

PUBLIC NOTICE

DEVELOPMENT CORPORATION OF ABILENE, INC.

A regular meeting of the Development Corporation of Abilene, Inc. will be held on Tuesday, March 9, 2010, in the Develop Abilene conference room, 174 Cypress St., Abilene, Texas, 3rd floor, commencing at 1:30 p.m. to consider the following agenda:

SIGNED:


Richard Burdine, Asst. City Manager for Economic Development

AGENDA

March 9, 2010
1:30 p.m.

Develop Abilene Conference Room
174 Cypress St., 3rd floor

1. Call the meeting to order.
2. Approval of minutes from the February 23, 2010, board meeting.
3. Preliminary Status of Funds report for January 2010.
4. Executive Session: Pursuant to Tex. Gov't Code Sec. 551.087, an executive session may be held (1) to discuss or deliberate regarding commercial or financial information that the governmental body has received from a business prospect that the governmental body seeks to have locate, stay, or expand in or near the territory of the governmental body and with which the governmental body is conducting economic development negotiations; or (2) to deliberate the offer of a financial or other incentive to a business prospect described by Subdivision (1). After discussion in executive session, any action or vote will be taken in public.

Pursuant to Tex. Gov't Code Sec. 551.072, an executive session may be held to discuss the possible exchange, lease, or value of real property associated with a project to be funded by the DCOA since deliberation in open session would have a detrimental effect on the DCOA's negotiations with a third party. After discussion in executive session, any action or vote will be taken in public.

Pursuant to Tex. Gov't Code Sec. 551.071, an executive session may be held to consult with the DCOA attorney regarding pending or contemplated litigation or a settlement offer regarding DCOA funded projects or on a matter in which the duty of the attorney to the governmental body under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with Chapter 551 of the Government Code. After discussion of the contemplated legal matters in executive session, any action or vote will be taken in public.
5. Discussion and possible approval of a resolution authorizing amended assistance for Genesis Networks Solutions, Inc.

6. Presentation by Emergent Technologies, Inc. of a draft marketing plan for the Abilene Life Sciences Accelerator.
7. Adjournment.

CERTIFICATE

I hereby certify that the above notice of meeting was posted on the bulletin board at the City Hall of Abilene, Texas, on the _____ day of _____, 2010, at _____.

City Secretary

NOTICE

Persons with disabilities who would like special assistance or need special accommodations to participate in this meeting should contact Department of Economic Development, (325) 676-6390, at least forty-eight (48) hours in advance of this meeting. Telecommunication device for the deaf is (325) 676-6360.

**DEVELOPMENT CORPORATION OF ABILENE, INC.
BOARD MEETING MINUTES
FEBRUARY 23, 2010**

MEMBERS PRESENT: Mike Schweikhard Scott Senter
Marelyn Shedd Paul Cannon

MEMBER ABSENT: Joe Crawford

STAFF PRESENT: Richard Burdine Susan Campbell
Mindy Patterson

GUESTS PRESENT: Jaime Adame Abilene Reporter-News
Brittany Barber KTXS

1. **CALL TO ORDER.** Mike Schweikhard called the meeting to order at 1:30 p.m. in the Develop Abilene conference room located at 174 Cypress, 3rd floor, Abilene, TX.
2. **APPROVAL OF MINUTES FROM THE JANUARY 26, 2010 BOARD MEETING.** A minor correction was noted on page 2 of the minutes under Agenda Item #6, second paragraph. The first sentence should read "With the economic "downturn" instead of "downtown". Paul Cannon moved to approve the minutes as corrected from the January 26, 2010 board meeting. Scott Senter seconded and the motion passed by unanimous consent.
3. **OFFICER ELECTIONS: PRESIDENT, VICE PRESIDENT, SECRETARY/TREASURER.** Nominations were as follows: Paul Cannon for President, Mike Schweikhard for Vice President and Marelyn Shedd for Secretary/Treasurer. This slate of officers as presented was approved by affirmation by all DCOA board members present.
4. **SALES TAX REVENUE REPORT FOR FEBRUARY 2010 AND PRELIMINARY STATUS OF FUNDS REPORT FOR DECEMBER 2009.** Mindy Patterson, Director of Finance for the City of Abilene, reported the sales tax rebate for February (which represents December sales) for economic development was \$898,241, which is 6.03% below February 2009. Total sales tax collections for the period October through February are down 10.08% from the same period in FY2009. Total assets were \$60.3 million as of December 31, 2009 and the DCOA had an undesignated fund balance of \$9.8 million.
5. **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.

