

CENTRAL TEXAS AIRPORT

February 13, 2009

TO: Commissioner Lee Dildy

FROM: Jim Carpenter

Message: Commissioner;

As we discussed, we are trying to get Representative Kleinschmidt and Senator Hegar to sponsor and support the passage of a local bill that would add road district and aviation district authority to the existing Cottonwood Creek Water Control and Improvement District #3. This district was created by the TCEQ and supported by the Travis County Commissioners Court in the mid-1980s in the area northeast of Manor to facilitate the entitlement and development of a network of urban level utility services to that rural area.

The CCWCID#3 has been active with its board of directors on matters related to facilitating the development or provision of utility services for various economic development projects we have worked on. The board has agreed to assist with the development of the Central Texas Airport project through the annexation of the airport property with Bastrop County's approval. Expansion of CCWCID#3's potential reimbursable expense authority for utility and drainage components to include public use roadways and airport improvements is critically important to the successful privatized development and financing of CTA. The attorney for CCWCID#3 is Patrick Lindner of the San Antonio office of the Davidson & Troilo firm. Patrick authored the draft bill and it was directed to legislative committee by Senator Hegar, and is awaiting comments and revisions. We have not met with Rep. Kleinschmidt but did meet with his office manager and Chief of Staff. They apparently have not moved forward at this point with the bill and a meeting is being attempted next week.

We believe that a short letter of support for Central Texas Airport from you and Judge McDonald would provide the impetus for this local bill to secure dedicated support. We are seeking advice as to a preferred committee for this bill. Suggestions so far are Technology, Economic Development & Workforce or County Affairs. Our entire goal for CTA is to develop, on an expedited basis, a privately funded economic development and job creation generator that can symbiotically support other regional businesses. However, a low profile as a local county bill could be a safer approach. What are your thoughts or advice on how to get this done quickly?

We want CTA to be a local community asset providing international accessibility without the requisite obstacles, inconveniences, operational inefficiencies and added expenses that come with Federal or State funding assistance. The development process expands from 1-2 years to 5-7 years.

Rapid vertical asset development of the near 2,000-acre site, in order to achieve timely reimbursement of the extensive public infrastructure costs, is the key to maintaining privatized control of CTA. Features of this bill are specifically tailored to address the critical questions and issues that will arise regarding successful issuance and sale of municipal bonds supported by CTA's own investment initiatives. Today's uncertain financial markets may not go away quickly. Private capital will only venture into projects that have multiple levels of investor protection and debt retirement strategies that do not anticipate public bail outs. If we can get this bill passed quickly, without significant damage to these investor security features, we can move forward quickly with this project. With at least a 2/3 vote it becomes effective immediately and we project groundbreaking later this year.

925-B S. CAPITAL OF TEXAS HIGHWAY, SUITE 115, AUSTIN, TEXAS 78746
TELEPHONE: (512) 306-9993 FACSIMILE: (512) 306-9494
EMAIL: JIM@CARPENTERAUSTIN.COM

It was recommended that your letter of support be very brief and to the point. I leave that to your judgment as I do not know what type of relationship you may have established with any of the proposed recipients. At the minimum I believe that we need two things to be communicated:

1. your personal support for this Central Texas Airport project in Bastrop County; and
2. your request for their personal assistance in getting this local bill passed as quickly as possible.

I think it is appropriate, subject to your concurrence, to let them know that we are attempting to not publicize this project so that we do not adversely impact the potential location of another important economic development project. All of these individuals are aware of that project. We believe that these officials should get your letter and we would appreciate a copy as well. They are:

The Honorable Glenn Hegar
Room E1.808
P.O. Box 12068
Capitol Station
Austin, Texas 78711
(512) 463-0118
(512) 475-3736 (Fax)

The Honorable Tim Kleinschmidt
Room EXT E2.702
P.O. Box 2910
Austin, TX 78768
(512) 463-0682
(512) 463-9955 Fax

The Honorable David Dewhurst
Lt. Governor Office
Room: 2E.13
Capitol Station
P.O. Box 12068
Austin, Texas 78711
512 463-0001
512-463-0677 (FAX)

The Honorable Rick Perry
Office of the Governor
State Insurance Building
1100 San Jacinto
P.O. Box 12428
Austin, Texas 78711-2428

Commissioner, I appreciate your support and help on this project. We are very committed to bringing CTA to Bastrop County. To date, we have expended well over \$2mm and are finalizing arrangements to more than double that expenditure to get an economic development assessment report prepared, and finalize the master site engineering and Phase 1 construction plans for an 8,000 foot runway and taxiway. Your assistance in getting this bill passed is very important to our success.

Best regards,
Central Texas Airport, LLC

Jim
Jim Carpenter