



Board Binder Open Session

June 6, 2022

Agenda



**MIDLAND DEVELOPMENT CORPORATION AS AUTHORIZED BY CHAPTER 504 OF THE TEXAS
LOCAL GOVERNMENT CODE**

NOTICE OF PUBLIC MEETING

In accordance with Chapter 551, Texas Government Code, as amended, notice is hereby given to the public that the Board of Directors of the Midland Development Corporation will meet in regular session, open to the public, in the Midland Chamber of Commerce board room, 303 West Wall Street, Suite 200, Midland, Texas, at 10:00 a.m. on June 6, 2022. A quorum of the Board of Directors of the Midland Development Corporation intends to be physically present at the aforementioned location.

Videoconference Information

Join Zoom Webinar

<https://us02web.zoom.us/j/82122422840?pwd=bnBJUy82UmVlZmE1clZDcnNOUC9tZz09>

Passcode: 304656

Or join by phone:

Dial (for higher quality, dial a number based on your current location):

US: +1 346 248 7799 or +1 253 215 8782 or +1 669 900 9128 or +1 312 626 6799 or +1 646 558
8656 or +1 301 715 8592

Webinar ID: 821 2242 2840

Passcode: 304656

International numbers available: <https://us02web.zoom.us/j/kc4zMlLm9r>

At such meeting, the Board of Directors may discuss, consider, and take action on any of the following items:

1. Call meeting to order.
2. Motion approving the minutes of the May 2, 2022, meeting of the Midland Development Corporation.
3. Motion cancelling the July 11, 2022, meeting of the Midland Development Corporation.
4. Resolution authorizing the execution of an amendment to that certain purchase and sale agreement between the Midland Development Corporation and 42, LLC, for the sale of an approximate 58.207-acre tract of land out of Section 11, Block 40, Township 2 South, T&P RR Co. Survey, Midland County, Texas.
5. Resolution approving the budget for the Midland Development Corporation's 2022-2023 Fiscal Year.
6. Resolution appropriating funds from the Midland Development Corporation's 2020-2021 fiscal year budget to be used for promotional purposes, as authorized by Chapter 504 of the Texas Local Government Code.

7. Discuss engaging one or more engineering firms for the purpose of obtaining tenants for certain property owned by the City of Midland at Midland International Air & Space Port.
8. Presentation on the May 2022 monthly expenses and economic development activity report from the Midland Development Corporation Executive Director and staff.
9. Pursuant to Texas Government Code §551.101, the Board of Directors will hold an Executive Session, which is closed to the public to discuss the following matters as permitted under the following Texas Government Code Sections:
 - a. Section 551.072 Deliberation Regarding Real Property
 - i. Discuss the sale, exchange, lease or value of real property described as Lots 5 and 6, Block 35, Original Town of Midland, an addition to the City of Midland, Midland County, Texas.
 - ii. Discuss the sale, exchange, lease or value of real property described as Lots 1A and 9-12, Block 35, Original Town of Midland, an addition to the City of Midland, Midland County, Texas.
 - iii. Discuss the sale, exchange, lease or value of real property described as an approximate 374-acre tract of land out of Section 33, Block 40, T-1-S, T&P RR Co. Survey, Midland County, Texas.
 - b. Section 551.087 Deliberation Regarding Economic Development Negotiations
 - i. Discuss business prospects that the Midland Development Corporation seeks to have, locate, stay, or expand in or near the City of Midland, Texas, and discuss possible incentives, and discuss contract compliance on the part of businesses.

Posted this 3rd day of June 2022.

Amy M. Turner
City Secretary

May 2nd Minutes

MIDLAND DEVELOPMENT CORPORATION

MINUTES

May 02, 2022

The Board of Directors of the Midland Development Corporation convened in regular session at the Midland Chamber of Commerce board room, 303 West Wall Street, Suite 200, Midland, Texas, at 10:00 a.m. on May 02, 2022.

Board Members present: Chairman Stephen Lowery, Director Berry Simpson, Director Brad Bullock Director Lourcey Sams, Director Chase Gardaphe, and Lucy Sisniega

Board Members absent: Director Jill Pennington

Staff Members present: Assistant City Manager Tina Jauz, Finance Director Christy Weakland, City Attorney Nicholas Toulet-Crump, and Deputy City Secretary Vanessa White

Council Member(s) present: Council Member Lori Blong and Council Member Dan Corrales

MDC Staff Members present: Executive Director Sara Harris, Marketing and Administrative Coordinator Kendall Gray

1. Call meeting to order.

Chairman Lowery called the meeting to order at 10:01 am

2. Motion approving the minutes of the April 04, 2022 meeting of the Midland Development Corporation.

Director Gardaphe moved to approve the minutes of the April 04, 2022 meeting of the Midland Development Corporation; seconded by Director Simpson. The motion carried by the following vote: AYE: Lowery, Bullock, Sams and Sisniega. NAY: None. ABSTAIN: None. ABSENT: Pennington.

3. Receive and discuss the Independent Auditors' Report and the Basic Financial Statements for the Fiscal Year 2020-2021 presented by Christy Weakland, Director of Finance for the City of Midland.

Director Bullock moved to approve Independent Auditors' Report and the Basic Financial Statements for the Fiscal Year 2020-2021; seconded by Director Sisniega. The motion carried by the following vote: AYE: Lowery, Sams, Gardaphe and Simpson. NAY: None. ABSTAIN: None. ABSENT: Pennington.

4. Resolution authorizing the execution of a second amendment to that certain Economic Development Agreement between the Midland Development Corporation and Kepler Aerospace, Ltd.

Director Simpson moved to approve Resolution ED-409 authorizing the execution of a second amendment to that certain Economic Development Agreement between the Midland Development Corporation and Kepler Aerospace, Ltd.; seconded by Director Sams. The motion carried by the following vote: AYE: Lowery, Sisniega, Bullock and Gardaphe. NAY: None. ABSTAIN: None. ABSENT: Pennington.

5. Presentation on the April 2022 monthly expenses and economic development activity report from the Midland Development Corporation Executive Director and staff.

MDC Executive Director, Sara Harris reported no sizeable disbursements. There was a \$5000.00 disbursement to the Permian Basin Area Foundation for the promotional agreement associated with the redevelopment of Hogan Park. She noted that sales tax collected in April had increased 25% year over year. She also shared that the MDC would be hosting a familiarization trip the last week of May for targeted aerospace companies interested in locating in or expanding to Midland.

Board recessed into executive session at 10:10 a.m.

6. Pursuant to Texas Government Code §551.101, the Board of Directors will hold an Executive Session, which is closed to the public to discuss the following matters as permitted under the following Texas Government Code Sections:

- a. Section 551.072 Deliberation Regarding Real Property

- i. Discuss the sale, exchange, lease or value of real property described as Lots 5 and 6, Block 35, Original Town of Midland, an addition to the City of Midland, Midland County, Texas.
- ii. Discuss the sale, exchange, lease or value of real property described as Lots 1A and 9-12, Block 35, Original Town of Midland, an addition to the City of Midland, Midland County, Texas.

- b. Section 551.087 Deliberation Regarding Economic Development Negotiations

- i. Discuss business prospects that the Midland Development Corporation seeks to have, locate, stay, or expand in or near the City of Midland, Texas, and discuss possible incentives, and discuss contract compliance on the part of businesses.

Board reconvened into open session at 11:34 a.m.

All the business at hand having been completed, Chairman Lowery adjourned the meeting at 11:34 a.m.

Respectfully submitted,

PASSED AND APPROVED the 6th Day of June 2022.

Jill Pennington, Secretary

David Mims
Purchase & Sale
Agreement
Amendment

RESOLUTION NO. _____

RESOLUTION AUTHORIZING THE EXECUTION OF AN AMENDMENT TO THAT CERTAIN PURCHASE AND SALE AGREEMENT BETWEEN THE MIDLAND DEVELOPMENT CORPORATION AND 42, LLC, FOR THE SALE OF AN APPROXIMATE 58.207-ACRE TRACT OF LAND OUT OF SECTION 11, BLOCK 40, TOWNSHIP 2 SOUTH, T&P RR CO. SURVEY, MIDLAND COUNTY, TEXAS

WHEREAS, the Board of Directors finds it to be in the public interest to authorize the execution of an amendment to that certain Purchase and Sale Agreement with 42, LLC, for the sale of an approximate 58.207-acre tract of land out of Section 11, Block 40, Township 2 South, T&P RR Co. Survey, Midland County, Texas;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE MIDLAND DEVELOPMENT CORPORATION:

THAT the Chairman is hereby authorized and directed to execute, on behalf of the Midland Development Corporation, an amendment to that certain Purchase and Sale Agreement with 42, LLC. Said agreement shall be in a form substantially similar to that of Exhibit A, which is attached hereto and incorporated herein for all purposes.