Vice President Mike Schweikhard announced the date is February 23, 2010, and the time is 1:45 p.m. Mr. Schweikhard then announced the date is still February 23, 2010, and the time is 2:51 p.m. No vote or action was taken in Executive Session.

- 6. DISCUSSION & POSSIBLE APPROVAL OF A RESOLUTION AUTHORIZING ASSISTANCE TO THE ABILENE IMPROVEMENT CORPORATION FOR THE ESTABLISHMENT OF A JOB TRAINING PROGRAM IN THE T&P FREIGHT WAREHOUSE.** The T&P Freight Warehouse, located at 901 N. 1st Street, is currently owned by the Abilene Improvement Corporation (AIC). Late last year the AIC advertised a request for proposals to lease the building. Two proposals were received. The AIC Board favored a proposal to establish a job training program that will benefit the local and area service sector. The job training entity anticipates an ongoing enrollment of 100 students within three years and 4 to 8 full-time employees with an annual payroll of \$195,000 - \$400,000. Additionally, there has been strong support from certain sectors of the community for this type of job training in anticipation of hiring its graduates.

Lease negotiations were progressing well until the job training entity suffered a funding loss of \$150,000 it planned to use to purchase equipment necessary to accomplish the job training program. The AIC has a building maintenance reserve for the building but does not have unobligated resources to equip the building as required.

Subsequent to the DCOA board packet being distributed and before the board meeting, the job training entity furnished a complete list of required equipment totaling \$165,000.

Staff requests the DCOA Board consider funding of up to \$165,000 to outfit the T&P Freight Warehouse for the proposed job training program. Staff also recommends the DCOA purchase the equipment and enter into a lease/purchase agreement with the AIC. The lease would be for \$10/year and the purchase price would be reduced at the rate of \$2,000 per graduate of the job training program. Title to the equipment would transfer from the DCOA to the AIC once the purchase price is reduced to zero or upon payment of the purchase price less any reductions received for program graduates.

Scott Senter moved to approve Resolution No. DCOA-2010.10 with the new recommended amount of \$165,000 for the purchase of equipment and a lease/purchase agreement with the Abilene Improvement Corporation. Marelyn Shedd seconded and the motion carried.

- 7. ADJOURNMENT.** The next board meeting is scheduled for Tuesday, March 9, 2010, at 1:30 pm. There being no further business, the meeting was adjourned.

Mike Schweikhard, Vice President

CITY OF ABILENE, TEXAS

DEVELOPMENT CORPORATION OF ABILENE, INC.

Balance Sheet

January 31, 2010

ASSETS:

Cash and Investments	\$12,343,661
Notes receivable	16,864,428
Accounts receivable	34,586
Due from other governments	1,421,391
Total Current Assets	<u>\$30,664,066</u>

OTHER ASSETS:

Fixed assets	\$34,167,977
Accumulated depreciation	<u>(4,349,765)</u>
Total Other Assets	<u>29,818,212</u>

TOTAL ASSETS \$60,482,278

LIABILITIES:

Vouchers payable	\$802,652
Deferred revenues	176,174
Notes Payable	<u>321,082</u>
Total Liabilities	<u>\$1,299,908</u>

FUND BALANCES:

Investment in general fixed assets	\$29,818,212
Reserved for contractual obligations(external)	18,644,296
Reserved for obligated programs(internal)	696,012
Undesignated Balance	<u>10,023,850</u>
Total Fund Balance	<u>\$59,182,370</u>

TOTAL LIABILITIES AND FUND BALANCES \$60,482,278

FIXED ASSETS:

