



Board Binder Open Session

July 1, 2024

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 July 1, 2024. 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/89379025648?pwd=TnRBRExxRjd6eS9JSExGeXRUdzNrdz09>

Passcode: 468320

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 4068 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: 893 7902 5648

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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 June 3, 2024, meeting of the Midland Development Corporation.
3. Presentation from Midland Downtown Farmers Market on activities and events in downtown Midland.
4. Resolution approving the budget for the Midland Development Corporation's 2024-2025 Fiscal Year.
5. 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.
6. Resolution authorizing the execution of a memorandum of understanding with Starfighters Space Texas, Incorporated; and authorizing payment therefore.

7. Resolution authorizing the execution of Task Order No. 1 to that certain master research and development agreement with The MITRE Corporation for an amount not to exceed \$375,000.00; said task order to provide for research and development, systems engineering, and related advisory services necessary for the furtherance of commercial space and high-speed flight operations in the Permian Basin.
8. Resolution authorizing the execution of a consulting services agreement with Hickman Group, LLC in an amount not to exceed \$120,000.00 for retail recruitment services; and authorizing payment for said agreement.
9. Presentation on the June 2024 monthly expenses and economic development activity report from the Midland Development Corporation Executive Director and staff.
10. 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 551.071, Consultation With Attorney
 - i. Discuss pending litigation.
 - b. Section 551.072, Deliberation Regarding Real Property
 - i. Discuss the purchase, exchange, lease, or value of real property.
 - c. 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 28th day of June 2024.

Marcia Bentley German
City Governance Officer/City Secretary

June 3rd Minutes

MIDLAND DEVELOPMENT CORPORATION

MINUTES

June 03, 2024

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 June 03, 2024.

Board Members present: Chairman Lourcey Sams, Director Brad Bullock, Director Jill Pennington, Director Elvie Brown, Director Berry Simpson, and Director Zachary Deck.

Board Members absent: Director Chase Gardaphe

Staff Members present: City Manager Tommy Gozalez, Assistant City Manager Jose Ortiz, Chief of Staff Taylor Novack, Assistant City Attorney Nicholas Toulet-Crump, and Chief Deputy City Secretary Vanessa Magallanes

Council Member(s) present: Council Member Amy Stretcher Burkes

MDC Staff Members present: Executive Director Sara Harris & Marketing & Administrative Coordinator Gabrielle Franks

1. Call meeting to order.

Chairman Sams called the meeting to order at 10:05 am

2. Motion approving the minutes of the May 06, 2024, meeting of the Midland Development Corporation.

Director Bullock moved to approve the minutes of the April 8, 2024, meeting of the Midland Development Corporation, seconded by Director Simpson. The motion carried by the following vote: AYE: Sams, Pennington, Deck, and Brown. NAY: None. ABSTAIN: None. ABSENT: Gardaphe.

3. Presentation from Bhupen Agrawal on the Honolulu Building located at 200 West Illinois Avenue, Midland, Texas.

Bhupen Agrawal, owner of the Honolulu Building gave a presentation about the building.

4. Presentation from Midland College on the Midland College Transportation Training Program.

Robert Heinisch, Director of Transportation at Midland College gave a presentation about the Transportation Training Program and its impact on Midland's workforce.

5. Motion canceling the August 5 regular meeting of the Midland Development Corporation Board of Directors; and establishing the date of August 12, 2024, for a special meeting of the Midland Development Corporation Board of Directors.

Director Pennington moved to approve the motion canceling the August 5 regular meeting of the Midland Development Corporation Board of Directors; and establishing the date of August 12, 2024, for a special meeting of the Midland Development Corporation Board of Directors., seconded by Director Bullock. The motion carried by the following vote: AYE: Deck, Simpson, Sams, and Brown. NAY: None. ABSTAIN: None. ABSENT: Gardaphe.

6. Resolution authorizing the execution of a promotional agreement with Young Men's Christian Association of Midland Texas to advertise and publicize the City of Midland for the purpose of developing new and expanded business enterprises.