On motion of Director _____, seconded by Director _____, the above and foregoing resolution was adopted by the Board of Directors of the Midland Development Corporation at a regular meeting on the _____ day of _____, A.D., 2022, by the following vote:

Directors voting "AYE":

Directors voting "NAY":

STEPHEN LOWERY,
Chairman of the Midland
Development Corporation

ATTEST:

JILL PENNINGTON,
Secretary of the Midland
Development Corporation

APPROVED AS TO FORM ONLY:

JOHN OHNEMILLER,
Attorney for the Midland
Development Corporation

AMENDMENT TO THE PURCHASE AND SALE AGREEMENT
BETWEEN
THE MIDLAND DEVELOPMENT CORPORATION
AND
42, LLC

THIS AMENDMENT is made and effective _____, 2022, by and between the **MIDLAND DEVELOPMENT CORPORATION**, a Type A corporation existing under the authority of Chapter 504 of the Texas Local Government Code (“*Seller*”), and the **42, LLC**, a Texas limited liability company d/b/a 42 Real Estate LLC, and/or its assigns (“*Purchaser*”).

WHEREAS, Seller and Purchaser entered into that certain Purchase and Sale Agreement dated October 13, 2021, regarding certain real property consisting of an approximate 58.207-acre tract of land located in Section 11, Block 40, T-2-S, T & P RR Co. Survey, Midland County, Texas (the “*Agreement*”), which was approved by the Midland Development Corporation Board of Directors and the Midland City Council; and

WHEREAS, the Agreement has been in full force and effect since its effective date and has not been allowed to lapse; and

WHEREAS, Seller and Purchaser desire to make certain amendments to the Agreement as set forth below;

W I T N E S S E T H:

For and in consideration of the execution of this Amendment and the mutual promises and covenants of the parties hereto, it is mutually promised, understood and agreed as follows:

- A. Section 3.1 of the Agreement is hereby deleted in its entirety and replaced with the following:

3.1 Feasibility Period/Extension. Unless extended by mutual written agreement of the Parties, Purchaser shall have until 5:00 p.m. (Central Standard Time) on the date which is ninety (90) days from the Effective Date (the “**Feasibility Period**”) and thereafter until Closing or termination of this Agreement to examine the Inspection Documents and the Property. Notwithstanding the foregoing, Purchaser shall have the right, upon written notice to Seller, to extend the Feasibility Period for three (3) sixty (60) day periods (each an “**Extension Period**”). Purchaser’s notice to extend the Feasibility Period must be provided in writing not less than five (5) days before the expiration of the Feasibility Period (as it may have been extended); provided, however, that Purchaser shall not be entitled to extend the Feasibility Period beyond the final 60-day Extension Period. If Purchaser exercises its option to extend the Feasibility Period, Purchaser must deposit an additional \$7,500.00 in escrow with the Title Company for each Extension Period regardless of length of the Extension Period (each an “**Extension Payment**” or collectively, the “**Extension Payments**”). The Extension Payments shall become a portion of

the Earnest Money, shall be non-refundable to Purchaser except in the case of Seller's default or as otherwise provided for under this Agreement, and shall be applied to the Purchase Price at Closing.

- B. It is understood by Seller and Purchaser that the Feasibility Period expired prior to the effective date of this Amendment. As a result, Purchaser cannot give the required five-day written notice to extend the Feasibility Period for the final Extension Period prior to the expiration of the Feasibility Period. As such, this Amendment serves as notice to Seller that Purchaser is exercising its option to extend the Feasibility Period for the final Extension Period.
- C. The Agreement, inclusive of this Amendment, is hereby ratified and affirmed by Seller and Purchaser, and the Agreement shall in all respects remain in full force and effect in accordance with its provisions and as amended above.

[Signature Pages Follow]

EXECUTED by the duly authorized officials as of the day and year first above written.

MIDLAND
DEVELOPMENT CORPORATION

Stephen Lowery, Chairman

ATTEST:

Jill Pennington, Secretary

42, LLC

By: _____

Name: _____

Title: _____

STATE OF _____ §

§

COUNTY OF _____ §

This instrument was acknowledged before me on this ____ day of _____, 2022, by _____, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he or she executed the same for the purposes and consideration therein expressed, and in the capacity therein stated.

Notary Public, State of _____

MDC FY 2022-2023 Budget

RESOLUTION NO. _____

**RESOLUTION APPROVING THE BUDGET FOR THE
MIDLAND DEVELOPMENT CORPORATION'S 2022-
2023 FISCAL YEAR**

WHEREAS, the Midland Development Corporation has prepared a budget for the Fiscal Year 2022-2023; and

WHEREAS, the Board of Directors finds it to be in the public interest to approve said budget for the Fiscal Year 2022-2023;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE MIDLAND DEVELOPMENT CORPORATION:

THAT the Fiscal Year 2022-2023 Budget, which is attached hereto as Exhibit A and incorporated herein for all purposes, is hereby approved.

On motion of Director _____, seconded by Director _____, the above and foregoing resolution was adopted by the Board of Directors of the Midland Development Corporation at a regular meeting on the _____ day of _____, A.D., 2022, by the following vote:

Directors voting "AYE":

Directors voting "NAY":

STEPHEN LOWERY,
Chairman of the Midland
Development Corporation

ATTEST:

JILL PENNINGTON,
Secretary of the Midland
Development Corporation

APPROVED AS TO FORM ONLY:

JOHN OHNEMILLER,
Attorney for the Midland
Development Corporation

MIDLAND DEVELOPMENT CORPORATION
Proposed Budget for October 1, 2022 through September 30, 2023

	ACTUAL 2020-2021	BUDGET 2021-2022	BUDGET 2022-2023
REVENUE AND RECEIPTS			
Sales Tax	\$ 11,608,808	\$ 10,000,000	\$ 11,000,000
Public Right-Of-Way Use Fees	3,858	0	0
Interest	3,574	0	0
Interest / Non-Pooled Investment	13,461	0	0
Misc. Rentals	976,647	976,644	976,644
Reimbursement of Budget Expenses	2,762	0	0
Government Contributions	0	0	0
	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL REVENUE AND RECEIPTS	\$ <u>12,609,110</u>	\$ <u>10,976,644</u>	\$ <u>11,976,644</u>
SUMMARY OF EXPENSES BY ORGANIZATION			
50150. Nondepartmental	\$ <u>14,068,353</u>	\$ <u>21,110,973</u>	\$ <u>22,392,777</u>
TOTAL	\$ <u>14,068,353</u>	\$ <u>21,110,973</u>	\$ <u>22,392,777</u>
SUMMARY OF EXPENSES BY CLASSIFICATION			
<u>OPERATING EXPENSES</u>			
51000. Personnel Services	\$ 571,307	\$ 433,650	\$ 430,916
52000. Commodities	23,916	37,800	43,800
53000. Contractual Services	10,377,101	15,117,404	16,221,088
54000. Building Maintenance	95,127	80,000	80,000
55000. Maintenance of Instruments & Apparatus	2,079	1,000	1,000
56000. Miscellaneous	1,042,191	1,941,119	2,115,973
57000 / 58000. Capital Purchases	1,956,632	3,500,000	3,500,000
	<u>1,956,632</u>	<u>3,500,000</u>	<u>3,500,000</u>
TOTAL OPERATING EXPENSES	\$ <u>14,068,353</u>	\$ <u>21,110,973</u>	\$ <u>22,392,777</u>
GRAND TOTAL	\$ <u>14,068,353</u>	\$ <u>21,110,973</u>	\$ <u>22,392,777</u>
CURRENT YEAR NET OPERATING PROCEEDS (LESS DEPRECIATION)	\$ <u>(1,459,243.00)</u>	\$ <u>-</u>	\$ <u>-</u>

Exhibit A

MIDLAND DEVELOPMENT CORPORATION
Proposed Budget for October 1, 2022 through September 30, 2023