	<u>Original Cost</u>	<u>Improvements</u>	<u>Depreciation</u>	<u>Total</u>
Land:				
473.405 acres - Five Pts Bus Park	\$507,681			\$507,681
303.53 acres Hwy 36 & FM 18	449,238			449,238
122 acres - N Five Pts	482,238			482,238
5.6 acres UPS	69,217			69,217
Buildings and Improvements:				
2601 Airport Blvd.	1,563,210	540,633	366,662	1,737,181
2809 Airport Blvd.	396,519	444,583	327,102	514,000
2841 Airport Blvd.	456,736	62,923	283,048	236,611
4002 Loop 322	1,290,916	2,384,892	1,352,552	2,323,256
Five Pts Bus Park	0	8,227,561	399,534	7,828,027
6450 Five Points Parkway	5,809,354	7,016,797	1,018,399	11,807,752
Grant Bldg 341 Pine	147,194	405,726	203,996	348,924
2742 Lance Dr. (EASI Storage)	2,527,408	9,987	253,174	2,284,221
4109 Vine St	583,524	180,855	66,986	697,393
4009 Vine St	583,524	0	58,353	525,171
Equipment	9,250	0	5,550	3,700
Vehicle: 2005 Dodge Caravan	18,011	0	14,409	3,602
TOTAL FIXED ASSETS	<u>\$14,894,020</u>	<u>\$19,273,957</u>	<u>\$4,349,765</u>	<u>\$29,818,212</u>

DEVELOPMENT CORPORATION OF ABILENE
STATUS OF FUNDS @ JANUARY 31, 2010

					(MARCH, 1990)
	Object	Beginning I-T-D Revenues	Current Month Revenues	Current FY Revenues	Ending I-T-D Revenues
REVENUE-TO-DATE					
City Sales Tax	3131	\$ 119,897,206.99	591,080.43	\$ 2,610,003.36	\$ 122,507,210.35
Sales Tax Retained	3132	345,869.34	3,680.51	17,123.26	362,992.60
Other Services Charges	3731	25.00	-	-	25.00
Princ. - Loans & Assess	3775	3,087,911.90	-	4,442.42	3,092,354.32
Int. - Loans & Assess	3802	2,095,195.57	426.07	2,464.26	2,097,659.83
Interest	3803	6,661,950.13	3,017.82	13,835.80	6,675,785.93
Land Lease	3810	13,835.41	-	852.00	14,687.41
Building/Space Rent	3816	4,411,178.77	127,591.00	299,189.00	4,710,367.77
City Pay Phones	3890	9,170.58	-	-	9,170.58
Miscellaneous Revenue	3892	30,238.49	-	6,062.25	36,300.74
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	1,916,652.91	-	-	1,916,652.91
Miscellaneous Prior Year	3840	16,464.88	2,523.00	10,276.00	26,740.88
DCOA Admin	3847	7,070.55	-	-	7,070.55
Other Contributions	3860	96,866.60	-	-	96,866.60
Donation	3869	43,846.00	-	-	43,846.00
Sale of Land	3870	273,554.84	-	-	273,554.84
Sale of Buildings	3871	3,367,443.31	-	-	3,367,443.31
Sale of Equipment	3872	608,882.88	-	-	608,882.88
Gain (loss) Sale of Asset	3873	555,393.43	-	-	555,393.43
Miscellaneous Damage Claims	3889	1,173.04	-	-	1,173.04
Miscellaneous Revenue	3892	767,389.00	-	-	767,389.00
GASB 22 Restatement		355,634.89	-	-	355,634.89
GASB 34 FY 03 Adjustment		523,718.93	-	-	523,718.93
GASB 34 FY 08 Adjustment		44,606.57	-	-	44,606.57
GASB 34 FY 09 Adjustment		1,150,003.47	-	-	1,150,003.47
		<u>\$ 149,211,302.08</u>	<u>\$ 728,318.83</u>	<u>\$ 2,964,248.35</u>	<u>\$ 152,175,550.43</u>

DEVELOPMENT CORPORATION OF ABILENE
STATUS OF FUNDS @ JANUARY 31, 2010

(MARCH, 1990)

