

**DEVELOPMENT CORPORATION OF ABILENE, INC.**  
**BOARD MEETING MINUTES**  
**December 10, 2018**

**MEMBERS PRESENT:** John Beckham      Jack Rich      Vic Corley  
Sam Vinson      Seaton Higginbotham

**STAFF PRESENT:** Kent Sharp      Kim Tarrant

**GUESTS PRESENT:** Mark Zachary      McMahon Surovik Suttle, PC  
Chris Shelton      McMahon Surovik Suttle, PC  
Justin Jaworski      Abilene Industrial Foundation  
Nathan Greve      KTAB  
Doug Peters      Chamber/AIF  
Don Green      City of Abilene  
Mary Ross      Workforce Solutions of WCT

**1. CALL THE MEETING TO ORDER:** President John Beckham called the meeting to order at 10:04 a.m. at 174 Cypress St., 3rd floor conference room, Abilene Texas.

**2. APPROVAL OF MINUTES FROM THE NOVEMBER 27, 2018 BOARD MEETING:** Seaton Higginbotham moved to approve the minutes from the November 27, 2018, board meeting. Jack Rich seconded, and the motion carried.

**3. 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. It was also announced that for the convenience of the parties present at the meeting, the board would first meet in an executive session to discuss matters related to action items. Thereafter, once the board comes back into open session and discusses and considers the action items, the board will go back into executive session concerning other items set forth in the executive session section of the agenda.

John Beckham announced the date is December 10, 2018, and the time is 10:04 a.m. Later, President Beckham announced the date is still December 10, 2018, and the time is 10:56 a.m. No vote or action was taken in Executive Session.

**4. DISCUSSION AND POSSIBLE APPROVAL OF A SIX-MONTH EXTENSION OF THE FY18 CONTRACT WITH ABILENE INDUSTRIAL FOUNDATION:** Kent Sharp, CEO of the DCOA, requested an amendment to extend the Abilene Industrial Foundation's (AIF) FY18 annual contract. The AIF's FY19 budget of \$692,275 was approved in the DCOA's FY19 budget when approved in August 2018. The FY18 AIF contract totaling \$648,275 expired on September 30, 2018, with only \$588,368 actually funded. Due to recent and potential AIF staff changes, DCOA staff recommends approval of an amendment to the FY18 contract that extends the expiration an additional six months through March 31, 2019. Also recommended is that the contract amount during the extension period be the same as the previously approved FY19 budget of \$692,275.

Before a vote was taken, Mark Zachary reminded the board that they are governed by Section 22.230 of the Texas Business Organizations Code (TBOC) which provides for

contracts or transactions involving interested directors, officers and members, and if any board member works in a managerial capacity or has a financial interest in an entity that is involved in a matter that comes before the board, the board member is not prohibited from participating in the discussion or voting on the item (with an exception noted in the TBOC concerning voting to make a loan to a director). However, before discussing and voting on the item, it is recommended that the board member disclose the interest in the other organization(s) to the board. Seaton Higginbotham declared he is a member of the Abilene Industrial Foundation board and Chairman of the Abilene Chamber of Commerce.

Jack Rich moved to approve the First Amendment to the FY18 contract with the Abilene Industrial Foundation, which extends the contract expiration for an additional six months to March 31, 2019 and changes the contract amount to the previously approved FY19 budget amount of \$692,275.00. Vic Corley seconded, and the motion passed.

**5. DISCUSSION AND POSSIBLE APPROVAL OF A RESOLUTION AUTHORIZING MATCH FUNDS FOR IMPLEMENTATION OF THE JOINT LAND USE STUDY (JLUS) AT DYESS AFB:** Kent Sharp stated that in December of 2014, the DCOA approved resolution 2015.02 authorizing up to \$50,000 to cover the 10% match funds required of the City of Abilene as sponsoring entity for application to the U.S. Department of Justice Office of Economic Adjustment for a cost-shared grant to conduct a Joint Land Use Study (JLUS) for Dyess Air Force Base. The study is complete and included a list of recommendations to address items of concern, which will require money to implement. The City of Abilene is again requesting \$55,000 from the DCOA as the required 10% match for another grant to implement the recommendations identified in the JLUS.

Jack Rich moved to approve resolution DCOA-2019.05 authorizing match funding up to \$55,000.00 for implementation of recommendations identified in the JLUS less the City's in-kind contribution. Sam Vinson seconded, and the motion passed.

**6. DISCUSSION AND POSSIBLE APPROVAL OF A RESOLUTION AUTHORIZING ASSISTANCE FOR HASKELL CISD AND HAMLIN ISD FOR JOB TRAINING:** Kent Sharp discussed a request from Workforce Solutions of West Central Texas (Workforce Solutions) for funds as a match for a High Demand Job Training Program grant to benefit the Rochester ISD and Hamlin ISD. DCOA and Workforce Solutions will partner with Knox City EDC and Haskell EDC in a regional effort to address the lack of available skilled labor for local industries. Resolution DOCA-2019.08 was handed out to the board members. The DCOA's contribution is \$31,658 and will be contingent on Workforce Solutions being awarded the grant, Knox City's EDC contributing \$5,000 and Haskell's EDC contributing \$5,000. The grant will be used for welding supplies, purchase of welding machines a shear/punch, plus installation of two vents and two exhaust fans. This brings the total budget up to \$81,308. Seaton Higginbotham announced he is a board member of the West Central Texas Workforce Solutions.