	ACTUAL 2020-2021	BUDGET 2021-2022	BUDGET 2022-2023
<u>OPERATING EXPENSES</u>			
51000 Personnel Services			
51010. Base Salary	\$ 487,496	\$ 350,493	\$ 350,096
51090. FICA MDC Portion	30,751	19,742	19,534
51110. Hospital Insurance MDC Portion	27,802	30,180	28,080
51135. ACOC Profit Sharing	25,258	24,535	24,507
51140. Unemployment Insurance	0	8,700	8,700
	<u>571,307</u>	<u>433,650</u>	<u>430,916</u>
TOTAL 51000	<u>571,307</u>	<u>433,650</u>	<u>430,916</u>
52000. Commodities			
52010. Office Supplies	3,833	6,000	6,000
52110. Motor Vehicle Supplies	449	1,000	1,500
52115. Minor Furniture and Fixtures	0	500	1,000
52155. Minor Computer Hardware & Peripherals	0	5,000	5,000
52160. Computer Minor Software & Supplies	19,379	25,000	30,000
52620. Postage	255	300	300
	<u>23,916</u>	<u>37,800</u>	<u>43,800</u>
TOTAL 52000	<u>23,916</u>	<u>37,800</u>	<u>43,800</u>
53000. Contractual Services			
53010. Communications	15,381	17,000	17,000
53030. Light & Power	105	150	150
53110. Insurance - External	55,269	110,000	150,000
53212. Equipment Rental - External	4,141	5,000	5,000
53220. Marketing and Advertising	205,064	200,000	200,000
53370. Grounds Maintenance	10,828	12,000	22,000
53405. Software Maintenance	14,927	12,000	12,000
53440. External Audit Fees	22,218	24,000	35,000
53450. Consulting Fees	406,846	250,000	500,000
53510. Travel & Entertainment	2,622	8,000	8,000
53520. Dues and Subscriptions	21,989	20,000	15,000
53530. Training, Registration Fees	2,820	8,000	10,000
53905. Economic Development Incentives	9,506,185	4,527,925	5,129,123
53907. Business Recruitment & Retention	36,746	50,000	50,000
53909. Prior Year Committed Incentives	0	9,798,329	9,999,673
53920. Rent	71,960	75,000	68,142
	<u>10,377,101</u>	<u>15,117,404</u>	<u>16,221,088</u>
TOTAL 53000	<u>\$ 10,377,101</u>	<u>\$ 15,117,404</u>	<u>\$ 16,221,088</u>

MIDLAND DEVELOPMENT CORPORATION
Proposed Budget for October 1, 2022 through September 30, 2023

	ACTUAL 2020-2021	BUDGET 2021-2022	BUDGET 2022-2023
<u>OPERATING EXPENSES</u>			
54000 Building Maintenance			
54010. Building Maintenance	\$ <u>95,127</u>	\$ <u>80,000</u>	\$ <u>80,000</u>
TOTAL 54000	<u>95,127</u>	<u>80,000</u>	<u>80,000</u>
55000 Maintenance of Equipment			
55120. Maintenance of Instruments & App	<u>2,079</u>	<u>1,000</u>	<u>1,000</u>
TOTAL 55000	<u>2,079</u>	<u>1,000</u>	<u>1,000</u>
56000. Miscellaneous			
56188. MOTRAN	137,000	142,500	142,500
56202. General Fund Services	390,685	390,619	379,813
56410. Payment of Principal	70,605	60,000	70,605
56420. Interest Expense	6,595	12,000	6,595
56910. Depreciation Expense	0	336,000	416,460
56995. Project Non Capital (Promotions)	<u>437,306</u>	<u>1,000,000</u>	<u>1,100,000</u>
TOTAL 56000	<u>1,042,191</u>	<u>1,941,119</u>	<u>2,115,973</u>
57000 / 58000. Capital Purchases			
57000. Capital Land Purchases	20,813	0	0
57001. Capital Buildings & Structures	893,182	0	3,500,000
57002. Capital Improvemnts Other Than Bldgs	176,426	3,500,000	0
57003. Capital Equipment	0	0	0
57004. Capital Vehicles	0	0	0
57070. Construction in Process	<u>866,211</u>	<u>0</u>	<u>0</u>
Total 7000 / 8000	<u>1,956,632</u>	<u>3,500,000</u>	<u>3,500,000</u>
GRAND TOTAL	\$ <u><u>14,068,353</u></u>	\$ <u><u>21,110,973</u></u>	\$ <u><u>22,392,777</u></u>

MIDLAND DEVELOPMENT CORPORATION
Summary of Revenues, Expenditures and Changes in Fund Balance

	ACTUAL 2020-2021	BUDGET 2021-2022	BUDGET 2022-2023
Balance October 1, 2020	\$ <u>28,099,395</u>		
Estimated Balance October 1		\$ <u>26,640,152</u>	\$ <u>16,505,823</u>
Revenues:			
Sales Taxes	11,608,808	10,000,000	11,000,000
Public Right-Of-Way Use Fees	3,858	0	0
Interest / Non-Pooled Investment Income	17,035	0	0
Misc. Rentals	976,647	976,644	976,644
Reimbursement of Budget Expenses	2,762	0	0
Government Contributions	<u>0</u>	<u>0</u>	<u>0</u>
Total Revenues	<u>12,609,110</u>	<u>10,976,644</u>	<u>11,976,644</u>
Expenditures:			
Personnel Services	571,307	433,650	430,916
Commodities	23,916	37,800	43,800
Contractual Services	10,377,101	15,117,404	16,221,088
Building Maintenance	95,127	80,000	80,000
Maintenance of Inst and App	2,079	1,000	1,000
Miscellaneous	1,042,191	1,941,119	2,115,973
Capital Purchases	<u>1,956,632</u>	<u>3,500,000</u>	<u>3,500,000</u>
Total Expenditures	<u>14,068,353</u>	<u>21,110,973</u>	<u>22,392,777</u>
Net Revenues (Expenditures)	<u>(1,459,243)</u>	<u>(10,134,329)</u>	<u>(10,416,133)</u>
Estimated Balance October 1:			
Restricted for ED Incentives	27,853,342	15,015,125	25,015,167
Restricted for Encumbrances	0	0	0
Restricted for Promotional Activities	3,325,459	1,462,133	1,876,043
Unappropriated Fund Balance	<u>8,850,238</u>	<u>14,769,532</u>	<u>6,538,150</u>
Total Estimated Balance October 1	\$ <u><u>26,640,152</u></u>	\$ <u><u>16,505,823</u></u>	\$ <u><u>6,089,690</u></u>

Appropriate Promotional Funds

RESOLUTION NO. _____

**RESOLUTION APPROPRIATING FUNDS FROM THE
MIDLAND DEVELOPMENT CORPORATION'S
2020-2021 FISCAL YEAR BUDGET TO BE USED FOR
PROMOTIONAL PURPOSES, AS AUTHORIZED BY
CHAPTER 504 OF THE TEXAS LOCAL GOVERNMENT
CODE**

WHEREAS, pursuant to Chapter 504 of the Texas Local Government Code, the Midland Development Corporation may spend no more than ten percent (10%) of the corporate revenues for promotional purposes; and

WHEREAS, the Board of Directors finds it to be in the public interest to appropriate the sum of \$1,160,880.00 from the Midland Development Corporation's fiscal year 2020-2021 budget to Project No. 800705 for promotional purposes; and

WHEREAS, the Board of Directors finds that said project will advertise or publicize the City of Midland for the purposes allowed under Chapter 504 of the Texas Local Government Code;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE MIDLAND DEVELOPMENT CORPORATION:

SECTION ONE. That the sum of \$1,160,880.00 is hereby appropriated from the Midland Development Corporation (235) Unappropriated Fund Balance (35650) to the Midland Development Corporation Promotions Project (800705). This sum will be reviewed after all income and expenses for the 2020-2021 fiscal year have been received, and this sum may be reduced by future Board action in a budget reconciliation resolution; in no event shall the sum appropriated for promotional purposes exceed ten percent (10%) of the corporate revenues.

SECTION TWO. That the sum appropriated shall not be expended without the approval of the Midland Development Corporation Board of Directors and the Midland City Council.