Object	Beginning I-T-D Revenues	Current Month Revenues	Current FY Revenues	Ending I-T-D Revenues	Outstanding Contracts
Project	Beginning I-T-D Expenditures	Current Month Expenditures	Current FY Expenditures	Ending I-T-D Expenditures	Outstanding Contracts
CONTRACTS ENCUMBERED/ EXPENDITURES-TO-DATE					
Prior Years Programs	\$ 69,771,751.71	\$ -	\$ -	\$ 69,771,751.71	
Business Services Division Div 2760	7,300,492.68	51,817.56	178,885.42	7,479,378.10	36,250.01
Life Sciences Property - Pine Div 2765	43,089.08	112,938.00	190,570.71	233,659.79	7,039.35
DCOA Annual Contracts Div 2775	2,058,373.84	87,494.69	118,052.15	2,176,425.99	4,290.00
Abilene Industrial Foundation 2775-4950	11,896,940.09	58,112.92	226,978.34	12,123,918.43	542,983.56
TTU Small Business Dev Cntr 2775-4951	2,435,621.05	11,287.50	50,606.25	2,486,227.30	144,393.75
Chamber Military Affairs 2775-4952	1,150,052.19	-	-	1,150,052.19	70,000.00
Airport Business Dev Mgr 2775-4953	503,260.66	4,350.14	15,836.16	519,096.82	117,199.84
Murf Systems 4998	151,665.00	-	-	151,665.00	-
Bandag Training 5203	724,485.20	-	-	724,485.20	117,734.80
Sunoco Logistics 5208	227,000.00	-	-	227,000.00	-
EASI 04 5213	1,592,489.23	-	221,644.95	1,814,134.18	662,803.48
Fehr Food 5220	2,089,560.00	-	-	2,089,560.00	-
Bandag Building Improv 5228	-	-	-	-	44,259.24
Glazers Ph III 5229	65,620.00	-	-	65,620.00	25,380.00
Robinson Fan 5237	352,408.98	-	-	352,408.98	311,800.00
CBER Website 5240	7,067.07	-	-	7,067.07	1,249.93
TTU Pharmacy School 5242	328,464.00	-	-	328,464.00	-
Teleperformance USA 5247	274,530.00	-	-	274,530.00	482,470.00
PWP (Project LF) 5251	1,556,842.70	-	-	1,556,842.70	2,010,620.30
Integrated Clinic Research 5253	7,440.00	-	-	7,440.00	688,062.00
Genesis Network 5258	1,375,333.81	-	-	1,375,333.81	6,957.81
Carter Burgess 5260	323,815.00	-	-	323,815.00	25,505.00
Fehr Foods 5261	118,091.53	-	-	118,091.53	-
TMAC 5262	60,000.00	-	-	60,000.00	-
SBIR/STTR 5263	127,159.85	(48,698.35)	(48,413.35)	78,746.50	192,558.85
EASI 7th Doc 5265	239,175.14	-	-	239,175.14	34,081.10
BMWT Leasing 5266	50,000.00	-	-	50,000.00	-
ABTEX Beverage 5267	634,339.80	319,468.00	319,468.00	953,807.80	-
MSSC Training 5269	71,762.03	-	-	71,762.03	-
WTCIC 5272	16,582.00	25,000.00	25,000.00	41,582.00	-
TTU HSC Research 5273	679,455.00	-	-	679,455.00	2,320,545.00
Spec 2 Expansion A/E 5275	7,075,849.57	-	-	7,075,849.57	-
Spec 3 Construction 5276	5,429,725.65	-	2,595.00	5,432,320.65	304,179.35
Energy Maintenance Service 5282	-	-	155,456.39	155,456.39	1,262,543.61
Genesis Network Phase II 5284	-	-	-	-	2,103,694.90
Tower Tech 5285	846,499.60	-	342,466.78	1,188,966.38	3,758,533.62
Texas Metal 08 5288	-	-	41,628.67	41,628.67	15,770.07
TMAC 09 5289	15,000.00	-	7,500.00	22,500.00	37,500.00
Project BG 5295	-	-	-	-	748,000.00
ACU 09 Springboard 5297	5,000.00	-	-	5,000.00	-
Land 122 Acres N 5 Pts 5302	171,558.71	-	-	171,558.71	339,409.79
ETI Contract 5304	-	95,259.12	207,759.12	207,759.12	1,172,420.88
Life Sciences Accelerator- Ph 2 5305	-	316,013.47	547,149.79	547,149.79	912,075.21
EASI floor re-painting A/E 5306	-	6,414.50	6,414.50	6,414.50	1,585.50
TTU 842 Pine 5308	-	71,101.06	71,101.06	71,101.06	142,398.94
Miscellaneous Activities 2785	354,189.86	-	-	354,189.86	-
TOTAL ENCUMB. / EXPENDITURES	\$ 120,130,691.03	\$ 1,110,558.61	\$ 2,680,699.94	\$ 122,811,390.97	\$ 18,644,295.89
TOTAL FUND BALANCE				\$ 29,364,159.46	
UNENCUMBERED FUND BALANCE					\$ 10,719,863.57

