

PUBLIC NOTICE

DEVELOPMENT CORPORATION OF ABILENE, INC.

A regular meeting of the Development Corporation of Abilene, Inc. will be held on Tuesday, March 23, 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 23, 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 March 9, 2010, board meeting.
3. Sales Tax report for March 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. Discussion and possible approval of a resolution authorizing assistance for Project KP.
7. Discussion and possible approval of an oral resolution authorizing the CEO to negotiate an amended lease with Texas Tech University for the Grant Building at 302 Pine Street.
8. Discussion and possible approval of a resolution authorizing a construction contract and funding to re-paint floors in Hangars 0 and 1 at the Abilene Regional Airport occupied by Eagle Aviation Services, Inc.
9. Discussion and possible approval of an oral resolution authorizing sponsorship of the 2010 Springboard Ideas Challenge in the amount of \$5,000.
10. 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
MARCH 9, 2010**

MEMBERS PRESENT:	Mike Schweikhard Marelyn Shedd Dani Ramsay	Scott Senter Paul Cannon
STAFF PRESENT:	Richard Burdine Dan Santee	Kim Tarrant
GUESTS PRESENT:	Jaime Adame David Sougstad Dale Gannaway Gary Robinett	Abilene Reporter-News Emergent Technologies, Inc. Emergent Technologies, Inc. Abilene Industrial Foundation

- 1. CALL TO ORDER.** Paul Cannon called the meeting to order in the Develop Abilene conference room located at 174 Cypress, 3rd floor, Abilene, TX.
- 2. APPROVAL OF MINUTES FROM THE FEBRUARY 23, 2010 BOARD MEETING.** Scott Senter moved to approve the minutes from the February 23, 2010 board meeting. Mike Schweikhard seconded and the motion carried.
- 3. PRELIMINARY STATUS OF FUNDS REPORT FOR JANUARY 2010.** As of January 31, 2010, total assets were \$60.4 million, total liabilities were \$1.3 million and the DCOA had an undesignated fund balance of \$10 million. Sales tax revenues are down about 10% from this time last year.
- 4. 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.

President Paul Cannon announced the date is March 9, 2010, and the time is 1:35 p.m. Mr. Cannon then announced the date is still March 9, 2010, and the time is 2:37 p.m. No vote or action was taken in Executive Session.
- 5. DISCUSSION & POSSIBLE APPROVAL OF A RESOLUTION AUTHORIZING AMENDED ASSISTANCE FOR GENESIS NETWORKS SOLUTIONS, INC.** There was no discussion on this agenda item. Scott Senter moved to table action on this item until the next board meeting. Marelyn Shedd seconded the motion and it carried.

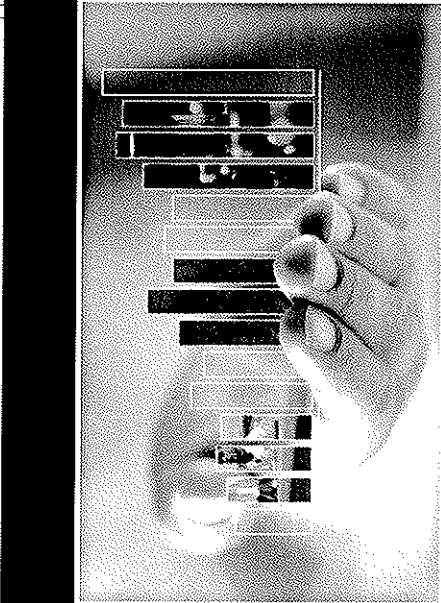
6. **PRESENTATION BY EMERGENT TECHNOLOGIES, INC. OF A DRAFT MARKETING PLAN FOR THE ABILENE LIFE SCIENCES ACCELERATOR.**
David Sougstad and Dale Gannaway, of Emergent Technologies, Inc. presented a draft of a comprehensive marketing plan for the Abilene Life Sciences Accelerator in a PowerPoint presentation.

7. **ADJOURNMENT.** The next board meeting is scheduled for Tuesday, March 23, 2010, at 1:30 pm. There being no further business, the meeting was adjourned.

Paul Cannon, President

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Presented By: Emergent Technologies, Inc.
Date: February 8th, 2010



Confidential

Emergent
TECHNOLOGIES, INC.

Overview

This document sets out to recommend a strategic plan for the Abilene Life Sciences Accelerator (ALSA) including a SWOT analysis, strategic business plan as well as marketing and public relations initiatives.

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Emergent
TECHNOLOGIES, INC.

Vision

The Development Corporation of Abilene's vision for The Abilene Life Sciences Accelerator in three years is:

The Abilene Life Sciences Accelerator will become the preeminent life science commercialization center in the West Texas Region by generating intellectual and capital wealth for the Abilene community through successful life science technology commercialization.

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Emergent
TECHNOLOGIES, INC.


Mission Statement


The central purpose and role of the Abilene Life Sciences Accelerator is defined as:


The mission of the Abilene Life Sciences Accelerator is to provide world-class support for early-stage life science entrepreneurs and companies through a continuously improving combination of business development services, facilities, and state of the art laboratory equipment.


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<p>Corporate Values</p> <p>The corporate values governing the Abilene Life Sciences Accelerator development include the following:</p> <p>The Abilene Life Sciences Accelerator fosters a climate of collaboration among various Abilene resources to assist in building a vital, growing community of the highest quality for present and future generations by providing a supportive environment for life science entrepreneurs and researchers.</p> <p>The Abilene Life Sciences Accelerator core values include team spirit, continuous improvement, innovation, integrity, responsiveness, and individual worth.</p>	


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<p>Business Objectives</p> <p>Long term business objectives of the Abilene Life Sciences Accelerator are summarized as:</p> <ul style="list-style-type: none"> • Develop, retain, and attract top level intellectual talent to Abilene and the region • Assist in the development of a strong life sciences community image (external & internal) for the Abilene region • Assist and drive the efforts to develop a well connected city-wide, regional, statewide, and federal network of resources for the Abilene region to develop a culture of innovation • Assist in the development of a well organized regional private equity investment network to broaden the capital base for the Abilene region 	


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<p>Business Objectives</p> <ul style="list-style-type: none"> • Assist in the development of intellectual and capital wealth creation for the Abilene region. • Assist in the efforts to generate a well educated life sciences workforce for Abilene and the region • Create a supportive environment to mentor life sciences related entrepreneurs and researchers 	


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<p>Key Strategies</p> <p>The following critical strategies will be pursued by the Abilene Life Sciences Accelerator:</p> <ul style="list-style-type: none"> • Recruit early stage life science companies and technologies to Abilene from outside the community to jumpstart the client base for the Abilene Life Sciences Accelerator • Research and pursue existing opportunities that currently exist in Abilene with Abilene-based companies as potential spin out clients for the accelerator (i.e. reagents opportunity with Receptor Logic) • Develop an active pipeline of qualified investment opportunities for the Rain Dance Capital Group in Abilene and other investment vehicles • Assist in connecting the Rain Dance Capital Group with other investment groups across the State of Texas and United States • Develop a foundation of ALSA clients by leveraging the region's life science capabilities and expertise (i.e. immunology and medical device) 	

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<p>Key Strategies (continued)</p> <ul style="list-style-type: none"> • Develop a symbiotic relationship with the Texas Tech University System's Office of Technology Commercialization and the TTUHSC entrepreneurial researchers in Lubbock leading to the location of two TTUHSC spin outs at the ALSA in Abilene • Work closely with the Abilene Texas Tech Small Business Development Center to develop a seamless process for life science related entrepreneurial assistance • Work closely with the Schools of Business at Abilene Christian University, Hardin Simmons University, and McMurry University to develop a life science entrepreneurial program • Assist the Development Corporation of Abilene in the development of marketing/branding plans that will create a life science "brand" identity and image for the Abilene region • Serve as catalyst for the growth of regional "knowledge-based" resources such as a broadened capital base, life sciences entrepreneurial training and mentoring programs, and a solid foundation of successful early stage life science companies for the Abilene region • Become the "recognized" regional location for entrepreneurial events and efforts in the Abilene region (i.e. hosting of Reinvent Abilene monthly events) 	10

