

DEVELOPMENT CORPORATION OF ABILENE, INC.
BOARD MEETING MINUTES
December 16, 2013

MEMBERS PRESENT: Paul Cannon Scott Senter
Marelyn Shedd Dani Ramsay
Dave Copeland

STAFF PRESENT: Richard Burdine Kim Tarrant
Dan Santee

GUESTS PRESENT: Judy Wilhelm: Texas Tech University Small Business
Development Center
Gary Robinett: Abilene Industrial Foundation
Jason Smith: Chamber of Commerce
Chris Barnett: Foxwood Development/Corley Wetsel
Gray Bridwell: Military Affairs Committee
John Mangalonzo: Abilene Reporter News

1. **CALL THE MEETING TO ORDER:** President Paul Cannon called the meeting to order at 1:38 p.m. at the Abilene Laboratories, 1325 Pine St., Abilene Texas.
2. **APPROVAL OF MINUTES FROM DECEMBER 04, 2013 BOARD MEETING:** Scott Senter moved to approve minutes from the December 04, 2013, board meeting. Dave Copeland seconded and the motion carried.
3. **SALES TAX REPORT FOR DECEMBER 2013 AND PRELIMINARY OCTOBER 2013 STATUS OF FUNDS REPORT:** The sales tax rebate of \$3,066,006 for December 2013, which represents October sales was presented by Richard Burdine. The rebate was 0.85% below last year and 2.8% below the projected FY 14 budget amount. Mr. Burdine mentioned that he is not concerned about these numbers because, DCOA continues to bring in over \$10 million in ½ cent sales tax revenue.

On the preliminary October 2013 status of funds report, current month expenditures included the usual program payments, principal reductions for Tower Tech (Broadwind Towers) and Rentech Boilers, a payment for Vine St. improvements for Slide Fire, and purchase of land for the Enterprise Drive extension. The total amount of the six projects approved by the DCOA without signed contracts is \$13,968,028. This amount is included in the undesignated funds of \$23,261,435 as shown on the balance sheet.

4. **PRESENTATION OF ANNUAL REPORTS FOR FISCAL YEAR ENDED SEPTEMBER 30, 2013 BY: TEXAS TECH UNIVERSITY SMALL BUSINESS DEVELOPMENT CENTER, ABILENE INDUSTRIAL FOUNDATION, AND ABILENE CHAMBER OF COMMERCE MILITARY AFFAIRS COMMITTEE:** Texas Tech University Small Business Development Center's (SBDC) annual report was presented by its Director, Judy Wilhelm. In FY13, 44 new businesses were opened and 165 jobs were created. SBDC had 1,402 counseling session hours and 38% of its clients were existing business owners. Ms. Wilhelm emphasized that even though SBDC

focuses on creating new business, there are existing businesses seeking help, available resources and information, which creates good work relationships with new and existing businesses. FY13 capital formations were \$8.8 million within 17 counties, and \$5.5 million of it came from Abilene. Ms. Wilhelm listed SBDC's FY13 activities, seminar/workshops and local agencies that referred clients to SBDC.

Gary Robinett, Vice President of Economic Development, presented the Abilene Industrial Foundation's (AIF) FY13 annual report. Mr. Robinett explained the lead system and how it works. In FY13, he had 22 leads and 6 are filed as qualified prospective projects, which is a great number for Abilene. He stated that he spent a lot of time with potential and existing clients to build relationships and networking for new leads, job sustainability and expansion of business.

Military Affairs Committee's (MAC) FY13 annual report was given by Jason Smith, President of the Chamber of Commerce and MAC Chair, Gray Bridwell. Mr. Bridwell explained details of three main occurrences in FY13 at Dyess Air Force Base, including updates on the B1 bomber, C-130Js and the Air House BBQ which they hope to reinstate soon.

All three contracted organizations showed great appreciation for DCOA's financial support in FY13.

5. **EXECUTIVE SESSION NO. 1:** I hereby announce we are going into Executive Session pursuant to Texas Government Code Sections 551.071, 072, 074 and 087 to consult with our legal counsel, discuss real property transactions, personnel matters, 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 December 16, 2013, and the time is 2:10 p.m. Later, President Cannon announced the date is still December 16, 2013, and the time is 3:20 p.m. No vote or action was taken in Executive Session.