DEVELOPMENT CORPORATION OF ABILENE
STATUS OF FUNDS @ JANUARY 31, 2010

Object	Beginning I-T-D Revenues	Current Month Revenues		(MARCH, 1990)		Amount Encumbered	Balance
		Current Month Revenues	Prior Years Disbursed	Current FY Revenues	Ending I-T-D Revenues		
Project	Amount Obligated	Prior Years Disbursed	Current Month Disbursed	Current Year Disbursed	Current Year Disbursed	Amount Encumbered	Balance
BALANCE OF OBLIGATED PROGRAMS							
Business Services Division	Div 2760	\$ 640,370.00	\$ -	\$ 51,817.56	\$ 178,885.42	\$ 36,250.01	\$ 425,234.57
Life Sciences Property -Pine	Div 2765	233,810.00	-	112,938.00	190,570.71	7,039.35	36,199.94
DCOA Annual Contracts	Div 2775	257,464.00	-	87,494.69	118,052.15	4,290.00	135,121.85
Abilene Industrial Foundation	2775-4950	769,962.00	-	58,112.92	226,978.34	542,983.56	0.10
TTU Small Business Dev Cntr	2775-4951	195,000.00	-	11,287.50	50,606.25	144,393.75	-
Chamber Military Affairs	2775-4952	70,000.00	-	-	-	70,000.00	-
Airport Business Dev Mgr	2775-4953	133,040.00	-	4,350.14	15,836.16	117,199.84	4.00
Murf Systems	4998	151,665.00	151,665.00	-	-	-	-
Bandag Training	5203	842,220.00	724,485.20	-	-	117,734.80	-
Sunoco Logistics	5208	227,000.00	227,000.00	-	-	-	-
EASI 04	5213	2,476,938.00	1,592,489.23	-	221,644.95	662,803.48	0.34
Fehr Food	5220	2,089,560.00	2,089,560.00	-	-	-	-
Bandag Building Improv	5228	44,260.00	-	-	-	44,259.24	0.76
Glazers Ph III	5229	91,000.00	65,620.00	-	-	25,380.00	-
Robinson Fan	5237	664,209.00	352,408.98	-	-	311,800.00	0.02
CBER Website	5240	8,317.00	7,067.07	-	-	1,249.93	-
TTU Pharmacy School	5242	328,464.00	328,464.00	-	-	-	-
Teleperformance USA	5247	757,000.00	274,530.00	-	-	482,470.00	-
PWP (Project LF)	5251	3,567,463.00	1,556,842.70	-	-	2,010,620.30	-
Integrated Clinic Research	5253	695,502.00	7,440.00	-	-	688,062.00	-
Genesis Network	5258	1,382,293.00	1,375,333.81	-	-	6,957.81	1.38
Carter Burgess	5260	349,320.00	323,815.00	-	-	25,505.00	-
Fehr Foods	5261	118,092.00	118,091.53	-	-	-	0.47
TMAC	5262	60,000.00	60,000.00	-	-	-	-
SBIR/STTR	5263	271,400.00	127,159.85	(48,698.35)	(48,413.35)	192,558.85	94.65
EASI 7th Doc	5265	273,257.00	239,175.14	-	-	34,081.10	0.76
BMWV Leasing	5266	75,000.00	50,000.00	-	-	-	25,000.00
ABTEX Beverage	5267	953,808.00	634,339.80	319,468.00	319,468.00	-	0.20
MSSC Training	5269	146,115.00	71,762.03	-	-	-	74,352.97
WTCIC	5272	41,582.00	16,582.00	25,000.00	25,000.00	-	-
TTU HSC Research	5273	3,000,000.00	679,455.00	-	-	2,320,545.00	-
Spec 2 Expansion A/E	5275	7,075,850.00	7,075,849.57	-	-	-	0.43
Spec 3 Construction	5276	5,736,500.00	5,429,725.65	-	2,595.00	304,179.35	(0.00)
Energy Maintenance Service	5282	1,418,000.00	-	-	155,456.39	1,262,543.61	-
Genesis Network Phase II	5284	2,103,695.00	-	-	-	2,103,694.90	0.10
Tower Tech	5285	4,947,500.00	846,499.60	-	342,466.78	3,758,533.62	-
Texas Metal 08	5288	57,399.00	-	-	41,628.67	15,770.07	0.26
TMAC 09	5289	60,000.00	15,000.00	-	7,500.00	37,500.00	-
Run Energy	5295	748,000.00	-	-	-	748,000.00	-
ACU 09 Springboard	5297	5,000.00	5,000.00	-	-	-	-
Land 122 Acres N 5 Pts	5302	510,968.00	171,558.71	-	-	339,409.79	(0.50)
ETI Contract	5304	1,380,180.00	-	95,259.12	207,759.12	1,172,420.88	-
Life Sciences Accelerator- Ph 2	5305	1,459,225.00	-	316,013.47	547,149.79	912,075.21	-
EASI floor re-painting A/E	5306	8,000.00	-	6,414.50	6,414.50	1,585.50	-
TTU 842 Pine	5308	213,500.00	-	71,101.06	71,101.06	142,398.94	-
Miscellaneous Activities	2785	354,189.86	354,189.86	-	-	-	-
BALANCE OF OBLIGATED PROGRAMS		\$ 46,992,117.86	\$ 24,971,109.73	\$ 1,110,558.61	\$ 2,680,699.94	\$ 18,644,295.89	\$ 696,012.30