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<p>Major Goals</p> <p>The following are key targets for the Abilene Life Sciences Accelerator over the next three years (January 1, 2010 – December 31, 2012):</p> <ul style="list-style-type: none"> • The ALSA will generate a base of qualified clients with an anticipated \$3.5 million in capital investment • The ALSA will generate a client base of companies for the Abilene community with a combined valuation estimate of \$50 million • The ALSA expects to generate 62 new employment opportunities for the Abilene community • The current amount of life science federal and state research and development funding in Abilene is expected to triple • Abilene will become the preeminent life sciences commercialization location west of the I-35 corridor in the State of Texas by the realization of the previous four goals 	12

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<p>Abilene Life Sciences Accelerator</p> <p style="text-align: center;">Marketing and Public Relations Plan</p>	12

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<p>Marketing and PR Overview</p> <p>The purpose of the marketing and public relations plan is to outline key marketing and public relations initiatives. The plan also recommends strategies and tactics for Launch of the Abilene Life Sciences Accelerator (ALSA) as well as Post-Launch marketing and public relations support for 2010. This plan should be used as a working document, continually subject to revision as additional opportunities are identified and emerge. As opportunities arise, they can be evaluated and scheduled into the plan at the discretion of the DCOA.</p>	12

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TRANSFORMATION

Marketing and PR Overview (continued)

The ALSA intends to attract and grow a broad life sciences client base by garnering local and regional business and community support. The ALSA will become a leading business accelerator in Texas and the Southwest United States.

To accomplish these business goals and mandates, the ALSA should educate and inform key constituencies about the benefits and value that it provides for the Abilene community.

Marketing and external public relations communications should be proactive to consistently position ALSA as an economic growth driver and should support the building of strong positioning for the ALSA.

Public relations should be a key strategic resource to achieve ALSA's business goals. Marketing and public relations efforts should be focused on communicating the benefit and value of the ALSA with the goal of building relationships with key constituents, including the media, legislators, and Abilene community and business leaders.

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Marketing and PR Objectives

- Leverage the ALSA Launch to significantly increase its visibility among the general public, the media, and regional business/community leaders, including legislators.
- Continue to develop marketing initiatives to build strong positioning for the ALSA as a leading business accelerator in the state and the Southwest United States.
- Provide strategic public relations development and tactical implementation to support the ALSA marketing campaigns.
- Develop an umbrella theme with several marketing and public relations ideas for post-launch throughout the rest of the calendar year.
- Establish greater awareness and visibility of the ALSA and its programs and services throughout West Texas, Texas, the Southwest United States, and the nation.
- Liaison with university Public Relations offices pertaining to integration and synergies of the ALSA and university commercialization public relations efforts.

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ALSA Target Audiences

- Abilene Media - Print and Broadcast
- State Media
- Southwest Regional Media
- National Media

Key General Public

- University Tech Transfer Management
- Abilene Officials
- Texas Legislators
- University Leadership
- Trade Associations
- Interest Groups (THBI, NBIA)
- Abilene Business and Community Leaders/Organizations
- Start-Ups who are potential ALSA tenants
- Abilene General Public
- Fundraising and Investment Partners
- Key Community Stakeholders

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Strategies and Tactics - Launch Media Relations

- Strategy:
 - Craft and communicate marketing and public relations messages to the public and the media regarding the Launch and other ALSA strategic initiatives that position the ALSA as a leading business accelerator in Texas and the Southwest United States.
- Tactics include but are not necessarily limited to:
 - Position the ALSA Launch as a marketing and public relations opportunity for appropriate legislators and dignitaries who attend. The local press can be invited.
 - Develop and distribute a comprehensive ALSA Information Kit related to the Launch. The information kit can include:
 - Lead Press Release
 - ALSA Brochure
 - ALSA Quick Fact Sheet
 - Vision Statement
 - Mission Statement
 - Photographs of the ALSA
 - David Sougstad Photo and Bio
 - Other Management Bios
 - ALSA Logo

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Strategies and Tactics - Launch Media Relations (continued)



- Tactics include but are not necessarily limited to (continued):
 - Distribute lead press release nationally via wire service.
 - Research target media lists and prepare media database for Launch and beyond.
 - Promote Launch feature story ideas and interviews to the media.
 - The ALSA website needs to be ready pre-Launch so the press can directed to the website as can other key constituencies whose interest will be generated by the Launch.
 - Possible ALSA website content:
 - Information regarding the ALSA for current clients, potential clients, and investors.
 - Press Room or News section for ALSA press releases, story ideas for the media, contact information and more.

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Strategies and Tactics - ALSA Executive Director Public Relations



- Strategy:
 - The high visibility of the Executive Director's and Richard Burdine's position can be leveraged for communicating the ALSA as a leading business accelerator in the state and the Southwest United States through ALSA marketing collateral presented in key meetings as well as public relations news messages to community and business leaders, and legislators.
- Tactics include but are not necessarily limited to:
 - An Executive Director's List consisting of key community leaders and others can be created to distribute periodic marketing direct mailings (or e-mailings). The timing of the first Executive Director's mailing can be coordinated with the Launch. Those on the List can also receive ALSA press releases. Examples of positions that can be included on the List: Presidents of universities and colleges; State and Regional Legislators Business Coalition Executives; and local and regional Chamber(s) of Commerce Presidents.
 - The ALSA Information Kit can be mailed or distributed to the List or given at the Executive Director's presentations as well.

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Strategies and Tactics - ALSA Executive Director Public Relations



- Tactics include but are not necessarily limited to (continued):
 - A meeting can be scheduled for David Sougstad to present to the Abilene Mayor and City Council as well as other important city officials including The City Manager, Asst. City Managers, and other community stakeholders.
 - A meeting can be scheduled for David Sougstad to present to the Abilene Chamber of Commerce board meeting and the Abilene Industrial Foundation Executive Committee.

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Strategies and Tactics - Legislative Relations



- Strategy:
 - Develop and enhance the ALSA's relationship with legislators through strategic marketing communications and public relations.
- Tactics include but are not necessarily limited to:
 - A mailing can be scheduled for Legislators to receive a customized ALSA Launch Information Kit mailed to them from the Executive Director. The Executive Director can also distribute the ALSA Launch Information Kit at legislative presentations, or hand-delivered at introductory meetings.
 - A legislative section that lists local and regional legislators, how to contact them, brief bios and quotes regarding the ALSA can be added to the ALSA website.
 - Twice-a-year meetings with legislators can be scheduled to continue relationship development.
 - Legislators can be placed on the Executive Director's List to receive special mailings from the ALSA.
 - Legislators can be added to the ALSA's press releases distribution list.

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Strategies and Tactics - Community/Business Relations



- Strategy:
 - Develop and enhance the ALSA's relationship with community and business leaders through strategic marketing communications and public relations efforts.
- Tactics include but are not necessarily limited to:
 - A mailing can be scheduled for Community and business leaders to receive a customized ALSA Launch information kit, mailed to them from the Executive Director and Richard Burdine. The Executive Director can also distribute the ALSA Launch information kit at presentations.
 - A Community/Business section can be established on the ALSA website and publicized. Community and business support of ALSA can also be highlighted on the ALSA website.
 - Executive Director meetings can be scheduled with targeted community and business leaders to introduce and begin relationship development such as an ALSA Executive Director's Lunch or Dinner where key community/business leaders are invited and David Sougstad presents.
 - Community and business leaders can be added the Executive Director's List to receive special mailings from ALSA and ALSA press releases. An Executive Director's Community Business Message or Newsletter can be produced to go out quarterly.

