

DEVELOPMENT CORPORATION OF ABILENE, INC.
BOARD MEETING MINUTES
April 23, 2018

MEMBERS PRESENT: John Beckham Jack Rich Greg Blair
Vic Corley Seaton Higginbotham

STAFF PRESENT: Kent Sharp Kim Tarrant

GUESTS PRESENT: Mark Zachary - McMahon Law Firm; Bruce Kreitler and Donna Albus - City Council; Mayor Anthony Williams; Marjorie Knight - Finance Dept. City of Abilene; Justin Jaworski - Abilene Industrial Foundation; Rick Denbow – TSTC; Michael Rice - City of Abilene; Doug Peters - Abilene Chamber of Commerce; Doug Williamson and Gray Bridwell - Military Affairs; Judy Wilhelm – SBDC; Don Green and Kate Alvarez – Airport

1. CALL THE MEETING TO ORDER: President John Beckham called the meeting to order at 1:30 p.m. at 174 Cypress St., 3rd floor conference room, Abilene Texas.

2. APPROVAL OF MINUTES FROM THE MARCH 13, 2018, BOARD MEETING: Jack Rich moved to approve the minutes from the March 13, 2018, board meeting. Seaton Higginbotham seconded and the motion carried.

3. SALES TAX REPORT FOR APRIL 2018 AND FINANCIAL REPORTS FOR FEBRUARY 2018 AND MARCH 2018: Marjorie Knight with the Finance Department presented the sales tax report for April 2018. The sales tax rebate for April is \$3,196,162, which represents February sales. Economic Development received \$799,040, which is 5.11% above last year and 5.11% above the projected FY18 budget amount. For the period October through April, sales tax is 11.59% above last year and 11.59% above the approved FY18 budget amount. The DCOA's total current assets as of February 28, 2018 were \$29,431,412. The February revenues totaled \$1,474,057 and total expenditures were \$635,119 with \$339,595 being spent on four different projects. The total current assets as of March 31, 2018 were \$29,740,187. The March revenues totaled \$1,074,165 and total expenditures were \$788,559 with \$598,456 being spent on six different projects.

4. PRESENTATION OF SEMI-ANNUAL REPORTS OF ACTIVITIES FOR SIX MONTHS ENDED MARCH 31, 2018, BY: TTU SMALL BUSINESS DEVELOPMENT CENTER, ABILENE CHAMBER OF COMMERCE FOR MILITARY AFFAIRS COMMITTEE, CITY OF ABILENE AIRPORT BUSINESS DEVELOPMENT MANAGEMENT PROGRAM, ABILENE INDUSTRIAL FOUNDATION:

Texas Tech University Small Business Development Center (SBDC):

Judy Wilhelm, Director of the SBDC, presented their semi-annual report to the DCOA. During the first six months of FY18, SBDC logged 107.5 jobs created, 25 new businesses opened and capital formation of \$4,246,242. A third-party survey will be conducted by the National Business Research Institute and sent to SBDC clients. The focus is to capture the quality of service received from the SBDC, businesses assisted, gross sales revenue, number of employees, type of business and jobs retained. A new venture undertaken is the BE in Abilene program, giving specialized training for all the applicants compiling a business plan to be submitted. Once the winners have received their funding, SBDC will step up their involvement to make sure they stay in compliance

and the funds are used properly. Other programs the SBDC is involved in include bringing Dyess AFB contractors and procurement personnel together to showcase upcoming projects and the Young Entrepreneurs of the community.

City of Abilene Airport Business Development (ABI):

Kate Alvarez, Marketing and Development Manager for the Abilene Regional Airport, presented their semi-annual report to the board. In the last six months a new advertising campaign was launched “One-Stop to the Rest of the World” for commercials on TV & radio, plus print. Numbers are down compared to last year due to American Airlines making a big change in January, February & March affecting scheduling frequency, size of aircraft and actual number of flights each day. ABI is still waiting to hear from the Small Community Air Service Development Grant on final awards. A Leakage & Market study is currently in the works.

Abilene Industrial Foundation:

Justin Jaworski, Executive Director of the Abilene Industrial Foundation (AIF), presented their semi-annual report to the board. There still exists a need for warehouse space and/or a Spec building of approximately 100,000 square feet ready to finish out. Several of the 15 leads received during the last 6 months were looking for space already built. One project needing to build came to fruition, Project Ladybug (Bright Farms), which will construct a hydroponic greenhouse facility up to 200,000 square feet with a capital investment of about \$17 million. During CTE month the AIF educated several influential community members on the jobs and industries here in Abilene by going on a tour of three local manufacturers; Broadwind Towers, AbiMar Foods and Eagle Aviation Services. The NEXT University program continues to yield success with 19 students completing classes in welding, HVAC, industrial maintenance and electrical. The BE in Abilene program involved not only the AIF, but ACU’s Griggs Center for Entrepreneurship and the SBDC. Once winners are announced on May 15th they will be required to sign a three-year compliance agreement with the DCOA.

Abilene Chamber of Commerce Military Affairs (MAC):

Doug Williamson, Interim Vice President for Military Affairs, spoke about Abilene winning the Barksdale Trophy last November, which recognizes the community that best supports its military air base. Mr. Williamson went on to explain how MAC gets things done through relationships with military top brass at the Pentagon down to the young E-1 airmen, state and federal lawmakers, as well as local decision makers. One project MAC has worked on diligently for three (3) years is getting the new B-21 bombers at Dyess by the year 2025. Another project is applying for and securing the Defense Economic Adjustment Assistance Grant (DEAAG) recently awarded to Abilene to help relocate a fence on the base away from the runway. Thanks to the DCOA match funds and Dyess in kind contributions, the City is ready to start as soon as one more signature is obtained from the Air Force.

