



2 building from the DCOA and now requires additional warehouse space. Construction costs increased from the original \$6 million estimate to \$6,710,400. In Feb. 2008, the DCOA approved additional construction funds of \$1,045,900 (\$710,400 for additional construction and a 5% contingency of \$335,500). Because the construction cost increased, the fee for basic services, which is based on 5.75% of the total construction cost, also increased. Per our contract with PWP, Tittle Luther is also working with PWP to design renovations to the existing facility to add additional equipment.

Staff recommends the DCOA approve additional funding of \$93,975 for the professional services fees and other charges associated with the Spec 2 expansion.

Paul Cannon moved to approve Resolution No. DCOA-2008.10 as presented. Mike Schweikhard seconded the motion and it carried.

6. **EXECUTIVE SESSION.** I hereby announce we are going into Executive Session pursuant to Texas Government Code Sections 551.071, .072, and .087 to consult with our legal counsel, discuss real property transactions, 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.

The date is March 25, 2008 and the time is 1:37 p.m. The date is still March 25, 2008 and the time is 2:58 p.m. No vote or action was taken in Executive Session.

7. **DISCUSSION AND POSSIBLE APPROVAL OF A RESOLUTION AUTHORIZING ASSISTANCE FOR PROJECT SME.** Project SME is a wind energy industry full-service provider with employees working throughout the U.S. The company offers engineering and construction, training, wind facility management, and repair & retrofit services. Project SME is interested in opening a regional maintenance & training center and a remanufacturing plant in Abilene at the former Lockheed plant. The company expects to create 89 jobs within two years, with 76 of these paying \$30,000 or more a year. Project SME also expects to make approximately \$5.7 million in capital investments.

Staff recommends the DCOA authorize total assistance of \$1,418,000 as follows: job creation incentives totaling \$848,000 payable over five years and capital investment incentives totaling \$570,000 (10% of \$5.7 million) payable over five years.

A motion was made by Paul Cannon to approve Resolution No. DCOA-2008.10 as presented. Stan Lambert seconded the motion and it passed by unanimous consent.

8. **ADJOURNMENT.** The next board meeting is tentatively scheduled for April 29, 2008. There being no further business, the meeting was adjourned.

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Joe Crawford, President

**MEMORANDUM**

April 9, 2008

**TO:** Larry D. Gilley, City Manager  
Evalin E. McClain, Assistant City Manager

**FROM:** David M. Wright, Director of Finance

**SUBJECT:** April Sales Tax

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The sales tax rebate for April is \$2,392,551.86, which represents February sales. This is 6.65% below last year. The breakdown of the April rebate is \$1,794,413.90 to the General Fund and \$598,137.96 for economic development. Of this rebate, \$44,378 is from prior periods, audit payments, future payments, and unidentified payments. Based on this rebate, sales tax is 2.53% above last year for the period of October through April. I have requested the detail from the state.

Should you have any questions, please contact me.

DMW:ls

cc: Richard Burdine, Assistant City Manager  
David Vela, Assistant City Manager

**CITY OF ABILENE  
SALES TAX COMPARISON**

Accounting Period Month	GENERAL FUND	ECONOMIC DEVELOPMENT	TOTAL	GENERAL FUND	ECONOMIC DEVELOPMENT	TOTAL
	Actual 2006-07	Actual 2006-07		Actual 2007-08	Actual 2007-08	
October	\$1,951,422.77	\$650,474.25	\$2,601,897.02	\$2,029,217.53	\$676,405.84	\$2,705,623.37
November	2,229,381.42	743,127.14	2,972,508.56	2,293,733.19	764,577.73	3,058,310.92
December	1,813,239.09	604,413.03	2,417,652.12	1,934,180.44	644,726.81	2,578,907.25
January	1,877,628.47	625,876.16	2,503,504.63	1,880,105.59	626,701.86	2,506,807.45
February	2,710,392.23	903,464.08	3,613,856.31	2,932,831.13	977,610.37	3,910,441.50
March	1,797,210.64	599,070.21	2,396,280.85	1,798,311.71	599,437.23	2,397,748.94
April	1,922,282.36	640,760.78	2,563,043.14	1,794,413.90	598,137.96	2,392,551.86
<b>YTD</b>	<u>\$14,301,556.98</u>	<u>\$4,767,185.65</u>	<u>\$19,068,742.63</u>	<u>\$14,662,793.49</u>	<u>\$4,887,597.80</u>	<u>\$19,550,391.29</u>
May	2,554,414.62	851,471.54	3,405,886.16			
June	1,819,065.78	606,355.26	2,425,421.04			
July	1,987,476.01	662,492.00	2,649,968.01			
August	2,348,841.11	782,947.03	3,131,788.14			
September	2,013,292.73	671,097.58	2,684,390.31			
<b>FY TOTAL</b>	<u>\$25,024,647.23</u>	<u>\$8,341,549.06</u>	<u>\$33,366,196.29</u>			

NOTE: REPORT REFLECTS THE MONTH SALES TAX IS RECEIVED FROM AUSTIN. REVENUE IS RECORDED ON THIS BASIS FOR BUDGETARY PURPOSES.

THE COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR) WILL REFLECT GASB 33 REQUIREMENT IN ADDITION TO THE BUDGET BASIS.

**DEVELOPMENT CORPORATION OF ABILENE, INC.**  
**1/2 CENT SALES TAX REVENUE**  
***FY 2008: Monthly and Year-to-Year Comparisons***

<b>Accounting Period Month</b>	<b>Actual 2006-07</b>	<b>Actual 2007-08</b>	<b>% Change</b>
October	\$650,474	\$676,406	3.99%
November	743,127	764,578	2.89%
December	604,413	644,727	6.67%
January	625,876	626,702	0.13%
February	903,464	977,610	8.21%
March	599,070	599,437	0.06%
April	640,761	598,138	-6.65%
<b>YTD</b>	<b>\$4,767,186</b>	<b>\$4,887,598</b>	<b>2.53%</b>
May	851,472		
June	606,355		
July	662,492		
August	782,947		
September	671,098		
<b>FY TOTAL</b>	<b>\$8,341,549</b>		

Note: Report reflects the month sales tax is received from Austin.  
Revenue is recorded on this basis for budgetary purposes.

The Comprehensive Annual Financial Report (CAFR) will reflect  
GASB 33 requirement in addition to the budget basis.

Revenue for April '08 represents February '08 sales. Approximately  
\$11,095 of the rebate is from prior periods, audit, and future payments.

Audit Payments: Larger businesses submit sales tax collections to the State  
Comptroller every month and smaller ones either quarterly or annually. The  
Comptroller audits the books of these businesses on a four year cycle to  
determine if sales tax was collected on all taxable sales. Audit collections  
represent the sales tax revenue from prior sales and submitted or refunded  
subsequent to the audit.

CITY OF ABILENE, TEXAS

PRELIMINARY

DEVELOPMENT CORPORATION OF ABILENE, INC.

Balance Sheet

March 31, 2008

**ASSETS:**

Cash and Investments	\$19,933,364
Notes receivable	13,769,809
Accounts receivable	4,500
Due from other governments	1,432,663
Prepaid Expense	0
Total Current Assets	<u>\$35,140,335</u>

**OTHER ASSETS:**

Fixed assets	\$20,671,347
Accumulated depreciation	(3,281,334)
Total Other Assets	<u>17,390,013</u>

TOTAL ASSETS

\$52,530,348

**LIABILITIES:**

Vouchers payable	\$66,570
Deferred revenues	210,949
Total Liabilities	<u>\$277,519</u>

**FUND BALANCES:**

Investment in general fixed assets	\$17,390,013
Reserved for contractual obligations(external)	26,750,726
Reserved for obligated programs(internal)	453,812
Reserved for contingent liabilities	
Undesignated Balance	7,658,278
Total Fund Balance	<u>\$52,252,829</u>

TOTAL LIABILITIES AND FUND BALANCES

\$52,530,348

**FIXED ASSETS:**

Buildings and Improvements:	Original Cost	Improvements	Depreciation	Total
2601 Airport Blvd.	\$1,563,210	\$540,632	\$282,508	\$1,821,334
2809 Airport Blvd.	396,519	444,583	293,458	547,644
2841 Airport Blvd.	456,736	62,923	262,261	257,398
4002 Loop 322	1,290,916	2,384,891	1,205,519	2,470,288
515 acres - Five Pts Bus Park	552,287	2,435,432	243,544	2,744,175
6450 Five Points Parkway	5,809,354	-	575,521	5,233,833
Grant Bldg 341 Pine	147,194	405,726	187,767	365,154
303.53 acres Hwy 36 & FM 18	449,238	-	-	449,238
2742 Lance Dr. (EASI Storage)	2,527,408	9,987	151,678	2,385,717
4109 Vine St	583,524	-	35,012	548,512
4009 Vine St	583,524	-	35,011	548,513
Vehicle: 2005 Dodge Caravan	18,011	-	7,205	10,806
Office Equipment: Copier	9,250	-	1,850	7,400
TOTAL FIXED ASSETS	<u>\$14,387,173</u>	<u>\$6,284,174</u>	<u>\$3,281,334</u>	<u>\$17,390,013</u>

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**DEVELOPMENT CORPORATION OF ABILENE  
STATUS OF FUNDS @ MARCH 31, 2008**

<b>REVENUE TO DATE</b>	<b>Beginning I-T-D Revenues</b>	<b>Current Month Revenues</b>	<b>Current FY Revenues</b>	<b>(MARCH, 1990) Ending I-T-D Revenues</b>
City Sales Tax (3131)	\$ 102,733,207.48	\$ 595,242.83	\$ 4,264,150.89	\$ 106,997,358.37
Sales Tax Retained (3132)	241,850.15	4,194.40	25,308.95	267,159.10
Other Services Charges (3731)	25.00			25.00
Princ. - Loans & Assess (3775)	868,651.55	2,128,994.51	2,133,220.49	3,001,872.04
Int. - Loans & Assess (3802)	2,060,915.74	1,426.22	13,979.15	2,074,894.89
Interest (3803)	5,948,089.74	42,003.37	380,006.27	6,328,096.01
Land Lease (3810)	7,428.83	4,603.25	6,373.25	13,802.08
Building/Space Rent (3816)	2,949,794.08	48,437.50	246,696.73	3,196,490.81
City Pay Phones (3890)	9,170.58			9,170.58
Miscellaneous Revenue (3892)	30,227.99			30,227.99
EDA Grant (3305)	242,100.00			242,100.00
Miscellaneous State Grants (3359)	6,500.00			6,500.00
Miscellaneous Federal (3379)	937,926.00			937,926.00
Interest on Investments (3800)	176,263.67			176,263.67
Other Interest (3809)	32,252.85			32,252.85
Interfund Recovery (3828)	1,534,976.08			1,534,976.08
Miscellaneous Recovery (3839)	1,891,340.41			1,891,340.41
Miscellaneous Prior Year (3840)	16,464.88			16,464.88
DCOA Admin (3847)	7,070.55			7,070.55
Other Contributions (3860)	96,866.60			96,866.60
Sale of Land (3870)	273,554.84			273,554.84
Sale of Buildings (3871)	981,647.87			981,647.87
Miscellaneous Damage Claims (3889)	1,173.04			1,173.04
GASB 22 Restatement	355,634.89			355,634.89
GASB 34 FY 03 Adjustment	579,426.49			579,426.49
	<b>\$ 121,982,559.31</b>	<b>\$ 2,824,902.08</b>	<b>\$ 7,069,735.73</b>	<b>\$ 129,052,295.04</b>

**DEVELOPMENT CORPORATION OF ABILENE  
STATUS OF FUNDS @ MARCH 31, 2008**

	Beginning I-T-D Expenditures	Current Month Expenditures	Current FY Expenditures	Ending I-T-D Expenditures	Outstanding Contracts
<b>CONTRACTS ENCUMBERED/ EXPENDITURES-TO-DATE</b>					
Prior Years Programs	\$ 57,047,456.33			\$ 57,047,456.33	
Business Services Division	6,133,252.87	72,644.06	328,836.07	6,462,088.94	28,500.00
DCOA Annual Contracts	1,788,884.61	27,226.55	67,493.86	1,856,378.47	-
Abilene Industrial Foundation (4950)	10,550,934.60	59,427.17	260,194.94	10,811,129.54	471,755.06
TTU Small Business Dev Cntr (4951)	2,045,621.05	23,456.25	99,975.00	2,145,596.05	95,025.00
Chamber Military Affairs (4952)	1,011,976.83	-	-	1,011,976.83	70,000.00
Airport Business Dev Mgr (4953)	318,606.12	4,266.65	63,141.75	381,747.87	73,903.25
EASI Records Const. 4990	2,440,442.58	-	-	2,440,442.58	65,854.42
Murf Systems 4998	151,665.00	-	-	151,665.00	-
Bandag Training 5203	516,334.72	-	29,135.48	545,470.20	296,749.80
Rentech 04 5207	335,360.00	-	-	335,360.00	-
Sunoco Logistics 5208	143,544.00	-	-	143,544.00	33,456.00
EASI 04 5213	1,020,937.66	-	324,300.00	1,345,237.66	1,927,700.00
EHT 5216	98,300.00	-	-	98,300.00	-
Fehr Food 5220	521,670.00	-	523,350.00	1,045,020.00	-
Research Ins 5221	500.00	-	-	500.00	-
Advanced Trailer 5224	29,750.00	-	4,391.67	34,141.67	-
Transcend Services 5227	280,157.82	-	46,235.32	326,393.14	-
Bandag Building Improv 5228	-	-	-	-	44,259.24
Glazers Ph III 5229	26,280.00	18,060.00	18,060.00	44,340.00	46,660.00
Highland Campus Health 5231	128,791.66	-	60,950.00	189,741.66	362,466.67
Rentech 5232	48,800.00	-	-	48,800.00	-
Tige Infrastructure 5233	144,397.68	-	74,238.00	218,635.68	-
Robinson Fan 5237	126,482.00	62,324.00	62,324.00	188,806.00	469,394.09
Reg Website 5240	4,317.07	-	-	4,317.07	682.93
TTU Pharmacy School 5242	-	-	-	-	-
Lauren Holdings 5245	259,770.00	-	369,182.00	628,952.00	-
18/36 Business Park 5246	23,800.00	-	-	23,800.00	11,200.00
Teleperformance USA 5247	88,040.00	102,230.00	102,230.00	190,270.00	566,730.00
Prospect 06 5248	-	-	1,225.00	1,225.00	-
BCBSTX Reroof Construction 5249	781,098.40	-	-	781,098.40	49,621.60
Shelter Distribution 5250	44,724.96	-	-	44,724.96	48,117.04
PWP (Project LF) 5251	610,993.77	360,000.00	360,000.00	970,993.77	2,236,469.23
Abilene Internet 5252	59,340.00	-	-	59,340.00	-
Integrated Clinic Research 5253	-	-	3,040.00	3,040.00	692,462.00
SBIR/STTR 5255	23,283.51	-	-	23,283.51	-
Coca Cola 5256	300,000.00	-	-	300,000.00	-
Welder Training Program 5257	141,824.36	8,525.00	15,180.94	157,005.30	22,419.06
Genesis Network 5258	353,533.33	-	42,000.00	395,533.33	285,100.00
URS Consultants 5259	-	-	13,752.00	13,752.00	-
Carter Burgess 5260	222,323.88	-	33,402.63	255,726.51	93,593.49
Fehr Foods 5261	118,091.53	-	-	118,091.53	-
TMAC 5262	30,000.00	-	7,500.00	37,500.00	22,500.00
SBIR/STTR 5263	37,612.59	10,146.25	23,269.00	60,881.59	210,518.41
EASI 7th Doc 5265	86,119.14	-	37,137.10	123,256.24	151,743.76
BMWT Leasing 5266	-	-	25,000.00	25,000.00	-
ABTEX Beverage 5267	-	-	-	-	1,599,040.00
MSSC Training 5269	35,479.08	-	24,325.16	59,804.24	86,310.84
Receptor Log 5270	57,404.62	246,752.90	623,646.80	681,051.42	1,318,639.68
Sr. Safe at Home (Project SSH) 5271	-	-	-	-	402,455.00
WTCIC 5272	16,582.00	-	-	16,582.00	16,582.00
TTU HS Research	-	-	490,000.00	490,000.00	2,510,000.00
Accelerator A/E 5274	8,164.39	-	117,060.88	125,225.27	226,574.73
Spec 2 Expansion A/E 5275	-	450,702.59	1,175,509.20	1,175,509.20	6,341,710.80
Spec 3 Construction 5276	-	1,604.40	164,905.65	164,905.65	5,571,594.35
ACU 08 SpringBoard 5277	-	-	5,000.00	5,000.00	-
Prospect Development 08 5278	-	2,585.00	2,585.00	2,585.00	-
Accelerator Land 5280	-	1,875.00	24,062.06	24,062.06	300,937.94
Miscellaneous Activities 2785	354,189.86	-	-	354,189.86	-
<b>TOTAL ENCUMB. / EXPENDITURES</b>	<b>\$ 88,566,838.02</b>	<b>\$ 1,451,825.82</b>	<b>\$ 5,622,639.51</b>	<b>\$ 94,189,477.53</b>	<b>\$ 26,750,726.39</b>
<b>TOTAL FUND BALANCE</b>				<b>\$ 34,862,817.51</b>	
<b>UNENCUMBERED FUND BALANCE</b>					<b>\$ 8,112,091.12</b>

