

**DEVELOPMENT CORPORATION OF ABILENE, INC.
BOARD MEETING MINUTES
February 10, 2014**

MEMBERS PRESENT:	Paul Cannon Marelyn Shedd Dave Copeland	Scott Senter Dani Ramsay
STAFF PRESENT:	Richard Burdine	Kim Tarrant
GUESTS PRESENT:	Gary Robinett John Mangalonzo	Abilene Industrial Foundation Abilene Reporter News

- 1. CALL THE MEETING TO ORDER:** President Dave Copeland called the meeting to order at 10:05 a.m. at the Abilene Laboratories, 1325 Pine St., Abilene Texas.
- 2. APPROVAL OF MINUTES FROM JANUARY 30, 2014 BOARD MEETING:** Paul Cannon moved to approve the minutes from the January 30, 2014, board meeting. Scott Senter seconded and the motion carried.
- 3. PRELIMINARY STATUS OF FUNDS REPORT FOR DECEMBER 2013:** Mr. Burdine explained that the DCOA has spent \$576,439 in December 2013 for economic development projects. The DCOA's total current assets as of December 31, 2013 were \$20,858,768 compared to \$17,995,289 on December 31, 2012. There are eight projects for which contracts have not yet been signed though incentives totaling \$3,689,228 have been approved by the DCOA.
- 4. 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 Dave Copeland announced the date is February 10, 2014, and the time is 10:10 a.m. Later, President Copeland announced the date is still February 10, 2014, and the time is 10:40 a.m. No vote or action was taken in Executive Session.

- 5. DISCUSSION AND POSSIBLE APPROVAL OF A RESOLUTION AUTHORIZING ASSISTANCE FOR BROADWIND TOWERS (FORMERLY TOWER TECH SYSTEMS):** Mr. Burdine explained the activities of Broadwind Towers and their need for financial assistance totaling \$1,625,710.

First item is to revise Broadwind Towers' Job Creation Incentive status from new business to existing business. Originally, Broadwind Towers was expected to create 150 jobs at its Abilene facility, however, due to the national recession they had a maximum FTE count of 115 during the past five years, which leaves \$516,000 in job creation incentive money unfunded. This revision of job creation incentive status will allow Broadwind Towers to earn up to \$516,000 for FTEs in excess of the 115 to be retained.

Next is the extension of the railroad line, estimated to cost \$200,000, and fencing along the property line between Broadwind Towers and the DCOA-owned land, estimated to cost \$20,000. The DCOA will extend a new railroad line on the west side of the existing drainage ditch to the North property line of Lot 304, Block A (Broadwind Towers' storage yard) in exchange for Broadwind Towers' 4.599 acres at the South end of Lot 204, Block A (to be platted as Lot 304, Block A). The DCOA will also install a fence along the new property line between the DCOA and Broadwind Towers when they begin construction of a fence around their storage yard. The DCOA will retain any reimbursement from Union Pacific Railroad for the rail construction cost.

The DCOA will pay to level Lot 303, Block B through cut and fill so the DCOA and Broadwind Towers are swapping level acres for level acres. This expense is estimated at \$74,700 and will be part of the total bid to construct Polaris Dr., for which the DCOA will consider funding in March 2014.

After Lot 303, Block B (10.909 acres) is leveled the DCOA will sell the Lot to Broadwind Towers for \$15,000/acre, totaling \$163,635. The DCOA will finance the purchase for up to five years at 0% interest. Broadwind Towers is asked to pledge the first \$163,635 of earned job creation incentives as payment of the lot purchase. Any remaining balance on the note will become due and payable at the end of five years if job creation incentive earnings are not enough to discharge the debt.

Last is to install limestone base material on Lot 303, Block B and Broadwind Towers will select the depth of the limestone base material (18" or 24") and pay 25% of the actual cost with the remainder combined with the Lot purchase note balance, secured by a first lien on the lot. The loan will be 0% interest for up to 5 years and all job creation incentive earnings applied to the balance. The estimated cost for limestone base material installation is \$726,000 for 18" and \$968,100 for 24". This construction will be a line item in the bids for construction of Polaris Dr. which the DCOA will consider funding in March 2014.

Scott Senter moved to approve Resolution No. 2014.20 as presented. Dani Ramsey seconded and the motion carried.

6. **DISCUSSION AND POSSIBLE APPROVAL OF A RESOLUTION AUTHORIZING ASSISTANCE FOR FEHR FOODS FOR 2014 CAPITAL PROJECTS AND JOB RETENTION.** Mr. Burdine explained Fehr Foods' 2014 capital investment projects where Fehr totaling \$1.7 to \$2 million at the cookie production facility on North 1st Street. These projects will include purchase of automated and updated equipment, energy efficiency upgrades, employee safety upgrades, and environmental safety upgrades.

The DCOA will fund \$200,000 disbursed over 3 years at 10% of the company's actual costs not to exceed \$66,667/year.

Paul Cannon moved to approve Resolution No. DCOA-2014.21 to amend the existing Agreement with Fehr Foods to add \$200,000 for 2014 capital projects at its N. 1st St. plant. Marelyn Shedd seconded and the motion carried.

7. **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 Dave Copeland announced the date is February 10, 2014, and the time is 10:52 a.m. Later, President Copeland announced the date is still February 10, 2014, and the time is 11:25 a.m. No vote or action was taken in Executive Session.

8. **ADJOURNMENT.** The next meeting is scheduled for March 11, 2014. There being no further business the meeting was adjourned.



Dave Copeland, President