Jack Rich moved to approve DCOA-resolution 2019.08, as amended and presented at the meeting for the board's review, authorizing the DCOA to participate in a regional job training partnership with Knox City EDC, Haskell EDC and Workforce Solutions of West Central Texas up to \$31,658.00. Seaton Higginbotham seconded, and the motion passed.

**7. DISCUSSION AND POSSIBLE APPROVAL OF ASSISTANCE TO TEXAS TECH UNIVERSITY HEALTH SCIENCES CENTER, WHICH INCLUDES A CONTRACT FOR SALE OF THE BUILDING AND PARKING LOT AT 842 AND 834 PINE ST., ABILENE, TX, AND ALL EQUIPMENT LOCATED THEREIN:** Kent Sharp handed out resolution DCOA-2019.04 which authorizes the sale of 842 and 834 Pine St. to Texas Tech University Health Sciences Center (TTUHSC). This property is known as the Vivarium, a small animal research facility which supports the efforts of the TTUHSC School of Pharmacy and the Department of Immunotherapy. Previously, the DCOA and TTUHSC entered into an Agreement for the Operation of the Vivarium that is expiring. In conjunction a project related to the continued operation of the Vivarium, DCOA staff recommends a Real Estate Sales Contract for the land, buildings and all DCOA's rights in the equipment located at 842 Pine St., plus the parking lot located at 834 Pine St., to be sold to TTUHSC on an "AS IS, WHERE IS" basis. DCOA estimates the value of the building and parking lot to be \$770,000, which will be considered the incentive value for this project. TTUHSC will continue to operate the Vivarium in the building and conduct research related activities while continuing to employ at least two (2) full-time persons for at least two (2) more years.

Seaton Higginbotham moved to approve resolution 2019.04 authorizing a Real Estate Sales Contract with Texas Tech University Health Sciences Center for the land, buildings and all equipment located at 842 Pine St., plus the parking lot located at 834 Pine St. Vic Corley seconded, and the motion passed.

**8. DISCUSSION AND POSSIBLE APPROVAL OF A RESOLUTION AUTHORIZING A CONTRACT WITH THE CHAMBER OF COMMERCE FOR 2020 CENSUS RESOURCES:** This item was not considered.

**9. DISCUSSION AND POSSIBLE ACTION TO ACCEPT THE RESIGNATION OF CEO, KENT SHARP:** Kent Sharp presented his Letter of Resignation as Chief Executive Officer of the DCOA to the board effective December 21, 2018.

Jack Rick made an oral resolution to accept the Letter of Resignation from Kent Sharp. Seaton Higginbotham seconded, and the motion passed.

**10. DISCUSSION AND POSSIBLE APPROVAL OF A RESOLUTION AUTHORIZING A TEMPORARY AND/OR INTERIM DESIGNEE(S) FOR CEO DUTIES AND RESPONSIBILITIES:** Kent Sharp handed out resolution DCOA-2019.07 and requested the board appoint Kim Tarrant, John Beckham, Jack Rich and/or any interim CEO designated by the DCOA's Board of Directors as temporary authorized signor(s) on behalf of the DCOA.

Seaton Higginbotham moved to approve DCOA-resolution 2019.07 authorizing Kim Tarrant, John Beckham, Jack Rich and/or any interim CEO as temporary signor(s). Sam Vinson seconded, and the motion passed.

**11. DISCUSSION AND POSSIBLE APPROVAL OF SUPPLEMENTARY COMPENSATION FOR DCOA EMPLOYEES:** Kent Sharp requested additional compensation for Rick Jones, DCOA's Construction Project Manager since he has taken on more responsibility with the purchase of the former Zoltek Properties. Before the

purchase, he was taking care of approximately 750,000 sq. ft. of buildings and now has over 1,000,000 sq. ft. to maintain. DCOA staff recommends raising the Construction Project Manager's salary from the current \$56,000.00/year to \$65,000.00/year for his level of responsibilities which will be effective with the next pay period.

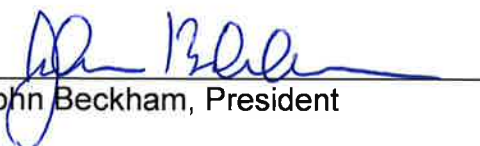
Seaton Higginbotham made an oral resolution to raise the base salary of Rick Jones, DCOA's Construction Project Manager from \$56,000.00 per year to \$65,000.00 per year effective with the next pay period. Jack Rich seconded, and the motion passed.

**3. EXECUTIVE SESSION – SESSION 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.

John Beckham announced the date is December 10, 2018, and the time is 11:36 a.m. Later, President Beckham announced the date is still December 10, 2018, and the time is 12:56 p.m. No vote or action was taken in Executive Session.

**12. DISCUSSION OF NEXT MONTHLY BOARD MEETING:** President Beckham announced the next scheduled meeting of the DCOA would be Thursday, January 3, 2019, at 1:30 p.m.

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

  
John Beckham, President