

DEVELOPMENT CORPORATION OF ABILENE, INC.
BOARD MEETING MINUTES
JULY 10, 2012

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

STAFF PRESENT: Richard Burdine Kim Tarrant
Mindy Patterson Dan Santee

GUESTS PRESENT: Greg Blair, Abilene Improvement Corporation
Bill Ehrie, Abilene Industrial Foundation
Brennan Peel, Abilene Reporter-News
John Mangaronzo, “ “ “
Marc Gustafson, KTAB-KRBC TV

1. **CALL TO ORDER.** President Paul Cannon called the meeting to order at 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 JUNE 12, 2012, BOARD MEETING.** Dani Ramsay moved to approve the minutes from the June 12, 2012 board meeting. Marelyn Shedd seconded and the motion carried.
3. **STATUS OF FUNDS REPORT FOR MAY 2012.** Mindy Patterson pointed out total revenue as of May 31st was slightly over \$1 million; \$972,804 of that was from sales tax. Expenditures totaled \$1,097,156. Highlighted items include \$266,667 for TTUHSC Research; \$31,707 for Cisco College Biotech training; \$102,366 for EASI Hangar 4 construction; \$381,733 for EASI Hangar fire safety; \$91,332 for interior demolition of 4109 Vine St.; and \$40,753 for the Fast Track Welder training program.
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 July 10, 2012, and the time is 1:35 p.m. President Paul Cannon then announced the date is still July 10, 2012, and the time is 2:25 p.m. No vote or action was taken in Executive Session.
5. **DISCUSSION AND POSSIBLE APPROVAL OF A RESOLUTION AUTHORIZING A CONTRACT AND FUNDING FOR ARCHITECTURAL/ENGINEERING SERVICES ASSOCIATED WITH THE RELOCATION OF THE AIR COMPRESSORS TO AN EXTERIOR STRUCTURE FOR PACTIV AT 6450 FIVE POINTS PARKWAY.** Pactiv Corp. is a leader in the consumer and food service/food

packaging markets it serves. On April 10, 2012 the DCOA approved a second revision to the Phase 2 assistance by reducing the total amount by \$1,250,000 to \$426,000 and extending the funding expiration to June 30, 2013 to assist with the installation of a 7th thermo former and conversion of part of the Phase 2 warehouse space, to allow for an additional manufacturing line.

In order to convert space in the warehouse for the new manufacturing line, the existing air compressors need to be moved outside the building into a new enclosure. The Tittle Luther Partnership/Parkhill Smith & Cooper (TLP/PSC) have met with the local plant manager and developed a cost estimate of \$179,600 for a new metal building structure and the many components that go with it. The A/E fees at 10% of estimated cost plus 1% for reimbursables and additional services total \$19,756.

Staff requests the DCOA approve a contract with TLP/PSC and funding of \$19,756 to design the improvements. Staff also requests the DCOA authorize the CEO to solicit bids for the work and return to the board for construction authorization. It is noted that Pactiv will participate in the project at a funding level to be negotiated once actual bid costs are known and Pactiv has provided paid invoices for recent capital investment that may generate capital investment incentives adequate to fund the project.

Scott Senter moved to approve Resolution No. DCOA-2012.24 as presented. Mike Schweikhard seconded and the motion carried.

6. **DISCUSSION AND POSSIBLE APPROVAL OF A RESOLUTION AUTHORIZING FUNDING TO THE WEST TEXAS COALITION FOR INNOVATION AND COMMERCIALIZATION (WTCIC) FOR FY2012.** The WTCIC is one of seven regional centers supporting 83 counties that review applications to the Texas Emerging Technology Fund (TETF). TETF is a multi-million dollar fund established in 2005 to encourage research and commercialization of technology. However, no funds were allocated for the cost of operating the Regional Centers of Innovation and Commercialization (RCIC).

To help with the necessary match to state funds, the WTCIC has previously asked six of the Economic Development Corporations which are members of the WTCIC for operating funds. The DCOA has previously approved a total of \$46,582 for operations through August 2011. In return, the DCOA received a \$20,000 development grant in 2010 to promote entrepreneurship, technology business development and the ETF, and offset the operating funds grant.

The WTCIC is currently asking the DCOA to provide \$2,500 to support operations from April through August 2012.

A motion was made by Marelyn Shedd to approve Resolution No. DCOA-2012.23 as presented. The motion was seconded by Dani Ramsay and passed by unanimous consent.

7. **DCOA STRATEGIC PLANNING SESSION AND POSSIBLE APPROVAL OF CHANGES TO INCENTIVE GUIDELINES.** Richard Burdine reviewed the current incentive guidelines and explained that most of the money goes toward job creation and capital investment incentives. With job creation incentives, the DCOA currently does not incent new businesses paying less than \$30,000/year. However, it does incent existing businesses paying less than \$30,000/year but the funding is significantly less.

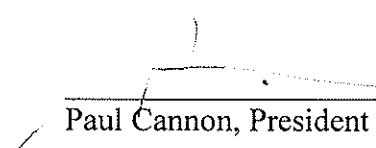
There was discussion regarding capital investment incentive funding for companies located within the city limits versus those located outside the city limits. The current average incentive guideline starting point has typically been 10% for all companies.

However, it has been recommended to lower the capital investment incentive percentage to 7% for those companies located outside the city limits because Abilene's tax base does not benefit. It has also been recommended to raise the capital investment incentive percentage to 15% for local companies for land and construction and keep it at 10% for equipment purchases.

Dani Ramsay moved to make the two changes to the DCOA Incentive Guidelines for capital investment funding as recommended above. The motion was seconded by Scott Senter and passed by unanimous consent.

In other business, Richard Burdine polled the board members on their availability to attend the July 24th DCOA Board meeting. All are available to attend except Scott Senter.

8. **THERE BEING NO FURTHER BUSINESS, THE MEETING WAS ADJOURNED.**



Paul Cannon, President