3.6



**DEVELOPMENT CORPORATION OF ABILENE  
STATUS OF FUNDS @ MARCH 31, 2008**

	Amount Obligated	Prior Years Disbursed	Current Month Disbursed	Current Year Disbursed	Amount Encumbered	Balance
<b>BALANCE OF OBLIGATED PROGRAMS</b>						
Business Services Division	\$ 617,070.00	\$ -	\$ 72,644.06	\$ 328,836.07	\$ 28,500.00	\$ 259,733.93
DCOA Annual Contracts	227,470.00	-	27,226.55	67,493.86	-	159,976.14
Abilene Industrial Foundation (4950)	731,950.00	-	59,427.17	260,194.94	471,755.06	-
TTU Small Business Dev Cntr (4951)	195,000.00	-	23,456.25	99,975.00	95,025.00	-
Chamber Military Affairs (4952)	70,000.00	-	-	-	70,000.00	-
Airport Business Dev Mgr (4953)	137,045.00	-	4,266.65	63,141.75	73,903.25	-
EASI Records Const. 4990	2,506,297.00	2,440,442.58	-	-	65,854.42	(0.00)
Murf Systems 4998	151,665.00	151,665.00	-	-	-	-
Bandag Training 5203	842,220.00	516,334.72	-	29,135.48	296,749.80	-
Rentech 5207	335,360.00	335,360.00	-	-	-	-
Sunoco Logistics 5208	177,000.00	143,544.00	-	-	33,456.00	-
EASI 04 5213	3,272,938.00	1,020,937.66	-	324,300.00	1,927,700.00	0.34
EHT 5216	98,300.00	98,300.00	-	-	-	-
Fehr Food 5220	1,045,020.00	521,670.00	-	523,350.00	-	-
Research Ins 5221	500.00	500.00	-	-	-	-
Advanced Trailer 5224	34,142.00	29,750.00	-	4,391.67	-	0.33
Transcend Services 5227	326,394.00	280,157.82	-	46,235.32	-	0.86
Bandag Building Improv 5228	44,260.00	-	-	-	44,259.24	0.76
Glazers Ph III 5229	91,000.00	26,280.00	18,060.00	18,060.00	46,660.00	-
Highland Campus Health 5231	552,209.00	128,791.66	-	60,950.00	362,466.67	0.67
Rentech 5232	48,800.00	48,800.00	-	-	-	-
Tige Infrastructure 5233	218,636.00	144,397.68	-	74,238.00	-	0.32
Robinson Fan 5237	658,200.00	126,482.00	62,324.00	62,324.00	469,394.09	(0.09)
Reg Website 5240	5,000.00	4,317.07	-	-	682.93	-
Lauren Holdings 5245	628,952.00	259,770.00	-	369,182.00	-	-
18/36 Business Park 5246	35,000.00	23,800.00	-	-	11,200.00	-
Teleperformance USA 5247	757,000.00	88,040.00	102,230.00	102,230.00	566,730.00	-
Prospect 06	1,225.00	-	-	1,225.00	-	-
BCBSTX Reroof Construction 5249	830,720.00	781,098.40	-	-	49,621.60	-
Shelter Distribution 5250	92,842.00	44,724.96	-	-	48,117.04	-
PWV (Project LF) 5251	3,207,463.00	610,993.77	360,000.00	360,000.00	2,236,469.23	-
Abilene Internet 5252	59,340.00	59,340.00	-	-	-	-
Integrated Clinic Research 5253	695,502.00	-	-	3,040.00	692,462.00	-
SBIR/STTR 5255	23,284.00	23,283.51	-	-	-	0.49
Coca Cola 5256	300,000.00	300,000.00	-	-	-	-
Welder Training Program 5257	179,424.00	141,824.36	8,525.00	15,180.94	22,419.06	(0.36)
Genesis Network 5258	680,633.00	353,533.33	-	42,000.00	285,100.00	(0.33)
URS Consultants 5259	15,127.00	-	-	13,752.00	-	1,375.00
Carter Burgess 5260	349,320.00	222,323.88	-	33,402.63	93,593.49	-
Fehr Foods 5261	118,092.00	118,091.53	-	-	-	0.47
TMAC 5262	60,000.00	30,000.00	-	7,500.00	22,500.00	-
SBIR/STTR 5263	271,400.00	37,612.59	10,146.25	23,269.00	210,518.41	-
EASI 7th Doc 5265	275,000.00	86,119.14	-	37,137.10	151,743.76	-
BMWT Leasing 5266	25,000.00	-	-	25,000.00	-	-
ABTEX Beverage 5267	1,599,040.00	-	-	-	1,599,040.00	-
MSSC Training 5269	146,115.00	35,479.08	-	24,325.16	86,310.84	(0.08)
Receptor Log 5270	2,000,000.00	57,404.62	246,752.90	623,646.80	1,318,639.68	308.90
Sr. Safe at Home (Project SSH) 5271	402,455.00	-	-	-	402,455.00	-
WTCIC 5272	33,164.00	16,582.00	-	-	16,582.00	-
TTU HS Research 5273	3,000,000.00	-	-	490,000.00	2,510,000.00	-
Accelerator A/E 5274	351,800.00	8,164.39	-	117,060.88	226,574.73	-
Spec 2 Expansion 5275	7,517,220.00	-	450,702.59	1,175,509.20	6,341,710.80	-
Spec 3 Construction 5276	5,736,500.00	-	1,604.40	164,905.65	5,571,594.35	-
ACU 08 SpringBoard 5277	5,000.00	-	-	5,000.00	-	-
Prospect Development 08 5278	35,000.00	-	2,585.00	2,585.00	-	32,415.00
Accelerator Land 5280	325,000.00	-	1,875.00	24,062.06	300,937.94	-
Miscellaneous Activities 2785	354,189.86	354,189.86	-	-	-	-
<b>BALANCE OF OBLIGATED PROGRAMS</b>	<b>\$ 42,497,283.86</b>	<b>\$ 9,670,105.61</b>	<b>\$ 1,451,825.82</b>	<b>\$ 5,622,639.51</b>	<b>\$ 26,750,726.39</b>	<b>\$ 453,812.35</b>
Contingent Liabilities						\$ -
<b>UNDESIGNATED FUND BALANCE</b>	(unencumbered balance less obligated programs and contingent liabilities)					<b>\$ 7,658,278.77</b>
DCOA Board approved projects waiting for signed contracts	EXPIRATION DATE					
Venture Dr. in Five Pts. 5279	213,960.00	07/29/2008				
Project CF (5281)	250,000.00	09/25/2008				
Project SME (5282)	1,418,000.00	09/25/2008				
	<u>1,881,960.00</u>					

3.7



Borrower	Lender	Account	Purpose	Original Loan Amt	Origin. Date	Maturity Date	DCOA Int Rate	DCOA Balance	Collateral	Guarantor	Payment Type	Past Due
DAY, JACOB G.	DCOA	760DAY	DCOA sold and financed 5050 E. Hwy. 80 to Jacob G. Day, which will be leased to Day Sign Company, Inc. Sales price is \$390,286. Day was given upfront price reduction of \$55,000 to be earned over 3 years for jobs retained at \$1,666.67 each. Interest only for 6 mos with principal amort. beginning 5-15-04. Further principal reductions can be earned for 3 years for job creation at \$10,000 each.	\$335,286.00	10/15/2003	10/15/2018	2.5	\$206,696.23	1st lien Deed of Trust on 3050 E. Hwy 80, plus Assignment of Rent, Income, and Receipts from Day Sign Company	Day Sign Company, Inc.	Monthly (P&I)	No
FEHR FOODS, INC.	DCOA	FEHRO6	Renewal of balance of DCOA loan FEHR05EQ (\$2,538,480) and combination with FFB participation no. 1857 (\$113,734.95), participation no. 1776 (\$199,675.19) and participation no. 1888 (\$730,442.84).	\$3,582,332.98	10/01/2006	06/30/2012	0.0	\$2,976,032.98	D/T and Security Agmt for 5425 North 1st Street and all equipment. Lien is subordinated to First Financial Bank, N.A.		Annual (PO)	No
GENESIS NETWORKS SOLUTIONS, INC.	DCOA	GENNET06	To partially offset operating costs associated with the newly established office in Abilene located at 500 Chestnut, Ste. 200.	\$1,740,000.00	11/02/2006	07/31/2011	0.0%	\$1,248,366.67	Irrevocable Standby Letter of Credit #002286 issued 11-2-06 by First Financial Bank, N.A. on behalf of Rain Dance Capital, Inc. in the amount of \$1.3 mill. to expire 11-2-07. LOC can be extended 1 more year unless notified by FFB 30 days prior to expiry.		Annual (PO)	No
HBWJ PARTNERSHIP, LTD.	DCOA	BUTTERY-02-0	Improvements to real estate located at 417 Mesquite, Abilene, TX, a 27,000 s.f. bldg.. Facility was purchased from West Texas Wholesale Supply. Operates under Buttery Hardware Company, LLP, delivering plumbing and electrical supplies over most of Texas.	\$200,000.00	03/14/2002	09/14/2012	4.0%	\$99,918.34	1st lien D/T on 417 Mesquite St., superior to Norma Buttery's lien taken at time of purchase, 10-1-01 as evidenced by a Subordination Agreement of Deed of Trust. Int. is due quarterly on 6-14-02 and 9-14-02, pmts beg. 10-14-02 thru 9-14-12.	Limited guaranties from William Henry Buttery, Buttery Company, L.L.P., Brenda Ann Buttery Durst, and John David Buttery	Monthly (P&I)	No

3.9

Borrower	Lender	Account	Purpose	Original Loan Amt	Orig. Date	Maturity Date	DCOA Int Rate	DCOA Balance	Collateral	Guarantor	Payment Type	Past Due
											Annual (PO)	No
HENDRICK MEDICAL CENTER	DCOA	HMCTTU2	Offset operating costs for the creation of research jobs in TTU School of Pharmacy, 1718 Pine St., Abilene, TX. Principal reductions applied annually (beg. 7-31-08) at the rate of 7% of salaries expended for research during the previous 12 mos.	\$150,000.00	06/01/2007	07/31/2017	0.0	\$150,000.00	None	None	Annual (PO)	No
HENDRICK MEDICAL CENTER I	DCOA	HMCTTU1	Reimbursement for eligible infrastructure costs associated with construction of the TTU School of Pharmacy, 1718 Pine St. Principal reductions of \$149,232 earned annually and applied for 7 yrs beg 7-31-08.	\$1,044,622.00	06/01/2007	07/31/2014	0.0	\$1,044,622.00	None	None	Annual (PO)	No
HIGHLAND CAMPUS HEALTH GROUP	DCOA	HIGH760	The purchase of new equipment necessary to implement the electronic medical records software developed by Catalis and installed on various client university campuses & used in conjunction with Borrower's medical billing program.	\$100,000.00	09/15/2006	03/31/2009	0%	\$59,966.67	Security Agreement dated 9/15/06 and UCC-1 on all equipment purchased with Note funds.	None	Annual (PO)	No
HIGHLAND CAMPUS HEALTH GROUP, L.P.	DCOA	HCHG760	The purpose of this loan is to provide financing for the purchase of new equipment and other relocation and start-up needs of Borrower for the Abilene facility.	\$110,000.00	02/23/2005	03/14/2008	0%	\$65,825.00	Security Agreement and UCC filing on all equipment purchased with note funds.	None	Annual (PO)	No
HOLLAND TRAINING & DEVELOPMENT T, INC.	DCOA	Holland 760	Purchase office furniture, fixtures, and equipment, including, but not limited to, computer network system, phones and phone system, and other computer equipment. Reimbursement of purchase price, delivery, & installation.	\$170,000.00	09/01/2003	08/31/2008	0%	\$93,435.86	Security agreement and UCC filing on equipment purchased.	None	Annual (PO)	No
HORIZON AG-PRODUCTS	DCOA	Horizon2003	Purchase facility in IXX Industrial Park in Merkel at 217 CR 287. Monthly prints of interest only until 8-17-03, when pmts increase to \$357.26.	\$35,000.00	01/17/2003	01/17/2008	3.25	\$16,863.40	1st lien D/T on 1.671 acres at 217 CR 287, Merkel, TX	Michael G. Farnar, CEO and Bradley D. Knickel, Director	Monthly (IO)	No

