



Agenda Item:

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COUNCIL COMMUNICATION City Manager's Office

GENERAL INFORMATION

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Agenda Item Type: Resolution
No.:

Roll Call

Submitted by: Richard A. Clark, Deputy City Manager

SUBJECT—

Resolution approving an Economic Development Loan Agreement and CEBA Loan with Software Made Easy (Project InVision International).

SYNOPSIS—

Approves an economic development loan with Software Made Easy (Project InVision International), (Matthew B. Meblin, Chairman and CEO, 1595 Grant Avenue, 2nd Floor, Novato, CA 94945) and authorizes execution of all related documents.

On March 28, 2005, by Roll Call No. 05-731, Council approved preliminary terms of a \$178,000 economic development loan and authorized the City Manager to negotiate final terms of the agreement. The March 28, 2005 action also included the submission of an application to the Iowa Department of Economic Development. The State has approved their \$700,000 CEBA loan and is presenting the CEBA Contract for approval and execution by the City and Software Made Easy.

The company is proceeding with a strategy to open a Des Moines office for its Project InVision operations. Des Moines will then become the center for the majority of the Project InVision aggressive employment growth, which calls for adding 89 employees over 5 years. The average annual wage is projected to be at least \$75,000.

FISCAL IMPACT—

A \$178,000 economic development loan is proposed to facilitate the company's pledge to add 89 high-tech jobs to Des Moines for its Project InVision operations. The loan will be advanced in two stages. The first half (\$89,000) will be a repayable loan, to be advanced when the company executes an office lease in Des Moines. This repayable portion of the assistance will be repaid in 7 annual installments at 0% interest. Repayment will commence 12 months following distribution.

The second half of the assistance package (\$89,000) will be a forgivable loan. This forgivable loan will be advanced when the company's Des Moines employment for Project InVision operations reaches 15 full-time employees or the company executes its strategy to purchase an office building in Des Moines, whichever occurs first. The funding source for the loan will be the Economic Development Enterprise Account. If possible, this account may be repaid this amount through TIF funds.

The State of Iowa and Polk County respectively approved \$700,000 and \$200,000 incentive packages for Project InVision. The City economic development loan will be secured by a blanket UCC-1 lien on all equipment and fixtures.

RECOMMENDATION—

Approval

BACKGROUND—

The company is a leading provider of project portfolio management (PPM) solutions to Global 2000 companies under its Project InVision International operations. The Project InVision International software suite automates the essential business processes of portfolio analysis and project management, enabling companies to align initiatives with corporate strategy and deliver projects with repeatable success. Partnered with the industry's foremost professional services firms and system integrators, Project InVision International delivers solutions to high-profile clients, including AT&T, EDS, Catholic Health East, First Health Services Corporation, and Prudential.

Last year, the Project InVision International software was featured in the 2004 Summer Olympics in Greece. Project InVision International software assisted OTE (Greece's equivalent of AT&T) in managing the delivery of the new communications infrastructure for the Olympic Games.

The company, headquartered in Novato, California, has selected Des Moines as the location to open an office for Project InVision operations to accommodate future growth. The company is experiencing tremendous sales growth and needs to invest heavily in infrastructure and human resources to accommodate this growth.

The company was also considering locating their Project InVision branch office in Plano, TX or Jacksonville, FL due to those cities' proximity to key clients. One of the company's minority

investors, Acuity Ventures, is the same group that brought GCommerce, PDHI and BayTSP to Des Moines. The company wishes to duplicate the beneficial move to Des Moines made by those firms. The company will lease office space in Des Moines for its operations until it has reached a critical mass that will allow it to purchase its own building. This is estimated to occur in two years.

Much of Project InVision growth is triggered by its audit management solutions. This software package allows audit firms to automate the financial and Sarbanes-Oxley audit process. The Sarbanes-Oxley Act of 2002 aims to restore public confidence in U.S. capital markets in the wake of Enron, WorldCom and other corporate scandals.

The company, founded in 1991, is privately held and headquartered in the San Francisco Bay Area. Matthew Meblin co-founded the company in 1991 as a project management consultancy providing services to Fortune 500 corporations. Mr. Meblin visualized a technology architecture that would fundamentally change the way businesses approach project delivery. The Project InVision International team acted on the vision and delivered Project InVision Version 1.0 to the US Air Force in 1994, initiating the company's transition from consulting firm to software company. Since its release, Project InVision has helped hundreds of organizations worldwide to automate their project portfolio management processes.

In 1997, the company formed a partnership with EDS to design and develop Project InVision 4.0, the first PPM suite that was entirely Web-based. EDS continues to utilize Project InVision today, with over 18,000 users managing more than 100 clients worldwide. In 2000, Microsoft recognized Project InVision as a "Best Business Solution" finalist in the worldwide Microsoft Certified Solution Provider Awards, and subsequently implemented the Project InVision solution throughout Microsoft Global IT to manage their internal project portfolio. The following year, the company released Project InVision 5.0 and launched Project InVision On-Demand, a fully hosted version of the award-winning software suite.

Customers and Alliance Partners

The company's clients include **AT&T, Verizon, EDS, Wendy's, Burger King, Catholic Health East, First Health Services Corporation, and Prudential.**

The company has developed strategic alliances with leading system integrators and professional services firms including **PricewaterhouseCoopers, KPMG, EDS, TELUS** and others. By aligning with Project InVision International, these firms extend their reach to new clients and benefit from more efficient methods of delivering services to existing clients. The company and its partners have embedded industry best practices, methodologies and templates into Project InVision to deliver focused solutions for Financial Audit, Government, Compliance and Information Technology.