



Board Binder Open Session

September 11, 2023

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 September 11, 2023. 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/84799714978?pwd=UEZJYU4rVFNORjZzUjUOXpMSC91QT09>

Passcode: 851654

Or join by phone:

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

US: +1 346 248 7799 or +1 669 444 9171 or +1 669 900 9128 or +1 719 359 4580 or +1 253 205 0468 or +1 253 215 8782 or +1 301 715 8592 or +1 305 224 1968 or +1 309 205 3325 or +1 312 626 6799 or +1 360 209 5623 or +1 386 347 5053 or +1 507 473 4847 or +1 564 217 2000 or +1 646 558 8656 or +1 646 931 3860 or +1 689 278 1000

Webinar ID: 847 9971 4978

Passcode: 851654

International numbers available: <https://us02web.zoom.us/j/84799714978?pwd=UEZJYU4rVFNORjZzUjUOXpMSC91QT09>

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 August 7, 2023, meeting of the Midland Development Corporation.
3. Motion approving the minutes of the August 17, 2023, special meeting of the Midland Development Corporation.
4. Discuss and consider the submitted proposals for the preparation of a master plan for downtown Midland, Texas.
5. Presentation on the June 2023 monthly expenses and economic development activity report from the Midland Development Corporation Executive Director.

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 551.087 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 8th day of August 2023.

Marcia Bentley German
City Governance Officer/City Secretary

August 7th Minutes

MIDLAND DEVELOPMENT CORPORATION

MINUTES

August 07, 2023

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 August 07, 2023.

Board Members present: Chairman Chase Gardaphe, Director Berry Simpson, Director Lourcey Sams, Director Jill Pennington, Director, Director Brad Bullock, Director Zachary Deck, and Director Lucy Sisniega

Board Members absent: None

Staff Members present: City Manager Tommy Gonzalez, Assistant City Manager Tina Jauz, City Attorney Nicholas Toulet-Crump, Director of Engineering Services Jose Ortiz, and Deputy City Secretary Vanessa Magallanes

Council Member(s) present: Mayor Lori Blong and Council Member Amy Stretcher Burkes

MDC Staff Members present: Executive Director Sara Harris, Business Retention & Expansion Coordinator Sammi Steele, and Marketing & Administrative Coordinator Gabrielle Franks

1. Call meeting to order.

First Vice Chair Simpson called the meeting to order at 10:00 am

2. Motion approving the minutes of the July 10, 2023, meeting of the Midland Development Corporation.

Director Pennington moved to approve minutes of the July 10, 2023, meeting of the Midland Development Corporation, seconded by Director Sams. The motion carried by the following vote: AYE: Gardaphe, Bullock, Simpson, Sisniega, and Deck. NAY: None. ABSTAIN: None. ABSENT: None.

3. Resolution approving the execution of an economic development agreement between the Midland Development Corporation and Midland College; and authorizing payment therefor.

Director Sisniega moved to approve Resolution ED-446 approving the execution of an economic development agreement between the Midland Development Corporation and Midland College; and authorizing payment therefor, seconded by Director Deck. The motion carried by the following vote: AYE: Gardaphe, Bullock, Sams, Pennington, and Simpson. NAY: None. ABSTAIN: None. ABSENT: None.

4. Resolution authorizing the execution of an interlocal agreement with the University of Texas of the Permian Basin to advertise and publicize the City of Midland for the purpose of developing new and expanded business enterprises.

Director Bullock moved to approve Resolution ED-447 authorizing the execution of an interlocal agreement with the University of Texas of the Permian Basin to advertise and publicize the City of Midland for the purpose of developing new and expanded business enterprises, seconded by Director Pennington. The motion carried by the following vote: AYE: Gardaphe, Deck, Sams, Sisniega and Simpson. NAY: None. ABSTAIN: None. ABSENT: None.

5. Presentation from Kimley-Horn regarding a proposal for the preparation of a master plan for downtown Midland.

Kimley-Horn representatives gave a presentation on their proposal for a master plan for downtown Midland.

6. Motion authorizing the Chairman to negotiate and execute a license agreement regarding the use of an approximate 2.86-acre tract of land out of the East 374.12 acres of Section 33, Block 40, T-1-S, Midland County, Texas, for materials processing for the construction of wastewater extension.

Director Bullock moved to authorize the Chairman to negotiate and execute a license agreement regarding the use of an approximate 2.86-acre tract of land out of the East 374.12 acres of Section 33, Block 40, T-1-S, Midland County, Texas, for materials processing for the construction of wastewater extension, seconded by Director Sams. The motion carried by the following vote: AYE: Gardaphe, Pennington, Simpson, Sisniega, and Deck. NAY: None. ABSTAIN: None. ABSENT: None.

7. Presentation on the July 2023 monthly expenses and economic development activity report from the Midland Development Corporation Executive Director and staff.

Sara Harris gave an overview of the month's expenses, and economic development activity. Gabrielle Franks updated the board with the social media stats. Sammi Steele gave an overview of the business retention and expansion program in July.

Board recessed into executive session at 11:40 a.m.

8. 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 551.087 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 12:05 p.m.

All the business at hand having been completed, First Vice Chair Simpson adjourned the meeting at 12:06 p.m.

Respectfully submitted,

Vanessa Magallanes, Deputy City Secretary

PASSED AND APPROVED the 11th Day of September 2023.