Director Pennington moved to approve Resolution ED-463 authorizing the execution of a promotional agreement with Young Men's Christian Association of Midland Texas to advertise and publicize the City of Midland for the purpose of developing new and expanded business enterprises., seconded by Director Bullock. The motion carried by the following vote: AYE: Sams, Deck, Simpson, and Brown. NAY: None. ABSTAIN: None. ABSENT: Gardaphe.

7. Resolution authorizing the execution of an agreement with Space Force Association Inc. to advertise and publicize the City of Midland for the purpose of developing new and expanded business enterprises.

Director Pennington moved to approve Resolution ED-464 authorizing the execution of an agreement with Space Force Association Inc. to advertise and publicize the City of Midland for the purpose of developing new and expanded business enterprises., seconded by Director Deck. The motion carried by the following vote: AYE: Sams, Gardaphe, Bullock, Simpson, Sams, and Brown. NAY: None. ABSTAIN: None. ABSENT: Gardaphe.

8. Resolution authorizing the execution of a master research and development agreement with The MITRE Corporation; said agreement to provide for research and development, systems engineering, and related advisory services necessary for the furtherance of commercial space and high-speed flight operations in the Permian Basin.

Director Deck moved to approve Resolution ED-465 authorizing the execution of a master research and development agreement with The MITRE Corporation; said agreement to provide for research and development, systems engineering, and related advisory services necessary for the furtherance of commercial space and high-speed flight operations in the Permian Basin., seconded by Director Simpson. The motion carried by the following vote: AYE: Sams, Bullock, Pennington, and Brown. NAY: None. ABSTAIN: None. ABSENT: Gardaphe.

9. Presentation on the May 2024 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.

Board recessed into executive session at 11:05 a.m.

10. 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 551.071, Consultation With Attorney
 - i. Discuss pending litigation.
- b. Section 551.072, Deliberation Regarding Real Property
 - i. Discuss the purchase, exchange, lease, or value of real property.
- c. 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 12:25 p.m.

All the business at hand having been completed, Chairman Sams adjourned the meeting at 12:26 p.m.

Respectfully submitted,

Vanessa Magallanes, Chief Deputy City Secretary

PASSED AND APPROVED the 1st Day of July 2024.

Jill Pennington, Secretary

MDC Fiscal Year 2024-2025 Budget

RESOLUTION NO. _____

**RESOLUTION APPROVING THE BUDGET FOR THE
MIDLAND DEVELOPMENT CORPORATION'S 2024-
2025 FISCAL YEAR**

WHEREAS, the Midland Development Corporation has prepared a budget for the Fiscal Year 2024-2025; and

WHEREAS, the Board of Directors finds it to be in the public interest to approve said budget for the Fiscal Year 2024-2025;

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

THAT the Fiscal Year 2024-2025 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., 2024, by the following vote:

Directors voting "AYE":

Directors voting "NAY":

