

**DEVELOPMENT CORPORATION OF ABILENE, INC.**  
**BOARD MEETING MINUTES**  
**June 17, 2020**

<b>MEMBERS PRESENT:</b>	Jack Rich Floyd Miller	Vic Corley Shea Hall	Sam Vinson
<b>STAFF PRESENT:</b>	Misty Mayo Julie Johncox	Cynthia Nesmith Akane Thaxton	
<b>GUESTS PRESENT:</b>	Chris Shelton Amy Whitmer David Smith Doug Peters Victor Sotelo	McMahon Surovik Suttle, PC Abilene Industrial Foundation SBDC Abilene Chamber of Commerce KTAB	

- 1. CALL THE MEETING TO ORDER:** President Jack Rich called the meeting to order at 9:31 am by videoconference.
- 2. INVOCATION:** Sam Vinson 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. GOVERNANCE SCHEDULE:** President Jack Rich explained that the purpose of the governance schedule is to: 1) provide a snapshot of what is coming in future meetings, and 2) plan what needs to be addressed monthly. He further stated that the governance schedule is a fluid document that should be updated, as needed.
- 5. APPROVAL OF MINUTES FROM THE MAY 21, 2020 AND JUNE 5, 2020 BOARD MEETINGS:** Vic Corley moved to approve the minutes from the May 21, 2020 and June 5, 2020 Board meetings. Sam Vinson seconded, and the motion carried.
- 6. SALES TAX REPORT FOR JUNE:** Akane Thaxton, Finance Manager with the DCOA, presented the sales tax report for June as reported by the City of Abilene. The sales tax rebate for June is \$3,380,520.30 which represents April sales. Economic development received \$845,130.07 which is 8.71% below last year and 11.15% below the projected FY20 budget amount. For the period October through June, sales tax is 2.90% above last year.
- 7. EXECUTIVE SESSION:** President Jack 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 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.

President Rich announced the date is June 17, 2020 and the time is 9:35 am. Later, President Rich announced the date is still June 17, 2020 and the time is 9:54 am and that no vote or action was taken in Executive Session.

**8. ECONOMIC RELIEF GRANT (DISCUSSION AND POSSIBLE APPROVAL OF A RESOLUTION APPROVING AN AGREEMENT WITH PROJECT ERG-7):** CEO Misty Mayo asked Sam Vinson, Committee chair to present Project ERG-7. Mr. Vinson started by giving an update on the overall results of the ERG program: to date, 6 companies have been approved to receive funds; one is in the approval process; and 7 are currently in the process of completing the application. To date the committee has approved \$1,433,778 and if ERG-7 is approved the amount will increase to \$1,678,000. Project ERG-7 is Extreme Exteriors and the committee recommended that the DCOA approve Resolution 2020.34 authorizing a grant up to \$245,020 to retain 100% of their current 46 full-time jobs.

Vic Corley made the motion to approve Resolution 2020.34 for funding up to \$245,020 in grant funds to Extreme Exteriors and retain 46 full-time jobs. Floyd Miller seconded and the motion passed.

**9. STRATEGIC PLAN:** CEO Misty Mayo shared with the Board that the strategic plan by TIP Strategies in 2016 has some aspects that have been accomplished, but not necessarily tracked for reporting. The Develop Abilene team has been working on the 10 strategies, yet has not promoted the DCOA's work on the strategic plan. The last report was provided in 2017. Misty Mayo stated that an updated report will be presented to the Board sometime in late August and then to the City Council.

**10. DISCUSSION AND POSSIBLE APPROVAL OF AN AMENDED DCOA BUDGET FOR FY19-20 AND A DCOA BUDGET FOR FY20-21:** CEO Misty Mayo discussed the FY19-20 amended budget which ends September 30, 2020. The DCOA Board previously approved the amended budget in April. The second round of amendments is due to the fact that the DCOA needed to wait to complete the realignment strategy before requesting funding for new staff. The consideration today is to ensure that all amendments are included, such as: staffing, not only related to salary, but TMRS retirement and social security amounts which were obtained through the HR department of the City of Abilene. Also included is an amendment to Project Threshold (Bavarian) which was previously listed as a \$400,000 incentive; the amended budget captures it correctly as a real estate buy down and not a financial commitment from the DCOA. President Jack Rich asked if the salary increase was also due to two AIF employees moving over to the DCOA and one newly-hired employee and Misty Mayo stated yes. The additional two hires will be captured in the FY20-21 budget.

Vic Corley made an oral motion to approve the Amended DCOA Budget for FY19-20. Sam Vinson seconded and the motion passed.

FY20-21:

Misty Mayo then presented the FY 20-21 DCOA Budget, referring to the Summary section specifically. It shows the projected sales tax reduced to what the DCOA accounted for this year; a conservative estimate on the revenues. The next section is expenses: business and administration has a \$1.8 million dollar increase. Ms. Mayo explained that \$1.6 million of the

increase is accounted for in a few main areas: marketing efforts; new staff members added with related expenses; as well as the maintenance of 174 Cypress Street since the DCOA now owns the building.