Jill Pennington, Secretary

August 17th Minutes

MIDLAND DEVELOPMENT CORPORATION

MINUTES

August 17, 2023

The Board of Directors of the Midland Development Corporation convened in special session at the Midland Chamber of Commerce board room, 303 West Wall Street, Suite 200, Midland, Texas, at 10:00 a.m. on August 17, 2023.

Board Members present: Chairman Chase Gardaphe, Director Berry Simpson, Director Lourcey Sams, Director Jill Pennington, Director, Director Zachary Deck, and Director Lucy Sisniega

Board Members absent: Director Brad Bullock

Staff Members present: City Manager Tommy Gonzalez, Assistant City Manager Tina Jauz, City Attorney Nicholas Toulet-Crump, Director of Engineering Services Jose Ortiz, and Deputy City Secretary Vanessa Magallanes

Council Member(s) present: Council Member Scott Dufford, Council Member John Norman, and Council Member Amy Stretcher Burkes

MDC Staff Members present: Executive Director Sara Harris, Business Retention & Expansion Coordinator Sammi Steele, and Marketing & Administrative Coordinator Gabrielle Franks

1. Call meeting to order.

Chairman Gardaphe called the meeting to order at 10:03 am

2. Presentation from Halff Associates, Inc. DBA Halff regarding a proposal for the preparation of a master plan for downtown Midland.

Halff Associates, Inc., representatives gave a presentation on their proposal for a master plan for downtown Midland.

3. Presentation from Parkhill, Smith & Cooper, Inc. DBA Parkhill regarding a proposal for the preparation of a master plan for downtown Midland.

Parkhill, Smith & Cooper, Inc., representatives gave a presentation on their proposal for a master plan for downtown Midland.

All the business at hand having been completed, Chairman Gardaphe adjourned the meeting at 12:08 p.m.

Respectfully submitted,

Vanessa Magallanes, Deputy City Secretary

PASSED AND APPROVED the 11th Day of September 2023.

Jill Pennington, Secretary

Income Statement

MIDLAND DEVELOPMENT CORPORATION
INCOME STATEMENT FOR THE 11 MONTHS ENDED
August 31, 2023

	Aug-23	YTD	Budgeted Amount
Revenue	\$1,807,469.55	\$14,918,146.53	\$11,976,644.00
40100 - State Sales Tax	\$1,662,691.61	\$12,982,494.42	\$11,000,000.00
40600 - Public ROW Use Fees	\$0.00	\$4,823.00	\$0.00
43000 - Interest	\$15,625.00	\$228,499.02	\$0.00
43010 - Interest - Nonpooled Invest	\$47,765.94	\$396,603.09	\$0.00
46190 - Miscellaneous Rentals	\$81,387.00	\$895,357.00	\$976,644.00
49020 - Sale of Buildings	\$0.00	\$410,370.00	\$0.00
4235150 - Midland Dvlpmt Corp Revenue	\$1,807,469.55	\$14,918,146.53	\$11,976,644.00

Expense	\$1,684,990.65	\$10,077,793.98	\$22,392,778.00
51010 - Base Salary	\$24,573.97	\$272,624.93	\$350,096.00
51090 - Fica MDC Portion	\$1,879.93	\$18,659.53	\$28,234.00
51110 - Health Insurance	\$2,053.36	\$20,296.24	\$28,080.00
51135 - ACCE Profit Sharing	\$1,460.20	\$19,135.18	\$24,507.00
52010 - Office Supplies	\$95.66	\$5,068.33	\$6,000.00
52110 - Motor Vehicle Supplies	\$0.00	\$474.92	\$1,500.00
52115 - Minor Furniture & Fixtures	\$0.00	\$344.71	\$1,000.00
52155 - Minor Computer Hrdwre & Periph	\$0.00	\$3,492.53	\$5,000.00
52160 - Computer Software & Supplies	\$0.00	\$31,704.17	\$30,000.00
52620 - Postage	\$0.00	\$968.80	\$300.00
53010 - Communication	\$1,148.82	\$15,989.04	\$17,000.00
53030 - Light & Power	\$15.11	\$102.28	\$150.00
53110 - Insurance-External	\$0.00	\$12,683.00	\$150,000.00
53212 - Equipment Rental-External	\$334.98	\$3,450.38	\$5,000.00
53220 - Advertising	\$4,823.80	\$201,356.50	\$200,000.00
53370 - Grounds Maintenance	\$7,257.71	\$33,857.35	\$22,000.00
53405 - Software Maintenance	\$1,525.54	\$18,491.05	\$12,000.00
53440 - External Audit Fees	\$0.00	\$33,971.70	\$35,000.00
53450 - Consulting Fees	\$0.00	\$244,781.14	\$500,000.00
53510 - Travel & Entertainment	\$46.66	\$9,161.41	\$8,000.00
53520 - Dues & Subscriptions	\$592.25	\$11,141.67	\$15,000.00
53530 - Training,Registration Fees,Etc	\$2,840.00	\$10,143.34	\$10,000.00
53905 - Economic Development Incentive	\$0.00	\$0.00	\$5,129,123.00
53907 - Business Recruitment & Retentn	\$4,872.51	\$64,421.51	\$50,000.00
53909 - Prior Year Committed Incentives	\$630,469.80	\$2,959,319.59	\$9,999,673.00
53920 - Rent	\$5,678.50	\$62,463.50	\$68,142.00
54010 - Building Maintenance	\$0.00	\$81,977.64	\$80,000.00
55120 - Maint. - Instruments & Appara.	\$354.39	\$1,637.85	\$1,000.00
56188 - MOTRAN	\$0.00	\$142,500.00	\$142,500.00
56202 - General Fund Services	\$31,651.08	\$348,161.88	\$379,813.00
56410 - Payment of Principal	\$0.00	\$0.00	\$70,605.00
56420 - Interest Expense	\$0.00	\$0.00	\$6,595.00
56910 - Depreciation Expense	\$0.00	\$319,784.22	\$416,460.00
56995 - Project Non Capital - Promotions	\$277,316.38	\$1,264,096.84	\$1,100,000.00
57001 - Capital Buildings & Structures	\$686,000.00	\$3,765,532.75	\$3,500,000.00
57002 - Capital Improv Other Than Bldg	\$0.00	\$100,000.00	\$0.00
57070 - Construction in Process	\$0.00	\$0.00	\$0.00
235235 - Midland Development Corp	\$1,684,990.65	\$10,077,793.98	\$22,392,778.00

