-containing materials. Rebidding and replacing the fire suppression system will be made easier and result in fewer safety hazards during construction and any inspections or repairs in the future if the ceiling panels are permanently removed. The new bids will be lower since bidders will have access to and can see exactly what they are bidding.

Much work requiring an electrician, a fire suppression contractor, and a demolition contractor is needed before the ceiling panels are removed. Because of the failure of the air compressor and the

pipes filling with water, staff has solicited bids and contracted with three vendors to begin the work listed above in advance of board funding approval. Therefore, staff requests the board ratify the following agreements and approve funding of \$29,739 as follows:

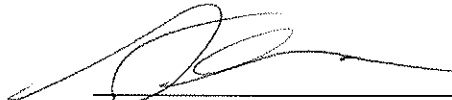
1. Wyatt Electrical Services - \$20,777 to remove and replace lighting.
2. The CFP Group - \$1,462 to remove existing sprinkler pipe beneath insulated ceiling panels and drain and red-tag the riser.
3. Troy Penney - \$7,500 to demo the interior temporary structures and remove existing refrigeration units.

Additionally, staff requests contracts and funding of \$70,750 as follows:

1. AML Environmental - \$2,150 to abate asbestos and demolish current fire riser room in Warehouse C to make way for new risers.
2. Enprotec/Hibbs & Todd - \$1,150 to provide asbestos consulting services for riser room abatement.
3. AML Environmental - \$59,950 to remove and dispose of the asbestos-containing ceiling panels in Warehouse D.
4. Contingency for all items mentioned above - \$7,500 for the “unknowns”.

Dani Ramsay moved to approve Resolution No. DCOA-2012.15 as presented. Mike Schweikhard seconded and the motion carried.

7. **ADJOURNMENT.** The next regularly scheduled meeting is March 27<sup>th</sup>. There being no further business, the meeting was adjourned.



---

Paul Cannon, President