Marketing efforts will be drawn from the DCOA's budget instead of the AIF'S budget so there is a cost savings from AIF funded projects. The DCOA will start leveraging the marketing funds for larger campaigns outside of the Abilene market not only for site consultants, but companies as well. The increase for salaries and related items (benefits and equipment) for 5 new employees, 2 of which will transfer from the AIF, is also indicated in the budget. The funding for the AIF will be reduced by \$266,525.

An additional change in the FY 20-21 budget is due to the purchase of the Cypress Street building. Funds have been allocated to maintain the building, which in this category does not include the \$98,000 received from rent. The last item with a substantial increase is the DCOA's plan to become organizationally independent from the City of Abilene. This independence is focused on 3 areas: accounting, investments and HR services. Currently, the DCOA pays the City of Abilene for these services. Another cost of independence could be the cost of changing the DCOA's property insurance from TMLIRP Risk Pool to private insurance coverage.

Sam Vinson made an oral motion to approve the DCOA's Budget for FY 20-21. Vic Corley seconded and the motion passed.

**11. ORAL PRESENTATION OF THE SEMI-ANNUAL REPORT FROM THE DEVELOPMENT CORPORATION OF ABILENE:** CEO Misty Mayo presented the DCOA'S Semi-Annual Report to go on the record as the report that was presented to the City Council last week.

The DCOA's responsibility for economic development is captured in three core pillars:

- 1) Business Attraction – bringing in new capital investment and primary job creation from outside of this market;
- 2) Business Retention & Expansion – growing local companies, making sure the DCOA gives them the resources and tools to grow and prosper; and
- 3) Entrepreneurial – the pursuit of building an ecosystem that allows the DCOA to incubate and grow companies locally.

Workforce Development and Talent Development plus Marketing and Brand Awareness touch the three core pillars.

By the five pillars the DCOA has worked to align the DCOA's strategic plan, as well as partner agreements.

The DCOA also funded a matching grant for \$500,000 for the new Dyess Security Access Control Center. Additionally, in partnership with the City of Abilene, the DCOA submitted for a grant from the Economic Development Administration (EDA) and was awarded \$1,837,500 to expand, enhance and improve both Fulwiler Road and Marigold Street at Five Points Business Park. This is an ongoing approval process for which the DCOA team has been the primary led and working team.

## **12. ORAL PRESENTATION OF THE SEMI-ANNUAL REPORT BY SMALL BUSINESS DEVELOPMENT CENTER AND ABILENE INDUSTRIAL FOUNDATION:**

**Abilene Industrial Foundation (AIF):** Doug Peters, President of the Abilene Industrial Foundation (AIF), presented the Semi-Annual Report for the AIF from October 2019 to April 2020.

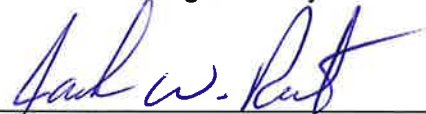
- The BE in Abilene program increased by 25% in award dollars, first time the total funding was given out to three winners.
- NextUniversity scholarships had a 74% increase in 2019, with an 85% growth rate in enrollment overall to prior years with 3 new pathways added: LVN, Industrial Systems and Aircraft Technology.
- To date, the AIF has visited with 250 contacts for general information, real estate, incentives and new business. Leads generated through direct contact was 174 from trade shows or site consultants.
- Five prospects considered Abilene as their destination for their next investment and 4 projects were approved for capital investment and job creation.
- Total new investment from local businesses is \$19 million, 184 new jobs and 549 retained jobs.
- The Business Retention and Expansion program had 84 direct contacts to date with 21 visits and 27 expansion visits.

**Texas Tech University Small Business Development Center (SBDC):** David Smith, Regional Director of the SBDC, informed the Board that the SBDC serves the 16 counties surrounding Abilene.

- The SBDC counseled a total of 236 clients, with 681 counseling sessions totaling 1,067 counseling hours.
- Total number of new clients was 87, opened 20 new businesses with a Capital Formation total of \$3,087,744 with 165 jobs created and 770.5 jobs supported.
- Due to the COVID 19 Abilene alone verified Payroll Protection Plan loans and the Economic Injured Disaster Loans for over \$15,000,000.
- The BE in Abilene program is another highlight for the SBDC on which they spent 177 counseling hours from January 1st to April 15th with 5 finalists and 3 winners.
- The SBDC in Abilene applied for and received funding from the SBA for an 18 month program for the addition of a full-time CARES Coordinator to assist small businesses re-establish as they begin to reopen. There is a special emphasis on working with rural communities in the area.
- A Procurement Technical Assistance Center (PTAC) consultant will be added. This was moved from Lubbock to Abilene to have more direct access to public sector contracts. The PTAC consultant will help businesses within the Abilene region either begin to do business with the public sector (at all levels) or do more business with the public sector. The PTAC consultant will help simplify the process; connecting Texas businesses with the public sector through education, registrations, certification, marketing, procurement technical assistance, e-commerce and networking assistance.

**13. DISCUSSION OF THE NEXT BOARD MEETING:** Board members considered dates for the next meeting, and President Rich announced the next scheduled regular meeting of the DCOA Board will be on Thursday, July 30, 2020, at 10:00 am.

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

  
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Jack Rich, President

  
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Vic Corley, Secretary/Treasurer