UNDESIGNATED FUND BALANCE

(unencumbered balance less obligated programs and contingent liabilities)

\$ 10,023,851.27

DCOA Board approved projects waiting for signed contracts

Expiration Date

Coca Cola	5296	900,000.00	03/01/2010
Long Performance Advisors	5307	8,000.00	05/24/2010
Project DM	5309	50,000.00	06/17/2010
Project RC	5310	15,000.00	06/17/2010
		<u>973,000.00</u>	

3.4

DEVELOPMENT CORPORATION OF ABILENE, INC.
BOARD AGENDA
MEETING DATE: March 9, 2010

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

STAFF: Richard Burdine, CEO

THE COMPANY

Genesis Networks, Inc. (www.genesisnet.com) is a privately-held Texas corporation founded in 2001. As a minority-owned company holding Minority Accreditation in California, Texas and Tennessee with the National Minority Supplier Development Council, Genesis was rated the 3rd fastest growing Hispanic-owned company in the U.S. in 2008. Genesis provides network and computer system integration services and value-added reselling of technology and computer products to approximately 230 companies nationwide. In addition, Genesis successfully partners with Fortune 500 clients to successfully engineer, manage and install major networking solutions.

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 (www.gns-abilene.com) is the fastest-growing high tech firm in West Texas that delivers proven, end-to-end IT solutions for companies in need of software testing and development. With over 570,000 hours of testing experience, GNS has demonstrated its ability to successfully execute the demands of its clients' business. GNS works on a direct or sub-contracting basis for an expanding client base of successful companies, including Fortune 15 companies. GNS is located on the 2nd floor of the Enterprise Building at 500 Chestnut Street and currently employs 100. The last job certification through July 2009 indicated employment during the previous 12 months of 128 FTE's.