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Strategies and Tactics - Ongoing Marketing and Public Relations



- Strategy:
 - Continue to promote awareness of the ALSA and its benefits through proactive marketing communications and public relations Post-Launch efforts.
- Tactics include but are not necessarily limited to:
 - Post-Launch ALSA news press releases can be developed and distributed.
 - Ensure the ALSA brochure and website are accurate and up-to-date.
 - Feature articles on the ALSA can be developed and placed in key media venues.
 - Explore advertising opportunities for the ALSA to coincide with the ALSA client recruiting initiatives.
 - ALSA press releases and article reprints or e-prints can be distributed to key constituents.
 - ALSA case studies can be developed for publications
 - Provide marketing and public relations support for fundraising activities.

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Timetable



Conditional to approval of the marketing and public relations plan and priorities agreed upon by the DCOA, a schedule of implementation with specific activities can be outlined for review.

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Conclusion



The most viable marketing and public relations strategies and tactics can be employed that fit the business goals, changing needs and mission of the ALSA. This marketing and public relations plan is based on the ALSA's current and immediate needs; the plan can be modified as changes and new opportunities occur.

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MEMORANDUM

March 10, 2010

TO: Larry D. Gilley, City Manager
FROM: Mindy Patterson, Director of Finance
SUBJECT: March Sales Tax

The sales tax rebate for March is \$2,474,637.55 which represents January sales. This is 2.69% above last year. The breakdown of the March rebate is \$1,855,978.16 to the General Fund and \$618,659.39 for economic development. Of this rebate, \$80,065 is from prior periods, audit payments, future payments, and unidentified payments. Based on this rebate, sales tax is 8.38% below last year for the period of October through March. I have requested the detail from the state.

Should you have any questions, please contact me.

MP:ls

cc: Richard Burdine, Assistant City Manager
David Vela, Assistant City Manager
Evalin E. McClain, Assistant City Manager

**CITY OF ABILENE
SALES TAX COMPARISON**

Accounting Period Month	GENERAL FUND Actual 2008-09	ECONOMIC DEVELOPMENT Actual 2008-09	TOTAL 2008-09	GENERAL FUND Actual 2009-10	ECONOMIC DEVELOPMENT Actual 2009-10	TOTAL 2009-10
October	\$2,110,326.56	\$703,442.19	\$2,813,768.75	\$2,015,713.10	\$671,904.36	\$2,687,617.46
November	2,680,326.85	893,442.28	3,573,769.13	2,274,694.28	758,231.42	3,032,925.70
December	2,122,016.60	707,338.86	2,829,355.46	1,806,689.71	602,229.90	2,408,919.61
January	1,981,869.70	660,623.23	2,642,492.93	1,784,282.81	594,760.94	2,379,043.75
February	2,867,665.67	955,888.56	3,823,554.23	2,694,722.33	898,240.78	3,592,963.11
March	1,807,393.10	602,464.36	2,409,857.46	1,855,978.16	618,659.39	2,474,637.55
YTD	<u>\$13,569,598.48</u>	<u>\$4,523,199.48</u>	<u>\$18,092,797.96</u>	<u>\$12,432,080.39</u>	<u>\$4,144,026.79</u>	<u>\$16,576,107.18</u>
April	1,849,680.13	616,560.04	2,466,240.17			
May	2,380,270.93	793,423.64	3,173,694.57			
June	1,961,132.05	653,710.68	2,614,842.73			
July	1,794,109.23	598,036.41	2,392,145.64			
August	2,397,269.11	799,089.70	3,196,358.81			
September	1,961,484.00	653,828.00	2,615,312.00			
FY TOTAL	<u>\$25,913,543.93</u>	<u>\$8,637,847.95</u>	<u>\$34,551,391.88</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
Monthly and Year-to-Year Comparisons

Accounting Period Month	Actual 2008-09	Actual 2009-10	% Change
October	\$703,442	\$671,904	-4.48%
November	893,442	758,231	-15.13%
December	707,339	602,230	-14.86%
January	660,623	594,761	-9.97%
February	955,889	898,241	-6.03%
March	602,464	618,659	2.69%
YTD	<u>\$4,523,199</u>	\$4,144,027	-8.38%
April	616,560		
May	793,424		
June	653,711		
July	598,036		
August	799,090		
September	653,828		
FY TOTAL	<u>\$8,637,848</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.

Revenue for March '10 represents January '10 sales. Approximately
\$20,016 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.

DEVELOPMENT CORPORATION OF ABILENE, INC.

BOARD AGENDA

MEETING DATE: March 23, 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 partners with Fortune 500 clients to successfully engineer, manage and install major networking solutions.

Through 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) has been a fast-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 meet 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.

PHASE 1 (as approved)

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

1. Job Creation Incentive - \$1,740,000 for the creation of 143 new jobs paid out over 3 years. The funding was set up as an earnable loan secured by a letter of credit. ***All but \$5,683 has been drawn down.*** Over the last 3 years, principal reductions have been earned totaling \$1,186,334, resulting in a current outstanding balance of \$547,983.38. The next job certification will be due for the 12 months ending July 31, 2010 and a final certification will be due through July 2011. We expect Genesis will earn about \$192,000 of the outstanding loan balance via the job certification through July 2010 and about \$46,000 through July 2011. That leaves an estimated unearned balance of \$310,000 at the end of July 2011.
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.*

PHASE 2 (as approved)

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. The approved Phase 2 assistance is as follows:

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 for 36 months with a maturity of August 31, 2011. GNS only drew down \$245,305 of the available \$300,000, leaving \$54,695 unfunded. The principal balance as of 2/28/10 has been reduced by payments totaling \$150,000 to \$95,305.

THE REQUEST

The economic downturn has affected operations and some customers have moved projects to India to save money, resulting in a loss "off shore" of 42 jobs 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 all the unfunded capital investment loan funds up to \$54,695 to purchase hardware and software, secure warranties and licenses, pay installation and some training to get set-up for call center contracts, et cetera.

Because of the changed business climate, GNS requests and staff proposes that the Phase 2 assistance package be adjusted down from \$2,349,000 to \$1,117,739. The threshold for Phase 2 job creation is being proposed at a lower level; all FTE's in excess of 115 rather than 143 as originally approved. New job creation in excess of 115 is now 75 for total FTE employment of 190.

PHASE 2 (Revised)

1. Job Creation Incentive – Up to \$755,000 for creation of 75 new FTE's in excess of the 115 FTE's required in revised Phase 1 paid out over 3 years. The job creation period will begin August 1, 2010. The funding will be paid in arrears or structured as an earnable loan at 0% interest allowing multiple draws based on an employee count exceeding 115. The loan will be secured by a letter of credit or other acceptable collateral and earned down annually over 3 years based on the chart below:

Annual Salary Including Non-Mandatory Benefits	Projected Jobs	Incentives	Total
\$20 to \$30,000	20	\$4,000	\$80,000
\$30 to \$40,000	0	\$10,000	\$0
\$40 to \$50,000	50	\$12,000	\$600,000
\$50,000 and above	5	\$15,000	\$75,000
Total Jobs:	75		\$755,000

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 – 50% of salaries (up to \$750/employee) not to exceed \$30,000 for 40 employees to attend 9 work days of training.
3. Relocation Grant – up to \$24,000 to cover relocation expenses up to \$600/new employee for 40 persons hired to fill employment positions in excess of the 115 required to trigger Phase 2 funding.
4. Capital Investment Loan – Allow additional draws up to \$54,695 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 as well as other capital costs. The deadline for draws will be extended to December 31, 2010.

Because the Phase 1 job creation incentive loan will not earn down as expected due to reduced employment from Genesis' clients "off shoring" jobs, staff proposes the principal payments of \$150,000 already received against the Phase 2 capital investment loan (\$8,333.33/mo for 18 mos from 9/08 thru 2/10) be applied instead to the outstanding balance of the Phase 1 job creation incentive loan, thereby reducing the current outstanding balance from \$547,983 to \$397,983. The estimated outstanding balance at the end of July 2011 would be \$160,000, fully collateralized by a letter of credit. The outstanding balance will be repaid at the rate of \$1,666.67/month starting in 12 months and until the Phase 2 capital investment loan is paid off February 28, 2013, at which time monthly payments will be increased to \$10,000/month until the loan is fully repaid February 28, 2014.