On motion of Director _____, seconded by Director _____, the above and foregoing resolution was adopted by the Board of Directors of the Midland

Development Corporation at a regular meeting on the _____ day of _____, AD,
2022, by the following vote:

Directors voting "AYE":

Directors voting "NAY":

STEPHEN LOWERY,
Chairman of the Midland
Development Corporation

ATTEST:

JILL PENNINGTON,
Secretary of the Midland
Development Corporation

APPROVED AS TO FORM ONLY:

JOHN OHNEMILLER,
Attorney for the Midland
Development Corporation

Income Statement

MIDLAND DEVELOPMENT CORPORATION
INCOME STATEMENT FOR THE 8 MONTHS ENDED
May 31, 2022

	May-22	YTD	Budgeted Amount
Revenue	\$1,573,774.48	\$7,720,962.77	\$10,976,644.00
40100 - State Sales Tax	\$1,487,467.44	\$7,051,948.35	\$10,000,000.00
40600 - Public ROW Use Fees	\$0.00	\$4,823.00	\$0.00
43000 - Interest	\$0.00	\$1,341.93	\$0.00
43010 - Interest - Nonpooled Invest	\$4,920.04	\$11,753.49	\$0.00
46190 - Miscellaneous Rentals	\$81,387.00	\$651,096.00	\$976,644.00
4235150 - Midland Dvlpmt Corp Revenue	\$1,573,774.48	\$7,720,962.77	\$10,976,644.00

Expense	\$5,929,544.97	\$13,447,710.20	\$21,110,973.00
51010 - Base Salary	\$23,974.18	\$180,536.59	\$350,493.00
51090 - Fica MDC Portion	\$1,834.02	\$12,375.15	\$28,442.00
51110 - Health Insurance	\$1,201.70	\$6,178.52	\$30,180.00
51135 - ACCE Profit Sharing	\$0.00	\$1,087.50	\$24,535.00
52010 - Office Supplies	\$497.62	\$3,929.16	\$6,000.00
52110 - Motor Vehicle Supplies	\$0.00	\$831.10	\$1,000.00
52115 - Minor Furniture & Fixtures	\$0.00	\$0.00	\$500.00
52155 - Minor Computer Hrdwre & Periph	\$0.00	\$49.98	\$5,000.00
52160 - Computer Software & Supplies	\$4,839.60	\$35,636.93	\$25,000.00
52620 - Postage	\$191.43	\$319.75	\$300.00
53010 - Communication	\$1,283.58	\$10,546.36	\$17,000.00
53030 - Light & Power	\$8.99	\$71.59	\$150.00
53110 - Insurance-External	\$0.00	\$225,082.06	\$110,000.00
53212 - Equipment Rental-External	\$345.34	\$2,607.75	\$5,000.00
53220 - Advertising	\$7,747.28	\$152,120.99	\$200,000.00
53370 - Grounds Maintenance	\$1,989.70	\$10,688.76	\$12,000.00
53405 - Software Maintenance	\$1,112.53	\$8,998.74	\$12,000.00
53440 - External Audit Fees	\$0.00	\$31,000.00	\$24,000.00
53450 - Consulting Fees	\$1,418.35	\$193,377.67	\$250,000.00
53510 - Travel & Entertainment	\$2,456.17	\$5,691.00	\$8,000.00
53520 - Dues & Subscriptions	\$888.70	\$6,859.74	\$20,000.00
53530 - Training,Registration Fees,Etc	\$75.00	\$7,123.84	\$8,000.00
53905 - Economic Development Incentive	\$0.00	\$0.00	\$4,527,925.00
53907 - Business Recruitment & Retentn	\$12.22	\$21,783.77	\$50,000.00
53909 - Prior Year Committed Incentives	\$239,806.34	\$5,627,265.02	\$9,798,329.00
53920 - Rent	\$5,540.00	\$44,320.00	\$75,000.00
54010 - Building Maintenance	\$3,120.90	\$28,505.19	\$80,000.00
55120 - Maint. - Instruments & Appara.	\$117.79	\$613.96	\$1,000.00
56188 - MOTRAN	\$0.00	\$142,500.00	\$142,500.00
56202 - General Fund Services	\$32,557.08	\$260,456.64	\$390,619.00
56410 - Payment of Principal	\$0.00	\$0.00	\$60,000.00
56420 - Interest Expense	\$0.00	\$0.00	\$12,000.00
56910 - Depreciation Expense	\$0.00	\$242,940.65	\$336,000.00
56995 - Project Non Capital - Promotions	\$59,220.88	\$278,733.60	\$1,000,000.00
57000 - Capital Land Purchases	\$4,820,128.99	\$4,820,128.99	\$0.00
57001 - Capital Buildings & Structures	\$8,727.50	\$144,185.00	\$0.00
57002 - Capital Improve Other Than Bldg	\$0.00	\$0.00	\$3,500,000.00
57070 - Construction in Process	\$710,449.08	\$941,164.20	\$0.00
235235 - Midland Development Corp	\$5,929,544.97	\$13,447,710.20	\$21,110,973.00

May 2022 Net Income: (\$4,355,770.49)

Year-to-Date Net Income: (\$5,726,747.43)

Balance Sheet

MIDLAND DEVELOPMENT CORPORATION
BALANCE SHEET FOR THE PERIOD ENDED
May 31, 2022
(Used for Internal Purposes Only)

ASSETS

Current Assets

Cash and cash equivalents	11,688,887	
Investments	8,000,000	
Sales tax receivable	-	
Prepaid expenses	-	
Accounts receivable	-	
	19,688,887	19,688,887

Non-Current Assets

Capital Assets, net	22,163,647	
Forgivable Loans		
Made to Primary Government	-	
Made to Other	6,579	
Total Forgivable Loans	6,579	
	22,170,226	22,170,226

Total Assets \$ 41,859,113

LIABILITIES AND NET POSITION

Liabilities

Accounts payable	55,646	
Retainage Payable	35,193	
Capital Leases payable	93,357	
Commitments payable		
Due within one year	6,363,562	
Due in more than one year	8,396,259	
Total Commitments Payable	14,759,821	
	14,944,016	14,944,016

Net Position

Net investment in capital assets	22,163,647	
Restricted for Forgivable Loans	6,579	
Restricted for Capital Leases	93,357	
Promotions	1,462,113	
Unrestricted	3,189,400	
	26,915,096	26,915,096

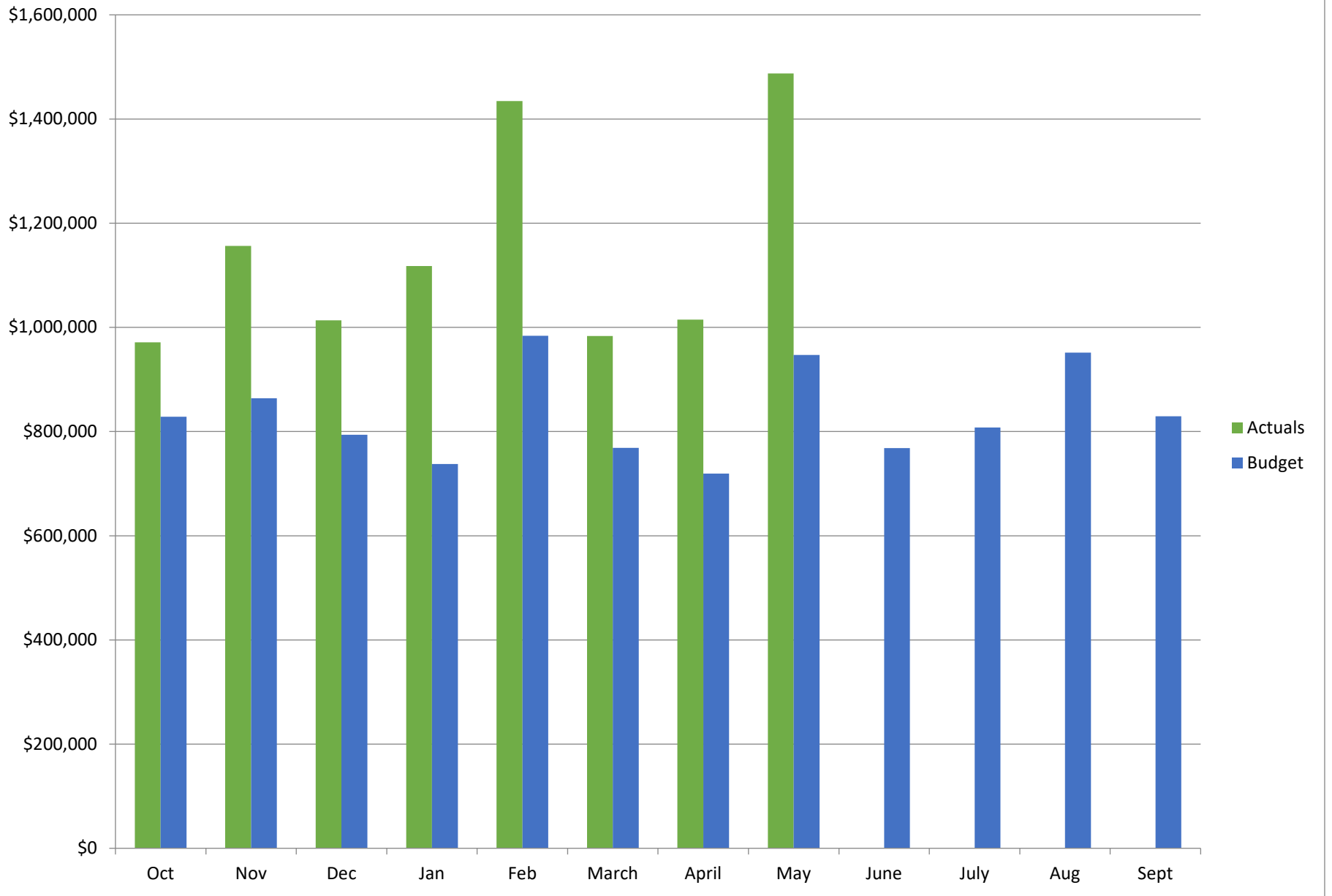
Total Liabilities and Net Position \$ 41,859,113