3.10

Borrower	Lender	Account	Purpose	Original Loan Amt	Origin. Date	Maturity Date	DCOA Int Rate	DCOA Balance	Collateral	Guarantor	Payment Type	Past Due
LAUREN HOLDINGS, INC.	DCOA	LHI760	For expenses associated with construction of an approx. 21,500 s.f. addition to its offices located at 901 S. 1st St., recruiting, relocation, and purchase of office furniture and eqmt to accommodate growth. Principal reductions are earned thru creation of 42 new jobs.	\$853,098.00	04/14/2006	04/14/2013	0%	\$224,146.00	2nd lien D/T on the office plus improvements located at 901 S. 1st St.	C. Cleve Whitener	Annual (PO)	No
PWP INDUSTRIES, INC.	DCOA	PWP760	To reimburse @15% of invoice for equipment purchases plus installation costs for the Abilene plant at 6450 Five Points Parkway.	\$1,800,000.00	09/11/2006	03/01/2011	0%	\$1,080,000.00	Irrevocable Standby Letter of Credit #SE446616W in the amount of \$1,800,000 by General Electric Capital Corporation to expire 3-1-11. Automatic reductions will occur each March 1 for 5 years in the amount of \$360,000, beginning 3-1-07.	N/A	Annual (PO)	No
RENTECH BOILER SYSTEMS, INC.	DCOA	RNTCH760	the purchase of additional equipment by Borrower to be located at Borrower's Abilene, Taylor County, Texas facility at 5025 East Business 1-20.	\$150,000.00	03/08/2005	12/31/2011	0	\$65,840.00	unsecured	none	Annual (PO)	No
RENTZ FAMILY PARTNERSHIP, LIMITED	FFB	Rentz03RE	FNBA purchased note from ASB, terms to remain same Loan #3419656, Participation #1876; Note renewed 6/12/07 2/FFB - Loan #1857923773 - part. Bal. \$419,756.14	\$788,152.54	04/12/2002	06/12/2008	P - 4%	\$346,469.27	37+ acres at 5725 E Business 1-20. DCOA's security interest in property is subordinate and inferior to PFB's security interest.		Monthly (P&I)	No
ROBINSON FANS ABILENE, INC.	DCOA	ROBFANS06	Relocation costs (\$40,000), building investment incentive (\$336,000), and equipment investment incentive (\$76,409) for property at 2424 Oak, Abilene, TX. Replaces note dated 8-29-05 in the amt of \$196,450 with a balance of \$40,000.	\$452,409.00	10/03/2006	12/31/2010	0%	\$229,208.91	Eqmt, machinery, furniture and fixtures in Abilene, and 2nd lien D/T on 2424 Oak St., Abilene, TX.	Robinson Industries, Inc.	Annual (PO)	No

3.11

Borrower	Lender	Account	Purpose	Original Loan Amt	Origin. Date	Maturity Date	DCOA Int Rate	DCOA Balance	Collateral	Guarantor	Payment Type	Past Due
SUNOCO PIPELINE, LP	DCOA	SUN760	Permanent financing for costs associated with the relocation of Sunoco's West Texas District Headquarters, including inventory, equipment, furniture, fixtures, and employee moving expenses from Snyder and Denver City to Abilene. Annual prmts are \$40,000 with Sunoco earning \$25,000 each year by maintaining headquarters in Abilene.	\$200,000.00	05/13/2004	05/13/2009	0	\$80,000.00	None.	None.	Annual (PO)	No
TRANSCEND SERVICES, INC.	DCOA	TRANS760	To offset start-up costs, first year operating losses and to support the creation of 104 new jobs in Abilene.	\$1,000,000.00	03/01/2005	03/01/2013	0.00	\$673,606.86	Letter of Credit #68005483 dated 3-15-05 issued by Bank of America for \$150,000 to expire 4-30-06, and any and all equipment, machinery, furniture and fixtures located in Atlanta and Abilene. The L/C was released 10-30-05.	None.	Monthly (PO)	No

\$13,769,808.47

3.12

**ECONOMIC DEVELOPMENT DEPARTMENT  
SERVICE EVALUATION REPORT  
MARCH 2008**

**PERFORMANCE DATA  
SERVICE ANALYSIS**

Staff: Richard Burdine-Assistant City Manager for Economic Development; A.C. Alrey-Business Services Manager; Kim Tarrant-Contracts Administrator; Patrick McGinnis-Construction Projects Manager, Susan Campbell-Secretary to Assistant City Manager.

**City of Abilene/Business Services** - *Funding Sources: DCOA*

DCOA approved a one-year contract with the City of Abilene beginning 10-1-07 in the amount of \$617,070 for operating expenses for the Business Services Division, plus \$175,000 for maintenance expenses for DCOA-owned properties.

During the March meeting, the DCOA approved a resolution authorizing \$250,000 in funding for Project CF, a local bakery, to assist with its shipping dock expansion in exchange for the retention of 170 jobs. Also approved was a resolution to assist Project SME with funding of \$1,418,000 for job creation and capital investment in the former Lockheed plant on Wall Street. The company will create 89 new jobs. The DOA approved additional funding of \$93,975 for professional services by the Tittle Luther Partnership for the Spec 2 expansion. The design services will also include renovations to the existing Spec 2 structure.

**TTU Small Business Development Center** - *Funding Sources: DCOA and Federal Govt. (SBA)*

DCOA approved a one-year contract beginning 10-1-07 in the amount of \$195,000 to reimburse SBDC for counseling services provided to Abilene residents.

A total of 155 Abilene client sessions were held this month for 83 different clients with 36% being new clients. Six new businesses opened, and 48 new jobs were reported. Attached is a summary of monthly activity.

**Abilene Industrial Foundation, Inc./Abilene Chamber of Commerce** - *Funding Sources: DCOA and Public Donations*

DCOA approved a one-year contract with AIF/ACOC beginning 10-1-07 in the amount of \$801,950: \$421,450 for AIF operating, \$140,000 for AIF marketing, \$170,500 for Dyess AFB retention efforts, and \$70,000 for Military Affairs Committee expenses and staff expenses incurred.

During the month, AIF responded to 10 leads. Staff visited 13 local companies, 8 out-of-town companies/consultants and hosted 6 visits to Abilene by prospects. The Develop Abilene website experienced 2,021 hits with 675 of those being first time visitors. Attached is a year-to-date summary of activity for this year and last.

**SMALL BUSINESS DEVELOPMENT CENTER  
MARCH 2008 UPDATE**

Billable Hours:

282.75	Abilene business counseling hours for the month of March
155	Client sessions conducted for the month of March
	30 New clients
	53 Continuing clients
5	Workshops
	67 Attendees

Businesses Created:

6	Month of March
	2 Retail
	1 Arts/Entertainment/Recreation
	2 Construction
	1 Other Services
41	Year-to-Date
	15 Retail
	2 Manufacturing
	6 Accommodation/Food Services
	4 Professional/Scientific/Technical Services
	3 Arts/Entertainment/Recreation
	1 Education Services
	1 Transportation/Warehousing
	1 Health Care/Social Assistance
	2 Construction
	6 Other Services

Jobs Created (Full Time Equivalents):

48	Month of March
	6 Retail
	13 Arts/Entertainment/Recreation

3,14



10 Construction  
 19 Other Services

273 Year-to-Date  
 52 Retail  
 6 Manufacturing  
 106 Accommodation/Food Services  
 11 Professional/Scientific/Technical Services  
 37 Arts/Entertainment/Recreation  
 2 Education Services  
 2 Transportation/Warehousing  
 7 Health Care/Social Assistance  
 10 Construction  
 40 Other Services

Capital Formation:

\$1,570,807 Month of March  
 \$125,000 Retail  
 \$250,000 Arts/Entertainment/Recreation  
 \$510,807 Construction  
 \$685,000 Other Services

\$14,883,002 Year-to-Date  
 \$22,000 Service  
 \$930,400 Retail  
 \$87,500 Manufacturing  
 \$10,189,095 Accommodation/Food Services  
 \$200,200 Professional/Scientific/Technical Services  
 \$693,500 Arts/Entertainment/Recreation  
 \$110,000 Education Services  
 \$25,000 Transportation/Warehousing  
 \$535,807 Construction  
 \$750,000 Utilities  
 \$1,000 Health Care/Social Assistance  
 \$1,338,500 Other Services

**Abilene Industrial Foundation  
Monthly Marketing Summary  
March 2008**

**Total leads received/responded to: 10/9**

- 2 – Organization
- 4 – Referral
- 3 – Direct
- 1 – Internet

**Prospect/Consultant visits: 8**

- Deloitte (Lee Higgins)
- Cushman & Wakefield (Craig Hughes)
- Cushman & Wakefield (Andrew Napper)
- Grubb & Ellis (Gary Lindsey)
- Grubb & Ellis (Doug Macari)
- Rackhouse (Matthew Hanna)
- Staubach (Emily Candee)
- Staubach (Bill de la Chappelle)

**Prospect visits to Abilene: 6**

- Project Panza
- Tesicnor
- Project PS/TT
- Energy Maintenance Services (EMS)
- FPL
- Project Abourami

**New prospect files opened: 3**

- Project PS/TT (03-0289-01-08)
- Project SS/FPL (03-0286-01-08)
- Project Abourami (03-0280-01-08)

**Retention visits: 13**

- Abtex
- Bandag
- BlueCross BlueShield
- EASI
- Fehr Foods
- Martin Sprocket & Gear

**Retention visits: cont'd**

- Peerless Manufacturing
- PWP Industries
- Rentech
- Robinson Fans
- Tigé
- Zoltek

**Events: 2**

- Manufacturers Luncheon
- Consultant Event - Mavericks Game

**E-Newsletters: 158**

- Monthly E-Newsletter (117)
- Manufacturers Luncheon Info (41)

**Trade shows / conferences: 0**

**Presentations: 0**

**Website hits/visits:**

- Hits – 2,021
- First Time Visitors - 675
- Returning Visitors - 95

Activity	Mar 08	Mar 07	YTD 07/08	YTD 06/07
Number of ads placed	1	1	3	2
E-Newsletters	158	120	2761	720
Prospect files opened	3	1	5	9
Consultant contacts	8	7	22	18
Retention contacts	13	3	57	33
Prospect visits to Abilene	6	3	19	15

3.16

**DEVELOPMENT CORPORATION OF ABILENE, INC.**  
**BOARD AGENDA**  
**MEETING DATE: April 29, 2008**

**PROJECT: Semi-Annual Reports for FY08**

**STAFF: Richard Burdine, CEO**

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**GENERAL INFORMATION**

Since 1990, the DCOA has contracted with the Abilene Industrial Foundation (AIF) for promotion and marketing services for Abilene and the immediate vicinity. The AIF administers a marketing program which includes magazine advertisements, direct mail-outs, promotional videos, web-site management, trade shows, visits to consultants and/or prospects, retention visits to existing Abilene businesses, and hosting visits to Abilene by consultants and/or prospects.

The Texas Tech University Small Business Development Center (SBDC) has also contracted with the DCOA since 1990, providing business counseling services to clients in a 17-county region, free-of-charge. The DCOA began partial funding of the Airport Business Development Management Program in FY02. The Airport Master Plan recommends pursuit of a marketing program that will help the airport build activity within its business segments.

**SPECIAL CONSIDERATIONS**

The FY08 contracts expire 9-30-08. Attached are reports covering activities during the first one-half of the fiscal year, primarily from 10-1-07 through 3-31-08.

**FUNDING/FISCAL IMPACT**

None.

**STAFF RECOMMENDATION**

Staff recommends the board approve the attached mid-year reports.

**ATTACHMENT**

Abilene Industrial Foundation FY08 Mid-Year Progress Report, 10/07 through 3/08  
Abilene Regional Airport FY08 Semi-Annual Report  
Small Business Development Center Semi-Annual Report



# Develop Abilene

Abilene Industrial Foundation

Abilene Industrial Foundation, Inc.  
P.O. Box 2281, Abilene, Texas 79604  
174 Cypress Street, Suite 300  
Abilene, Texas 79601  
Tel.: 325/673-7349  
800/299-0005  
Fax: 325/673-9193  
Website: www.developabilene.com



April 10, 2008

Mr. Richard Burdine  
Assistant City Manager  
City of Abilene  
P. O. Box 60  
Abilene, TX 79604

Dear Richard:

In accordance with the terms of the Development Corporation of Abilene contract with the Abilene Industrial Foundation, the following progress report is submitted for the period of October 1, 2007 to March 31, 2008 inclusive.

This report covers all categories listed in the AIF Marketing Plan. A brief summary of the data is as follows:

Marketing Budget.....	\$140,000.00
Spent to Date.....	\$42,876.77
Leads Received.....	63
Leads AIF Responded to .....	35
Prospect Visits to Abilene.....	19
New Prospect Files Opened .....	5
Retention Visits.....	57
Visits to Consultant/Prospects .....	24

Of note, as in years past a majority of the marketing budget is spent in the latter half of the yearly cycle.

The attachments reflect mid-year marketing summary, marketing and retention activities, and the marketing budget report for this period.

If you have any questions we will address them at the monthly DCOA meeting.

Sincerely,

William J. Ehrie, CEcD  
President

cc: Kim Tarrant  
Gary Robinett

Enclosures

4.2

Attachment 1

Abilene Industrial Foundation  
FY 07-08 Mid-Year Marketing Summary  
October 1, 2007 – March 31, 2008

ADVERTISEMENTS PLACEMENT

- Total advertisement submissions – 3
- Total advertisement placement costs – \$8,156.00

LEAD ACTIVITY

- Leads received from all sources – 63
- Leads AIF responded to – 35

PROSPECT ACTIVITY

- Prospects visits to Abilene – 19
- New prospect files opened – 5

WEBSITE & ELECTRONIC MARKETING

- E-Newsletter distributions – 2,761
- E-Newsletter costs – \$0
- Website/electronic marketing changes & enhancements – \$13,077.35

TRADE SHOW / CONFERENCE ACTIVITY - 9

- AWEA – San Diego (Ehrie)
- CoreNet – Atlanta (Robinett)
- TMCN Conference – Abilene
- IEDC Training – Dallas (Robinett)
- TREIA (Robinett)
- TMCN Exec. Comm. Planning Retreat (Robinett)
- West Texas Wind Energy Consortium Mtg. (Robinett)
- Windpower 2008 Exhibitor Mtg. (Robinett)
- West Texas Wind Energy Consortium Mtg. (Robinett)
- TEDC Economic Development Sales Tax Workshop (Robinett)

CONSULTANT / RETENTION / EXPANSION ACTIVITY

- Visits to Consultant/Prospect – 24
- Manufacturers Luncheon (11/07; 3/08) – 105
- Consultant Event / Mavericks Game (3/08) – 7

MARKETING VIDEOS

- 0

EXISTING BUSINESS ACTIVITY

- Retention Visits – 57

Attachment 2

Abilene Industrial Foundation  
Marketing & Retention Activities  
October 1, 2007 – March 31, 2008

- New website development and launch
- Monthly updates of all printed marketing/informational materials for Fact Book, Abilene File, and Call Center Book including Labor Market Review; Cost of Living; Building Permits; Wage Surveys, Sales & Use Tax, Living Units Available, etc.
- Commercial Property Snapshot – updates
- Hosted Manufacturer Luncheons
- Conducted quarterly AACRA Cost of Living Survey
- Development and update of current building inventory materials
- Development and preparation of individual prospect packages
- Hosting of prospect visits to Abilene including tours to specific sites
- Consultant events
  - Dallas Mavericks Game – Dallas
- Visits to Site Selection Consultants – Dallas/Ft. Worth, Austin
- Trade Show attendance
  - AWEA – San Diego (Ehrie)
  - CoreNet – Atlanta (Robinett)
  - TREIA (Robinett)
- Conference attendance
  - TMCN Conference – Abilene
  - IEDC Training – Dallas (Robinett)
  - TMCN Exec. Comm. Planning Retreat (Robinett)
  - TEDC Economic Development Sales Tax Workshop (Robinett)
- Visits to prospects - 0

Abilene Industrial Foundation  
Marketing Budget  
October 2007 through March 2008

Category	Allocation	10/1/07 to 3/31/08	4/1/08 to 9/30/08	YTD
Advertisements (1)	\$ 15,000.00	\$ 8,156.00	\$ -	\$ 8,156.00
Internet (2)	\$ 15,000.00	\$ 13,077.35	\$ -	\$ 13,077.35
Marketing Material (3)	\$ 20,000.00	\$ 9,143.75	\$ -	\$ 9,143.75
Trade Show/Conferences (10)	\$ 20,000.00	\$ 6,192.84	\$ -	\$ 6,192.84
Site Consultant Activity (12)	\$ 55,000.00	\$ 3,347.02	\$ -	\$ 3,347.02
Newsletter Mailings(13)	\$ 2,500.00	\$ -	\$ -	\$ -
Existing Business Activity (14)	\$ 10,000.00	\$ 2,959.81	\$ -	\$ 2,959.81
Unallocated (100)	\$ 2,500.00	\$ -	\$ -	\$ -
<b>Total</b>	<b>\$ 140,000.00</b>	<b>\$ 42,876.77</b>	<b>\$ -</b>	<b>\$ 42,876.77</b>

**Abilene Regional Airport's  
FY 08 Semi-Annual Report  
To  
Development Corporation of Abilene**

The Business Development Management program has been successful in identifying a need for air service to the Western U.S. through the market analysis and other related market research done by SABRE Airline Consultants. Our goal this year is to create a Request for Proposals, with the help of SABRE Airline Consultants, to solicit additional airline service from targeted airlines that we believe would offer the service needed for our market. Abilene Regional Airport appreciates the continued assistance received from DCOA, supporting our goal of improving air service and growing our customer base.