The Phase 2 capital investment loan will be "reset" with a new date of March 1, 2010, a principal amount of \$300,000, a new outstanding principal balance of \$245,305, and a new maturity date of February 28, 2013. This loan is currently collateralized by a lien on equipment. Because the equipment will be substantially depreciated before the loan is paid off, staff proposes that additional collateral be provided through a letter of credit for the outstanding balance. Monthly payments of \$8,333.33 will continue and Genesis will have until December 31, 2010 to draw down the remaining \$54,695 at 50% of actual costs for setting up the call center and other capital expenses.

To summarize, repayment terms would be structured as follows:

Continue capital equipment loan payments of \$8,333.33/month for 36 months	= \$300,000
Begin Phase 1 jobs loan payments of \$1,666.67/month after 1 year for 24 months	= \$ 40,000
<u>Begin Phase 1 jobs loan payments of \$10,000/month after 3 years for 12 months</u>	<u>= \$120,000</u>
All loan payments after 48 months	= \$460,000

FISCAL IMPACT

Phase 2 funding will be reduced from \$2,349,000 to \$1,117,739 as follows:

	<u>Current Amount</u>	<u>Revised Amount</u>	<u>Difference</u>
Job Creation Incentive	\$1,815,000	\$ 755,000	\$1,060,000
Job Training Grant	\$ 180,000	\$ 38,739	\$ 141,261
Relocation Grant	\$ 54,000	\$ 24,000	\$ 30,000
Capital Investment Loan	<u>\$ 300,000</u>	<u>\$ 300,000</u>	<u>\$ 0</u>
TOTAL	\$2,349,000	\$1,117,739	\$1,231,261

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 a fast-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 current employees 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 \$1,117,739; 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 One Hundred Seventeen Thousand Seven Hundred Thirty-Nine and no/100's Dollars (\$1,117,739) in exchange for the creation of 75 additional new jobs, as shown below:

<u>Incentive Category</u>	<u>Current Amount</u>	<u>Revised Amount</u>	<u>Difference</u>
Job Creation Incentive	\$1,815,000	\$ 755,000	\$1,060,000
Job Training Grant	\$ 180,000	\$ 38,739	\$ 141,261
Relocation Grant	\$ 54,000	\$ 24,000	\$ 30,000
<u>Capital Investment Loan</u>	<u>\$ 300,000</u>	<u>\$ 300,000</u>	<u>\$ 0</u>
TOTAL	\$2,349,000	\$1,117,739	\$1,231,261

The assistance shall be structured as follows:

PHASE 2 (Revised)

Job Creation Incentive – Up to \$755,000 for creation of 75 new FTE’s in excess of the 115 FTE’s required in revised Phase 1 paid out over 3 years. The job creation period will begin August 1, 2010. The funding will be paid in arrears or structured as an earnable loan at 0% interest allowing multiple draws based on an employee count exceeding 115. The loan shall be secured by a letter of credit or other acceptable collateral and earned down annually over 3 years based on the chart below:

Annual Salary Including Non-Mandatory Benefits	Projected Jobs	Incentives	Total
\$20 to \$30,000	20	\$4,000	\$80,000
\$30 to \$40,000	0	\$10,000	\$0
\$40 to \$50,000	50	\$12,000	\$600,000
\$50,000 and above	5	\$15,000	\$75,000
Total Jobs:	75		\$755,000

Job Training Grant – up to \$38,739 for the following:

SequenceL training – 50% of salaries for a 4-week training period for 5 employees up to \$7,725,

Call Center Manager training – 50% of salaries for a 1-week training period for 2 employees up to \$1,014,

Software Testing Certification classes – 50% of salaries (up to \$750/employee) not to exceed \$30,000 for 40 employees to attend 9 work days of training.

Relocation Grant – up to \$24,000 to cover relocation expenses up to \$600/new employee for 40 persons hired to fill employment positions in excess of the 115 required to trigger Phase 2 funding.

Capital Investment Loan – Allow additional draws up to \$54,695 against the existing \$300,000 capital investment loan for purchase of call center items including hardware, software, warranties, licenses, installation and training. Funds shall be disbursed at 50% of actual cost for setting up the call center program as well as other capital costs. The deadline for draws shall be extended to December 31, 2010.

Phase 1 Job Creation Incentive Loan - The principal payments of \$150,000 already received against the Phase 2 capital investment loan (\$8,333.33/mo for 18 months from 9/08 thru 2/10) shall be applied instead to the outstanding balance of the Phase 1 job creation incentive loan, thereby reducing the current outstanding balance from

\$547,983 to \$397,983. The estimated outstanding balance at the end of July 2011 will be approximately \$160,000, fully collateralized by a letter of credit. The outstanding balance will be repaid at the rate of \$1,666.67/month starting in 12 months and until the Phase 2 capital investment loan is paid off February 28, 2013, at which time monthly payments will be increased to \$10,000/month until the Phase 1 Job Creation Incentive Loan is fully repaid February 28, 2014.

The Phase 2 capital investment loan will be "reset" with a new date of March 1, 2010, a principal amount of \$300,000, a new outstanding principal balance of \$245,305, and a new maturity date of February 28, 2013. This loan is currently collateralized by a lien on equipment. Because the equipment will be substantially depreciated before the loan is paid off, staff proposes that additional collateral be provided through a letter of credit for the outstanding balance. Monthly payments of \$8,333.33 shall continue and Genesis shall have until December 31, 2010 to draw down the remaining \$54,695 at 50% of actual costs for setting up the call center and other capital expenses. In summary, repayment terms shall be structured as follows:

Continue capital equipment loan payments of \$8,333.33/month for 36 months	= \$300,000
Begin Phase 1 jobs loan payments of \$1,666.67/month after 1 year for 24 months	= \$ 40,000
<u>Begin Phase 1 jobs loan payments of \$10,000/month after 3 years for 12 months</u>	<u>= \$120,000</u>
All loan payments after 48 months	= \$460,000

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 23rd day of March, 2010.

ATTEST:

Marelyn Shedd
Secretary/Treasurer

Paul Cannon
President

APPROVED:

T. Daniel Santee, City Attorney

DEVELOPMENT CORPORATION OF ABILENE, INC.
BOARD AGENDA
MEETING DATE: March 23, 2010

PROJECT: Project KP

STAFF: Richard Burdine, CEO

THE COMPANY

Project KP is an engineering, procurement and construction contractor serving power and industrial clients. Since its beginnings nearly 25 years ago, the company is equipped to provide customers with a full range of high-quality, cost-effective, in-house engineering and construction services.

THE PROJECT

The Abilene operation has moved into a modernized modularization production facility. The company proposes additions to the facility to allow increased production and the creation of 26 FTE's over the next 3 years.

Staff proposes the DCOA assist with a paint and sandblasting booth, parking lot expansion and repair, purchase of air compressors, electrical upgrades for the east shop, and south shop enclosure with overhead lifting rail. The company estimates these improvements will cost \$1.5 million. Staff also proposes job creation assistance for 26 new FTE's.

Total proposed assistance is \$544,500, as indicated below. The company requests funding up front in the form of a forgivable loan secured by a 2nd lien on their real estate holdings. The loan will bear 0% interest with principal reductions applied annually over 3 years based on the formulas for assistance below.

Job Creation Incentive – Up to \$319,500 for creation of 26 new FTE's. Principal reductions will be applied annually toward the outstanding principal balance as indicated in the chart below over 3 years at 1/3 the Per FTE Incentive amount:

Salary Level/Annually	Projected Jobs	Per FTE Incentive	Total Assistance Amount
\$20 to \$30,000	0	\$4,000	0
\$30 to \$40,000	10	\$10,000	\$100,000
\$40 to \$50,000	10	\$12,000	\$120,000
\$50 to \$60,000	5	\$15,000	\$75,000
Over \$60,000	1	35%	\$24,500
Total Jobs:	26		\$319,500

Capital Investment Incentive – Up to \$225,000 for future investment in capital equipment and real property improvements, as described above. Funding will be advanced at 15% of actual cost upon receipt by DCOA of copies of paid invoices evidencing such costs. Principal reductions will be applied annually at \$75,000 over a 3-year period.

