

**DEVELOPMENT CORPORATION OF ABILENE, INC.
BOARD MEETING MINUTES
NOVEMBER 27, 2012**

MEMBERS PRESENT: Paul Cannon Mike Schweikhard
Scott Senter Dani Ramsay

MEMBER ABSENT: Marelyn Shedd

STAFF PRESENT: Richard Burdine Kim Tarrant
Dan Santee

GUESTS PRESENT: John Mangalonzo, Abilene Reporter-News
Bill Ehrie, Abilene Industrial Foundation

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.
2. **APPROVAL OF MINUTES FROM THE NOVEMBER 13, 2012, BOARD MEETING.** Scott Senter moved to approve the minutes from the November 13, 2012 board meeting. Dani Ramsay seconded and the motion carried
3. **PRESENTATION OF ANNUAL REPORTS FOR FISCAL YEAR ENDED SEPTEMBER 30, 2012 BY THE ABILENE INDUSTRIAL FOUNDATION AND THE CHAMBER OF COMMERCE MILITARY AFFAIRS COMMITTEE.** Bill Ehrie, President of the Abilene Industrial Foundation, reported that in October 2011, Abilene's unemployment rate was at 6.2% and the labor force was comprised of 77,200 people. As of October 2012, the Abilene unemployment rate has dropped to 4.9% and employment is up by 3,500 people. Abilene is ranked fifth in the state in terms of its labor market. The AIF's FY12 marketing budget was \$140,000 with actual expenses totaling \$131,196.

Electronic marketing changes and enhancements have been made to the www.developabilene.com website. A new Dyess DVD was developed as a marketing tool. The AIF was quite active with their marketing and retention activities this year, including 11 AIF responses to 33 leads received, 4 prospect files opened from 8 prospect visits to Abilene, attendance at 2 tradeshow and 4 conferences, 36 visits with consultants/prospects and 53 retention visits.

4. **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.** The AIF contracts separately with Richard J. Leidl, PC and Team Concepts, consultants

in the Washington D.C. area to perform these tasks. Officially, there were no military construction projects allowed in FY12 unless deemed absolutely necessary. However, through the efforts of these consultants Dyess AFB was impressively prepared and received \$42 million at “year-end spend-out”, which will go into Dyess AFB infrastructure upgrades. Again, because of the efforts of our two consultants, Dyess currently has 24 new C-130-J aircraft with more on the way. The simulator building is under construction at a cost of \$12 million and the simulator itself will cost \$10 million. Dyess has 33 B1 Bombers from an entire fleet of 63 (3 were recently retired).

The privatized base housing has been contracted for and doing well. Through meetings with Boeing in Washington DC and on Capitol Hill our consultants were able to obtain upgrades for aircraft and spares. The Reserve Center was finished as was the hangar for the C-130s.

Mr. Ehrie pointed out that through the DCOA’s funding, our two consultants have allowed this community to be responsive to the needs of the military and to create a dialog for us on subjects that will be very critical to Dyess’ future, such as consolidation, a new weapons system, new needs at the base and privatization of utilities.

5. **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 November 27, 2012, and the time is 1:52 p.m. Later, President Paul Cannon announced the date is still November 27, 2012, and the time is 2:58 p.m. No vote or action was taken in Executive Session.


6. **DISCUSSION AND POSSIBLE APPROVAL OF A RESOLUTION AUTHORIZING A CONTRACT WITH JUSTICE CONSTRUCTION FOR CONSTRUCTION OF THE AIR COMPRESSOR ROOM RELOCATION PROJECT AT 6450 FIVE POINTS PARKWAY, OCCUPIED BY PACTIV CORPORATION.** Richard Burdine presented this item to the board. Previous DCOA assistance to Pactiv will enable them to install a 7th thermo former for another manufacturing line. A new metal structure on the exterior of the building at 6450 Five Points Parkway will allow Pactiv to move the existing air compressors so that warehouse space can be converted to accommodate the new manufacturing line. A local A/E firm estimated the cost for these improvements (ventilation system, replace an existing breaker panel with a larger one, etc.) to be \$179,600 which includes \$22,000 to relocate the existing air compressors to the new structure, for which Pactiv will pay. Two bids were received as follows: The Crow Group - \$325,000 at 210 days and Justice Construction - \$305,000 at 120 days.

Staff recommends the DCOA approve a contract with Justice Construction and total funding of \$335,500 (includes 10% contingency) for construction of the improvements. Also requested is additional design fee money of \$12,540 to cover the cost of services at 10% of actual construction (\$30,500 – \$17,960).

Because of said improvements, the DCOA as landlord, has the option to increase Pactiv's monthly lease payment to help pay for them. Instead however, staff negotiated with Pactiv a participation in this project whereby Pactiv will fund one-half of the cost via the capital incentives available for Phase 2 (which is currently \$250,000, payable at 15% of Pactiv's actual capital costs of up to \$1,660,000). Staff confirmed that Pactiv has incurred total expenditures of \$527,602 for this project and anticipates another \$800,000 expenditure in early 2013, totaling approximately \$1.3 million and yielding capital investment incentives of \$195,000. The total project cost is \$367,796 as follows: Construction plus contingency of \$335,500 and total A/E design fees of \$32,296. Pactiv's 50% participation equals \$183,898.

Mike Schweikhard moved to approve Resolution No. DCOA-2013.06 as presented. Scott Senter seconded and the motion carried.

7. **ADJOURNMENT.** The next DCOA Board meeting will be Dec. 11th and all board members present said they would attend.



Paul Cannon, President