**FY08 Business Development Activity:**

Business Development activities have been and will continue to make community outreach through speaking engagements to various civic organizations a priority, focusing on the advantages of flying from Abilene versus driving to another airport. Presentations made during these engagements highlight the operations of the airport, construction updates, air service needs and fare comparisons.

Presentations made so far this year include:

Feb.1 Abilene Kiwanis  
Feb. 7 Sweetwater Community Forum  
Mar. 5 Abilene Rotary  
Apr. 17 Greater Abilene Kiwanis

We are scheduled to attend and present to the Brownwood Chamber of Commerce on June 20 and are still reaching out to other communities.

March 26 we participated in the Business Expo with Abilene Chamber of Commerce and will also participate in Brownwood's Business Showcase in September.

The West Central Texas Air Service Advisory Council will start meeting in May, with a new chair in place, and will work with the airport staff to connect us to key people in order to schedule speaking engagements in their counties.



## **Marketing the Airport**

### **Television & Radio**

In November we started a new marketing campaign, running testimonial commercials with Nancy Liles and Roy Juarez on KRBC, KTAB and KTXS television stations weekly and on FOX TV Superbowl Sunday. The audio from these testimonials ran on KEAN 105 and KULL 92.5 "The Mix" November and December 2007.

As of April 21, we have a new commercial spot which focuses on the cost to drive to DFW versus flying from Abilene Regional Airport. This will air on KRBC, KTAB and FOX TV throughout the summer.

### **Internet**

Our website is being updated and now offers a fare watcher which constantly features real-time discount fares from Abilene to various destinations. We are also advertising on bigcountryhomepage.com and reporternews.com, each featuring a landing page with a link to our website, the airlines' websites and a new Construction Progress video just produced by the city communications department.

### **Enplanements:**

Enplanements for the 1<sup>st</sup> Quarter 08 (January – March) were down 0.46% ytd totaling 21,146.

January down 1.79%, February up 7.25%, March down 5.54%

### **FY 08 Revenues:**

Major revenue sources to the airport are the car rental concessions and the parking lot.

Car Rental fees paid were \$151,072 ytd, up 0.58% from FY07.

Parking Lot Revenue was \$156,574 ytd, down 2.5% from FY07, due to new contracts with rental car companies. Parking fees are waived until June 08.

### **Business Development Outlook:**

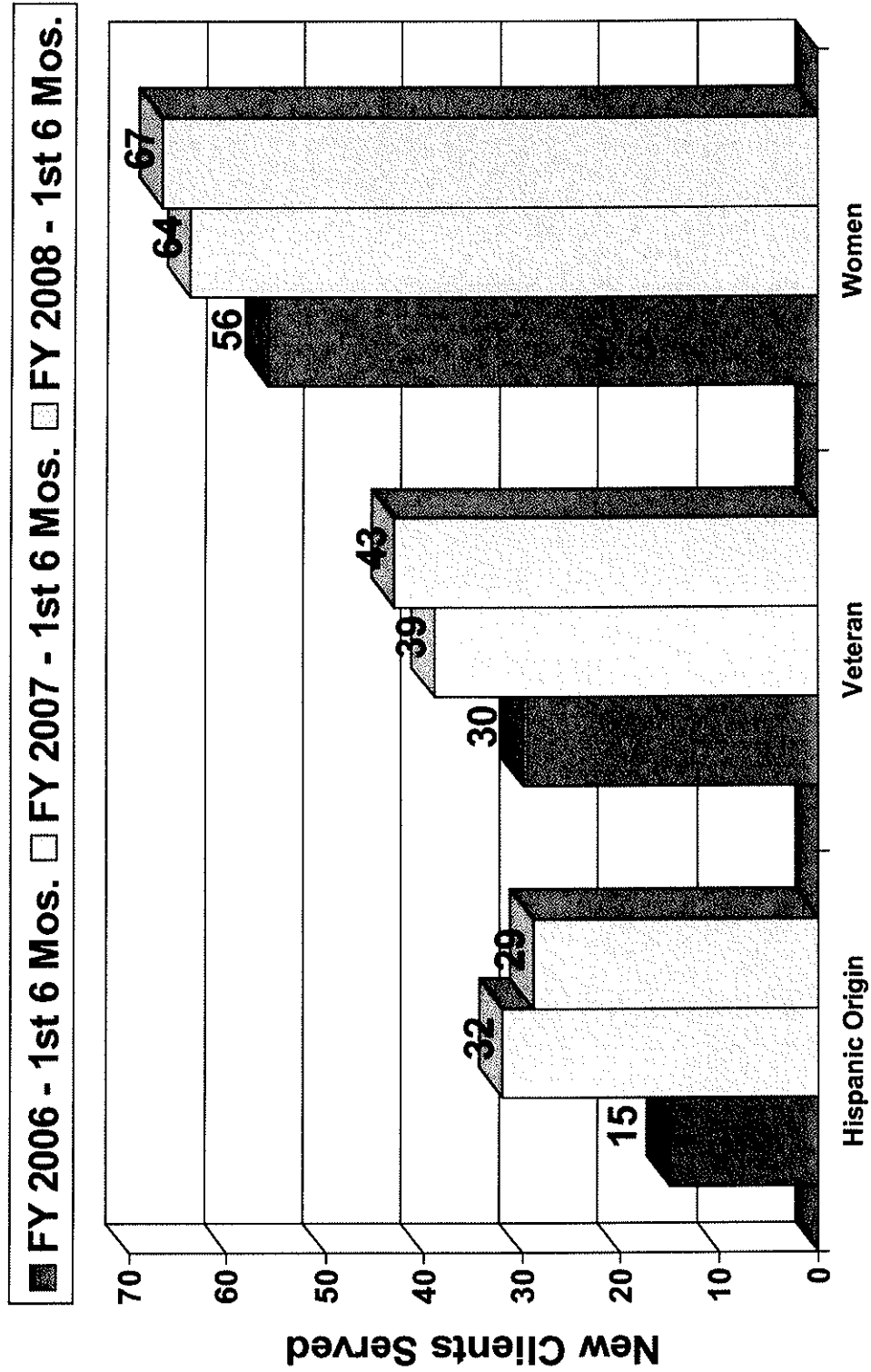
We are optimistic that our outreach and marketing efforts will not only increase awareness of the importance of flying from Abilene Regional Airport in order to attract new air service, but that we will see an increase in enplanements as we decrease the "leakage" in our market.

We are looking at the most effective use of the Small Community Air Service Development Grant to attract new service to the airport. With the help of our SABRE consultant, we will soon have a RFP in place and look forward to responses from the airlines.

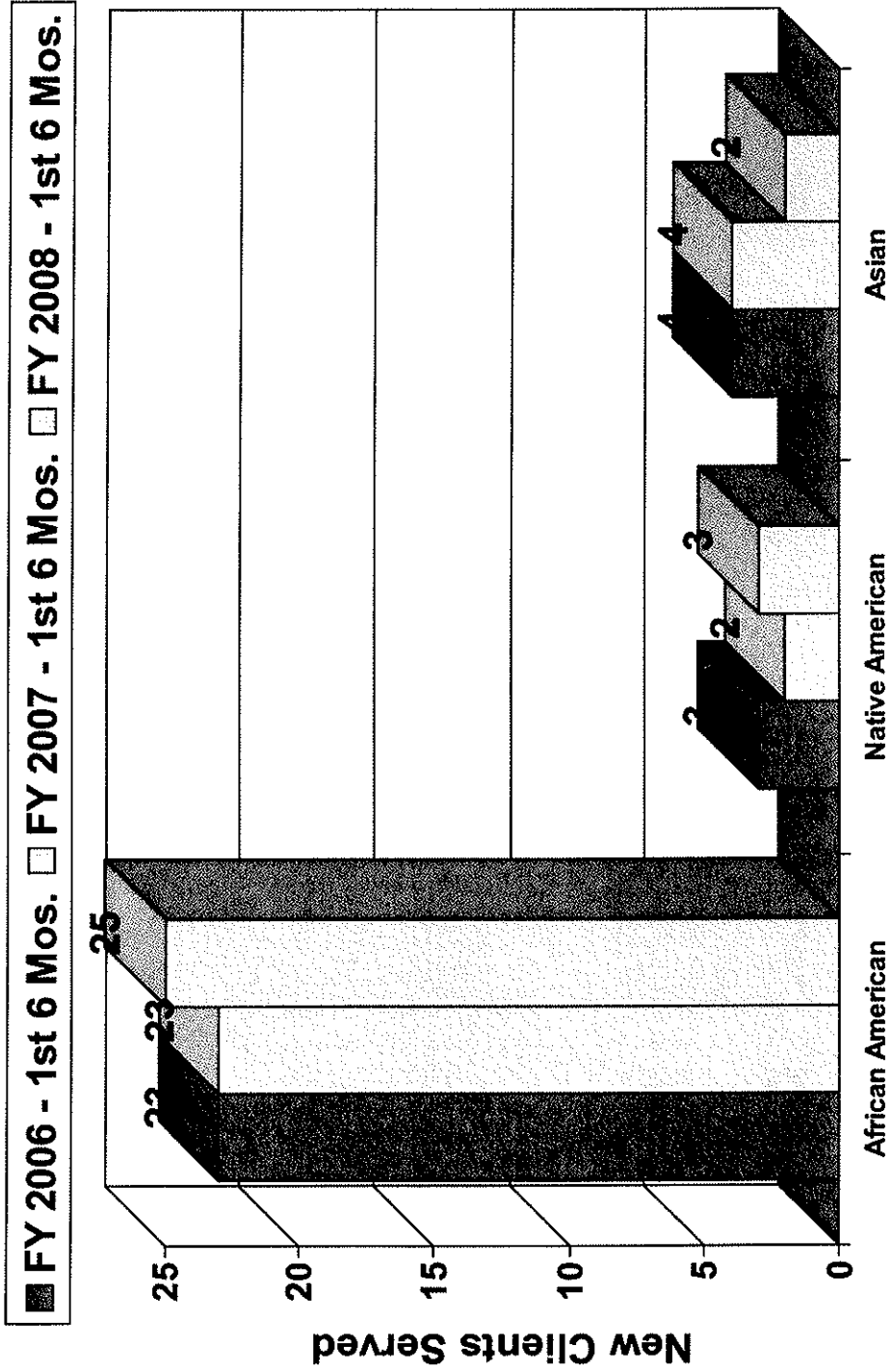
Texas Tech University  
Small Business Development Center