FISCAL IMPACT

\$544,500

STAFF RECOMMENDATION

Staff recommends approval of resolution DCOA-2010.13 authorizing an incentive package totaling \$544,500 as outlined above for Project KP.

ATTACHMENTS

Resolution DCOA-2010.13

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RESOLUTION NO. DCOA-2010.13

A RESOLUTION OF THE DEVELOPMENT CORPORATION OF ABILENE, INC. (DCOA), ABILENE, TEXAS AUTHORIZING ASSISTANCE FOR PROJECT KP.

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

WHEREAS, Project KP is a leading engineering, procurement and construction contractor serving power and industrial clients; and,

WHEREAS, the Abilene operation has moved into a modernized modularization production facility and requires additions to its facility to allow increased production and the creation of 26 FTE's over the next 3 to 5 years; and,

WHEREAS, staff requests the DCOA approve an incentive package for Project KP of up to \$544,500 as outlined below.

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

PART 1. DCOA approves an incentive package for Project KP for an amount not to exceed Five Hundred Forty-Four Thousand Five Hundred and no/100's Dollars (\$544,500) to assist Project KP with expansion of its Abilene operation to include but not be exclusive to adding a paint and sandblasting booth, parking lot expansion and repair, purchase of air compressors, electrical upgrades for the east shop, and south shop enclosure with overhead lifting rail. The company estimates these improvements will cost \$1.5 million. Also, the company will create 26 new FTE's over the next 3 years.

The job creation incentives will be provided in advance in the form of a forgivable loan secured by a 2nd lien on the Company's real estate holdings. The loan will bear 0% interest with principal reductions applied annually over 3 years based on the formulas for assistance below:

Job Creation Incentive – Up to \$319,500 for creation of 26 new FTE's. Principal reductions will be applied annually toward the outstanding principal balance as indicated in the chart below over 3 years at 1/3 the Per FTE Incentive amount:

Salary Level/Annually	Projected Jobs	Per FTE Incentive	Total Assistance Amount
\$20 to \$30,000	0	\$4,000	0
\$30 to \$40,000	10	\$10,000	\$100,000
\$40 to \$50,000	10	\$12,000	\$120,000
\$50 to \$60,000	5	\$15,000	\$75,000
Over \$60,000	1	35%	\$24,500
Total Jobs:	26		\$319,500

Capital Investment Incentive – Up to \$225,000 for future investment in capital equipment and real property improvements at one of the properties, including purchase of a paint and sandblasting booth, parking lot expansion and repair, purchase of air compressors, electrical upgrades for the east shop, and south shop enclosure with overhead lifting rail. Funding will be advanced at 15% of actual cost upon receipt by DCOA of copies of paid invoices evidencing such costs. Principal reductions will be applied annually at \$75,000 over a 3-year period.

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 a final contract and all other related documents on behalf of the DCOA.

ADOPTED this the 23rd day of March, 2010.

ATTEST:

Marelyn Shedd
Secretary/Treasurer

Paul Cannon
President

APPROVED:

T. Daniel Santee, City Attorney

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DEVELOPMENT CORPORATION OF ABILENE, INC.

BOARD AGENDA

MEETING DATE: March 23, 2010

PROJECT: Amended Lease with Texas Tech University for the Grant Building at 302 Pine Street

STAFF: Richard Burdine, CEO

BACKGROUND INFORMATION:

This time last year the DCOA Board approved a one year sublease of the first floor of the Grant Building by Texas Tech University (TTU) to the Abilene Independent School District (AISD) to establish a Science, Technology, Engineering and Math (STEM) High School. At that time the second and third floors of the building were occupied by the Texas Tech University Software Engineering Graduate Program. Since then AISD has outgrown the Grant Building and TTU has discontinued the software engineering program in Abilene. The DCOA did not charge rent to TTU so long as the software engineering program was housed there as a DCOA-assisted project to develop the computing and information technology sector in the local economy.

As outlined in the attached letter of February 26th, 2010 from Bob Hickerson, Chief Operating Officer for TTU Off-Campus Sites, TTU now requests to amend the existing lease to allow them to use the second and third floors of the building to deliver classes remotely using the teleconferencing equipment installed there. TTU also wishes to sublease space to the TTU Health Sciences Center School of Nursing for administrative offices and classrooms. Because these programs are ineligible for DCOA assistance, staff recommends charging market rate rent for the building. After considering rents charged for similar downtown office space, a rate of \$6.00 per square foot was proposed and agreed to by TTU.

FISCAL IMPACT:

Rental income of \$65,748/year based on \$6 per square foot per year for 10,958 square feet.

STAFF RECOMMENDATION:

Staff recommends approval of an oral resolution authorizing the CEO to negotiate an amended lease with Texas Tech University for the Grant Building at 302 Pine Street.

ATTACHMENTS:

February 26th, 2010 Letter from Bob Hickerson, Chief Operating Officer for TTU Off-Campus Sites



MEMORANDUM

Date: February 26, 2010

From: Bob Hickerson/COO, TTU Off-Campus Sites *BH*

To: Richard Burdine/CEO, Abilene DCOA

Through:

- 1) Matt Baker/Dean, University College *MB*
- 2) Chandice Covington/Interim Dean, ATP School of Nursing *C.C. (MB)*
- 3) Bob Smith/Provost, TTU *Bob Smith (MB)*

Subject: Modification of Lease/Abilene Grant Bldg/302 Pine

Richard, as we have discussed, Texas Tech University desires to extend/modify the existing base lease between Texas Tech University and the Development Corporation of Abilene, Inc., for space in the Grant Building at 302 Pine for a two-year period beginning September 1, 2010, with option to renew. Additionally, we would like to execute a sublease to permit the Texas Tech University Health Sciences Center Anita Thigpen Perry School of Nursing to co-locate with us in that facility.

We propose to consolidate our operations to use only the 2nd and 3rd floors, a total of 10,958 square feet of usable space (see Attachment 1) and request that the base lease cost be calculated only on space actually occupied, at the \$6/sq. ft. annual figure you quoted earlier.

Based upon our experience with the building, the HVAC system is a major concern. We assume that major repairs to that system, such as replacement of the roof-top chiller systems, would fall outside of the provisions of paragraph V.(b) which require lessee to assume responsibility for routine maintenance for heating, ventilating, and air conditioning equipment.

Accommodation of the School of Nursing program will require improvements involving construction of partition walls to two office spaces and classroom 215. As required by paragraph V.(c) of the base list, we will provide a written request with detailed plans for those modifications.

7.2

Memo RH:rh dated Feb 26, 2010

Page 2

We would like to meet as soon as possible to discuss this proposal. Thank you for your past and continued support of the Texas Tech University System.

Sincerely, Bob

cc: Joe Crawford, President, DCOA

Norm Archibald, Mayor, City of Abilene

Scott Dueser, CEO, First Financial Bankshares, Inc.

ATTACHMENT 1 – Abilene Grant Building Proposed Square Footage and Purpose

DEVELOPMENT CORPORATION OF ABILENE, INC.

BOARD AGENDA

MEETING DATE: March 23, 2009

PROJECT: Construction and Funding to Repaint Hangar Floors

STAFF: Richard Burdine, CEO

BACKGROUND

In 2009, the board approved funding to upgrade lighting and to repair insulation and install bird netting in all 4 hangars leased to Eagle Aviation Services, Inc. (EASI). Feedback from EASI management has been very positive and employees are satisfied with the results. EASI also requested that the hangar floors be repainted. To my knowledge, the hangar floors have not been repainted since EASI first occupied the hangars.