August 2023 Net Income: \$122,478.90

Year-to-Date Net Income: \$4,840,352.55

Balance Sheet

MIDLAND DEVELOPMENT CORPORATION
BALANCE SHEET FOR THE PERIOD ENDED
August 31, 2023
(Used for Internal Purposes Only)

ASSETS

Current Assets

Cash and cash equivalents	19,480,503	
Investments	7,704,935	
Sales tax receivable	-	
Prepaid expenses	-	
Accounts receivable	-	
	27,185,438	

Non-Current Assets

Capital Assets, net	31,163,889	
Forgivable Loans		
Made to Primary Government	2,984,110	
Made to Other	6,579	
Total Forgivable Loans	2,990,689	
		34,154,578

Total Assets \$ 61,340,015

LIABILITIES AND NET POSITION

Liabilities

Accounts payable	85,335	
Retainage Payable	161,545	
Capital Leases payable	565,054	
Commitments payable		
Due within one year	7,680,873	
Due in more than one year	11,782,656	
Total Commitments Payable	19,463,529	
		20,275,462

Net Position

Net investment in capital assets	31,163,889	
Restricted for Forgivable Loans	2,990,689	
Restricted for Capital Leases	565,054	
Promotions	1,394,644	
Unrestricted	4,950,277	
	41,064,552	

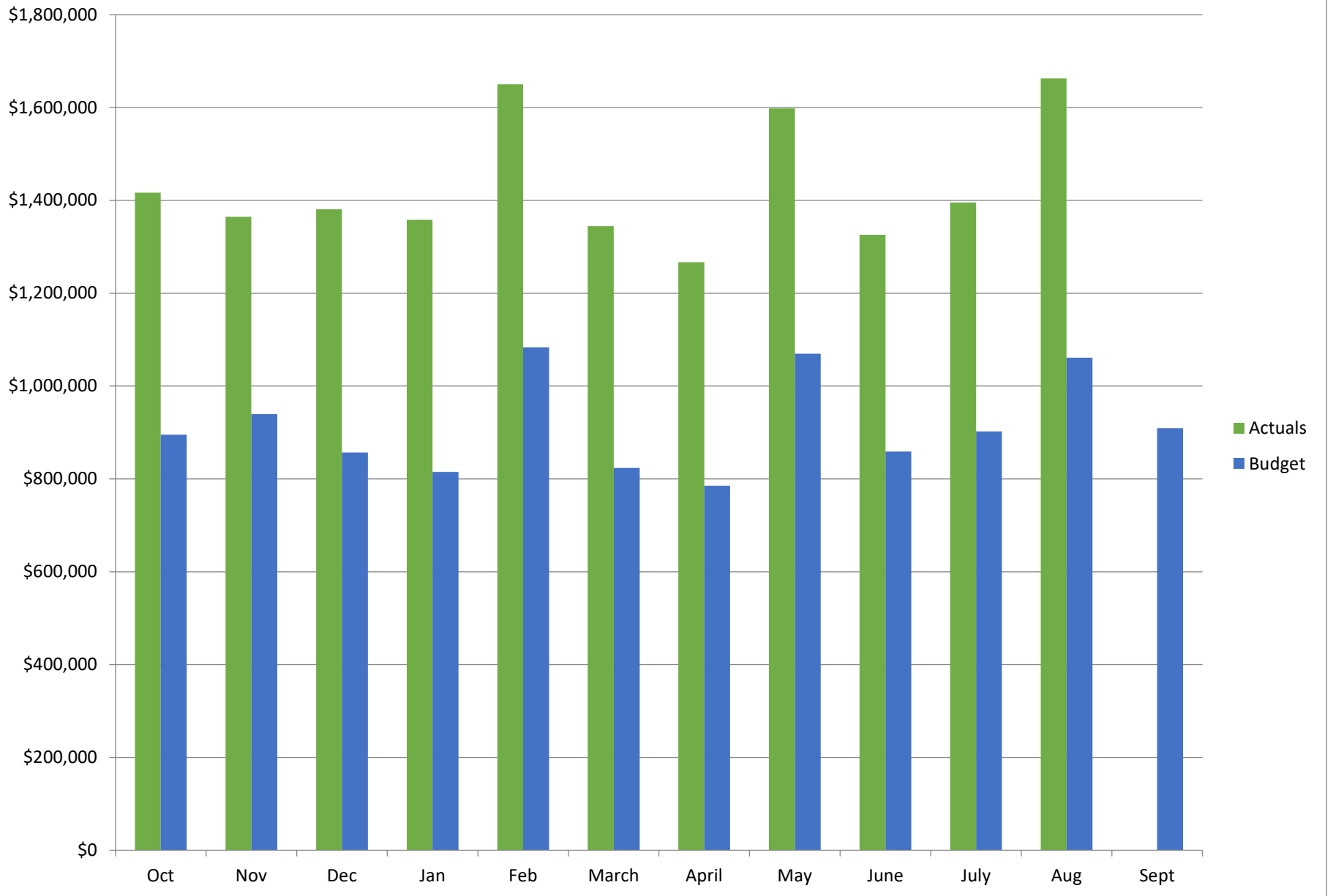
Total Liabilities and Net Position \$ 61,340,015

