

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

MEMBERS PRESENT:	Mike Schweikhard Dani Ramsay	Scott Senter
MEMBERS ABSENT:	Paul Cannon	Marelyn Shedd
STAFF PRESENT:	Richard Burdine Mindy Patterson	Kim Tarrant Stan Smith
GUESTS PRESENT:	Jaime Adame Gary Robinett Andrew Carlson	Abilene Reporter-News Abilene Industrial Foundation KTAB/KRBC TV

1. **CALL TO ORDER.** Mike Schweikhard called the meeting to order at 1:36 pm in the Develop Abilene conference room located at 174 Cypress Street, 3rd floor, Abilene, TX.
2. **APPROVAL OF MINUTES FROM THE MARCH 9, 2010 BOARD MEETING.** Scott Senter moved to approve the minutes from the March 9, 2010 board meeting. Dani Ramsay seconded and the motion carried.
3. **SALES TAX REPORT FOR MARCH 2010.** This report represents January sales and is 2.69% above last year. The sales tax rebate for economic development for March was \$618,659.39.
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.

Vice President Mike Schweikhard announced the date is March 23, 2010, and the time is 1:40 p.m. Mr. Schweikhard then announced the date is still March 23, 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.** Genesis Networks Solutions, Inc. (GNS) is a local company formed in 2006. It delivers proven, end-to-end IT solutions for companies in need of software testing and development. GNS experienced rapid growth and in April 2008, the DCOA approved funding of \$2,349,000 for Phase 2 expansion for 150 additional jobs, relocation assistance, job training and a capital investment loan. The economic downturn has affected operations and some customers have moved projects off shore resulting in a loss of 42 jobs since February 2009. Current employment is 100, and 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 plan is to grow employment back to 128 by the end of 2010 and provide employees with training opportunities to improve skills.

GNS requests and staff proposes that the Phase 2 assistance package be adjusted down from \$2,349,000 to \$1,117,739 (a difference of \$1,231,261). Job creation for Phase 1 is lowered from 143 to 115, meaning Phase 2 job creation begins with the 116th position and total Phase 2 job creation is now 75 rather than 150. The principal payments totaling \$150,000 received so far in payment of the Phase 2 capital equipment loan will be applied to the outstanding balance of the Phase 1 job creation incentive loan. To ensure payoff of the Phase 1 note balance, payments of \$1,666.67/mo will begin in March 2011 and increase to \$10,000/mo in March 2013 for one year.

The Phase 2 note balance jumps back up to \$245,305 and GNS has the option to draw down the remaining \$54,695 (up to \$300,000 total). Monthly payments of \$8,333.33 will continue for 36 more months. The job creation incentive, job training grant and relocation grant are all reduced. Projected job creation for Phase 2 is 75 in excess of 115 for Phase 1 for total FTE employment of 190.

Dani Ramsay moved to approve Resolution No. DCOA-2010.11 as presented. Mike Schweikhard seconded. The motion carried, with Scott Senter abstaining from voting.

6. DISCUSSION & POSSIBLE APPROVAL OF A RESOLUTION AUTHORIZING ASSISTANCE FOR PROJECT KP. There was no discussion on this item. Scott Senter moved to table, Dani Ramsay seconded and the motion carried.

7. DISCUSSION & 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. In early 2009, 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 TTU Software Engineering Graduate Program. Since then, the AISD has outgrown the Grant Building and TTU has discontinued the software engineering program in Abilene. The DCOA did not charge rent to TTU as long as the software engineering program was housed there as a DCOA-assisted project.

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 of \$6.00 per square foot per year.

Scott Senter made a motion to approve, by oral resolution, authorization for the CEO to negotiate an amended lease with Texas Tech University for the Grant Building at 302 Pine Street charging market rent for the 2nd and 3rd floors only. The motion was seconded by Dani Ramsay and carried.

- 8. DISCUSSION & POSSIBLE APPROVAL OF A RESOLUTION AUTHORIZING A CONSTRUCTION CONTRACT AND FUNDING TO REPAINT FLOORS IN HANGARS 0 AND 1 AT THE ABILENE REGIONAL AIRPORT OCCUPIED BY EAGLE AVIATION SERVICES, INC.** Eagle Aviation Services, Inc. (EASI) has requested that the hangar floors be repainted. To staff's 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. In September 2009, the DCOA board authorized a contract with the Tittle Luther Partnership (TLP) to develop cost estimates, technical specifications and bid documents for repainting the floors of Hangars 0 and 1. 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. with a bid of \$205,195 for the base bid and add-alternate.

Staff recommends the board authorize a contract with DecoCrete, Inc. for both 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. Also proposed is more funding for TLP for the bidding and construction phases of the project totaling \$7,500 (including reimbursables).

A motion was made by Dani Ramsay to approve Resolution No. DCOA-2010.12 as presented. Scott Senter seconded and the motion passed by unanimous consent.

- 9. DISCUSSION & POSSIBLE APPROVAL OF AN ORAL RESOLUTION AUTHORIZING SPONSORSHIP OF THE 2010 SPRINGBOARD IDEAS CHALLENGE IN THE AMOUNT OF \$5,000.** 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. Springboard is the brainchild of James R. Porter, Entrepreneur-in-Residence at Abilene Christian University (ACU). The College of Business Administration at ACU has hosted Springboard since 2008.

This year Springboard will award \$50,000 in prize money to assist entrepreneurs in the start-up process. The DCOA has granted a platinum level sponsorship of \$5,000 in each of the last two years. Staff recommends the DCOA sponsor Springboard again in 2010 at the \$5,000 platinum level.

Scott Senter moved to approve the sponsorship as recommended by oral resolution. Dani Ramsay seconded the motion and it carried.

10.ADJOURNMENT. The next board meeting will be on Thursday, April 15, 2010, at 1:30 pm. There being no further business, the meeting was adjourned.


Mike Schweikhard, Vice President