Semi-Annual Report  
6 Mos Ended March 31, 2008

## New Hispanic, Veteran & Women Clients

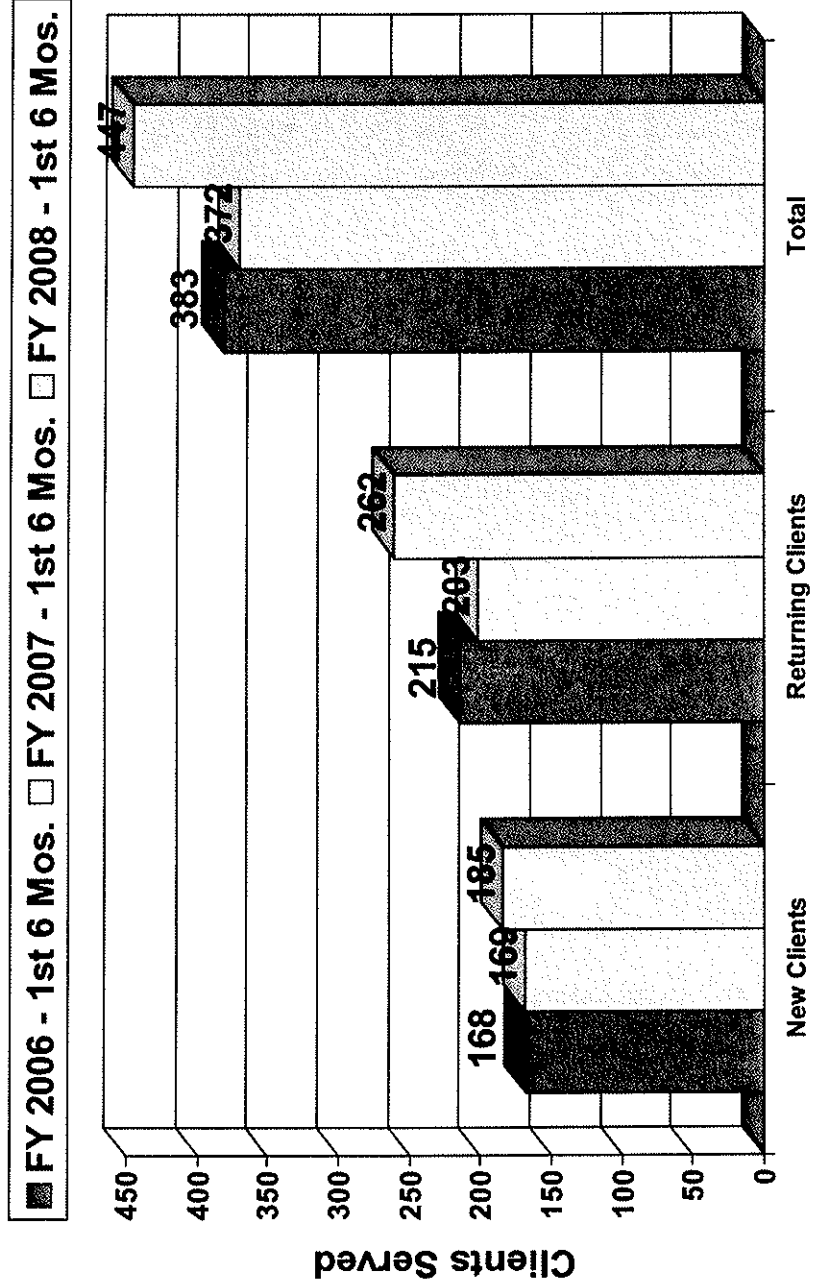


### New Minority Client Racial Background



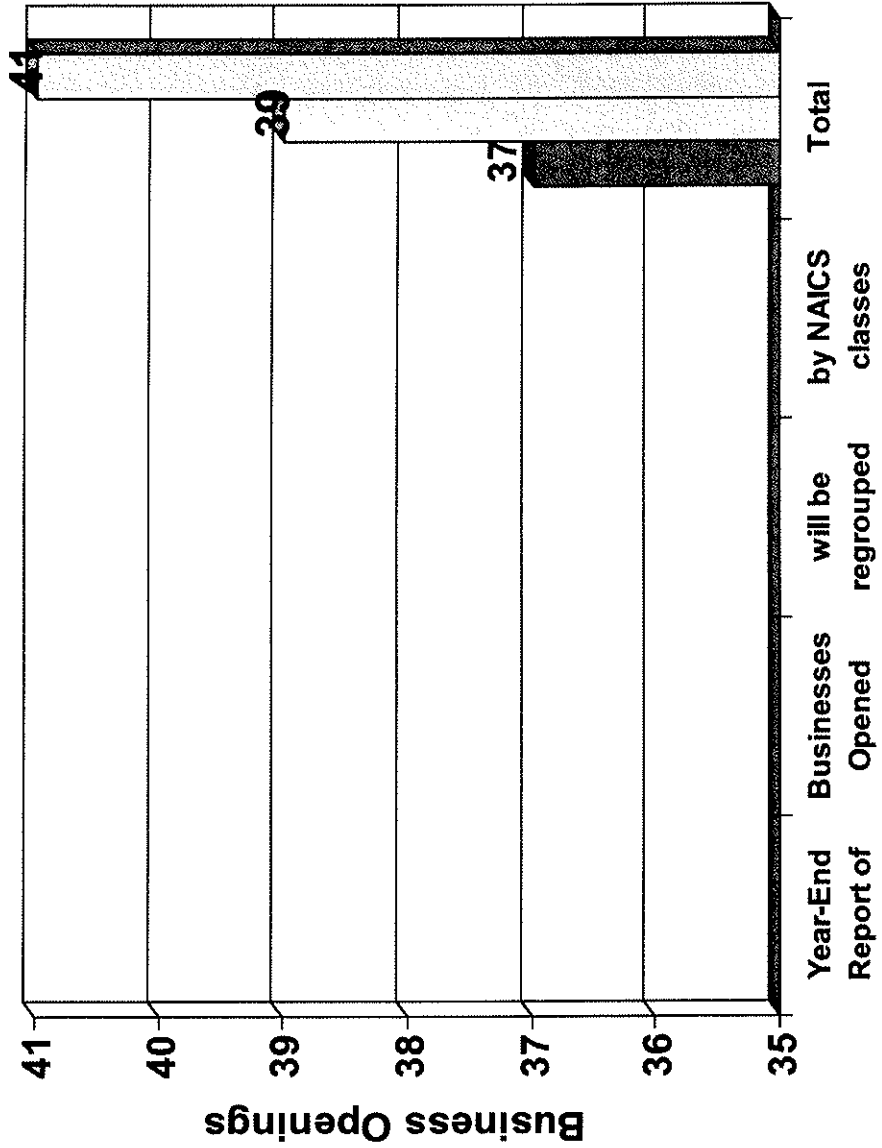
4.10

### New/Return/Total Clients: All Races/Ethnicity

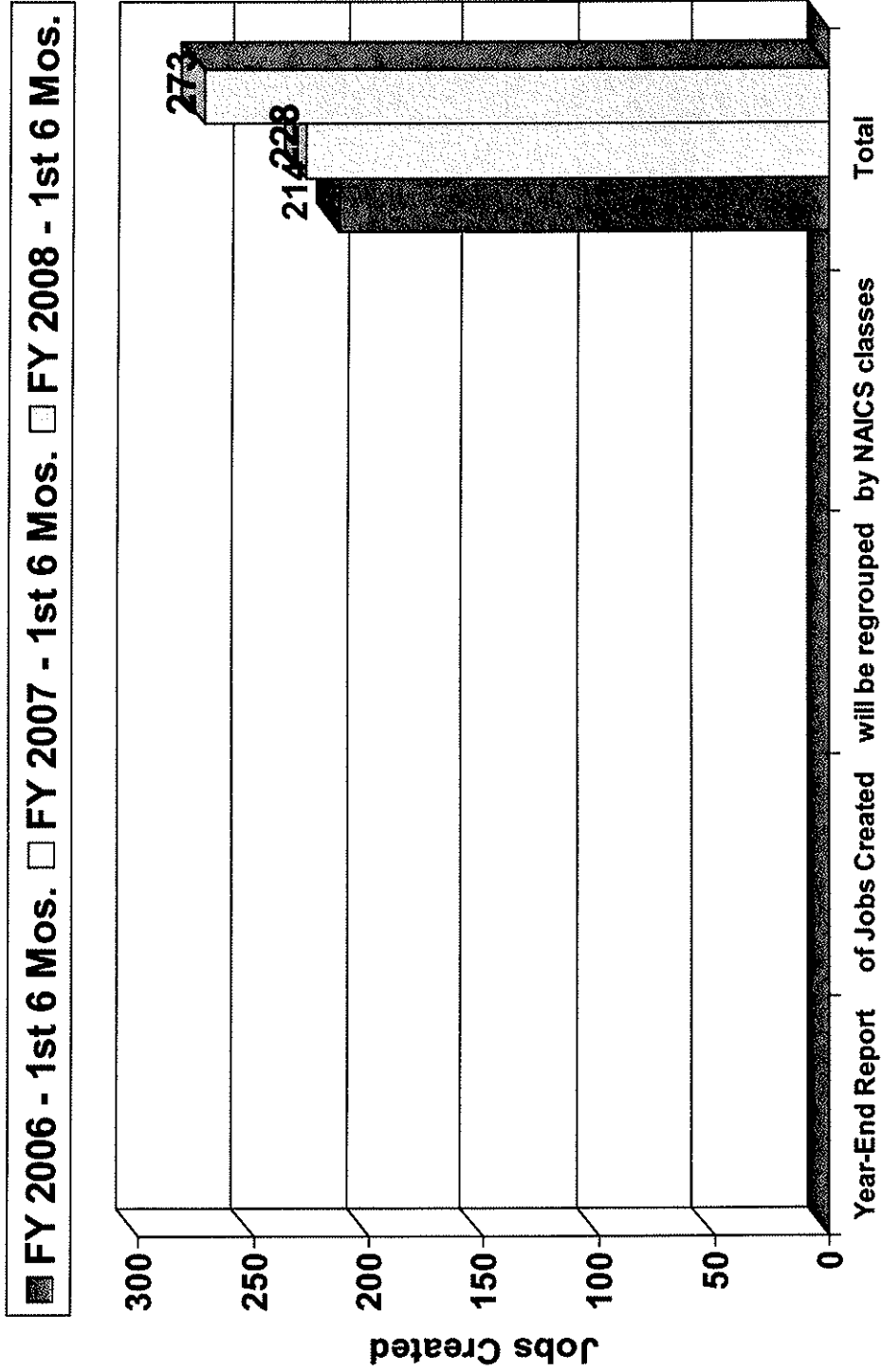


## SBDC-Assisted Business Openings

FY 2006 - 1st 6 Mos.
 
 FY 2007 - 1st 6 Mos.
 
 FY 2008 - 1st 6 Mos.

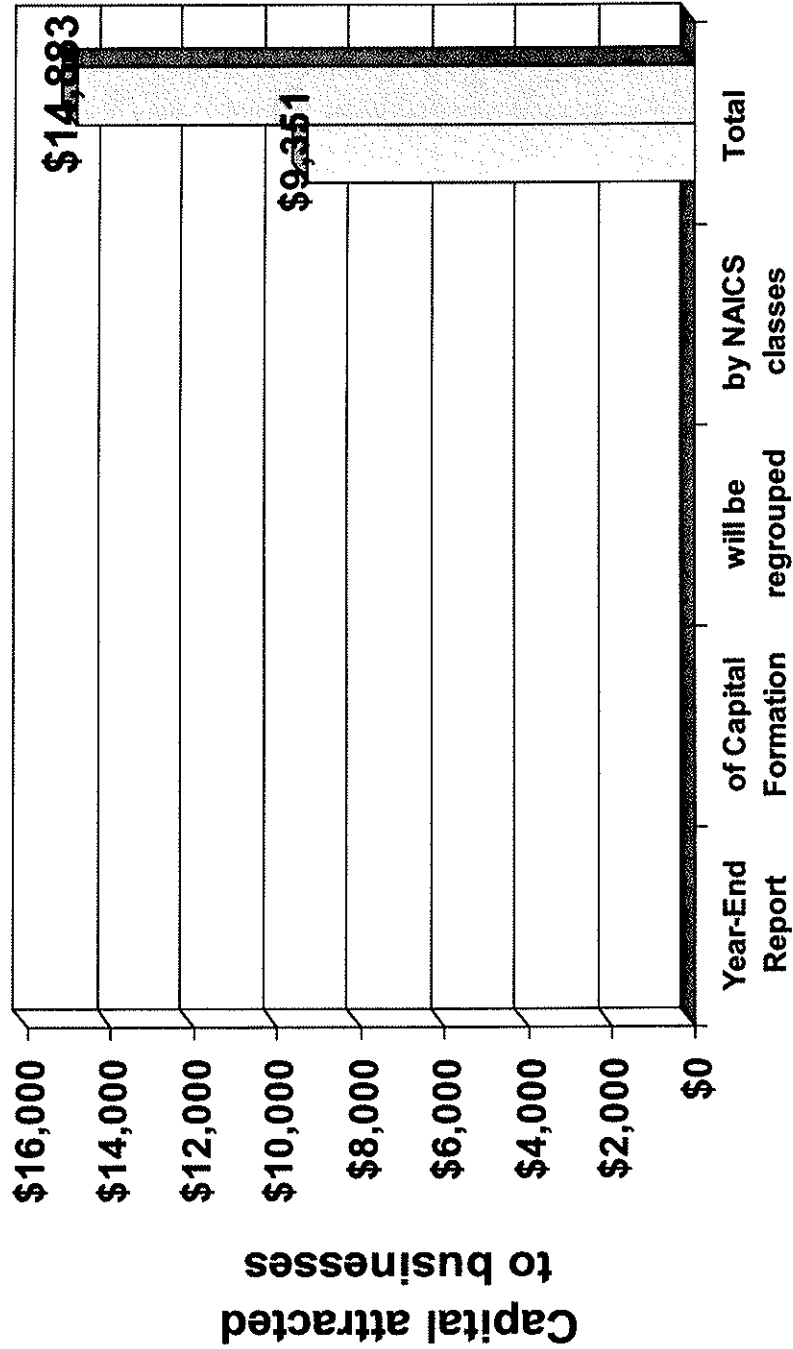


### SBDC-Assisted Jobs Created



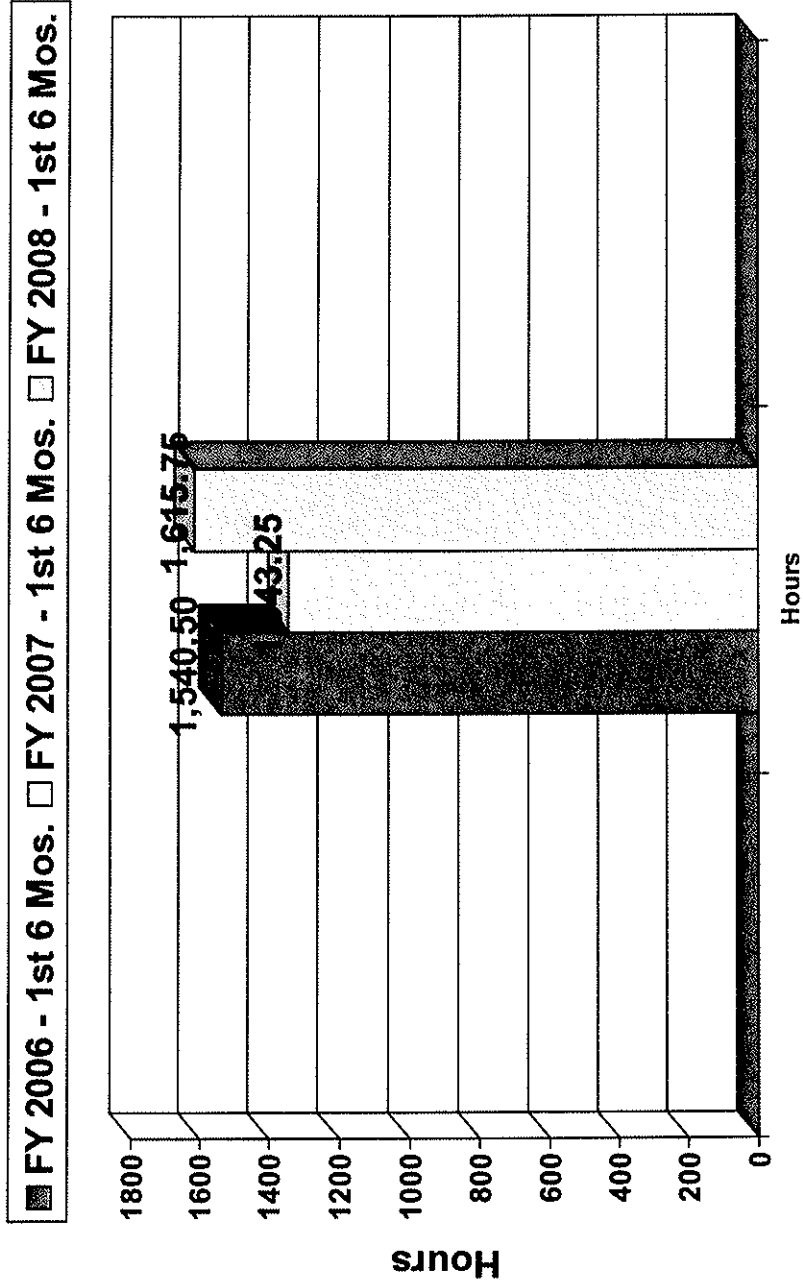
### Capital Formation (in thousands)

FY 2007 - 1st 6 Mos. 
  FY 2008 - 1st 6 Mos.





