

DEVELOPMENT CORPORATION OF ABILENE, INC.
BOARD MEETING MINUTES
February 28, 2020

MEMBERS PRESENT: Jack Rich Vic Corley Sam Vinson
Shea Woodard-Hall

MEMBERS ABSENT: John Beckham

STAFF PRESENT: Misty Mayo Cynthia Nesmith Akane Thaxton
Julie Johncox

GUESTS PRESENT: Mark Zachary McMahon Surovik Suttle, PC
Chris Shelton McMahon Surovik Suttle, PC
Justin Jaworski Abilene Industrial Foundation
Gray Bridwell Abilene Chamber MAC
David Smith SBDC

1. **CALL THE MEETING TO ORDER:** President Jack Rich called the meeting to order at 10:00 a.m. at 174 Cypress St., 3rd floor conference room, Abilene, Texas.

2. **PUBLIC COMMENT:**

a) **Discussion and possible approval of a resolution adopting procedures governing Public Comment:** Misty Mayo, CEO for the DCOA, presented Resolution DCOA-2020.16 for the Board's consideration that provides for the Board's adoption of procedures for public comments during DCOA Board meetings, including the establishment of an amount of time for members of the public to speak on Agenda items. After discussion, the Board expressed an interest in establishing procedures related to public comment, including three minutes as being the amount of time for members of the public to speak at Board meetings in reference to items on the Agenda.

Sam Vinson made the motion to approve Resolution DCOA-2020.16 adopting procedures for public comments during DCOA Board meetings with three minutes being specified as the amount of time that each member of the public could speak on items that are on the Agenda. Shea Woodard-Hall seconded and the motion passed.

b) Public Comment on Agenda items – no comments were made.

3. **ANNOUNCEMENTS FROM MISTY MAYO, CEO:**

a) **DCOA received the Texas Economic Development Council's 2019 Economic Excellence Recognition Award:** Misty Mayo announced that for the first time ever the DCOA received the Texas Economic Development Council's Economic Excellence Recognition. The award is based on management, production, focus areas and accomplishments of the DCOA in 2019. Ms. Mayo noted that a portion of the award also acknowledges and reflects the strength of the board, and its cumulative breadth of knowledge and experience.

- b) **Texas Economic Development Corporation Business Summit hosted by the DCOA on Thursday, April 16, 2020:** Misty Mayo explained the DCOA is looking beyond its region to aggressively market Abilene. Ms. Mayo stated that involvement at a state level is critical to cultivate relationships outside the DCOA's region and that an important step in this regard was to join the Texas Economic Development Corporation (not to be confused with the TEDC which is the DCOA's professional organization). Ms. Mayo reported that the DCOA has requested to host one of the TxEDC's Business Summits in Abilene and that the first summit that it will host is scheduled for April 16, 2020. Sam Vinson and Shea Woodard-Hall have helped to determine speakers for the meeting and Jack Rich has agreed to facilitate the panel for the event.

4. **APPROVAL OF MINUTES FROM THE JANUARY 28, 2020 BOARD MEETING:** Vic Corley moved to approve the minutes from the January 28, 2020 board meeting. Shea Woodard-Hall seconded, and the motion carried.

5. **FEBRUARY SALES TAX REPORT AND PRELIMINARY FINANCIAL REPORT FOR DECEMBER 2019:** Akane Thaxton, Economic Development Specialist with the DCOA, presented the sales tax report for February as reported by the City of Abilene. The sales tax rebate for February is \$5,187,786.01 which represents December sales. Economic Development received \$1,296,946.50 which is 11.37% above last year and 8.39% above the projected FY20 budget amount. Of this rebate, \$157,591.35 is from prior periods, audit payments, future payments and unidentified payments. For the period October through February, sales tax is 6.32% above last year and 3.47% above the approved FY20 budget amount.

The DCOA's total current assets as of December 31, 2019 were \$36,030,764. The December revenues totaled \$1,221,387 and total expenditures were \$1,087,375 with \$778,651 spent on eight different projects.

6. **EXECUTIVE SESSION:** President Rich stated: I hereby announce we are going into Executive Session pursuant to Texas Government Code Sections 551.071, 072, 074 and 087 to consult with the DCOA's 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 Rich announced the date is February 28, 2020 and the time is 10:18 a.m. After returning from Executive Session, President Rich announced the date is still February 28, 2020 and the time is 12:15 p.m. No vote or action was taken in Executive Session.

7. **ORAL PRESENTATION OF SEMI-ANNUAL REPORT FROM ABILENE CHAMBER OF COMMERCE MILITARY AFFAIRS COMMITTEE:** Misty Mayo introduced Gray Bridwell, Vice President of Military Affairs to present an oral report to the board as per the DCOA's new governance schedule. Mr. Bridwell noted that Abilene was awarded the Great American Defense Communities award which is a national award. The award will be received in June and a film crew will be coming to Abilene next week to film the community and speak with some of the airmen from Dyess Air Force Base (Dyess). Mr. Bridwell noted that some of the ways Dyess is supported is the world's largest barbeque where 5,000

airmen and their families are fed. No other community hosts such an event. Mr. Bridwell also noted that another very unique program is Home Away from Home where a civilian host family will sponsor an airman to connect airmen to a family support network. Mr. Bridwell reported that in another initiative this fall, he and Greg Blair, Chairman of Military Affairs, toured a full-scale fatigue test of the B-1. Mr. Bridwell then briefed the Board on details concerning the recent announcement of the retirement of 9 B-1 bombers from Dyess and noted that the impact of the retirement to Dyess is expected to be fairly small.

