

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

MEMBERS PRESENT: Mike Schweikhard Scott Senter
Marelyn Shedd Dani Ramsay

MEMBER ABSENT: Paul Cannon

STAFF PRESENT: Richard Burdine Susan Cardonita
Don Green Melissa Murphy

GUESTS PRESENT: Judy Wilhelm, SBDC
John Mangalanzo, Abilene Reporter-News
Ron Miller, 7th Contractors Group, Dyess AFB

1. **CALL TO ORDER.** Vice President Mike Schweikhard called the meeting to order in the conference room of the Abilene Life Sciences Accelerator, 1325 Pine Street, Abilene, Texas.
2. **APPROVAL OF MINUTES FROM THE OCTOBER 30, 2012, BOARD MEETING.** Mike Schweikhard pointed out that John from the Abilene Reporter-News, had his last name misspelled in the minutes. The correct spelling is "Mangalanzo" not "Mangavonzo." Dani Ramsay moved to approve the minutes from the October 30, 2012 board meeting as corrected. Scott Senter seconded and the motion was approved.
3. **NOVEMBER 2012 SALES TAX REPORT AND PRELIMINARY STATUS OF FUNDS REPORT FOR SEPTEMBER 2012.** Richard Burdine reported that this month's revenue of \$891,956 (which represents September sales) is lower than the \$964,808 in sales tax revenue from this time last year. A significant part of the higher revenue in FY12 for the DCOA is attributed to a large project which provided about \$1 million for the DCOA. Total revenue for FY12 was \$10.42 million, the largest in DCOA history so far. For the cumulative period of October through November, sales tax is 5.79% below last year; however it is 1.14% above the projected FY13 budget amount. Total revenue for FY12 was approximately \$11.8 million, which includes nearly \$1 million in lease income. Major expenditures in September include \$551,310 for Fehr Foods, EASI hangar fire safety costs of \$123,621, \$172,070 for Vine St. fire safety and welder training costs of \$50,393. As of September 30, 2012, the DCOA had an undesignated fund balance of \$18,848,716.
4. **PRESENTATION OF ANNUAL REPORTS FOR FISCAL YEAR ENDED SEPTEMBER 30, 2012 BY THE CITY OF ABILENE AIRPORT BUSINESS DEVELOPMENT AND TEXAS TECH UNIVERSITY SMALL BUSINESS DEVELOPMENT CENTER.**

Airport Business Development: Melissa Murphy pointed out they were very busy this summer visiting several communities, chambers of commerce, and civic organizations in the Abilene catchment area, focusing on describing and promoting the travel bank idea. Staff had previously targeted a specific airline to recruit to Abilene with the hope of offering the travel bank as an incentive. Staff has backed off the travel bank idea for now, until things become a little more definite that a second potential carrier is interested in coming to Abilene. In the meantime, the groundwork has been laid for the travel bank with area communities being familiar with it and hopefully willing to participate if and when the time comes.

Marketing efforts continued with ads in various forms of media, plus continued promotion of the Airport's website through social media. The ABI-VIP Passenger Rewards Program is still going strong

with 1,429 registered passengers. Enplanements were down 5% and rental car revenue was down 13% for FY12 from FY11. With the many fires that occurred in FY11, 7% of FY11's enplanements and rental car revenue was due to the increase of forest service personnel traveling to other locations to assist in fire control. Parking lot revenue is up 9% for FY12.

Texas Tech University Small Business Development Center (SBDC): Judy Wilhelm presented the FY12 report. There were 63 businesses opened (down from 86 in FY11), 176 jobs created (down from 252 in FY11) and capital formation of \$6.2 million (FY11 was \$6.6 million). Ms. Wilhelm pointed out that FY12 was the worst year the SBDC has had in the Northwest Texas Corridor. Additionally, the Abilene SBDC office lost 50% of its staff in 45 days.

The SBDC continues to support the West Texas Innovation Network (WTIN) in their 10-week Fast Trac program for individuals. The SBDC also continues to support minorities and rural communities, as well as additional local assistance through the ACU Spring Board competition and several other programs. Due in large part to their loss of staff, the SBDC had to cut back on the number of workshops they offered in FY12.

