

DEVELOPMENT CORPORATION OF ABILENE, INC.
BOARD MEETING MINUTES
June 5, 2020

MEMBERS PRESENT: Jack Rich Vic Corley Sam Vinson
Floyd Miller Shea Hall

STAFF PRESENT: Misty Mayo Cynthia Nesmith
Julie Johncox Akane Thaxton

GUESTS PRESENT: Mark Zachary McMahan Surovik Suttle, PC
Chris Shelton McMahan Surovik Suttle, PC
Amy Whitmer Abilene Industrial Foundation
Victor Sotelo KTAB

1. **CALL THE MEETING TO ORDER:** President Jack Rich called the meeting to order at 10:00 am by videoconference.
2. **INVOCATION:** Jack Rich offered the invocation.
3. **PUBLIC COMMENT ON AGENDA ITEMS:** President Jack Rich announced an opportunity for the public to comment on any of the agenda items. He further stated that there would be no votes or formal action taken during public comment, that this would allow members of the public to present ideas and information to the DCOA Board and staff pertaining to the items on the agenda, and that if there was anyone wanting to make a public comment, to please state their name and address. No one from the public spoke.
4. **EXECUTIVE SESSION:** It was stated that the Board was going into Executive Session pursuant to Texas Government Code Sections 551.071, 072, 074 and 087 to consult with legal counsel, discuss real property transactions, personnel matters, and discuss economic development negotiations involving a business prospect, as set forth on the agenda and that any vote or action will be taken in open session.

It was announced the date is June 5, 2020 and the time is 10:07 am. Later, President Rich announced the date is still June 5, 2020 and the time is 11:01 am and that no vote or action was taken in Executive Session.

5. **ECONOMIC RELIEF GRANT (ERG):** CEO Misty Mayo informed the Board that Sam Vinson is the Chair for the Economic Relief Grant (ERG) Fund Committee which is working on the ERG funds established by the Board in March and offered to Type A companies, via application, in late April. To date, 29 companies have applied, 15 did not qualify, 1 has been approved to receive funds and there are 5 today that will be considered for the approval process. There are 9 qualified applicants still in various stages of the process; 52 qualified companies have been contacted in order to promote the grant; and 4 are existing DCOA clients which have declined to apply for the grant in order to leave money for companies which may be in greater need.

Misty Mayo informed the Board that ERG-2 and ERG-3 will not have company names listed until they have been approved by City Council.

6. DISCUSSION AND POSSIBLE APPROVAL OF A RESOLUTION APPROVING AN AGREEMENT WITH PROJECT ERG-2: Sam Vinson, Chair of the ERG committee presented Resolution DCOA-2020.27 approving a grant for an amount not to exceed \$500,000 for the company's retention of 130 employees and pending City Council's approval. President Jack Rich asked each Board member for their vote, it was unanimous and the motion passed.

President Rich reminded the Board that since this recommendation was coming from the committee, there did not have to be a motion and second, and the Board will vote directly after the explanation.

7. DISCUSSION AND POSSIBLE APPROVAL OF A RESOLUTION APPROVING AN AGREEMENT WITH PROJECT ERG-3: Sam Vinson presented Resolution DCOA-2020.28 stating the committee recommended a grant not to exceed \$300,000 for the retention of 54 full-time employees and pending City Council's approval. President Jack Rich asked each Board member for their vote, it was unanimous and the motion passed.

8. DISCUSSION AND POSSIBLE APPROVAL OF A RESOLUTION AUTHORIZING AN AGREEMENT WITH PROJECT ERG-4: Sam Vinson presented Resolution DCOA-2020.29 stating the committee recommended a grant for Tiger Manufacturing not to exceed \$222,778 for the retention of 50 full-time employees. It was noted that because this company is located in the extra-territorial jurisdiction of the City of Abilene, this project will need to be presented to Taylor County before funding. President Jack Rich asked each Board member for their vote, it was unanimous and the motion passed.

9. DISCUSSION AND POSSIBLE APPROVAL OF A RESOLUTION AUTHORIZING AN AGREEMENT WITH PROJECT ERG-5: Sam Vinson presented Resolution DCOA-2020.30 stating the committee recommended a grant for Dansco Manufacturing not to exceed \$186,000 for the retention of 17 full-time employees. It was noted that because this company is located in the extra-territorial jurisdiction of the City of Abilene, this project will need to be presented to Taylor County before funding. President Jack Rich asked each Board member for their vote, it was unanimous and the motion passed.