8. DISCUSSION AND POSSIBLE APPROVAL OF A RESOLUTION AUTHORIZING AN AGREEMENT WITH PROJECT GATEWAY: Misty Mayo presented Resolution DCOA-2020.18 authorizing an incentive for Project Gateway. Mrs. Mayo stated the company is a locally owned, self-launched startup that currently employs 23 full-time employees and plans to create an additional 46 full time employees over a three-year period. The Company has requested the DCOA provide an incentive up to \$387,000.00 to help with the purchase and renovation of a new corporate headquarters & manufacturing facility in Abilene, Texas.

Sam Vinson moved to approve Resolution DCOA-2020.18 authorizing an incentive for Project Gateway up to Three Hundred Eighty-Seven Thousand and no/100's Dollars (\$387,000.00) in exchange for the Company's retention of at least 23 full-time employees and creation of 46 new full-time employees at the end of a three year period. Vic Corley seconded and the motion passed.

9. DISCUSSION AND POSSIBLE APPROVAL OF A RESOLUTION AUTHORIZING AN AGREEMENT (INCLUDING REAL ESTATE SALES CONTRACT) WITH PROJECT THRESHOLD: Misty Mayo presented Resolution DCOA-2020.17 authorizing an incentive, including a Real Estate Sales Contract for Project Threshold ("Company"). The Company is a window and door extrusion manufacturer for residential and light commercial applications. The Company and the DCOA determined that the DCOA owned property located at 1249 Fulwiler Rd., Abilene, Texas which includes an existing building plus over 8 acres of land is suitable for the company's expansion into Abilene. Ms. Mayo reported that the value of the property is estimated by the DCOA to be \$1,100,000. Staff requests the board (i) approve a 10 year note in the amount \$700,000 with an interest rate of 2.25% and the Company paying \$70,000.00 towards the purchase price and (ii) authorize an incentive package in an amount not to exceed \$400,000.00. The Company will create approximately 19 full-time employees (FTE's) over a five-year period.

Sam Vinson moved to approve Resolution DCOA-2020.17 authorizing (i) Real Estate Sales Contract for the DCOA owned property at 1249 Fulwiler Rd., Abilene, Texas in the amount of \$700,000.00 with the Company paying \$70,000.00 towards the purchase price and the DCOA financing the note for 10 years with an interest rate of 2.25% and (ii) an incentive package in an amount not to exceed Four Hundred Thousand and no/100's Dollars (\$400,000.00) with the creation of 19 full-time employees. Shea Woodard-Hall seconded and the motion passed.

10. DISCUSSION AND POSSIBLE APPROVAL OF A RESOLUTION AUTHORIZING AN AGREEMENT (INCLUDING REAL ESTATE SALES CONTRACT) WITH PROJECT WINDMILL: Misty Mayo presented Resolution DCOA-2020.19 authorizing an incentive package for Project Windmill. This is an existing company in Abilene under one of the

DCOA's three pillars, Business Retention and Expansion. The Company currently occupies DCOA owned properties located at 3901, 4009, 4109, 4125 and 4141 Vine Street and 1782 Industrial Boulevard, Abilene, Texas (collectively, the "Property"). The Property has been re-platted and the re-plat will be submitted to the City for record and will be assigned one address. Ms. Mayo reported that the Property is appraised for \$3,000,000.00. Staff recommends approval of a Real Estate Sales Contract with the Company to purchase the buildings and Property for \$1,000,000.00 financed over a three-year period with a 0% interest rate. The remaining \$2,000,000.00 in value will be used as an incentive for Project Windmill to spur the potential expansion of the building and to incent the Company to remain in Abilene, retaining 550 full-time employees and continuing to grow its production line which is not part of this resolution.

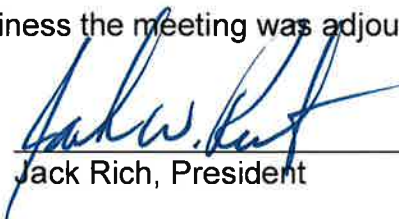
Sam Vinson moved to approve Resolution DCOA-2020.19 authorizing a Real Estate Sales Contract with the Company to purchase the buildings and Property for One Million and no/100's Dollars (\$1,000,000.00) financed over a three-year period with a 0% interest rate. The remaining Two Million and no/100's Dollars (\$2,000,000.00) will be used as an incentive for Project Windmill to spur the potential expansion of the building and to incent the Company to remain in Abilene, retaining 550 full-time employees. Shea Woodard-Hall seconded and the motion passed.

11. DISCUSSION AND POSSIBLE APPROVAL OF A RESOLUTION AUTHORIZING THE CEO TO ENTER INTO A CONTRACT TO ACQUIRE PROPERTY IN CENTRAL ABILENE AND EXPEND FUNDS FOR DUE DILIGENCE PRIOR TO PURCHASE: Misty Mayo presented Resolution DCOA-2020.20 authorizing a contract to purchase property in Central Abilene providing the organization the opportunity for expansion, as well as a cost effective means for developing projects in-line with the DCOA's purpose and mission organizationally. The resolution provides for funding necessary to conduct due diligence prior to the purchase. Once the due diligence is completed, staff will return to the board for authorization and funds for the purchase.

Sam Vinson moved to approve Resolution DCOA-2020.20 authorizing the CEO to enter into a contract to purchase the property in Central Abilene and funds necessary to conduct due diligence prior to the purchase. Shea Woodard-Hall seconded and the motion passed.

12. DISCUSSION OF THE NEXT BOARD MEETING DATE: President Rich announced the next scheduled meeting of the DCOA board will be on Friday, March 27, 2020, at 10:00 a.m.

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



Jack Rich, President