### SBDC Hours Charged to City



## Demographic Analysis of City-of-Abilene-Only Clients

**Number of Abilene Clients Assisted**  
**Since Inception of Contract: 5,968**

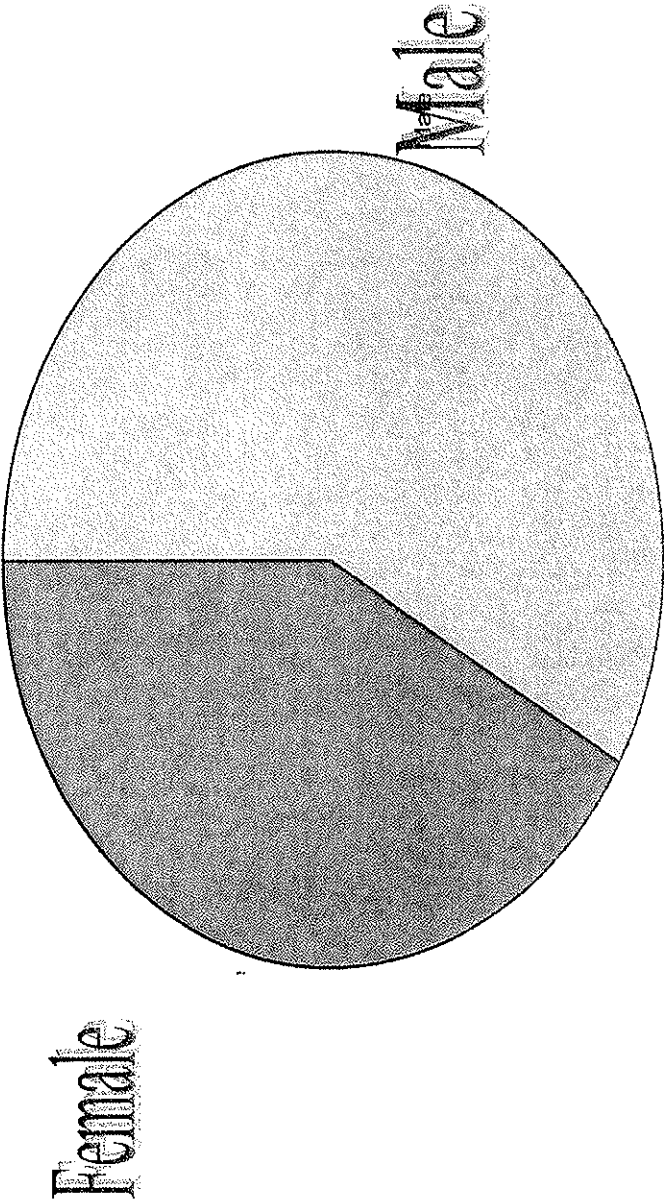
4.16

### Clients by Gender

Male	3,484	58.4%
Female	2,484	41.6%
Total	<u>5,968</u>	<u>100.0%</u>

Percentages may not total 100.0% because of rounding.

Clients by Gender



4.17

- Abilene Clients Since Inception of Contract

## Demographic Analysis of City-of-Abilene-Only Clients

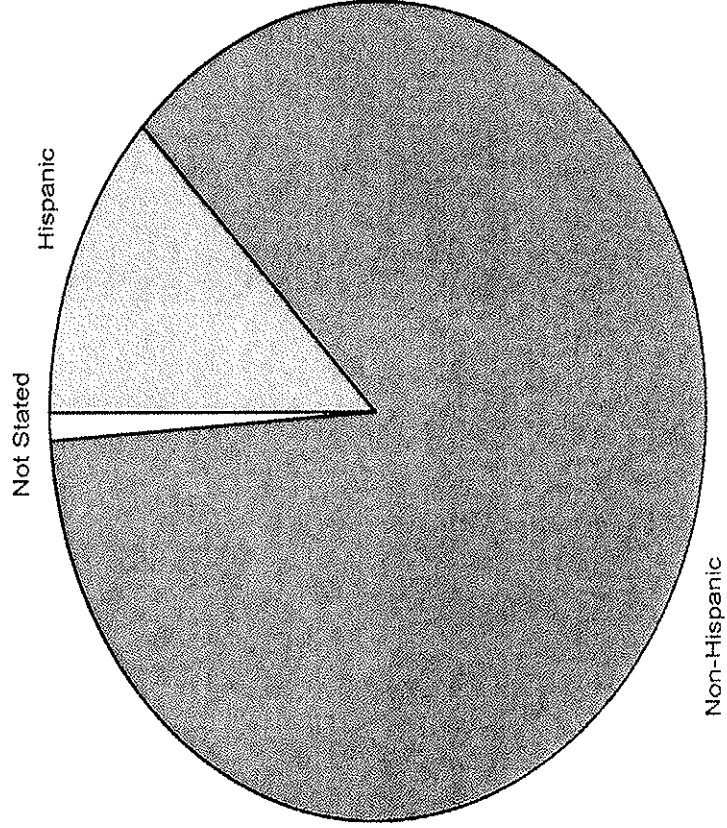
**Number of Abilene Clients Assisted  
Since Inception of Contract: 5,968**

### Clients by Ethnicity

Hispanic	732	12.3%
Non-Hispanic	5,176	86.7%
Not Stated	60	1.0%
Total	<u>5,968</u>	<u>100.0%</u>

Percentages may not total 100.0% because of rounding.

Clients by Ethnicity



- Abilene Clients Since Inception of Contract

## Demographic Analysis of City-of-Abilene-Only Clients

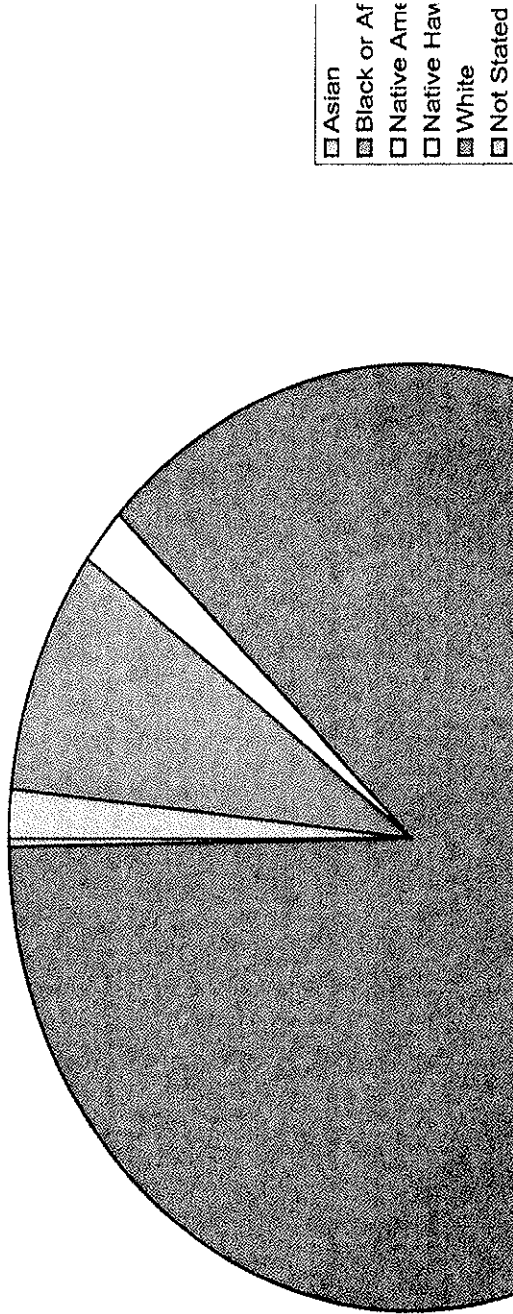
**Number of Abilene Clients Assisted Since Inception of Contract: 5,968**

### Clients by Race

Asian	102	1.7%
Black or African-American	491	8.2%
Native American or Alaska Native	124	2.1%
Native Hawaiian or Pacific Islander	1	0.0%
White	5,232	87.7%
Not Stated	18	0.3%
<b>Total</b>	<b>5,968</b>	<b>100.0%</b>

Percentages may not total 100.0% because of rounding.

Clients by Race



4.21

- Abilene Clients Since Inception of Contract

## Demographic Analysis of City-of-Abilene-Only Clients

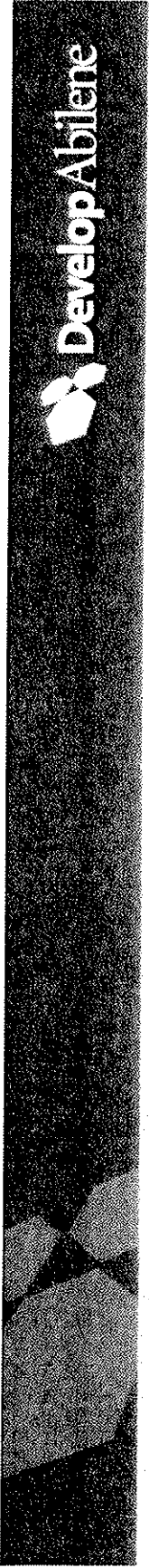
**Number of Abilene Clients Assisted**  
**Since Inception of Contract: 5,968**

### Clients by Military Status

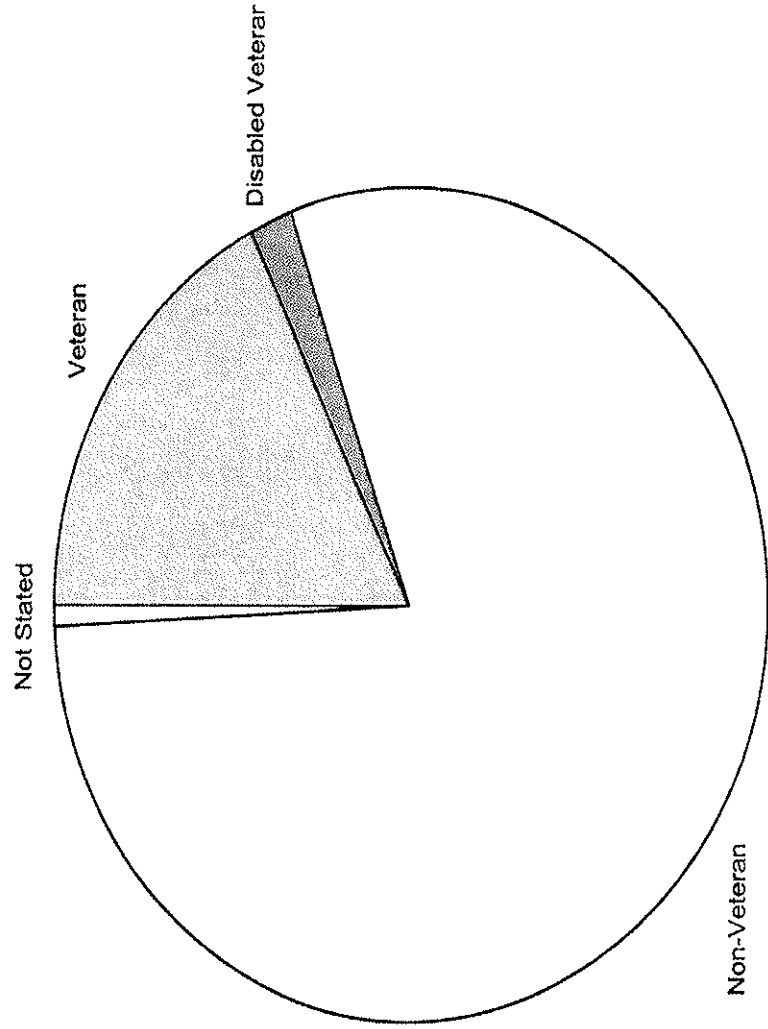
Veteran	1,042	17.5%
Disabled Veteran	120	2.0%
Non-Veteran	4,751	79.6%
Not Stated	55	0.9%
Total	<u>5,968</u>	<u>100.0%</u>

Percentages may not total 100.0% because of rounding.





Clients by Military Status



4.23

- Abilene Clients Since Inception of Contract

# **DEVELOPMENT CORPORATION OF ABILENE, INC.**

BOARD AGENDA

MEETING DATE: April 29, 2008

**SUBJECT: DCOA Report of Activities Through 3-31-08**

**FROM: Richard Burdine, CEO**

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## **GENERAL INFORMATION:**

As required in the by-laws of the corporation, a report of activities for the first one-half of the current fiscal year has been prepared. The report covers the 6-month period beginning 10-1-07 and ended 3-31-08.

## **SPECIAL CONSIDERATIONS:**

None.

## **FISCAL IMPACT:**

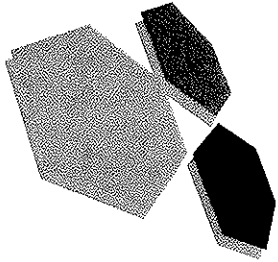
None.

## **STAFF RECOMMENDATION:**

Staff recommends the Board approve by oral resolution the attached report of activities for the 6-month period ended 3-31-08.

## **ATTACHMENT:**

Development Corporation of Abilene, Inc.  
Report of Activities for period ended 3-31-08 (Draft)



# Develop Abilene

Development Corporation of Abilene

## SEMI-ANNUAL REPORT OF ACTIVITIES

MARCH 2008

# DEVELOPMENT CORPORATION OF ABILENE, INC.

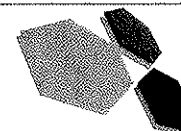
## SEMI-ANNUAL REPORT OF ACTIVITIES

### OCTOBER 2007 – MARCH 2008

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# DEVELOPMENT CORPORATION OF ABILENE, INC.

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## Mission Statement:

The mission of the Development Corporation of Abilene, Inc. is to use sales tax revenue to effectively stimulate Abilene's economic growth. This is done by assessing the community's economic development needs, developing a plan to meet those needs, coordinating community economic development efforts, and supporting targeted activities that enhance the quality of life in the community and maximize the public's return on invested tax dollars.

## Board of Directors:

President:

**Joe Crawford**

Vice President:

**Mike Schweikhard**

Secretary/Treasurer:

**Dee Moore**

Members:

**Stan Lambert**

**Paul Cannon**

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## Goals:

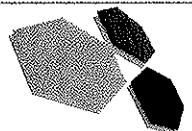
The Board has identified six key goals in the City's economic development efforts.

1. To make Abilene competitive in the attraction of business and industry in order to create new, sustainable jobs.
2. To create new jobs and retain existing jobs by providing assistance to existing and emerging businesses.
3. To strengthen and expand the skills of the Abilene labor force.
4. To strengthen and revitalize downtown Abilene.
5. To increase the number and size of minority-owned, woman-owned, small and entrepreneurial businesses in Abilene.
6. To effectively administer the sales tax revenue.

---

## Organization:

The DCOA is a non-profit corporation established under Section 4A of the Development Corporation Act of 1979, as amended. The DCOA consists of a five-member board, which is appointed by the Mayor and City Council, with terms of three years each. The fiscal year for the DCOA begins October 1<sup>st</sup> and ends September 30<sup>th</sup>.



## Progress Made Toward Goals

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1. To make Abilene competitive in the attraction of business and industry in order to create new, sustainable jobs.

The DCOA continues to work toward competitiveness with other communities by funding the marketing efforts of the Abilene Industrial Foundation. The DCOA approved additional funding for the Center for Immunotherapeutic Research, associated with the TTUHSC School of Pharmacy. Also approved was construction of Spec 3 in the Five Points Business Park to attract more industry.

---

2. To create new jobs and retain existing jobs by providing assistance to existing and emerging businesses.

The DCOA approved assistance for four different companies. Two are local companies: PWP Industries and Bimbo Bakeries USA (Project CF). A total of 170 jobs are to be retained and 169 jobs created. A considerable expansion of the Spec 2 building occupied by PWP Industries was also approved to accommodate growth.