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. Over the last 3 years, principal reductions have been earned totaling \$1,186,334, resulting in a current outstanding balance is \$547,983.38. All but \$5,683 has been drawn down. The majority of the jobs earn at least \$40,000/year. The next job certification will be due for the 12 months ending July 31, 2010, and we expect Genesis to earn the majority of this outstanding loan balance via the job certification.
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.*

In 2008, GNS experienced rapid growth and needed to expand their operation and create an additional 150 jobs. In April 2008, the DCOA approved resolution DCOA-2008.13 (Revised) authorizing \$2,349,000 for Phase 2 expansion in exchange for the creation of 150 additional jobs to earn at least \$35,000/year. The approved Phase 2 assistance is as follows:

PHASE 2 (as approved)

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
\$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

None of this funding has been disbursed.

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. *None of this funding has been disbursed.*

3. Relocation Grant - \$54,000 to offset part of relocation expenses at \$600/employee for 90 employees. *None of this funding has been disbursed.*

4. Capital Investment Loan - \$300,000 paid at 50% of actual cost for computers, phone system, furnishings, security system and leasehold improvements (electrical, carpet and paint) necessary for the first 75 new jobs created. The loan is 0% interest secured by all equipment and furniture located in Abilene. Payments are made monthly in the amount of \$8,333.33. GNS only drew down \$245,305 of the available \$300,000, leaving \$54,695 unfunded. The principal balance as of 2/28/10 was \$95,305.

THE REQUEST

The economic downturn has affected operations and some customers have moved projects to India to save money, resulting in a job loss to overseas resources of 42 since February 2009. The company is working to diversify its client base by picking up call center contracts and securing more complex projects with long-term contracts. The budget plan for 2010 is to grow employment back to 128 by the end of the year. The company will provide employees with training opportunities to improve skills, thereby improving the value of each employee and resulting in increased revenue potential. Training costs include salaries for 5 employees to attend a 4-week program to learn SequenceL programming, call center manager training 1-week class for two employees, and software testing certification classes for 40 employees that lasts 8 working days.

In addition, the company requests use of the unfunded capital investment loan funds up to \$36,604 to purchase hardware and software, secure warranties and licenses, pay installation and some training to get set-up for call center contracts.

Because of the business climate, GNS requests and staff proposes that the Phase 2 assistance package be adjusted down from \$2,349,000 to \$1,033,539 as follows:

1. Job Creation Incentive – Up to \$675,000 for creation of 55 new FTE’s in excess of the 143 FTE’s required in Phase 1 paid out over 3 years as follows. The job creation period will begin January 1, 2011.

Annual Salary Including Non-Mandatory Benefits	Projected Jobs	Incentives	Total
\$40 to \$50,000	50	\$12,000	\$600,000
\$50,000 and above	5	\$15,000	\$75,000
Total Jobs:	55		\$675,000

2. Job Training Grant – up to \$38,739 for the following:
 - a. SequenceL training – 50% of salaries for a 4-week training period for 5 employees up to \$7,725,
 - b. Call Center Manager training – 50% of salaries for a 1-week training period for 2 employees up to \$1,014,
 - c. Software Testing Certification classes – \$750/employee up to \$30,000 for 40 employees to attend 9 work days of training.
3. Relocation Grant – up to \$19,800 to cover relocation expenses up to \$600/new employee for 33 persons hired to fill employment positions in excess of the 143 required in Phase 1.
4. Capital Investment Loan – Allow additional draws up to \$36,604 against the existing \$300,000 capital investment loan for purchase of call center items including hardware, software, warranties, licenses, installation and training. Funds will be disbursed at 50% of actual cost for setting up the call center program. The deadline for draws will be extended to September 30, 2010. Monthly payments of \$8,333.33 will continue since the payment is based on payout of the full \$300,000 amount. The note maturity is February 1, 2011.

FISCAL IMPACT

Phase 2 funding will be reduced from \$2,349,000 to \$1,033,539 as follows, a difference of \$1,315,461:

	Current Amount	Revised Amount
Job Creation Incentive	\$1,815,000	\$ 675,000
Job Training Grant	\$ 180,000	\$ 38,739
Relocation Grant	\$ 54,000	\$ 19,800
Capital Investment Loan	<u>\$ 300,000</u>	<u>\$ 300,000</u>
TOTAL	\$2,349,000	\$1,033,539

STAFF RECOMMENDATION

Staff recommends approval of resolution DCOA-2010.11 authorizing the proposed amendment and reduced funding to the Phase 2 assistance approved in 2008 for Genesis Networks Solutions.