Sales Tax

Sales Tax Variance

	2020-2021	2021-2022	% Change	2021-2022	2022-2023	% Change	YTD Change
October	\$1,203,058.10	\$971,343.63	-19.26%	\$971,343.63	\$1,416,510.48	45.83%	45.83%
November	\$983,259.60	\$1,156,353.89	17.60%	\$1,156,353.89	\$1,364,595.51	18.01%	30.71%
December	\$843,087.27	\$1,013,549.80	20.22%	\$1,013,549.80	\$1,380,834.52	36.24%	32.49%
January	\$752,584.05	\$1,117,874.02	48.54%	\$1,117,874.02	\$1,358,336.22	21.51%	29.61%
February	\$1,224,314.99	\$1,434,528.04	17.17%	\$1,434,528.04	\$1,649,985.00	15.02%	25.93%
March	\$783,914.25	\$983,421.74	25.45%	\$983,421.74	\$1,344,612.50	36.73%	27.52%
April	\$687,198.37	\$1,015,116.31	47.72%	\$1,015,116.31	\$1,266,881.01	24.80%	27.16%
May	\$1,198,336.79	\$1,487,467.44	24.13%	\$1,487,467.44	\$1,597,917.80	7.43%	23.97%
June	\$927,060.71	\$1,218,236.38	31.41%	\$1,218,236.38	\$1,325,843.43	8.83%	22.19%
July	\$909,387.44	\$1,326,275.50	45.84%	\$1,326,275.50	\$1,395,392.32	5.21%	20.27%
August	\$1,176,070.55	\$1,582,536.23	34.56%	\$1,582,536.23	\$1,662,691.61	5.06%	18.46%
September	\$978,956.15	\$1,303,011.95	33.10%	\$1,303,011.95			
Annual Total	\$11,667,228.27	\$14,609,714.93	25.22%	\$14,609,714.93	\$15,763,600.40		

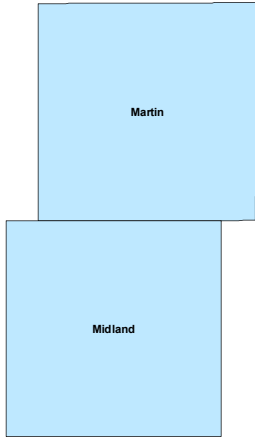
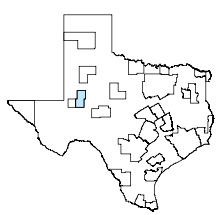
Sales Tax Actuals vs Budget Estimates



Activity Report

Midland MSA

July 2023

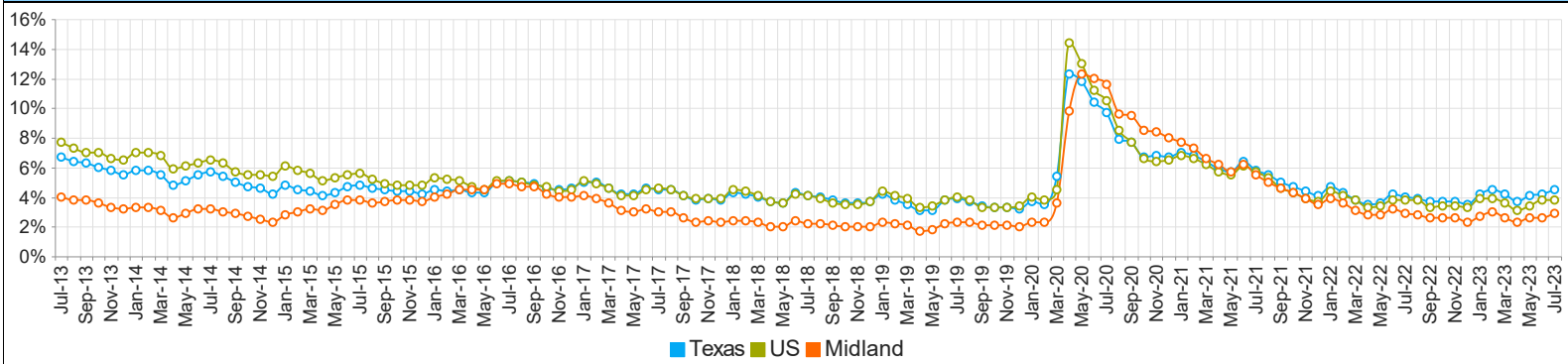


MSA Labor Force Statistics				
	Jul-23	Jun-23	Jul-22	Yearly Change
Civilian Labor Force	115,662	114,625	109,467	6,195
Employed	112,361	111,661	106,246	6,115
Unemployed	3,301	2,964	3,221	80
Unemployment Rate	2.9%	2.6%	2.9%	0.0%