Sales Tax

Sales Tax Variance

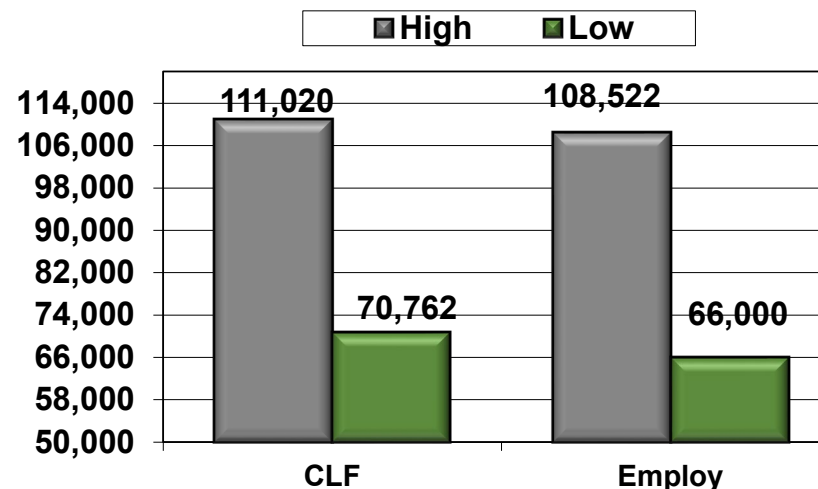
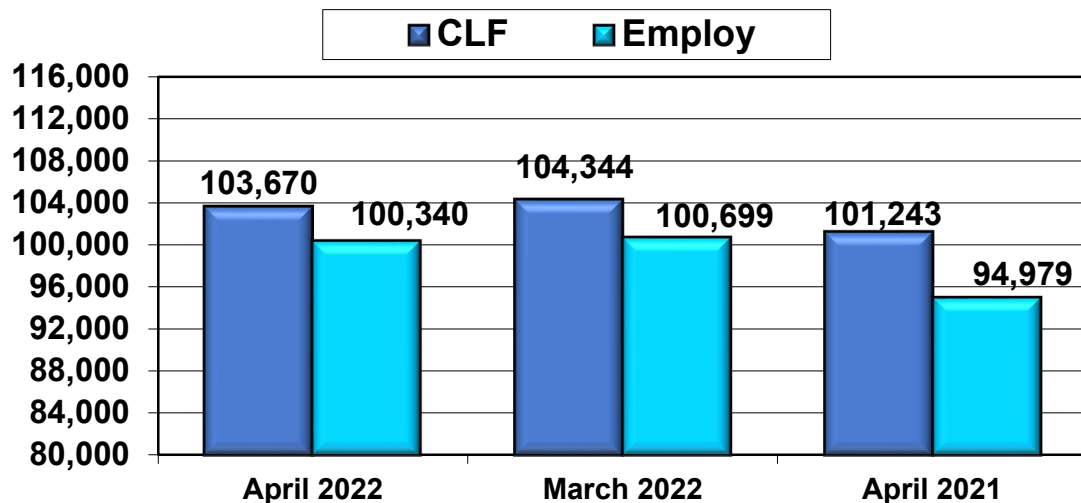
	2019-2020	2020-2021	% Change	2020-2021	2021-2022	% Change	YTD Change
October	\$1,219,993.44	\$1,203,058.10	-1.39%	\$1,203,058.10	\$971,343.63	-19.26%	-19.26%
November	\$1,266,357.10	\$983,259.60	-22.36%	\$983,259.60	\$1,156,353.89	17.60%	-2.68%
December	\$1,263,226.93	\$843,087.27	-33.26%	\$843,087.27	\$1,013,549.80	20.22%	3.69%
January	\$1,036,178.70	\$752,584.05	-27.37%	\$752,584.05	\$1,117,874.02	48.54%	12.62%
February	\$1,279,615.49	\$1,224,314.99	-4.32%	\$1,224,314.99	\$1,434,528.04	17.17%	13.73%
March	\$966,824.94	\$783,914.25	-18.92%	\$783,914.25	\$983,421.74	25.45%	15.32%
April	\$1,006,559.17	\$687,198.37	-31.73%	\$687,198.37	\$1,015,116.31	47.72%	18.75%
May	\$1,251,139.57	\$1,198,336.79	-4.22%	\$1,198,336.79	\$1,487,467.44	24.13%	19.59%
June	\$897,050.21	\$927,060.71	3.35%	\$927,060.71			
July	\$876,285.08	\$909,387.44	3.78%	\$909,387.44			
August	\$1,074,175.26	\$1,176,070.55	9.49%	\$1,176,070.55			
September	\$834,182.16	\$978,956.15	17.36%	\$978,956.15			
Annual Total	\$12,971,588.05	\$11,667,228.27	-10.06%	\$11,667,228.27	\$9,179,654.87		

Sales Tax Actuals vs Budget Estimates



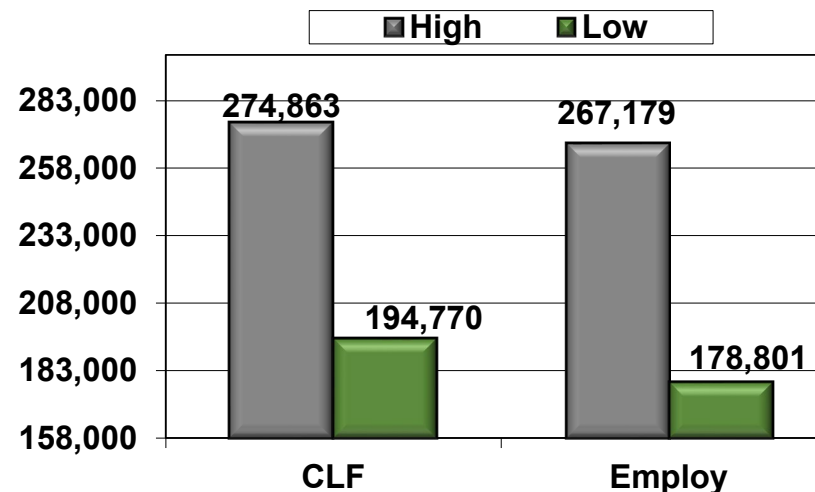
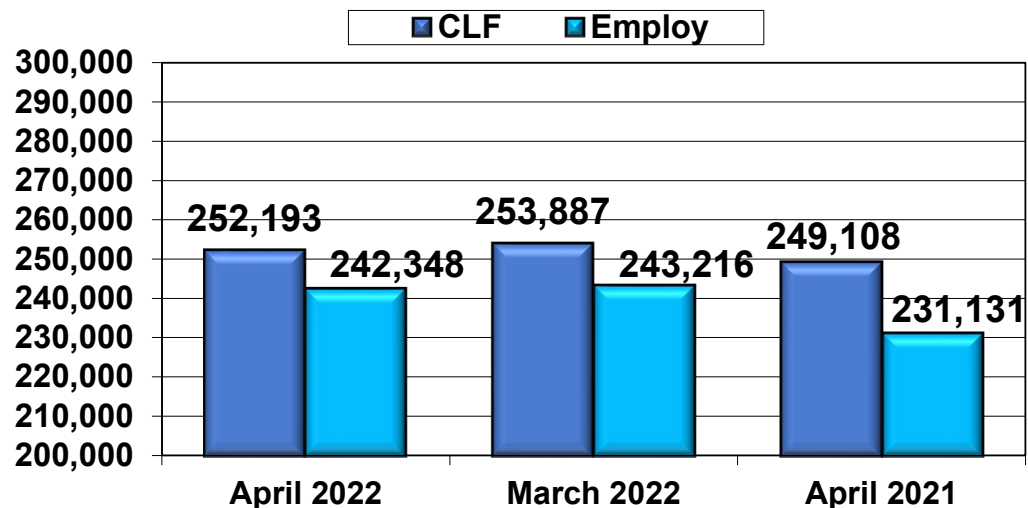
Activity Report