10. DISCUSSION AND POSSIBLE APPROVAL OF A RESOLUTION AUTHORIZING AN AGREEMENT WITH PROJECT ERG-6: Sam Vinson presented Resolution DCOA-2020.31, stating the committee recommended a grant for Lone Star Canvas and Sign Works not to exceed \$195,000 for the retention of 18 full-time employees. President Jack Rich asked each Board member for their vote, it was unanimous and the motion passed.

For the record, President Jack Rich stated that: it was important to the DCOA Board to respond on an expedited basis to the needs of businesses that have been impacted by COVID-19; the Board has worked quickly to provide assistance in places where it would be needed most; the Board committee has been doing all the hard work; and the Board appreciates what the committee has done and will continue to look at needs as they come up. President Rich also thanked Misty Mayo and the staff of the DCOA for all their hard work.

11. DISCUSSION AND POSSIBLE APPROVAL OF A RESOLUTION AUTHORIZING THE DCOA'S CHIEF EXECUTIVE OFFICER TO CONTRACT FOR THE EXPANSION OF HANGAR 2 LOCATED AT 2809 AIRPORT BOULEVARD: Misty Mayo presented Resolution DCOA-2020.32 for the expansion of Eagle Aviation Services, Inc. (EASI) Hangar 2. Under an existing contract with EASI, from December 2019, the DCOA agreed to expand Hangar 2. This Resolution enables Misty Mayo to enter into a contract with the vendors which have been involved since late 2018 & early 2019: Thomas Hicks Construction, Inc., Tapit Fire Protection, LLC, and Total Fire & Safety. The Resolution allows the staff to hire these vendors directly, without the procurement process that was put in place in November 2019 after the project began.

Sam Vinson made a motion to approve Resolution DCOA-2020.32 authorizing the DCOA's Chief Executive Officer to contract for the expansion of Hangar 2. Shea Hall seconded and the motion passed.

12. DISCUSSION AND POSSIBLE APPROVAL OF A RESOLUTION AUTHORIZING THE DCOA'S CHIEF EXECUTIVE OFFICER TO EXTEND AND/OR AMEND THE DCOA'S AGREEMENTS WITH PRAIRIE DOG PET PRODUCTS: Misty Mayo presented Resolution DCOA-2020.33 for an amendment to the current agreement with Prairie Dog Pet Products (PDPP). PDPP came to Abilene in 2015 and subsequently transferred its assets (with the DCOA's consent) to a new company in 2019. The new entity is a company led by Kinderhook Industries, Inc., a private equity firm.

Prairie Dog Pet Products has briefed the DCOA on its future plans and has asked that the DCOA consider amendments to the current incentive agreement. The current agreement is for \$9.5 million in total incentives that PDPP can earn over 10 years based on cumulative capital expenditures and cumulative payroll at 8:1 with a total estimated capital investment of \$76,000,000.

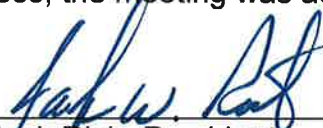
The request for the amendment involves extending the agreement by 3 years – from 10 years to 13 years; and changing the current ratio of \$8.00 invested for \$1.00 credit to \$7.50 invested for \$1.00 credit. The agreement will remain the same for the committed 200 full-time jobs to be created by December 2025.

This means the overall DCOA percentage of incentive based on \$76,000,000 of capital investment was 12.5% and the new adjusted estimate will be a total capital investment of approximately \$72.8 million, a difference of \$3.2 million over an extended period of time that adjusts the total incentive percentage to 13%. This does not impact the DCOA budget, but rather, is a way for the DCOA to support the company and its projected growth given the new company's plans and its desire to grow its operation in Abilene.

Sam Vinson made the motion to approve Resolution DCOA-2020.33 authorizing the extension of the DCOA's agreement with Prairie Dog Pet Products. Shea Hall seconded and the motion passed.

13. REGULARLY SCHEDULED BOARD MEETING, SCHEDULED FOR JUNE 17TH AT 9:30 AM VIA VIDEO CONFERENCE: President Rich announced the next scheduled meeting of the DCOA Board will be on Wednesday, June 17, 2020, at 9:30 am.

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



Jack Rich, President