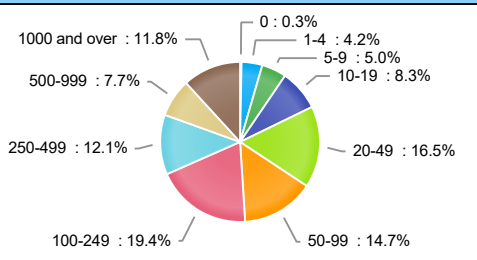
Texas Labor Force Statistics				
	Jul-23	Jun-23	Jul-22	Yearly Change
Civilian Labor Force	15,180,378	15,047,054	14,678,367	502,011
Employed	14,496,912	14,418,818	14,088,346	408,566
Unemployed	683,466	628,236	590,021	93,445
Unemployment Rate	4.5%	4.2%	4.0%	0.5%

US Labor Force Statistics				
	Jul-23	Jun-23	Jul-22	Yearly Change
Civilian Labor Force	168,354,000	167,910,000	165,321,000	3,033,000
Employed	161,982,000	161,559,000	159,067,000	2,915,000
Unemployed	6,372,000	6,351,000	6,255,000	117,000
Unemployment Rate	3.8%	3.8%	3.8%	0.0%

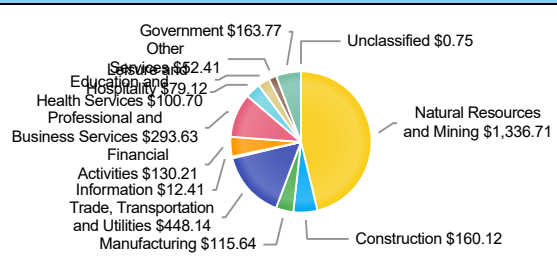
Historical Unemployment Rates



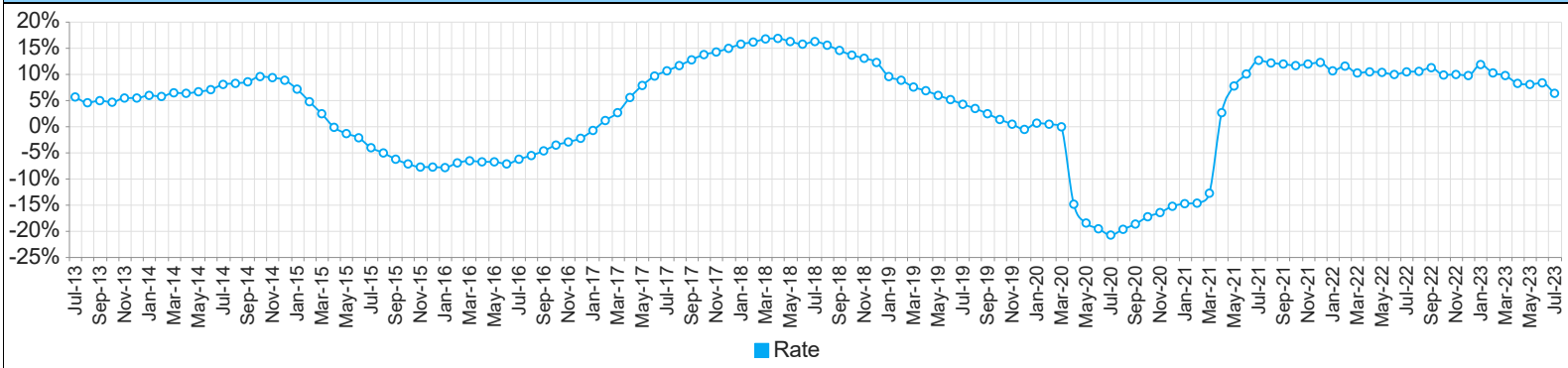
Employment by Size Class (1st Quarter 2023)



Wages by Industry (in millions) (1st Quarter 2023)



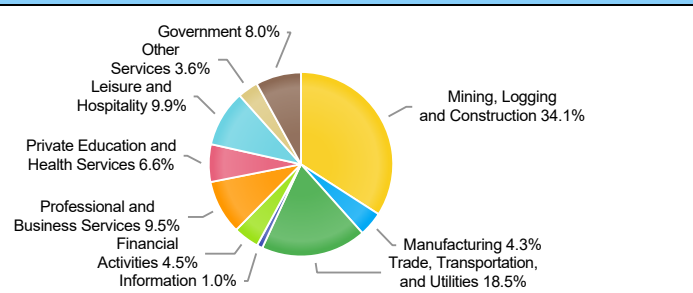
Annual Growth Rate Total Non-agricultural employment



Employment by Industry (July 2023)

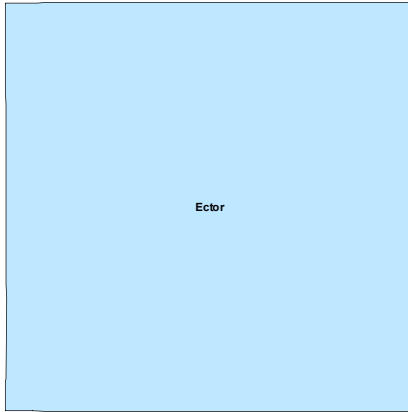
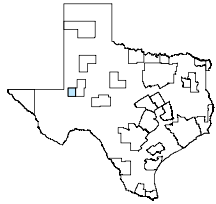
Industry	Current Month Employment	% Monthly Change	% Yearly Change
Total Nonfarm	120,600	-0.1%	6.3%
Mining, Logging and Construction	41,100	-0.7%	10.8%
Manufacturing	5,200	2.0%	10.6%
Trade, Transportation, and Utilities	22,300	0.5%	3.7%
Information	1,200	0.0%	0.0%
Financial Activities	5,400	0.0%	1.9%
Professional and Business Services	11,500	0.9%	3.6%
Private Education and Health Services	8,000	1.3%	5.3%
Leisure and Hospitality	11,900	0.0%	3.5%
Other Services	4,300	0.0%	7.5%
Government	9,700	-2.0%	2.1%