The SBDC has been working extensively with Dyess AFB to help develop a working relationship between the Dyess contracting office and local contractors; specifically to overcome any past perceptions so local contractors may be awarded the prime contracting opportunities from Dyess AFB. To this end, Ms. Wilhelm introduced Ron Miller, Director of Business Operations, 7th Contractors Squadron at Dyess AFB. Mr. Miller described his position as the small business specialist.

During FY12, Mr. Miller worked with the SBDC to increase the support of local contractors in the community; to encourage local small businesses to do contract work at Dyess. He explained that no longer does the lowest bid automatically win the contract at Dyess. Dyess AFB has now implemented the "Best Value Contracting Effort", in which they review the past performance of the bidding vendors. They are looking for quality work and the best value for the best price. Dyess contracting is also trying to convince the subcontractors to bid as the prime contractors. His office has also worked with the U.S. Small Business Administration to assist vendors with paperwork, requirements, etc. at no charge to the contractor/vendor. He pointed out that while his mandate is to award 80% of funding to small businesses in Abilene, his own goal is to award 90%, and in FY12 he awarded 95% of \$65 million to Abilene small businesses.

5. **PRESENTATION AND POSSIBLE APPROVAL OF THE FY12 ANNUAL REPORT OF ACTIVITIES OF THE DEVELOPMENT CORPORATION OF ABILENE, INC.** Richard Burdine started by reviewing the FY12 DCOA Approved Assistance chart contained in the report. Among the companies assisted by the DCOA were Smith Pipe, Coca Cola Refreshments, USA and Fehr Foods. All companies financially assisted by the DCOA in FY12 were local. The DCOA approved total financial assistance of \$1,168,888 in exchange for the retention of 454 jobs and the creation of 68 new ones. The projected total annual payroll was \$3,403,000 with total capital investment of \$27,517,900.

The DCOA authorized assistance for many miscellaneous projects in FY12. For the fourth year the DCOA was a gold level sponsor in the 2012 ACU Springboard Ideas Challenge. Also, the DCOA approved funding to support operations for the West Texas Coalition for Innovation and Commercialization (WTCIC).

A motion was made by Scott Senter to approve said report as presented. Dani Ramsay seconded and the motion passed.

6. **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.

Vice President Mike Schweikhard announced the date is November 13, 2012, and the time is 2:45 p.m. Later, Vice President Mike Schweikhard announced the date is still November 13, 2012, and the time is 3:30 p.m. No vote or action was taken in Executive Session.

7. **DISCUSSION AND POSSIBLE APPROVAL OF A RESOLUTION AUTHORIZING A CONTRACT WITH TITTLE LUTHER PARTNERSHIP/PARKHILL SMITH COOPER TO DESIGN MODIFICATIONS TO HANGARS 0, 1 AND 3 OCCUPIED BY EAGLE AVIATION SERVICES, INC. TO ACCOMMODATE LARGER AIRCRAFT.** The DCOA has assisted Eagle Aviation Services, Inc. (EASI) in the past with several projects. In the wake of American Airlines' bankruptcy, American Eagle and EASI will likely be spun off as independent entities, allowing EASI to pursue maintenance work with other regional airlines. The forecast for new aircraft orders by regional airlines is for larger planes with taller tail sections that won't fit inside any of the hangars currently occupied by EASI.

To avoid the loss of future business, staff recommends the DCOA contract with Tittle Luther Partnership/Parkhill Smith Cooper (TLP/PSC) to design modifications to Hangars 0, 1 and 3 to allow for aircraft with the taller tail sections. TLP/PSC has submitted a proposal for this design (called doghouses) at a total cost estimate of \$4,140,600 including TLP/PSC's basic design fees of \$400,000. Staff also recommends additional service fees, reimbursable expenses and survey and soils testing costs totaling \$23,000.

Scott Senter moved to approve Resolution No. DCOA-2013.05 as presented, authorizing a contract with TLP/PSC and total funding of \$423,000. Marelyn Shedd seconded and the motion was approved.

8. **ADJOURNMENT.** The next DCOA Board meeting will be Nov. 27th and is okay with all board members present.



Mike Schweikhard, Vice President