April 2022 Midland MSA Employment Information



	April 2022	March 2022	April 2021	High	Low
Civilian Labor Force	103,370	104,344	101,243	111,020 (Feb 2020)	70,762 (Jan 2010)
Employment	100,340	100,699	94,979	108,522 (Dec 2019)	66,000 (Jan 2010)
Unemployment	3,330	3,645	6,264	11,912 (May 2020)	1,788 (May 2019)
Unemployment Rate	3.2%	3.5%	6.2%	12.3% (May 2020)	1.7% (Apr 2019)

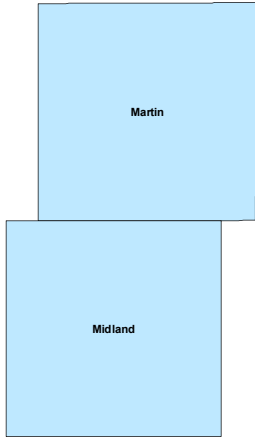
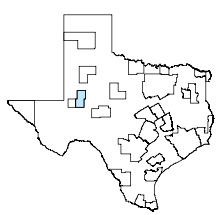
April 2022 Permian Basin Workforce Development Area Employment Information



	April 2022	March 2022	April 2021	High	Low
Civilian Labor Force	252,193	253,887	249,108	274,863 (Feb 2020)	194,770 (Jan 2010)
Employment	242,348	243,216	231,131	267,179 (Feb 2020)	178,801 (Jan 2010)
Unemployment	9,845	10,671	17,977	32,215 (May 2020)	5,115 (Apr 2019)
Unemployment Rate	3.9%	4.2%	7.2%	13.2% (May 2020)	1.9% (Apr 2019)

Midland MSA

April 2022

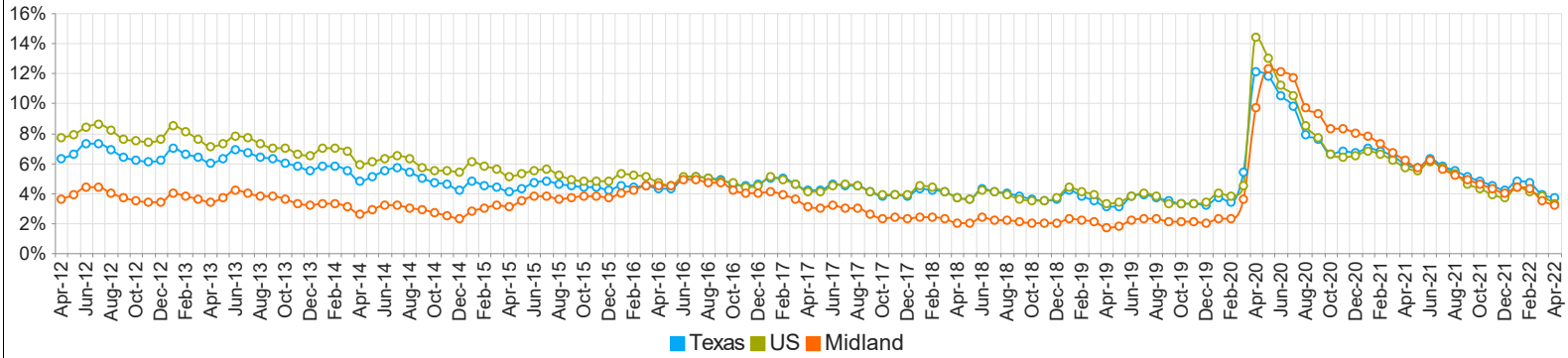


MSA Labor Force Statistics				
	Apr-22	Mar-22	Apr-21	Yearly Change
Civilian Labor Force	103,670	104,344	101,243	2,427
Employed	100,340	100,699	94,979	5,361
Unemployed	3,330	3,645	6,264	-2,934
Unemployment Rate	3.2%	3.5%	6.2%	-3.0%

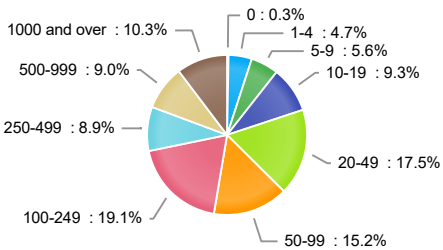
Texas Labor Force Statistics				
	Apr-22	Mar-22	Apr-21	Yearly Change
Civilian Labor Force	14,462,593	14,536,411	14,150,421	312,172
Employed	13,932,379	13,973,865	13,313,648	618,731
Unemployed	530,214	562,546	836,773	-306,559
Unemployment Rate	3.7%	3.9%	5.9%	-2.2%

US Labor Force Statistics				
	Apr-22	Mar-22	Apr-21	Yearly Change
Civilian Labor Force	163,449,000	164,274,000	160,379,000	3,070,000
Employed	157,991,000	158,106,000	151,160,000	6,831,000
Unemployed	5,458,000	6,168,000	9,220,000	-3,762,000
Unemployment Rate	3.3%	3.8%	5.7%	-2.4%

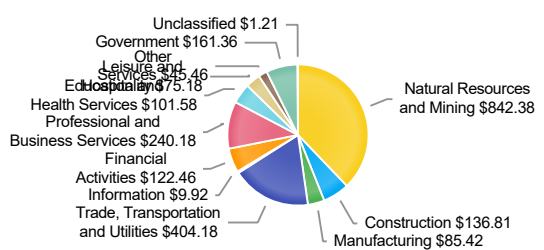
Historical Unemployment Rates



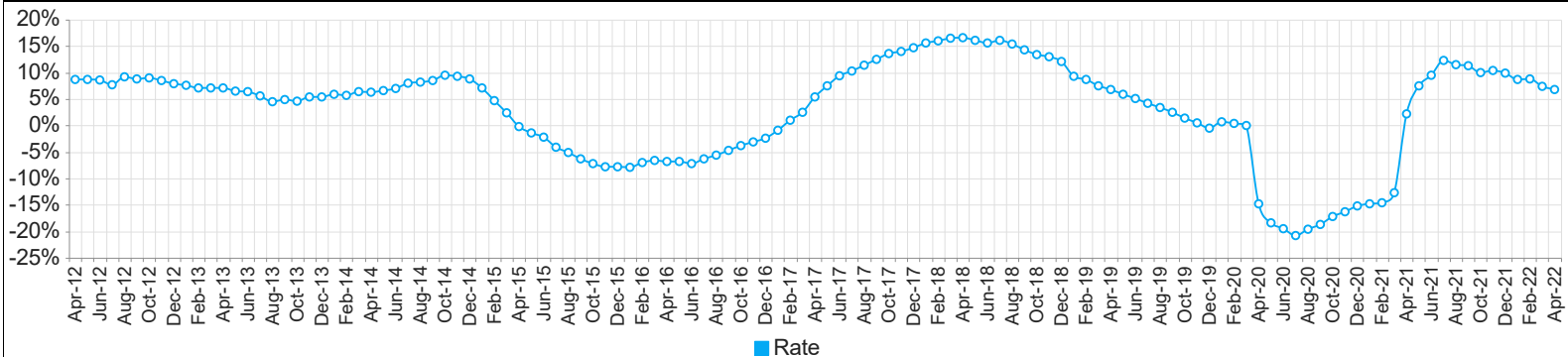
Employment by Size Class (4th Quarter 2021)



Wages by Industry (in millions) (4th Quarter 2021)



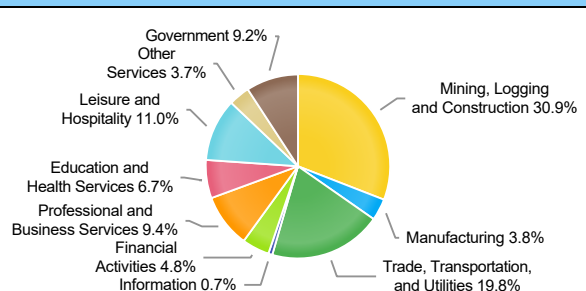
Annual Growth Rate Total Non-agricultural employment



Employment by Industry (April 2022)