Employment by Industry (July 2023)



Odessa MSA

July 2023



Ector

MSA Labor Force Statistics

	Jul-23	Jun-23	Jul-22	Yearly Change
Civilian Labor Force	86,542	86,070	83,463	3,079
Employed	83,276	83,101	80,274	3,002
Unemployed	3,266	2,969	3,189	77
Unemployment Rate	3.8%	3.4%	3.8%	0.0%

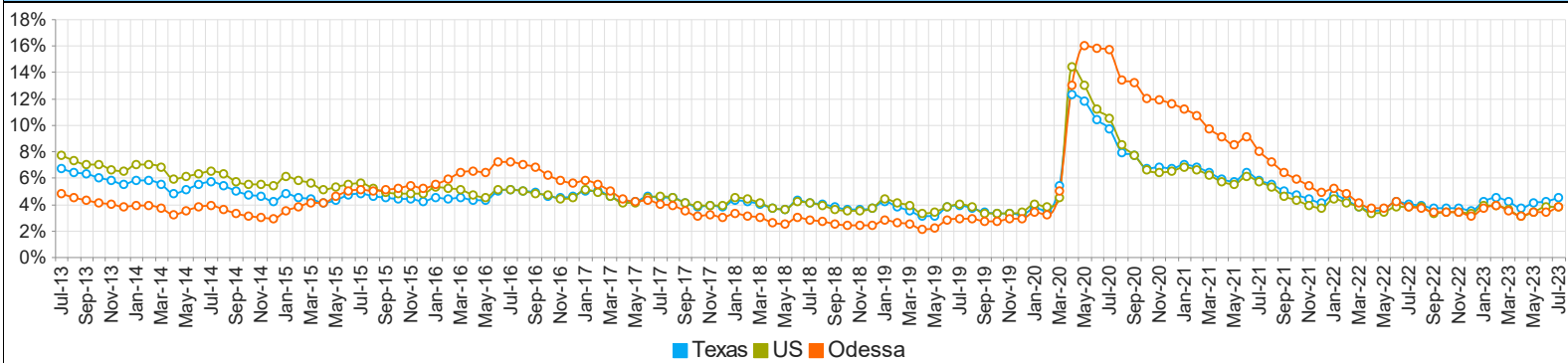
Texas Labor Force Statistics

	Jul-23	Jun-23	Jul-22	Yearly Change
Civilian Labor Force	15,180,378	15,047,054	14,678,367	502,011
Employed	14,496,912	14,418,818	14,088,346	408,566
Unemployed	683,466	628,236	590,021	93,445
Unemployment Rate	4.5%	4.2%	4.0%	0.5%

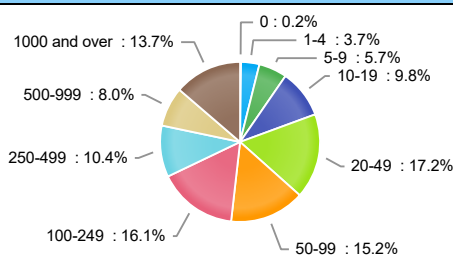
US Labor Force Statistics

	Jul-23	Jun-23	Jul-22	Yearly Change
Civilian Labor Force	168,354,000	167,910,000	165,321,000	3,033,000
Employed	161,982,000	161,559,000	159,067,000	2,915,000
Unemployed	6,372,000	6,351,000	6,255,000	117,000
Unemployment Rate	3.8%	3.8%	3.8%	0.0%