5. EXECUTIVE SESSION – SESSION 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 John Beckham announced the date is April 23, 2018, and the time is 2:27 p.m. Later, President Beckham announced the date is still April 23, 2018, and the time is 3:17p.m. No vote or action was taken in Executive Session.

6. DISCUSSION AND POSSIBLE APPROVAL OF A RESOLUTION AUTHORIZING MATCH FUNDS TO REPAIR ROOFS ON HANGARS AND RECORDS/PARTS BUILDING AT THE ABILENE REGIONAL AIRPORT OCCUPIED BY EAGLE AVIATION SERVICES: Kent Sharp, CEO of the DCOA requested match funds in an amount not to exceed \$541,240, which is \$429,037 plus a 10% contingency for unexpected costs in the amount of \$49,203 to repair the roofs on Hangar 0, Hangar 1, Hangar 2, Hangar 3, Hangar 4 and the records building currently occupied by Eagle Aviation Services, Inc. (EASI). Four of the hangars are owned by the DCOA and one hangar is owned by the City of Abilene. The roofs received damage during the hail storm in June of 2014 and EASI hopes to begin the repairs as soon as possible.

Jack Rich moved to approve resolution DCOA-2018.16 as presented for match funds not to exceed \$541,240.00 to repair roofs on Hangar 1, Hangar 2, Hangar 3, Hangar 4 and the records building occupied by Eagle Aviation Services, Inc. Vic Corley seconded and the motion passed.

7. DISCUSSION AND POSSIBLE APPROVAL OF A RESOLUTION AUTHORIZING A CONTRACT AND FUNDS FOR PHASE I CONSTRUCTION OF ROADS AND INSTALLATION OF UTILITIES IN THE ACCESS BUSINESS PARK: Kent Sharp requested approval of a contract with Bontke Bros. for Phase I development of Access Business Park to install streets and water/sewer and electric utilities. Staff recommends using concrete for the streets instead of asphalt, adding \$619,650 to the base bid price of \$1,134,336.50. Also requested is a 10% contingency of \$175,400 bring the total amount of funding to \$1,929,386.50. A discussion ensued regarding the merits of using concrete vs. asphalt. Concrete is more expensive up front, but less money for up-keep. The City requested DCOA install asphalt streets explaining City crews are better equipped to maintain asphalt over concrete streets.

Seaton Higginbotham moved to approve resolution DCOA-2018.18, changing the bid award to Epic Construction for installation of asphalt streets and funding of \$1,171,513.50 (\$1,065,013.50 base bid plus a 10% contingency of \$106,500). Greg Blair seconded and the motion passed.

8. DISCUSSION AND POSSIBLE APPROVAL OF A RESOLUTION AUTHORIZING MATCHING FUNDS TO ASSIST WITH THE CONSTRUCTION OF A ROAD FROM HWY 36 TO THE NEW TSTC CAMPUS AND OTHER BUSINESSES LOCATED ON THE WEST SIDE OF ABILENE REGIONAL AIRPORT FOR ONE-WAY ACCESS DUE TO TXDOT'S CHANGE IN TRAFFIC FLOW ON THE LOOP 322 ACCESS ROAD: Kent Sharp requested matching funds not to exceed \$140,000 to construct a new road from Hwy 36 to Navajo Trail at the airport, providing another point of egress for the new TSTC campus and other businesses. The DCOA's funding is for road construction only and is contingent on the City Council's approval of the road construction project. TSTC must also provide match funding to the City in the amount of \$300,000.

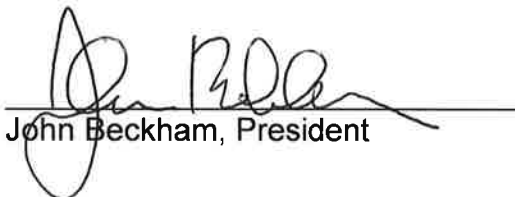
Jack Rich moved to approve resolution DCOA-2018.17, as presented, authorizing match funds not to exceed \$140,000 for construction of a road from Hwy 36 to access Navajo Trail and the new TSTC campus. Seaton Higginbotham seconded and the motion passed.

9. DISCUSSION AND POSSIBLE APPROVAL OF A RESOLUTION AUTHORIZING THE CEO TO ENTER INTO A PURCHASE CONTRACT FOR PROPERTIES IN WEST ABILENE AND AUTHORITY TO EXPEND UP TO \$15,000,000 TO CONDUCT DUE DILIGENCE ACTIVITIES RELATING TO PURCHASE CONTRACT: Kent Sharp requested authorization to enter into a purchase contract for properties in West Abilene plus the authority to spend up to \$15,000 relating to due diligence activities on the properties. Once due diligence activities are completed, staff will return to the board for approval to purchase.

Jack Rich moved to approve resolution DCOA-2018.15, as written, authorizing the CEO to enter into a purchase contract and expend up to \$15,000 in due diligence activities relating to the contract. Greg Blair seconded and the motion passed.

10. DISCUSSION OF NEXT MONTHLY BOARD MEETING: President Beckham announced the next scheduled meeting of the DCOA would be Thursday, May 24, 2018, at 1:30 p.m.

11. ADJOURNMENT: There being no further business the meeting was adjourned.


John Beckham, President