ATTACHMENTS

Resolution DCOA-2010.11

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RESOLUTION NO. DCOA-2010.11

A RESOLUTION OF THE DEVELOPMENT CORPORATION OF ABILENE, INC. (DCOA), ABILENE, TEXAS AUTHORIZING AMENDED ASSISTANCE ORIGINALLY APPROVED IN APRIL 2008 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 the fastest-growing high tech firm in West Texas that delivers proven, end-to-end IT solutions for companies in need of software testing and development and was established in Abilene in the Enterprise Building in 2006; 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, in 2008, Genesis was experiencing rapid growth and was ready to expand operations so in April 2008, the DCOA approved resolution DCOA-2008.13 (Revised) authorizing \$2,349,000 for Phase 2 expansion in exchange for the creation of 150 additional jobs to earn at least \$35,000/year; and,

WHEREAS, the economic downturn has affected operations and Genesis currently employs 100 and is working to diversify its client base by picking up call center contracts and securing more complex projects with long-term contracts; and,

WHEREAS, because of the business climate, Genesis will provide employees with training opportunities to improve skills, thereby improving the value of each employee and resulting in increased revenue potential. Genesis requests and staff proposes the Phase 2 assistance package be adjusted down from \$2,349,000 to \$1,033,539; 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 amended assistance package for Genesis Networks Solutions, Inc. for Phase 2 expansion of its operation. The original Phase 2 assistance package approved in April 2008 is hereby reduced and amended as described below. Total funding in the original amount of Two Million Three Hundred Forty-Nine Thousand and no/100's Dollars (\$2,349,000) approved in 2008 in exchange for the creation of 150 additional new jobs in Abilene, is reduced to One Million Thirty-Three Thousand Five Hundred Thirty-Nine and no/100's Dollars (\$1,033,539), a difference of \$1,315,461.

Genesis will retain its existing 100 employees and increase to 128 by the end of 2010. The assistance shall be structured as follows:

- Job Creation Incentive – Up to \$675,000 for creation of 55 new FTE’s in excess of the 143 FTE’s required in Phase 1 paid out over 3 years as follows. The job creation period will begin January 1, 2011.

Annual Salary Including Non-Mandatory Benefits	Projected Jobs	Incentives	Total
\$40 to \$50,000	50	\$12,000	\$600,000
\$50,000 and above	5	\$15,000	\$75,000
Total Jobs:	55		\$675,000

- Job Training Grant – up to \$38,739 for the following:
 - a. SequenceL training – 50% of salaries for a 4-week training period for 5 employees up to \$7,725,
 - b. Call Center Manager training – 50% of salaries for a 1-week training period for 2 employees up to \$1,014,
 - c. Software Testing Certification classes – \$750/employee up to \$30,000 for 40 employees to attend 9 work days of training.
- Relocation Grant – up to \$19,800 to cover relocation expenses up to \$600/new employee for 33 persons hired to fill employment positions in excess of the 143 required in Phase 1.
- Capital Investment Loan – Allow additional draws up to \$36,604 against the existing \$300,000 capital investment loan for purchase of call center items including hardware, software, warranties, licenses, installation and training. Funds will be disbursed at 50% of actual cost for setting up the call center program. The deadline for draws will be extended to September 30, 2010 and the interest remains at 0%. Monthly note payments of \$8,333.33 will continue since the payment is based on payout of the full \$300,000 amount. The note maturity is February 1, 2011.

To recap, Phase 2 funding will be reduced from \$2,349,000 to \$1,033,539 as follows, a difference of \$1,315,461:

	Current Amount	Revised Amount
Job Creation Incentive	\$1,815,000	\$ 675,000
Job Training Grant	\$ 180,000	\$ 38,739
Relocation Grant	\$ 54,000	\$ 19,800
Capital Investment Loan	<u>\$ 300,000</u>	<u>\$ 300,000</u>
TOTAL	\$2,349,000	\$1,033,539

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 9th day of March, 2010.

ATTEST:

Marelyn Shedd
Secretary/Treasurer

Paul Cannon
President

APPROVED:

T. Daniel Santee, City Attorney

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Information for Item 6. will be available during
the meeting.