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3. To strengthen and expand the skills of the Abilene labor force.

No direct funding was approved for labor force training or skills development efforts.

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4. To strengthen and revitalize downtown Abilene.

The DCOA approved funds to purchase land on Pine Street to construct the Life Sciences Accelerator, which is an area near downtown that is very blighted.

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5. To increase the number and size of minority-owned, woman-owned, small and entrepreneurial businesses in Abilene.

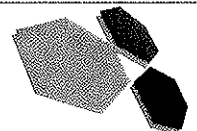
The DCOA provides \$195,000 annually to the Small Business Development Center (SBDC) for counseling services provided free of charge to Abilene residents and businesses. In addition, the SBDC can assist businesses desiring to sell products or services to any level of government. The DCOA approved an extension of funding through FY09 originally approved to support the SBIR/STTR federal grant program geared toward research and technology transfer development efforts. The DCOA approved a sponsorship of ACU's Springboard Idea Challenge competition designed to promote entrepreneurial drive and spirit in Abilene.

---

6. To effectively administer the sales tax revenue.

During the report period (10-01-07 through 03-31-08), the DCOA approved \$4,020,000 in funding to assist companies with growth and retention in Abilene, anticipating new employment of 169 jobs and retained employment of 170 positions. Also approved was \$13.8 million to construct Spec 3, expand Spec 2 and purchase land for the Life Sciences Accelerator, which will all contribute to the ad valorem tax base.

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# Project Summaries

## PWP Industries (Project LF)

Packaging With Perfection (PWP) Industries is a division of HPC Industries, produces PET packaging and sells to leading regional and national companies in the bakery, snack food, grocery store, produce, food service and confectionery industries. In February of 2006, the DCOA approved assistance in the amount of \$2,210,500 for PWP's Phase 1 operation, which included a lease for the Spec 2 building in the Five Points Business Park. PWP began producing in September of 2006 and has exceeded its original employment projection of 65 new jobs and capital investment projection of \$12 million. Phase 1 projections are now 110 jobs and approximately \$15 million in capital investment.

The Company is now expanding its operations in Abilene and needs additional warehouse space for Phase 2. New employment for Phase 2 will be 32, and the DCOA agreed to construct a 125,000 s.f. expansion to Spec 2. In October 2007, the DCOA authorized amended assistance for PWP Phase 2, which included \$1,676,000 in job creation and capital equipment investment incentives, plus a new ten year lease for the expansion area at a lease rate of WSJ Prime minus 2.5%. The lease rate for the original Spec 2 building will remain at \$2.10/sf/year going forward in the new 10-year lease.

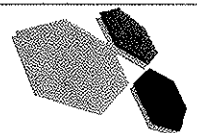
In November 2007, the DCOA ratified a contract with the Tittle Luther Partnership for design of the expansion and later authorized funding of \$471,320 for design work and \$7,045,900 for construction, with a contract awarded to Rose Builders.

**Goals addressed:** *2. To create new jobs and retain existing jobs by providing assistance to existing and emerging businesses and 6. To effectively administer the sales tax revenue.*

## Center for Immunotherapeutic Research

Arthur Nelson, Dean of the Texas Tech University Health Sciences Center (TTUHSC) School of Pharmacy (SOP), sees a lot of promise in Dr. Jon Weidanz's research; so much so that he is establishing the Center for Immunopharmaceutical Research (now known as the Center for Immunotherapeutic Research, "Center") at the Abilene SOP Campus to be led by Dr. Weidanz. As stated in a letter from Dean Nelson, "The establishment of the Center for Immunopharmaceutical Research has the potential for state and national recognition in cancer immunotherapy and as a magnet for growth of biotechnology in Abilene."

The DCOA authorized funding in July of 2007 in the amount of \$2,725,000 for laboratory start-up costs and capital equipment, disbursed over five years to leverage an investment of approximately \$6.9 million by TTUHSC. The proposed program has grown and will have three additional staff positions. In October 2007, the DCOA



authorized additional funding of \$275,000 (for a total of \$3,000,000) to leverage an additional \$550,000 commitment from other sources to establish the Center in Abilene.

**Goals addressed:** *1. To make Abilene Competitive in the attraction of business and industry in order to create new, sustainable jobs, and 2. To create new jobs and retain existing jobs by providing assistance to existing and emerging businesses, and 6. To effectively administer the sales tax revenue.*

### **Bimbo Bakeries USA (Project CF)**

Headquartered in Ft. Worth, Mrs. Baird's Bakeries (Mrs. Baird's) is an affiliate of Bimbo Bakeries USA, an international leader in the baking industry with a presence in over 14 countries. For over a year, staff has worked with local and corporate management from Mrs. Baird's to add a local shipping dock expansion to their capital improvements program for 2008. This expansion will cost approximately \$2.5 million and includes the purchase of additional capital equipment, resulting in the automation of some operations and increased profits.

The Company currently employs about 200 people and will retain at least 170 of those positions for at least five years. In March 2008, the DCOA approved total funding of \$250,000 (10% of \$2.5 million) to be disbursed at the rate of \$50,000/year over five years after review of actual receipts.

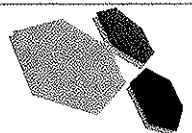
**Goals addressed:** *2. To create new jobs and retain existing jobs by providing assistance to existing and emerging businesses and 6. To effectively administer the sales tax revenue.*

### **Energy Maintenance Service**

Energy Maintenance Service (EMS) is a wind energy industry full-service provider with employees working throughout the U.S. The company offers engineering & construction, training, wind facility management, and repair and retrofit services. EMS is interested in opening a regional maintenance & training center and a remanufacturing plant in Abilene at the former Lockheed plant.

EMS expects to create 89 jobs within two years, with 76 of those paying \$30,000 or more a year. EMS also expects to make approximately \$5.7 million in capital investments. In March 2008, the DCOA authorized total assistance of \$1,418,000 as follows: job creation incentives totaling \$848,000 payable over five years and capital investment incentives totaling \$570,000 (10% of \$5.7 million) payable over five years.

**Goals addressed:** *2. To create new jobs and retain existing jobs by providing assistance to existing and emerging businesses and 6. To effectively administer the sales tax revenue.*





Summary of Projects – FY 2008			
Company	Assistance Amount	Committed Job Retention	Committed Job Creation
<b>PWP Industries- Phase 2</b>	<b>\$2,077,000.00</b>	<b>0</b>	<b>77</b>
Center for Immunotherapeutic Research	\$ 275,000.00	0	3
<b>Bimbo Bakeries, USA</b>	<b>\$ 250,000.00</b>	<b>170</b>	<b>0</b>
Energy Maintenance Services	\$1,418,000.00	0	89
<b>TOTAL</b>	<b>\$4,020,000.00</b>	<b>170</b>	<b>169</b>
<b>% to Abilene companies</b>	<b>58%</b>		
<b>(names in bold)</b>			

## Administrative / Other

### DCOA Board

In January 2008, the DCOA said goodbye to Ray Ferguson, whose service on the board has been very much appreciated, and welcomed new board member Paul Cannon. The following officers were elected: President – Joe Crawford, Vice President – Mike Schweikhard and Secretary/Treasurer – Dee Moore.

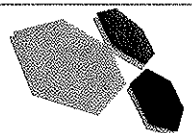
In February 2008, the DCOA appointed an Ad Hoc Committee comprised of Stan Lambert and Joe Crawford to meet with local developer Bruce Bixby, staff and other interested developers to discuss the request made by Mr. Bixby for the DCOA to consider teaming with him to construct a 20,000 square foot structure that would meet the needs of the wind energy service and maintenance industry.

### Five Points Business Park – Spec 3 Building

The DCOA had previously approved a contract with Jacob Carter & Burgess to review and update the master plan for the Five Points Business Park (Park), and to design a third speculative building (Spec 3) in the Park. Two bids were received and reviewed in December 2007. In January 2008, the DCOA awarded a bid for construction of the Spec 3 building to Bulldog Constructors of Texas, along with total funding in the amount of \$5,736,500.

### Five Points Business Park – Venture St. Infrastructure

Previously, the DCOA authorized the CEO to negotiate a contract for construction of the expansion of the Spec 2 Building occupied by PWP Industries. In order to accommodate this expansion, Venture Drive needs to be installed along with some utilities a length of about 800 feet westward from Arnold Blvd., ending in a cul-de-sac. In January 2008, the DCOA authorized the CEO to negotiate a contract for design and staking services for installation of Venture Drive as described above, along with total funding of \$213,960.



Recently the CEO informed the Board that Venture Drive is not needed to provide access to lots interior to the development, consistent with the master planning work performed by Jacob Carter & Burgess in 2006. Therefore the process is underway to abandon the Venture Drive right-of-way between Arnold Boulevard and Polaris Drive (unconstructed). The existing drive approach onto Arnold Blvd. will be used as driveway access to serve the Spec 2 expansion and the lot immediately to the north.

### **ACU Springboard Idea Challenge**

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ACU's College of Business Administration staff developed the ACU Springboard Idea Challenge, a business plan competition, as an effort to increase the entrepreneurial drive and spirit not only on ACU's campus, but across Abilene. Such competitions are used across the nation to promote entrepreneurship and identify potential business ideas. ACU opened it up to students and faculty at all local universities, including Texas Tech University. Participants competed for monetary prizes and winners were recognized at an awards banquet. Sponsorship levels are Platinum (\$5,000), Gold (\$3,000) and Silver (\$1,000). In January 2008, the DCOA authorized sponsorship of the Springboard Idea Challenge at the Platinum level of \$5,000.

### **Life Sciences Accelerator Land**

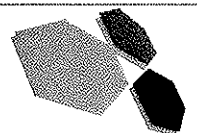
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In February 2008, the DCOA authorized funding of \$335,000 toward the purchase of four properties on Pine Street between N. 13<sup>th</sup> and N. 15<sup>th</sup> from the Abilene Improvement Corporation for the purpose of constructing a Life Sciences Accelerator. Also approved was funding to purchase two lots from Earl Zimmerle on Walnut Street backing up to the Pine lots to be used as a parking lot for the Accelerator.

### **SBIR/STTR Program**

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One of the recommendations of the Wadley-Donovan Study was to "reinvent" our local and regional economy by encouraging growth of research and development. The largest source of venture capital funds is the federal government through the Small Business Innovation Research (SBIR) and the Small Business Technology Transfer (STTR) programs. Since March 2006, the DCOA has provided funding support for this program and the monthly Reinvent Abilene events held in the TTU Center for Excellence. The Abilene center was recently recognized by the U.S. Small Business Administration as the best SBDC in the country, in part because of their long-standing partnership with the DCOA. In February 2008, the DCOA authorized a reallocation and extension of funding support previously approved for FY07 for the SBIR/STTR programs. Leftover funding of \$220,848 will be extended through FY09.



**STAFF:**

Chief Executive Officer	<b>Richard Burdine</b>
Business Services Mgr.	<b>A.C. Alrey</b>
Contracts Administrator	<b>Kim Tarrant</b>
Construction Project Mgr.	<b>Pat McGinnis</b>
Sec. to Assist. City Mgr.	<b>Susan Campbell</b>

**FOR MORE INFORMATION CONTACT:**

Development Corporation of Abilene, Inc.  
174 Cypress, Suite 301  
P.O. Box 60  
Abilene, Texas 79604-0060  
325.676.6390  
Fax 325.676.6377  
[www.developabilene.com](http://www.developabilene.com)

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# DEVELOPMENT CORPORATION OF ABILENE, INC.

## BOARD AGENDA

MEETING DATE: April 29, 2008

**PROJECT:** Genesis Networks Solutions, Inc. – Phase 2

**STAFF:** Richard Burdine, CEO

---

### THE COMPANY

Genesis Networks, Inc. is a nationwide telecom, datacomm and professional services company whose products are designed to keep information flow seamless for its customers, i.e. installation, staging, project management, professional consulting and staff augmentation. The company is headquartered in San Antonio and employs more than 100 professionals with offices in Dallas, Lubbock, Atlanta, Raanana, Israel, and Pune, India. Its clientele includes several Fortune 500 firms.

Via an affiliation of Abilene Christian University, Genesis Networks, Inc., Goodman Networks, Inc., and Rain Dance Capital, Genesis Networks Solutions, Inc. (GNS) was formed in 2006. GNS is a software testing and quality assurance company with a clientele that includes AT&T and Amdocs, Inc. GNS is located on the 2<sup>nd</sup> floor of the Enterprise Building at 500 Chestnut Street and currently employs over 130, with the majority of those jobs paying \$35,000/year, not including company provided non-mandatory benefits averaging \$5,000/year. The projected workforce for Phase 1 is 143.

### BACKGROUND

On August 15, 2006, the DCOA approved a total assistance package for Phase 1 of \$1,929,000 as follows:

#### PHASE 1

1. Job Creation Incentive - \$1,740,000 for the creation of 143 new jobs paid out over 3 years according to the chart below. The funding was set up as a forgivable loan secured by a letter of credit in the amount of \$1.3 million. The current outstanding balance is \$1.3 million and the outstanding balance will not be allowed to exceed that amount unless the letter of credit is increased.

Salary Level/Annually	Projected Jobs	Incentives	Total
\$30 to \$40,000	3	\$10,000	\$30,000
\$40 to \$50,000	130	\$12,000	\$1,560,000
\$50 to \$60,000	10	\$15,000	\$150,000
Over \$60,000	0	35%	\$0
Total Jobs:	143		\$1,740,000

2. Job Training Grant - \$171,600 paid at \$1,200/new employee for the cost of a testing certification exam, upon GNS's certification that the employee passed the exam and received certification. **All of this funding was disbursed.**

3. Relocation Grant - \$17,400 to offset part of relocation expenses at \$600/employee for 29 employees. **All of this funding was disbursed.**

**THE REQUEST**

GNS has experienced rapid growth and is ready to substantially expand their operation and create an additional 150 jobs. GNS anticipates that 60% of the new hires will relocate to Abilene; up from 20% of the phase 1 employees. The proposed assistance in the amount of \$2,088,000 was calculated using the terms of the current Agreement for Financial Assistance as follows:

**PHASE 2**

1. Job Creation Incentive - \$1,815,000 for the creation of 150 additional jobs paid out over 3 years according to the chart below.

Annual Salary Including Non-Mandatory Benefits	Projected Jobs	Incentives	Total
\$30 to \$40,000	0	\$10,000	\$0
\$40 to \$50,000	145	\$12,000	\$1,740,000
\$50,000 and above	5	\$15,000	\$75,000
Total Jobs:	150		\$1,815,000

2. Job Training Grant - \$180,000 paid at \$1,200/new employee for the cost of a testing certification exam, upon GNS's certification that the employee passed the exam and received certification.

3. Relocation Grant - \$54,000 to offset part of relocation expenses at \$600/employee for 90 employees.

4. Capital Investment Incentive - \$39,000 paid at 10% of actual cost for investment in computers, phone system, furnishings, security system and leasehold improvements (electrical, carpet and paint) necessary for the first 75 new jobs created.

**STAFF RECOMMENDATION**

Staff recommends approval of resolution DCOA-2008.13 authorizing assistance of up to \$2,088,000 for Phase 2 expansion of Genesis Networks Solutions in exchange for the creation of 150 additional jobs.