6. **DISCUSSION AND POSSIBLE APPROVAL OF A RESOLUTION AUTHORIZING FY14 FUNDING FOR THE TEXAS MANUFACTURING ASSISTANCE CENTER (TMAC):** Mr. Burdine reported the DCOA approved \$110,000 to TMAC for FY13, and only \$22,000 of that was spent. The remaining \$88,000 expired on September 30, 2013. TMAC requested the board reinstate the \$88,000 payable at up to \$11,000 per company for FY14.

Staff requests the DCOA approve renewal funding of \$88,000 for the Texas Manufacturing Assistance Center (TMAC) to provide training for Abilene manufactures through FY14.

Scott Senter moved to approve resolution DCOA-2014.08 as presented. Marelyn Shedd seconded and the motion carried.

7. **DISCUSSION AND POSSIBLE APPROVAL OF A RESOLUTION AUTHORIZING AMENDED ASSISTANCE FOR GENESIS NETWORKS SOLUTIONS:** DCOA has been working with Genesis Networks Solutions (GNS) for a number of years. Mr. Burdine proposed to cancel the existing contract eliminating the outstanding assistance of \$2.46 million and sign a new agreement that will put the current \$1.2 million note balance on monthly payments of \$20,000 and extend the maturity date 60 months to 12-31-18. The new agreement will still allow the company to earn principal reductions for FTEs in excess of 115.

Staff requests the DCOA approve cancelling the existing Agreement for Financial Assistance with Genesis Networks Solutions, Inc. and authorize a new agreement with Genesis Networks Global Services, LLC dba WaveCreste. No new funding is being requested.

Dave Copeland moved to approve resolution DCOA-2014.12 as presented. Dani Ramsay seconded and the motion carried.

8. **DISCUSSION AND POSSIBLE APPROVAL OF A RESOLUTION AUTHORIZING THE PURCHASE OF A REPLACEMENT BOILER FOR 842 PINE ST. IN ADVANCE OF PROJECT CONSTRUCTION BIDDING:** Mr. Burdine reported that resolution DCOA-2014.08 was approved on December 4, 2013, which authorized engineers to start work on the project of replacing the steam boiler and expanding the specialized research space at 842 Pine St. The engineers would like to provide the specs for the new boiler so it can be priced and ordered, however, they are waiting on steam demand information for some pieces of equipment in order to size the boiler and finish the specs. Ordering this equipment now will prevent a delay in the project because of the long lead-time involved.

Staff requests DCOA approve funding to purchase the replacement steam boiler and associated equipment in advance of construction bidding in an amount not to exceed \$95,000.

Dani Ramsay moved to approve resolution DCOA-2014.11 as presented. Scott Senter seconded and the motion carried.

9. **DISCUSSION AND POSSIBLE APPROVAL OF A RESOLUTION AUTHORIZING ASSISTANCE FOR PROJECT VC:** Mr. Burdine reported Project VC is a local full service truck facility looking to relocate inside Abilene City limits on the north access road of I-20 at the NW corner of FM 600 and E. Overland Tr. The company is not eligible for job creation and capital investment incentives; however, the DCOA can assist with public infrastructure improvements that directly benefit the new truck center site.

The truck center pays over \$66,000 per year in property tax and over \$100,000 per year in sales tax to the City and DCOA. Therefore the pay back on this infrastructure project is less than three years.

Staff recommends approval of infrastructure assistance for Project VC totaling \$455,200, which will be used to construct 1,050 lf of Plum St. from I-20/E. Overland Tr. to the NW corner of the truck center site, including curb and gutter on one side of the street. It will also include construction of 1,275 lf of a new public road from Plum St. at the NW corner of the truck center site eastward to FM 600, including curb and gutter.

Scott Senter moved to approve resolution DCOA-2014.13 as presented. Dani Ramsay seconded and the motion carried.

Dave Copeland left the meeting at 3:35 pm and the meeting continued.

5. **EXECUTIVE SESSION NO. 2:** I hereby announce we are going into Executive Session pursuant to Texas Government Code Sections 551.071, 072, 074 and 087 to consult with our legal counsel, discuss real property transactions, personnel matters, 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 December 16, 2013, and the time is 3:35 p.m. Later, President Cannon announced the date is still December 16, 2013, and the time is 4:00 p.m. No vote or action was taken in Executive Session.

10. **ADJOURNMENT.** The next meeting is scheduled on January 14, 2014. There being no further business the meeting was adjourned.



Paul Cannon, President