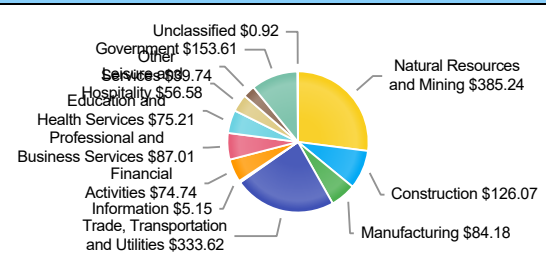
Historical Unemployment Rates



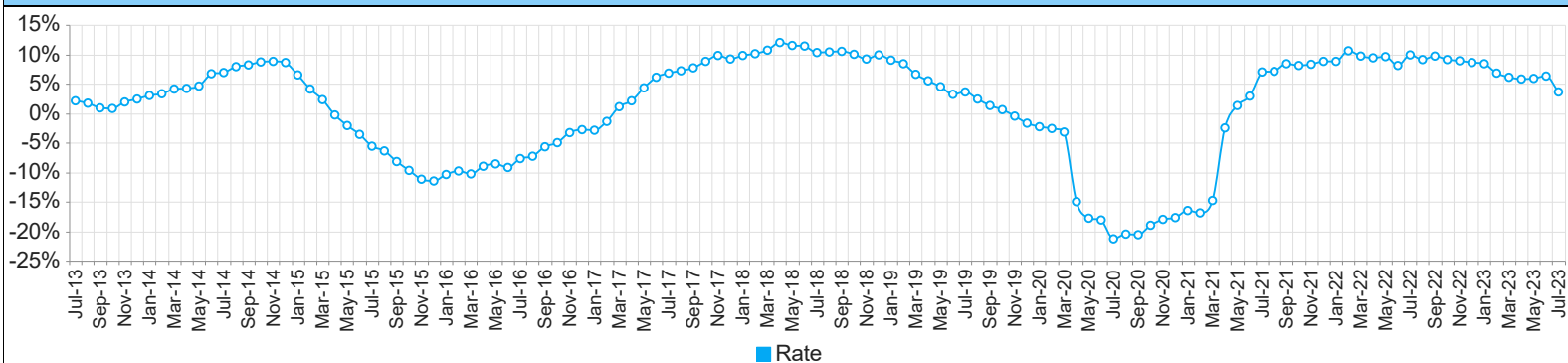
Employment by Size Class (1st Quarter 2023)



Wages by Industry (in millions) (1st Quarter 2023)



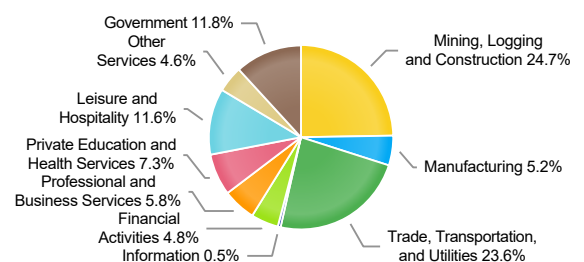
Annual Growth Rate Total Non-agricultural employment



Employment by Industry (July 2023)

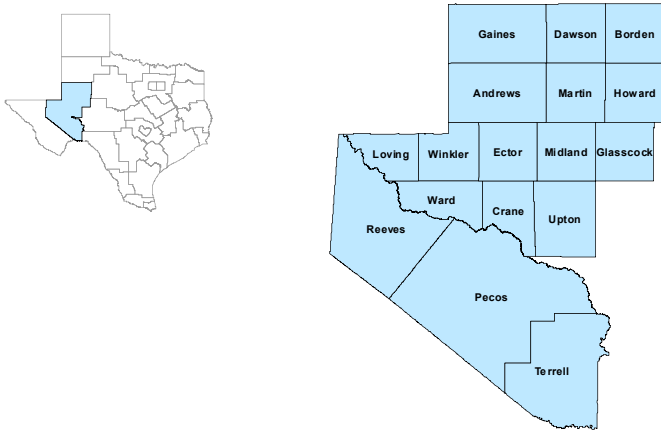
Industry	Current Month Employment	% Monthly Change	% Yearly Change
Total Nonfarm	80,500	-0.7%	3.6%
Mining, Logging and Construction	19,900	1.0%	9.3%
Manufacturing	4,200	2.4%	5.0%
Trade, Transportation, and Utilities	19,000	0.5%	3.8%
Information	400	0.0%	0.0%
Financial Activities	3,900	0.0%	2.6%
Professional and Business Services	4,700	0.0%	-2.1%
Private Education and Health Services	5,900	0.0%	5.4%
Leisure and Hospitality	9,300	-1.1%	2.2%
Other Services	3,700	0.0%	2.8%
Government	9,500	-8.7%	-4.0%

Employment by Industry (July 2023)



Permian Basin Workforce Development Area

July 2023



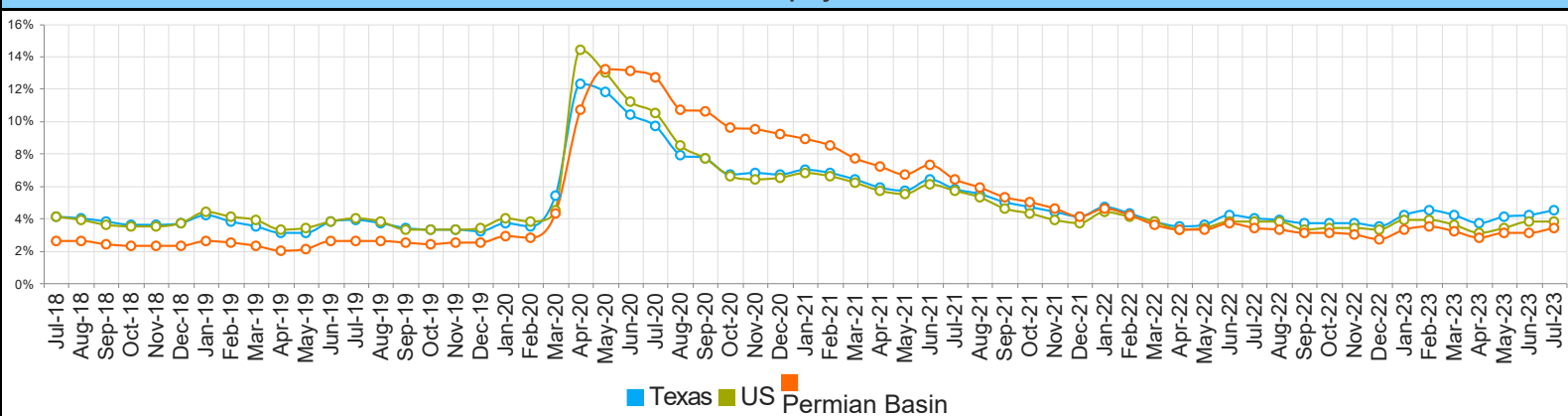
WDA Labor Force Statistics				
	Jul-23	Jun-23	Jul-22	Yearly Change
Civilian Labor Force	272,931	271,111	262,768	10,163
Employed	263,618	262,607	253,725	9,893
Unemployed	9,313	8,504	9,043	270
Unemployment Rate	3.4%	3.1%	3.4%	0.0%