The floors in Hangars 0 and 1 are in the worst shape with peeling paint resulting in a potential safety hazard for employees and an unattractive work environment. Due to the complexities involved in prepping and painting concrete and because the moisture content in the concrete floors of the hangars is high, professional assistance is needed to ensure quality work.

Title Luther Partnership (TLP) has experience working with Dyess AFB on hangar renovations, including refinishing hangar floors. On September 23, 2009, the board approved resolution DCOA-2009.19 authorizing a contract with TLP to develop cost estimates, technical specifications and bid documents for repainting the floors of Hangars 0 and 1 not to exceed \$8,000.

On March 2, 2010, bids from 6 different vendors were opened. The bids include refinishing the floor of Hangar 0 as the base bid and the floor of Hangar 1 as an add-alternate. The lowest responsible bidder is DecoCrete, Inc. from Grand Prairie, TX with a bid of \$205,195 for the base bid and add-alternate. Two bidders were disqualified because a bid bond from each was not submitted as required.

THE REQUEST

I propose the board authorize a contract with DecoCrete, Inc. for Hangar 0 (base bid) and Hangar 1 (add-alternate) floor refinishing plus funding of \$205,195 for the contract and 15% contingency funds of \$30,780 for total construction funding of \$235,975. Also proposed is more funding for TLP for the bidding and construction phases of the project totaling \$7,500 (including reimbursables).

FISCAL IMPACT

Construction contract with DecoCrete, Inc.	\$205,195
15% contingency funds	\$ 30,780
Title Luther Partnership A/E	<u>\$ 7,500</u>
TOTAL	\$243,475

STAFF RECOMMENDATION

Staff recommends approval of resolution DCOA-2010.12 authorizing a contract and funding for refinishing the floors of Hangars 0 and 1 and additional architectural/engineering fee money.

ATTACHMENTS

Letter of recommendation from Tittle Luther Partnership dated March 10, 2010 including bid tabulation sheet and reference checks.

Resolution DCOA-2010.12

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Jack W. Harkins AIA
Gary C. Potts AIA
Ruppert S. Rangel AIA GCC
W. Paige Galtner AIA
Mike Cleveland
James D. Telle AIA

March 10, 2010

Richard Burdine – Assistant City Manager
Development Corporation of Abilene
P.O. Box 60
Abilene, Texas 79604

340 BEECH STREET
ABILENE, TX 79601

T 325.673.8178
F 325.673.8195
tlp-architecture.com

Project: Hangar "0" and "1" Floor Reinishing
Abilene Regional Airport

Subject: Bid Evaluation and Recommendation

Mr. Burdine:

On March 2, 2010, bids were received at your office for refinishing the flooring at Hangar "0" (Base Bid) and Hangar "1" (Alternate One). Bidding documents were issued via the internet to eight interested firms. Bids were received from six Contractors; two are invalid because of incomplete bid documents. Refer to attached bid tabulation for a bid and alternate cost breakdown.

DecoCrete, Inc. was the low responsive bidder and did not qualify their bid. We called references (see attached) supplied by DecoCrete and all reflect positive performance and results. We recommend, if available funds allow, awarding the contract for Base Bid and all alternates to DecoCrete, Inc.

We appreciate the opportunity to provide The Development Corporation of Abilene with architectural services for this project.

Sincerely,

The Tittle Luther Partnership, L.L.P.

Ruppert Rangel, AIA

Attachment

The Tittle Luther Partnership

Bid Tabulation

DCOA - Hangar "0" and "1" Flooring
 Development Corporation of Abilene
 Bid Date: March 2, 2010 2:00 PM

Addenda Issued: One

Contractor	Base Bid Hangar "0"	Alternate One Hangar "1"	Alternate Two Hangar "1" Wash Area	Total Base Bid + Alternates
Decorete	\$102,312	\$72,511	\$30,372	\$205,195
DLS Floor Systems*	\$69,088	\$43,888	\$35,247	\$148,223
Industrial Flooring Services*	\$142,474	\$134,595	\$32,057	\$309,126
Johnson & Sons	\$147,900	\$114,100	\$21,150	\$283,150
Mobile Enterprises	\$166,225	\$133,730	\$10,535	\$310,490
Southwest Construction Services	\$215,498	\$225,521	\$27,889	\$468,908

8.4

* No Bid Bond included with bid

References for DecoCrete, Inc. www.decocreteinc.com

Jimmy Jones - Williams Development

713-683-8444 - Office

713-248-4448 - Cell

"Really good work and quality. They have worked for me for about 20 years working on flooring of grocery stores, car dealerships, Walmarts and others."

Steve Skabla - Vaughn Construction

713-243-8300 - Office

"They do good work and when there is a problem, they take care of it. I would hire them again."

Mike Wood - Lemco

241-687-2209 - Cell

"They did a complicated job of about 80,000 square feet of urethane flooring in Nov. 2009 that required keeping Owner in operation. The results were very good."

Ray Conklin - Texas Department of Criminal Justice

903-928-1910 - Office

"They have done several projects for TDJC, including kitchens, showers, and meat packing areas. Latest was existing meat packing plant that was a mess. They worked around our operation and kept us running. We were happy with the floor."

RESOLUTION NO. DCOA-2010.12

A RESOLUTION OF THE DEVELOPMENT CORPORATION OF ABILENE, INC. ("DCOA"), ABILENE, TEXAS AUTHORIZING A CONSTRUCTION CONTRACT FOR REFINISHING THE FLOORS OF HANGARS 0 AND 1 AT THE ABILENE REGIONAL AIRPORT OCCUPIED BY EAGLE AVIATION SERVICES, INC. ("EASI") AND FUNDING FOR CONSTRUCTION AND ADDITIONAL ARCHITECTURAL/ENGINEERING FEES.

WHEREAS, EASI has been in Abilene since 1994 and currently occupies four industrial hangars and a records/part storage facility at the Abilene Regional Airport to provide overnight checks and heavy maintenance services on regional jets and propeller aircraft for American Eagle Airlines; and,

WHEREAS, the floors in Hangars 0 (2641 Airport Blvd) and 1 (2751 Airport Blvd) at the Abilene Regional Airport need to be refinished to avoid potential hazards for employees and improve the aesthetics of the hangars; and,

WHEREAS, on September 23, 2009, the board approved resolution DCOA-2009.19 authorizing a contract with Tittle Luther Partnership to develop technical specifications for the project and funding of \$8,000; and,

WHEREAS, bids were opened on March 2, 2010, for refinishing Hangar 0 as the base bid and Hangar 1 as the add-alternate and six vendors submitted bids; and,

WHEREAS, Staff requests the DCOA authorize a contract with the lowest responsible bidder and funding for refinishing the floors in Hangars 0 and 1, plus additional funds for construction contingency and architectural/engineering services.

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

PART 1. DCOA authorizes a construction contract with DecoCrete, Inc. of Grand Prairie, Texas, for floor refinishing in Hangars 0 and 1 at the Abilene Regional Airport, located at 2641 and 2751 Airport Blvd, respectively, currently occupied by Eagle Aviation Services, Inc. Also approved is funding in the amount of \$205,195 for the base bid and add-alternate, plus a 15% contingency of \$30,780. Additional funds of \$7,500 are approved for architectural/engineering services performed by Tittle Luther Partnership to carry the project through the construction phase. The funding authorized herein in the total amount of Two Hundred Forty-Three Thousand Four Hundred Seventy-Five and no/100's Dollars (\$243,475) is as follows:

Construction contract with DecoCrete, Inc.	\$205,195
15% contingency funds	\$ 30,780
Tittle Luther Partnership A/E	<u>\$ 7,500</u>
TOTAL	\$243,475

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 23rd day of March, 2010.