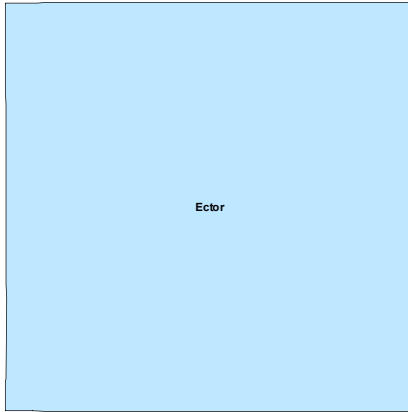
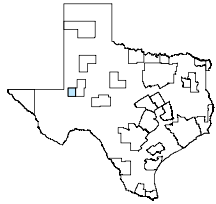
Industry	Current Month Employment	% Monthly Change	% Yearly Change
Total Nonfarm	106,100	0.7%	6.8%
Mining, Logging and Construction	32,800	1.9%	11.6%
Manufacturing	4,000	0.0%	8.1%
Trade, Transportation, and Utilities	21,000	-0.9%	5.0%
Information	700	0.0%	0.0%
Financial Activities	5,100	2.0%	4.1%
Professional and Business Services	10,000	0.0%	4.2%
Education and Health Services	7,100	1.4%	0.0%
Leisure and Hospitality	11,700	0.9%	13.6%
Other Services	3,900	2.6%	8.3%
Government	9,800	-1.0%	-2.0%

Employment by Industry (April 2022)



Odessa MSA

April 2022



MSA Labor Force Statistics

	Apr-22	Mar-22	Apr-21	Yearly Change
Civilian Labor Force	80,983	81,369	80,667	316
Employed	77,104	77,227	73,304	3,800
Unemployed	3,879	4,142	7,363	-3,484
Unemployment Rate	4.8%	5.1%	9.1%	-4.3%

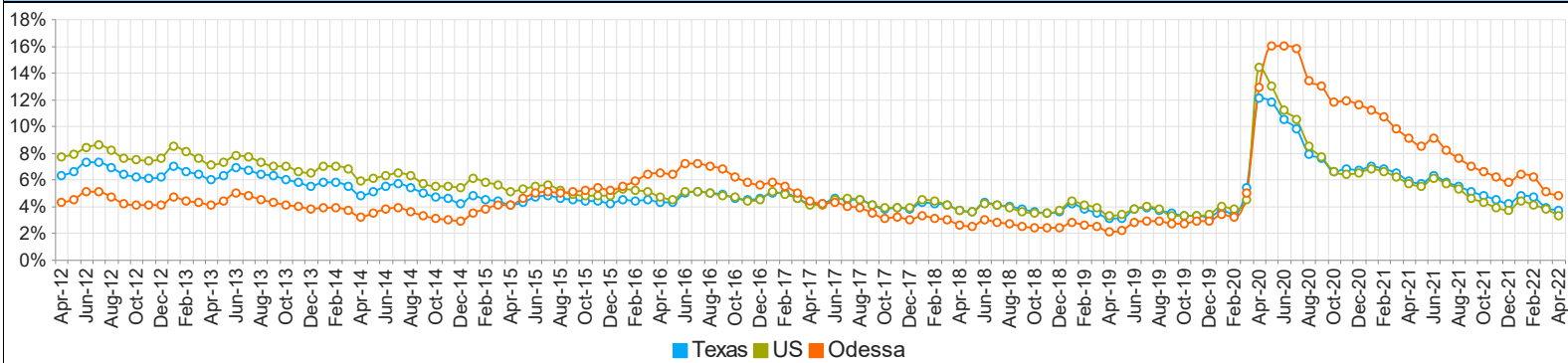
Texas Labor Force Statistics

	Apr-22	Mar-22	Apr-21	Yearly Change
Civilian Labor Force	14,462,593	14,536,411	14,150,421	312,172
Employed	13,932,379	13,973,865	13,313,648	618,731
Unemployed	530,214	562,546	836,773	-306,559
Unemployment Rate	3.7%	3.9%	5.9%	-2.2%

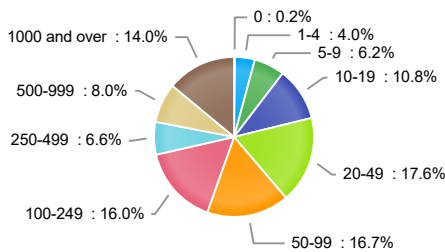
US Labor Force Statistics

	Apr-22	Mar-22	Apr-21	Yearly Change
Civilian Labor Force	163,449,000	164,274,000	160,379,000	3,070,000
Employed	157,991,000	158,106,000	151,160,000	6,831,000
Unemployed	5,458,000	6,168,000	9,220,000	-3,762,000
Unemployment Rate	3.3%	3.8%	5.7%	-2.4%

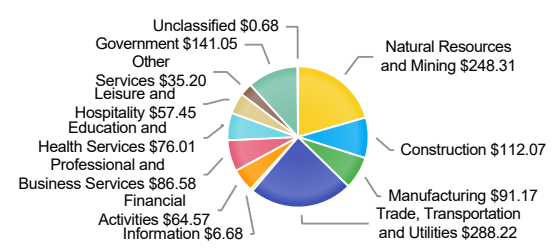
Historical Unemployment Rates



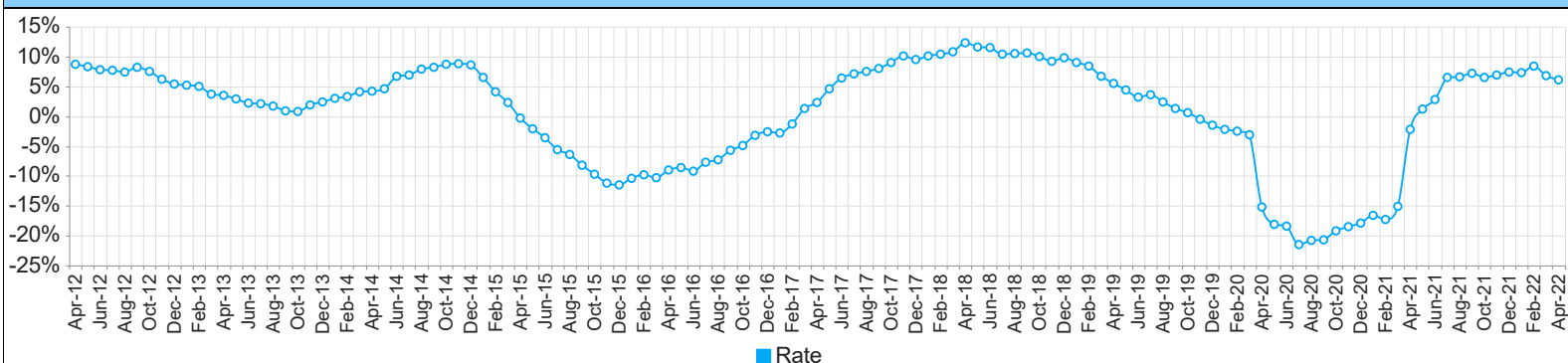
Employment by Size Class (4th Quarter 2021)



Wages by Industry (in millions) (4th Quarter 2021)



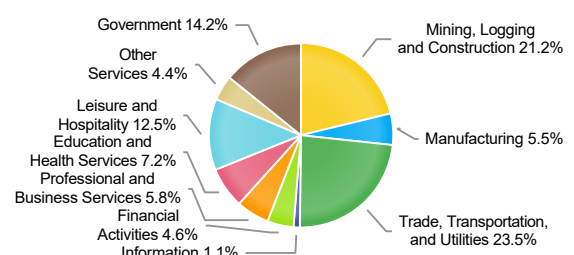
Annual Growth Rate Total Non-agricultural employment



Employment by Industry (April 2022)

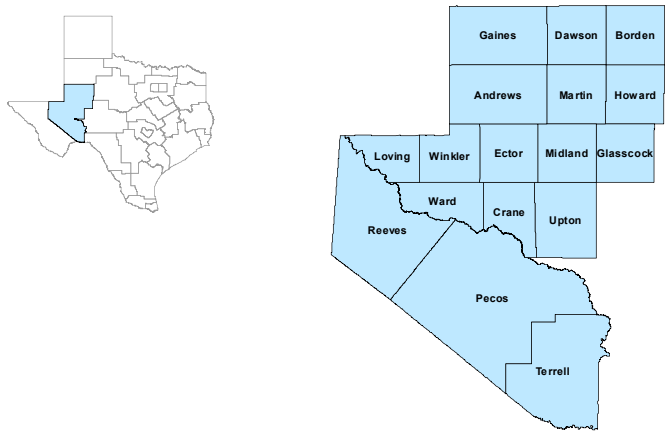
Industry	Current Month Employment	% Monthly Change	% Yearly Change
Total Nonfarm	74,500	0.7%	6.1%
Mining, Logging and Construction	15,800	3.3%	12.1%
Manufacturing	4,100	0.0%	5.1%
Trade, Transportation, and Utilities	17,500	-0.6%	6.1%
Information	800	0.0%	14.3%
Financial Activities	3,400	0.0%	6.2%
Professional and Business Services	4,300	0.0%	4.9%
Education and Health Services	5,400	0.0%	1.9%
Leisure and Hospitality	9,300	1.1%	6.9%
Other Services	3,300	0.0%	6.5%
Government	10,600	0.0%	0.0%