Texas Labor Force Statistics				
	Jul-23	Jun-23	Jul-22	Yearly Change
Civilian Labor Force	15,180,378	15,047,054	14,678,367	502,011
Employed	14,496,912	14,418,818	14,088,346	408,566
Unemployed	683,466	628,236	590,021	93,445
Unemployment Rate	4.5%	4.2%	4.0%	0.5%

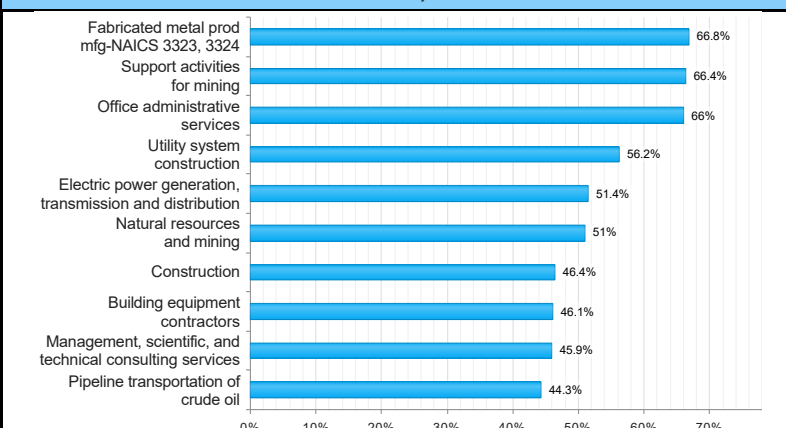
US Labor Force Statistics				
	Jul-23	Jun-23	Jul-22	Yearly Change
Civilian Labor Force	168,354,000	167,910,000	165,321,000	3,033,000
Employed	161,982,000	161,559,000	159,067,000	2,915,000
Unemployed	6,372,000	6,351,000	6,255,000	117,000
Unemployment Rate	3.8%	3.8%	3.8%	0.0%

Continued Claims for the Week of the 12th				
	Jul-23	Jun-23	Jul-22	Yearly Change
WDA	1,066	1,127	910	156
Texas	119,561	120,579	86,132	33,429

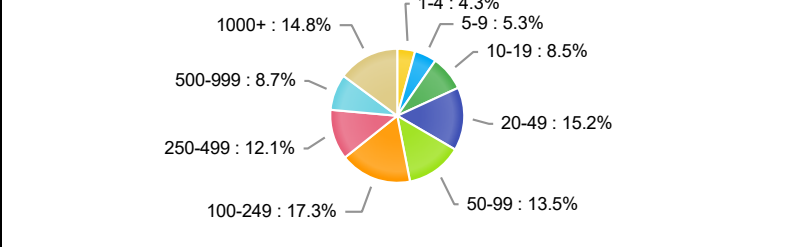
Historical Unemployment Rates



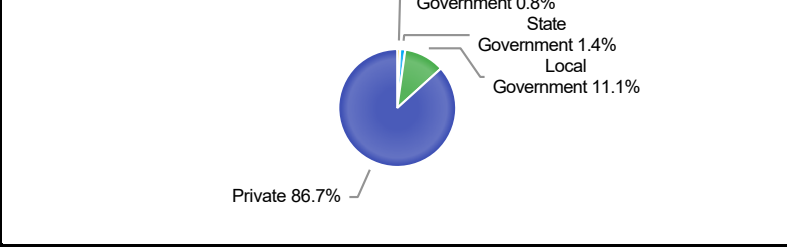
Projected Top Ten Fastest Growing Industries in WDA (% Growth 2020-2030)



Employment by Size Class (1st Quarter 2023)



Employment by Ownership (1st Quarter 2023)



Average Weekly Wage (1st Quarter 2023)					
	Q1 2023	Q4 2022	Q1 2022	Quarterly Change	Yearly Change
WDA	\$1,651	\$1,535	\$1,454	\$116	\$197
Texas	\$1,480	\$1,372	\$1,369	\$108	\$111
US	\$1,465	\$1,385	\$1,374	\$80	\$91

Employment by Industry (1st Quarter 2023, Percent Change)

Industry	Employment	% of Total	% Quarterly Change	% Yearly Change
Natural Resources and Mining	55,713	22.1%	3.4%	16.9%
Construction	21,516	8.5%	1.7%	16.6%
Manufacturing	10,261	4.1%	-0.8%	5.9%
Trade, Transportation and Utilities	52,958	21.0%	-0.5%	5.4%
Information	1,849	0.7%	-2.6%	1.3%
Financial Activities	10,873	4.3%	-0.7%	4.9%
Professional and Business Services	18,804	7.5%	1.3%	7.3%
Education and Health Services	40,025	15.9%	-0.2%	1.4%
Leisure and Hospitality	25,501	10.1%	-0.9%	4.0%
Other Services	7,559	3.0%	1.4%	12.3%
Public Administration	6,810	2.7%	-2.1%	-5.1%

Employment by Industry (1st Quarter 2023)