ATTEST:

Marelyn Shedd
Secretary/Treasurer

Paul Cannon
President

APPROVED:

T. Daniel Santee, City Attorney

DEVELOPMENT CORPORATION OF ABILENE, INC.
BOARD AGENDA
MEETING DATE: March 23, 2010

PROJECT: Sponsorship of the 2010 ACU Springboard Ideas Challenge

STAFF: Richard Burdine, CEO

BACKGROUND INFORMATION:

As described on their website (<http://www.springboardchallenge.com/index.php>), the Springboard Ideas Challenge is a mini-business plan competition for the Abilene community and institutions of higher learning, with the mission of increasing the entrepreneurial spirit in the Abilene community. This competition fosters business growth at university and community levels by giving participants a chance to organize, direct and present a business idea to a panel of judges.

Springboard is hosted by the College of Business Administration at Abilene Christian University and is planned and directed by a committee comprised of both students and faculty at ACU. In its first two years, Springboard awarded \$30,000 and \$40,000 respectively in prize money to students, faculty, and community members.

This year, Springboard will accept submissions from the entire Abilene community, and will award \$50,000 in prize money to assist entrepreneurs in the start-up process.

Springboard is the brainchild of James R. Porter, Entrepreneur-in-Residence at ACU, in an effort to increase the entrepreneurial drive and spirit not only on ACU's campus, but across Abilene. Mr. Porter is a successful venture capitalist and executive brought to ACU to help establish its innovative Entrepreneurship and Philanthropy program.

The DCOA can sponsor the event under marketing to further the Board's goal, "to increase the number and size of minority-owned, woman-owned and entrepreneurial businesses in Abilene." As was the case in 2008 and last year, staff recommends granting a \$5,000 sponsorship.

FISCAL IMPACT:

Platinum sponsorship level - \$5,000.

STAFF RECOMMENDATION:

Staff recommends approval of an oral resolution authorizing sponsorship of the Springboard Ideas Challenge in the amount of \$5,000.

ATTACHMENTS:

Letter from Kevin Christian, Director of Entrepreneurship Programs, ACU College of Business Administration
Springboard Ideas Challenge Information Packet



SPRINGBOARD

IDEAS CHALLENGE

Dear Richard:

The ACU College of Business Administration is proud to announce its third-annual ***Springboard Ideas Challenge***, a mini-business plan and elevator pitch competition open to the entire community culminating with an awards banquet on April 24, 2010. We were very appreciative of the DCOA's \$5,000 gift last year that we recognized at the *Platinum* level. Our standard *Platinum* level is set this year at \$6,500, but we would be happy to honor a gift from the DCOA at last year's amount in the *Platinum* category.

The competition challenges participants to organize a management team, work together to develop a business concept, and then present that plan to an expert panel of judges. We invite submissions from students and faculty from all institutions of higher learning as well as all other entrepreneurs located within the city limits of Abilene, with winners recognized in three categories: college and university student, community pre-revenue, and community post-revenue. **Last year we awarded \$40,000.** A survey of last year's participants revealed that 67% of respondents had a desire to start their own business "as soon as possible" after participating in *Springboard*. Furthermore, 31% said they are not pursuing their submitted business idea but have moved on to another entrepreneurial venture, 13% reported that they are in conversations with potential customers or investors, and about 30% of respondents now have a revenue producing business. This year we are partnering with the Texas Tech Small Business Development Center, increasing marketing and coaching efforts, and we are reaching out to our military community at Dyess Air Force Base. You can find more information at www.springboardchallenge.com.

Springboard provides **seed capital for entrepreneurs** to begin building, growing, and even hiring; it is the spark that can ignite the entrepreneurial fire that unlocks hope, charts a new career course, changes a family's future, and permeates an entire community. As you well know, these entrepreneurship and innovation stipends fulfill a need not normally met by other local economic development programs that are predominantly purposed for more mature businesses. Further, the program **meets a need identified in the Wadley-Donovan study**, which stated that in order for our local economy to thrive, our universities must do more to assist in economic development.

Past supporters have included the Dian Graves Owen Foundation, Dodge Jones Foundation, local and national banks, local Realtors, and many other businesses and generous supporters.

One of last year's winners, Melissa Richardson, an Autism Specialist at Region 14 Education Service Center, invested her award in website development for *Ecentrically-Speaking.com*, a social network custom-built for the autism community that is now up and running. Ms. Richardson, a McMurry graduate with a masters from ACU and currently a doctoral candidate at Texas Tech, exemplifies *Springboard's* true spirit and **tangible impact on our local community and beyond.**

We ask for the DCOA board's support of this great cause that enables local students and entrepreneurs to realize their dreams of owning their own business. The attachment contains further details concerning our standard giving levels. Thank you for your consideration of this charitable gift.

Sincerely,

Kevin Christian, JD

Director of Entrepreneurship Programs

Abilene Christian University College of Business Administration
ACU Box 29356, Abilene, Texas 79699-9356

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The Springboard Ideas Challenge

The Springboard Ideas Challenge is a mini-business plan competition for collegiate, university, and graduate students as well as community members within the city limits of Abilene, Texas. Springboard is divided into three (3) categories; the student division which includes all undergraduate and master's level students, the pre-revenue community division (ideas or businesses which have not yet produced revenue), and the post-revenue community division (ideas or businesses currently producing revenue). This competition fosters business growth at both university and community levels by giving participants a chance to organize, direct and present a business idea to a panel of judges. Overall, a total of \$50,000 cash will be awarded to top participants.

The SPRINGBOARD IDEAS CHALLENGE is hosted by the College of Business Administration at Abilene Christian University and is planned and directed by a committee comprised of both students and faculty at Abilene Christian University. This committee manages the operations of the Challenge which include:

- *Sponsor Relations
- *Judges
- *Marketing
- *Public Relations
- *Awards Event
- *Fundraising
- *Prize Distribution

Eligibility

Student Pre-Revenue Category:

Each participant must be a student at one of the following institutes of higher learning: Abilene Christian University, Cisco Junior College, Hardin-Simmons University, McMurry University, Texas State Technical College, and Texas Tech University at Abilene. Furthermore, students must be currently enrolled during the spring semester of the competition year.

Community Pre-Revenue Category:

Each participant must hold a permanent residence within Abilene, Texas. Participants must be 18 years or older, and the proposed business or idea must be in a pre-revenue (\$0.00 in sales) stage.

Community Post-Revenue Category:

Each participant must hold a permanent residence within Abilene, Texas. Participants must be 18 years or older, and the proposed business or idea must be in a post-revenue (greater than \$0.00 in sales) stage.

The Competition Process

Preliminary Round: Mini-Business Plan

This phase is open to all contestants who should begin by registering at www.Springboardchallenge.com under *Registration*. Submit the form with ALL required information. An entry fee of \$10.00 is required at the time of registration and will be processed through UltraCart.

OR

Complete the registration form (found online at www.springboardchallenge.com) and mail (along with \$10 in cash or check) to:

Springboard Ideas Challenge
ACU Box 29356
Abilene, TX 79699

OR

Deliver the registration form and \$10 entry fee in cash or check in person to the Mabee Business Building at Abilene Christian University. Submit the form with ALL required information.

Checks should be made out to ACU-Springboard Ideas Challenge. Note that credit card payments will not be accepted EXCEPT through UltraCart.

Registration is due by March 24, 2010 at 9p.m.

PLEASE NOTE: Multiple submissions ARE allowed. However, each submission will require a separate registration as well as entry fee. Participants must prepare a Mini-Business Plan addressing the fundamental issues of interest to potential investors. It should highlight the most important and interesting elements of the business that lead a potential investor to understand why your venture will succeed. For more specific information about the Mini-Business Plan refer to the section under the heading **The Mini-Business Plan**.

Mini-Business Plans are due by April 12, 2010 at 12p.m. and must be submitted electronically in Microsoft Word format (either .doc or .docx) via the dropbox located under the "Submit" tab at www.Springboardchallenge.com. Participants who do not wish to submit their Mini-Business Plans online must mail or hand deliver the document on a CD to the address listed above.

Please note that the name of the document must include the competitor's participant number (i.e. 17S.docx). See the heading **The Mini-Business Plan** for more information about participant numbers.