Employment by Industry (April 2022)



Permian Basin Workforce Development Area

April 2022



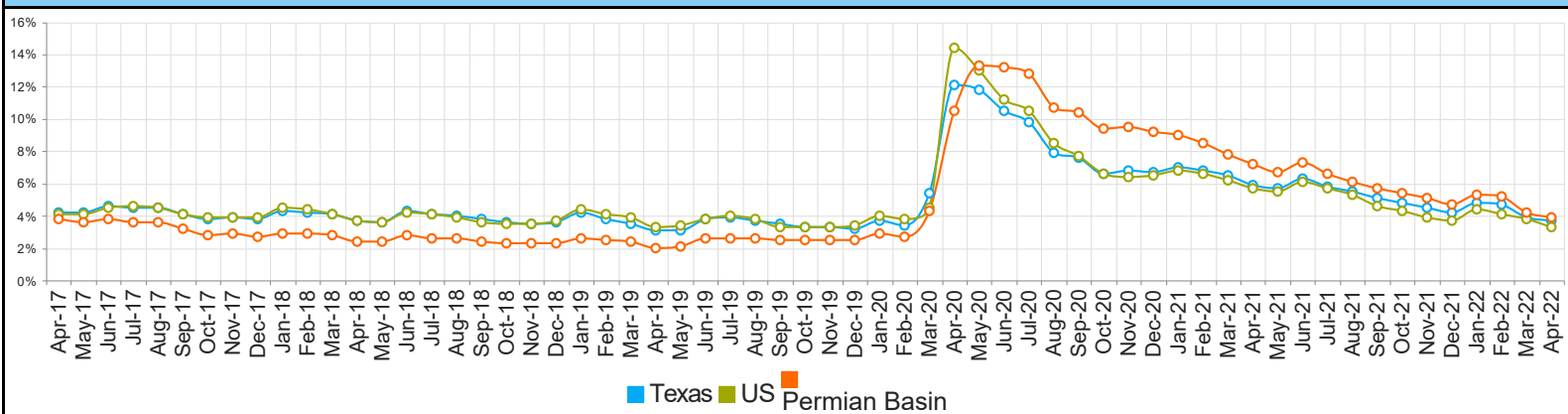
WDA Labor Force Statistics				
	Apr-22	Mar-22	Apr-21	Yearly Change
Civilian Labor Force	252,193	253,887	249,108	3,085
Employed	242,348	243,216	231,131	11,217
Unemployed	9,845	10,671	17,977	-8,132
Unemployment Rate	3.9%	4.2%	7.2%	-3.3%

Texas Labor Force Statistics				
	Apr-22	Mar-22	Apr-21	Yearly Change
Civilian Labor Force	14,462,593	14,536,411	14,150,421	312,172
Employed	13,932,379	13,973,865	13,313,648	618,731
Unemployed	530,214	562,546	836,773	-306,559
Unemployment Rate	3.7%	3.9%	5.9%	-2.2%

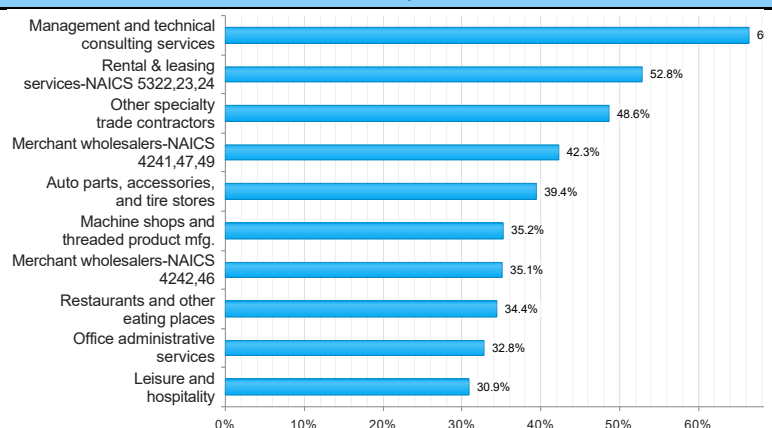
US Labor Force Statistics				
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Civilian Labor Force	163,449,000	164,274,000	160,379,000	3,070,000
Employed	157,991,000	158,106,000	151,160,000	6,831,000
Unemployed	5,458,000	6,168,000	9,220,000	-3,762,000
Unemployment Rate	3.3%	3.8%	5.7%	-2.4%

Continued Claims for the Week of the 12th				
	Apr-22	Mar-22	Apr-21	Yearly Change
WDA	925	1,066	3,122	-2,197
Texas	71,016	74,461	172,605	-101,589

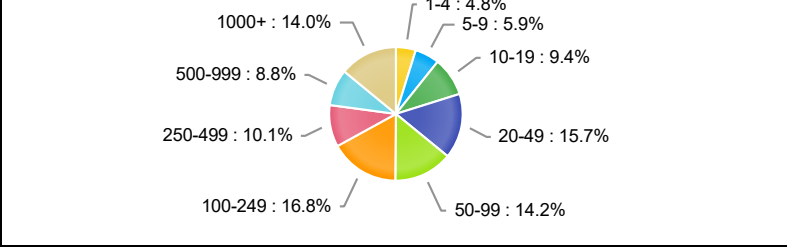
Historical Unemployment Rates



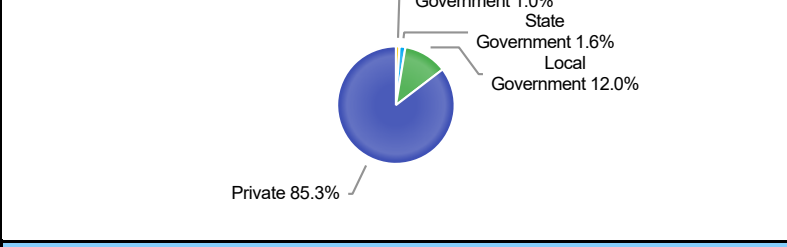
Projected Top Ten Fastest Growing Industries in WDA (% Growth 2018-2028)



Employment by Size Class (4th Quarter 2021)



Employment by Ownership (4th Quarter 2021)

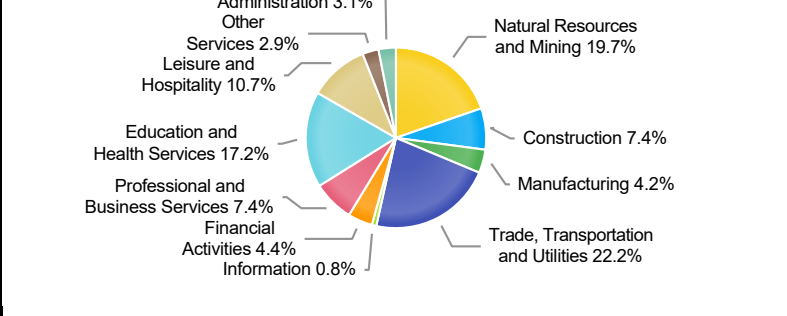


Average Weekly Wage (4th Quarter 2021)					
	Q4 2021	Q3 2021	Q4 2020	Quarterly Change	Yearly Change
WDA	\$1,455	\$1,294	\$1,354	\$161	\$101
Texas	\$1,376	\$1,227	\$1,294	\$149	\$82
US	N/A	\$1,251	\$1,339	N/A	N/A

Employment by Industry (4th Quarter 2021, Percent Change)

Industry	Employment	% of Total	% Quarterly Change	% Yearly Change
Natural Resources and Mining	45,431	19.7%	4.3%	16.3%
Construction	17,063	7.4%	5.1%	9.1%
Manufacturing	9,690	4.2%	3.2%	17.0%
Trade, Transportation and Utilities	51,167	22.2%	3.8%	7.8%
Information	1,772	0.8%	-6.8%	11.1%
Financial Activities	10,180	4.4%	1.5%	11.3%
Professional and Business Services	17,187	7.4%	3.4%	14.5%
Education and Health Services	39,576	17.2%	5.4%	3.7%
Leisure and Hospitality	24,651	10.7%	-1.5%	7.8%
Other Services	6,761	2.9%	1.2%	8.6%
Public Administration	7,252	3.1%	-0.3%	-2.8%

Employment by Industry (4th Quarter 2021)



*The average weekly wage for U.S. for the latest quarter is not available. It will be updated shortly.