**ATTACHMENTS**

Genesis Networks Solutions, Inc. DCOA Grant Request  
Resolution DCOA-2008.13

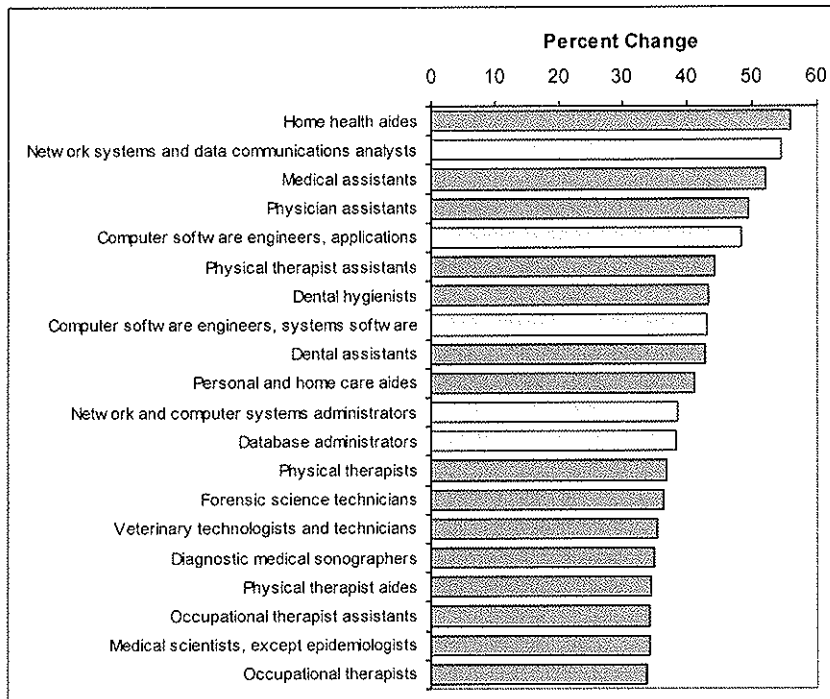
# Genesis Networks Solutions, Inc. DCOA Grant Request

## Background

For many years Abilene has been pursuing a greater overall focus on technology to keep pace with the demands of business, government, and industry. In a 2003 study, the Wadley-Donovan Group concluded that the City of Abilene and the West Texas region could capture significant economic benefits via support and growth of technology arenas. This is no surprise as we are seeing increased technological demands on graduates, as well as the dynamism of technology and its broader impacts on society and the global economy. Rapid expansion and infusion of technology is being witnessed in almost all aspects of daily life, including business operations, communications, world markets, medicine, transportation, entertainment and recreation, the arts, and global consumer behavior, to name just a few. Technology (specifically, digital, electronic, and information technology) is arguably the single, most important agent for change in social, economic, and political circles today, and by all reports, its impact will rapidly expand in coming decades rather than diminish.

The Bureau of Labor Statistics recently reported that technology careers will be among the fastest growing occupations between 2004 and 2014 (see Figure 1; *Monthly Labor Review*, November 2005; this information was also reported in the March 10, 2006 edition of *USA Today*). Specifically, available jobs for software engineers - application specialists, computer software and systems engineers, and network systems and data communications analysts are projected to grow between 43% and 55%. *Money Magazine* (May, 2006) recently identified "software engineer" as the top profession/occupation in the world. Finally, *Information Week* reported earlier this year that "the IT labor pool—all people who consider themselves IT workers—grew 2% from last year, to 3.6 million, just shy of its 2001 high." Abilene must be positioned to take advantage of this growing segment of the world economy.

**Figure 1. Percent change in employment in occupations projected to grow the fastest, 2004-2014 (source: US Bureau of Labor Statistics, Monthly Labor Review, November 2005).**



# Genesis Networks Solutions, Inc. DCOA Grant Request

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## Genesis Networks Solutions, Inc.

In September 2006, Genesis Networks Solutions, Inc. (GNS) was established in Abilene via a collaborative effort between Genesis Networks, Inc. (San Antonio), ACU, the City of Abilene and Rain Dance Capital, Inc. GNS is a Texas "C" corporation with the following ownership partners: Genesis Networks- 49%, ACU- 26% and Rain Dance Capital- 25%.

GNS was founded on the "rural sourcing" concept. Rural sourcing is an alternative to funding in-house technology services or "off shoring" such services to overseas venues. Under the rural sourcing model, quality services are offered from rural venues characterized by lower costs of living. As a result, such services are typically discounted 30%-50% from costs in major metropolitan areas and support regional economic development. Corporations across the country are not only attracted to the cost savings over in-house services, but are also interested in the political accolades associated with bringing jobs back to North America from overseas venues. Rural sourcing initiatives are most common in mid-sized cities benefiting a strong college and university presence.

GNS opened its doors with 18 employees in September of 2006 and has grown to over 125 employees currently (April 2008). Such growth has been supported by DCOA job creation grants committed for up to 144 new jobs. The company's primary business is software testing and quality assurance. Currently, GNS performs work on 9 different contracts for Amdocs, Ltd. and AT&T. GNS clients have expressed a desire to expand their relationship and contract with GNS for the work of 100-150 more employees over the next 24 months. Long-term forecasts indicate that the demand for Abilene based software testing and development services under this business model could easily grow to support 400-500+ employees over the next 4-5 years, serving as a significant driver of economic growth.

In order for GNS to meet the expressed needs of its clients and to encourage expansion of the technology rural sourcing business model in Abilene, additional DCOA support is necessary. The current GNS business model and related client pricing is heavily reliant on the availability of DCOA job creation grants. Without such, the cost of capital is too high to warrant a reasonable investment and GNS forfeits significant competitive advantage in the market. Therefore, GNS is formally requesting DCOA support for the addition of 150 new jobs over the next 24 months and the expansion of Abilene's technology sector as a powerful economic driver now and into the future. Thank you for your consideration.

# Genesis Networks Solutions, Inc. DCOA Grant Request

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**I. Job Creation Grants (July '08 to June '10)      150 new jobs    \$ 1,815,000**

Salary Range	Total	Value of Non- mandatory Benefits	Total Comp (low side)	DCOA Grant Amount	Total DCOA Grant Request
\$35,000-\$40,000	118	\$ 5,000	\$ 40,000	\$ 12,000	\$1, 416,000
\$40,001-\$45,000	27	\$ 5,000	\$ 45,000	\$ 12,000	\$ 324,000
\$45,000-\$50,000	<u>5</u>	\$ 5,000	\$ 50,000	\$ 15,000	<u>\$ 75,000</u>
Total employees	<u>150</u>				\$ 1,815,000

**II. Training Grants (150 new employees x \$1,200 per employee)    \$ 180,000**

**III. Relocation Grants (90 relocations x \$600 per employee)      \$ 54,000**  
 assumes 60% of new employees relocate

**IV. 10% reimbursement for capital equipment and construction    \$ 39,000**

Actual budget detail for first 75 spaces shown below:

Electrical	\$ 49,795
Carpet	\$ 23,815
Painting	\$ 5,617
Construction	\$ 4,834
Security system	\$ 3,276
Cubicles and Furnishings (chairs, desk lamps, etc..)	\$ 107,785
Phone system & technology configuration	\$ 89,600
Computers	<u>\$ 105,000</u>
Total	<u>\$ 389,722</u>

**Total DCOA Grant Request**

**\$ 2,088,000**



**RESOLUTION NO. DCOA-2008.13**

A RESOLUTION OF THE DEVELOPMENT CORPORATION OF ABILENE, INC. (DCOA), ABILENE, TEXAS AUTHORIZING ASSISTANCE FOR GENESIS NETWORKS SOLUTIONS, INC. FOR PHASE 2 EXPANSION OF THE ABILENE OPERATION (“GENESIS”).

WHEREAS, the purpose of the DCOA is to expand employment opportunities for the citizens of Abilene; and

WHEREAS, Genesis is a software testing and quality assurance company with a clientele that includes AT&T and Amdocs, Inc. and was established in Abilene in the Enterprise Building in 2006; and,

WHEREAS, Genesis currently employs 130 with the majority of those jobs paying \$35,000/year, not including company provided non-mandatory benefits averaging \$5,000/year; and,

WHEREAS, the DCOA approved resolution DCOA-2006.20 on 08-15-06 authorizing an assistance package for Genesis totaling \$1,929,000 in exchange for 143 new jobs; and,

WHEREAS, Genesis has experienced rapid growth and is ready to substantially expand its operation and create an additional 150 jobs, most with salaries above \$35,000/year, and requests the DCOA provide funding to assist with the expansion; and,

WHEREAS, the DCOA is authorized by the Development Corporation Act of 1979, as amended, to provide financial assistance to private corporations in order to facilitate the creation, retention or expansion of primary employment.

**NOW THEREFORE, BE IT RESOLVED BY THE DEVELOPMENT CORPORATION OF ABILENE, INC., ABILENE, TEXAS, THAT:**

**PART 1.** DCOA authorizes an assistance package for Genesis Networks Solutions, Inc. for Phase 2 expansion of its operation in the total amount of Two Million Eighty-Eight Thousand and no/100’s Dollars (\$2,088,000) in exchange for the creation of 150 additional new jobs in Abilene, earning salaries of at least \$35,000/year. Genesis will retain its existing 130 Phase 1 employees and increase to 143 before entering Phase 2 expansion. Total job creation for the Abilene operation will be 293. The assistance shall be structured as follows:

- **Job Creation Incentive** – Funding in an amount not to exceed \$1,815,000 for the creation of 150 additional jobs. Payments will be made in arrears over 3 years at 1/3 the amount listed below under “Incentives” after receipt of a job certification for the previous 12 months. The incentive shall be extended an additional 2 years to provide Genesis the opportunity to realize full benefit for jobs created in years 2 and 3.

<b>Annual Salary Including Non-Mandatory Benefits</b>	<b>Projected Jobs</b>	<b>Incentives</b>	<b>Total</b>
\$30 to \$40,000	0	\$10,000	\$0
\$40 to \$50,000	145	\$12,000	\$1,740,000
\$50,000 and above	5	\$15,000	\$75,000
Total Jobs:	150		\$1,815,000

- **Job Training Grant** - Funding up to \$180,000 paid at \$1,200/new employee for the cost of a testing certification exam, upon Genesis' certification that the employee passed the exam and received certification.
- **Relocation Grant** – Funding up to \$54,000 to cover relocation expenses up to \$600/employee for 90 employees.
- **Capital Investment Incentive** – Funding up to \$39,000 paid at 10% of actual cost for investment in computers, phone system, furnishings, security system and leasehold improvements necessary for the first 75 new jobs created.

**PART 2.** Funding under this resolution is contingent upon execution of all necessary agreements. The funding commitment authorized under this resolution shall expire without notice 180 days from the date of adoption of same unless all required documents and agreements are executed prior to that expiration date or the commitment herein is extended in writing by the DCOA.

**PART 3.** The Chief Executive Officer of the Development Corporation of Abilene, Inc. is hereby authorized to negotiate, enter into and execute any contract and all other related documents on behalf of the DCOA.

ADOPTED this the 29th day of April, 2008.

ATTEST:

\_\_\_\_\_  
Dee Moore  
Secretary/Treasurer

\_\_\_\_\_  
Joe Crawford  
President

APPROVED:

\_\_\_\_\_  
T. Daniel Santee, City Attorney

**DEVELOPMENT CORPORATION OF ABILENE, INC.**  
**BOARD AGENDA**  
**MEETING DATE: April 29, 2008**

**PROJECT: Vine St. Property Roof Repair**

**STAFF: Richard Burdine, CEO**

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**BACKGROUND**

The DCOA owns the property located at 4109 Vine St. and leases it to Affiliated Food Stores (AFS). AFS is an Oklahoma corporation organized in 1939 as a wholesale grocery distributor selling merchandise to its member-stockholders from the Abilene location. With a recent influx of major supermarkets in the area, small stores have been forced to close, reducing AFS's business. The primary lender forced AFS to file bankruptcy in late 2003, jeopardizing the Abilene operation and the then existing 100 jobs.

The DCOA purchased the property and the warehouse at 4009-4109 Vine in 2004 from AFS for \$1.2 million. AFS occupies approximately 110,000 sq ft of space that includes office and warehouse space. The lease amount is \$14,375/month; however, the lease rate was reduced by the DCOA in April of 2007 to \$7,500/month to further assist AFS toward financial stability. The lease amount will return to the original rate in January 2009. The lease expires in June 2009, at which time AFS has the option of renewing the lease for another 5 years at a fair market lease rate. The warehouse at 4009 Vine is currently under lease to Fehr Foods.

For more than a year, the roof on the property has leaked in various places. The Department of State Health and the City of Abilene Health Department have cited AFS numerous times for the unsanitary conditions of the food storage areas due to the roof leaks. AFS has spent around \$20,000 to fix the problem; however, the amount of rain we received in 2007 forced AFS to vacate the southern portion of the property, resulting in a loss of about 24,000 sq ft of warehouse and office space. If the problem is not fixed soon, AFS could be subject to fines of up to \$25,000/day for continued violation. The company's cost of doing business increased because not only are they operating from a much smaller space with reduced inventory, they are paying rent, insurance and taxes on the unusable space. Water has caused the loss of several computers, laser printers and has adversely affected the phone system.

**THE REQUEST**

The largest portion of the roof is relatively new and still in good shape. Smaller areas surrounding the main roof are in severe need of repair due to poor drainage of rain water runoff. Staff consulted with several roofers in town and compiled proposals to repair the roof, which were presented to the DCOA board during the February 26, 2008 meeting. Of the four companies proposing, two proposed replacing some areas and two proposed placing new metal roofing over the same areas. The board requested that staff develop a scope of work for the roof repair and obtain bids that are consistent with the scope of work so that all bids can be objectively compared. Staff retained the services of Haynes & Co. Eaglespan, Inc. Structural Engineering to develop a plan for repair/replacement that could be bid consistently by all bidders. The plan calls for metal roofing over two existing damaged roof areas and minor repairs to the existing conventional roof over the remainder of the structure. About one-half of the roof-top heating and cooling units will be relocated to the ground, and the other half will be covered by the metal roof with adequate ventilation provided for efficiency of the units.

Bids will be received and reviewed by staff and presented to the board during the meeting. At that time, the board will be requested to authorize a contract with one of the bidders to make the repairs according to the plan along with the necessary funding. Also requested is funding to repair water damage inside the building in an amount of \$4,000.

The actual cost of the repairs will be added to the total sales price of the property of \$1.2 million as stated in the Lease Agreement executed April 26, 2004, between the DCOA and Affiliated Food Stores, Inc., page 4, Section V. *Purchase Option*, should AFS choose to exercise its option to purchase. The purchase price also increases by 4% per annum calculated on \$1.2 million from the Effective Date of May 19, 2004, to June 15, 2008, at which time the calculation of 4% begins on the purchase option price of \$1.2 million plus the actual cost of the repairs described above up to the date of purchase.

**FISCAL IMPACT**

Bids will be presented to the Board during the meeting.

**STAFF RECOMMENDATION**

Staff recommends approval of a resolution authorizing a contract and funding to repair the roof and interior at 4109 Vine.

**ATTACHMENTS**