As many as fifteen to twenty finalists (depending on the number of contestants and the natural breaks in scoring) in each category will be selected for the Final Round based on their Mini-Business Plans and will be announced via email with confirmation of receipt required within twelve hours of announcement. Each of the finalists will present their businesses to the panel of judges. Live panel judging will take place on April 17, 2010. Since the time is limited to five minutes, the presentation must be well-organized and emphasize only the key features of the business idea. For more information about the Oral Presentation refer to the section under the heading **The Oral Presentation**. All prizes and awards will be announced at the Springboard Ideas Challenge Awards Event.

The Mini-Business Plan

The Mini-Business Plan is a brief document that should address the fundamental issues that would be of interest to potential investors. It should highlight the most important and interesting points of the business, which should give potential investors a general understanding of why this venture would succeed.

The Mini-Business Plan does not need to have a cover sheet and need only have a header on each page with the participant number assigned after registration and the year of competition. For instance, if after registration a participant was emailed and informed that his/her participant number was 17S, the header ON EACH PAGE would look like this:

17S - 2010

To avoid any bias in judging, a participant's name or school affiliation should NEVER appear anywhere within the submission as it will be cross referenced with the registration form. The Mini-Business Plan should be formatted as follows:

- *1-inch margins on all sides
- *Times New Roman
- *Size 12 font
- *Compressed or expanded type is not permitted
- *Double spaced

While the entire document should be no more than 10 narrative, NUMBERED pages, contestants should note that charts and graphs are permitted and should be included at the end of the document (charts and graphs DO NOT count towards the 10 page text limit). The following suggested organization is based on the judging criteria as outlined under the **Judging** section.

Overview

1. What is the need in the environment?
2. What does this business provide that fulfills that need?
3. What makes this idea valuable to the consumer?

Target Market

1. Describe the size and composition of the market.
 - a. Maturity
 - b. Demographic
 - . Geographic
2. Who or what is the ideal customer for this business?
3. What need do they have?

Business Idea

1. How does this idea fulfill the need?
2. What, in particular, makes this idea unique?
3. Why is now the best time to create the business?
4. What proprietary advantages does this business have?

Competitive Analysis

1. Who are the main competitors in this industry?
2. What are their competitive advantages?

Implementation

1. Where will the business be located?
2. What are the key management positions within the company and who will occupy them? If no one, what does the ideal candidate look like?
3. Approximately how much start-up capital will the business require?

The Oral Presentation

The oral presentation information does not have to be in any particular order. It is important that participants first build enthusiasm for the idea and then prove that it can be successful in the market. Each finalist will have FIVE minutes to present the business followed by a brief period where the panel of judges will have the opportunity to ask questions. A timekeeper in the room will monitor time restrictions. The timekeeper will notify the presenter of remaining time at appropriate intervals and inform the presenter when time is up.

During the Oral Presentation, PowerPoint presentations are limited to one slide and other visual aids are permitted. However, participants should note that the five-minute period begins once the contestant enters the presentation room. Therefore, the Springboard Ideas Challenge suggests that any visual aids that are utilized are of the small, hand-held variety.

PLEASE NOTE: Judges will have already reviewed a copy of the participant's mini-business plan and will have it in front of them during the presentation so that contestants will be able to refer to appropriate charts and graphs during the presentation.

Elevator Pitch

As part of the Springboard Challenge, you will have the opportunity to present an Elevator speech. In this exercise you will need to prepare a presentation that you would be able to pitch to an individual you encounter in an elevator, hence the name "elevator speech". Participants in this portion of the competition will be given sixty seconds to pitch their business idea. In this time, your goal is to captivate your audience and spark their interest in your business through the information you provide.

This part of the competition is completely separate from the business plan aspect, allowing any individual to participate. The filming of the elevator pitches will take place on April 16th and 17th at the Springboard Accelerator, time TBA. The top participant will receive a cash prize TBA.

Judging

The judges' panel consists of venture capitalists, lawyers, accountants, entrepreneurs, and other successful and knowledgeable business and academic leaders. Judges will not be affiliated with the preparation of any participating business idea. The decision of the judges' panel will be final and will not be subject to appeal. The overall selection of winners is based on the viability and likely success of the business. The scoring will be consistent with the criteria put forth in the round scorecards. Judging for each round will be unique to the rounds scoring criteria.

The Judging Criteria

Each round of judging is done using criteria unique to each round. The judging scorecards will be available at www.Springboardchallenge.com. Each criterion is evaluated in consideration of creativity, effort, communication, and presentation. The top scores in the preliminary round advance to the final round and winners are chosen based on the combined scores from both rounds.

Confidentiality and Agreements

Confidentiality is a very important issue when presenting business plans and ideas, and is an issue that the Springboard Ideas Challenge takes very seriously. Because of this, the Springboard Ideas Challenge offers the opportunity for any participant to request that judges and other persons with access to Mini-Business Plans sign a Confidentiality Agreement, a copy of which can be found on the next page.

If a participant would like to request that this agreement be signed, the request must be submitted via email (Springboardchallenge@gmail.com) at the time that the participant's Mini-Business Plan is submitted. The subject of the email should contain the words "Confidentiality Agreement Requested." The body of the email should include the participant's name, school or business affiliation, student ID number (if applicable), and participant number.

Competitors are responsible to protect any information concerning the submitted plan that is shared with mentors or fellow participants in the competition. The Springboard Ideas Challenge takes no responsibility for unwanted disclosure in these instances.

In registering for the Springboard Ideas Challenge, participants agree to indemnify, defend, and hold harmless Abilene Christian University, its Board of Trustees, officers, employees, agents, representatives, and volunteers, including the College of Business Administration and the Springboard Ideas Challenge, from and against any and all liability, claims, demands, or on account of injury, loss, damage, or expense, including defense costs, court costs, and attorneys fees, which arise out of or are in any manner connected with their participation in the Springboard Ideas Challenge including, but not limited to, disclosure of proprietary concepts.

Contestants should be careful about disclosing information concerning proprietary concepts. Although a patent application can be filed in the United States up to one year after the first public disclosure of an invention, many foreign countries do not allow patent applications unless they are implemented before any sort of public disclosure.



Confidentiality Agreement

It is understood and agreed to that the below identified discloser of confidential information may provide certain information that is and must be kept confidential. To ensure the protection of such information, and to preserve any confidentiality necessary under patent and/or trade secret laws, it is agreed that

1. The Confidential Information to be disclosed can be described as and includes:

Invention description(s), technical and business information relating to proprietary ideas and inventions, ideas, patentable ideas, trade secrets, drawings and/or illustrations, patent searches, existing and/or contemplated products and services, research and development, production, costs, profit and margin information, finances and financial projections, customers, clients, marketing, and current or future business plans and models, regardless of whether such information is designated as "Confidential Information" at the time of its disclosure.

2. This Agreement imposes no obligation upon Recipient with respect to any Confidential Information (a) that was in Recipient's possession before receipt from Discloser; (b) is or becomes a matter of public knowledge through no fault of Recipient; (c) is rightfully received by Recipient from a third party not owing a duty of confidentiality to the Discloser; (d) is disclosed without a duty of confidentiality to a third party by, or with the authorization of, Discloser; or (e) is independently derived by Recipient.
3. This Agreement states the entire agreement between the parties concerning the disclosure of Confidential Information. Any addition or modification to this Agreement must be made in writing and signed by the parties.
4. If any of the provisions of this Agreement are found to be unenforceable, the remainder shall be enforced as fully as possible and the unenforceable provision(s) shall be deemed modified to the limited extent required to permit enforcement of the Agreement as a whole.

WHEREFORE, the parties acknowledge that they have read and understand this Agreement and voluntarily accept the duties and obligations set forth herein.

Recipient of Confidential Information:

Name (Print or Type):

Signature:

Date:

Discloser of Confidential Information:

Name (Print of Type):

Signature:

Date:

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