P. LOURCEY SAMS,
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, 2024 through September 30, 2025

	ACTUAL 2022-2023	BUDGET 2023-2024	BUDGET 2024-2025
REVENUE AND RECEIPTS			
Sales Tax	\$ 17,214,306	\$ 12,000,000	\$ 14,000,000
Public Right-Of-Way Use Fees	4,824	0	0
Interest	359,217	0	0
Interest / Non-Pooled Investment	494,731	0	0
Investment Earnings (loss)	53,588	0	0
Misc. Rentals	976,744	976,644	976,644
Reimbursement of Budget Expenses	2,109	0	0
Recvr-Damages To City Property	410,370	0	0
Lease Revenue	(22,708)	0	0
Interest Revenue	39,689	0	0
	<u>19,532,870</u>	<u>12,976,644</u>	<u>14,976,644</u>
TOTAL REVENUE AND RECEIPTS			
	<u>\$ 19,532,870</u>	<u>\$ 12,976,644</u>	<u>\$ 14,976,644</u>
SUMMARY OF EXPENSES BY ORGANIZATION			
50150. Nondepartmental	\$ <u>11,732,673</u>	\$ <u>26,583,806</u>	\$ <u>14,976,644</u>
	<u>\$ 11,732,673</u>	<u>\$ 26,583,806</u>	<u>\$ 14,976,644</u>
TOTAL			
	<u>\$ 11,732,673</u>	<u>\$ 26,583,806</u>	<u>\$ 14,976,644</u>
SUMMARY OF EXPENSES BY CLASSIFICATION			
<u>OPERATING EXPENSES</u>			
45000. Interfund	\$ (1,526,320)	\$ 0	\$ 0
51000. Personnel Services	303,575	442,729	508,441
52000. Commodities	41,084	57,000	55,200
53000. Contractual Services	3,983,457	23,721,757	11,822,431
54000. Building Maintenance	81,477	80,000	125,000
55000. Maintenance of Instruments & Apparatus	1,407	1,200	2,000
56000. Miscellaneous	4,961,261	2,281,120	2,463,572
57000 / 58000. Capital Purchases	3,886,732	0	0
	<u>11,732,673</u>	<u>26,583,806</u>	<u>14,976,644</u>
TOTAL OPERATING EXPENSES			
	<u>\$ 11,732,673</u>	<u>\$ 26,583,806</u>	<u>\$ 14,976,644</u>
GRAND TOTAL			
	<u>\$ 11,732,673</u>	<u>\$ 26,583,806</u>	<u>\$ 14,976,644</u>

MIDLAND DEVELOPMENT CORPORATION
Proposed Budget for October 1, 2024 through September 30, 2025

	ACTUAL 2022-2023	BUDGET 2023-2024	BUDGET 2024-2025
<u>OPERATING EXPENSES</u>			
45000 Interfund			
45253. MDC Fund Interfund	\$ (1,526,320)	\$ 0	\$ 0
TOTAL 51000	<u>(1,526,320)</u>	<u>0</u>	<u>0</u>
51000 Personnel Services			
51010. Base Salary	\$ 248,397	\$ 360,047	\$ 408,238
51090. FICA MDC Portion	16,806	28,678	32,616
51110. Hospital Insurance MDC Portion	21,411	28,440	41,100
51135. ACOC Profit Sharing	16,961	25,203	26,127
51140. Unemployment Insurance	<u>0</u>	<u>360</u>	<u>360</u>
TOTAL 51000	<u>303,575</u>	<u>442,729</u>	<u>508,441</u>
52000. Commodities			
52010. Office Supplies	4,739	6,500	6,500
52110. Motor Vehicle Supplies	420	1,500	1,000
52115. Minor Furniture and Fixtures	345	1,000	2,000
52155. Minor Computer Hardware & Peripherals	3,493	12,000	5,000
52160. Computer Minor Software & Supplies	31,121	35,000	40,000
52620. Postage	<u>966</u>	<u>1,000</u>	<u>700</u>
TOTAL 52000	<u>41,084</u>	<u>57,000</u>	<u>55,200</u>
53000. Contractual Services			
53010. Communications	15,142	17,000	17,000
53030. Light & Power	110	150	150
53110. Insurance - External	18,511	150,000	150,000
53212. Equipment Rental - External	3,115	5,000	5,000
53220. Marketing and Advertising	276,409	225,000	300,000
53370. Grounds Maintenance	30,456	25,000	50,000
53405. Software Maintenance	16,966	15,000	20,000
53440. External Audit Fees	33,972	40,000	45,000
53450. Consulting Fees	244,781	500,000	500,000
53510. Travel & Entertainment	9,176	10,000	15,000
53520. Dues and Subscriptions	15,144	17,000	20,000
53530. Training, Registration Fees	9,398	15,000	10,000
53905. Economic Development Incentives	3,329,609	9,098,141	6,246,827
53907. Business Recruitment & Retention	48,711	70,000	120,000
53909. Prior Year Committed Incentives	0	13,464,662	4,251,988
53920. Rent	<u>(68,043)</u>	<u>69,804</u>	<u>71,466</u>
TOTAL 53000	<u>\$ 3,983,457</u>	<u>\$ 23,721,757</u>	<u>\$ 11,822,431</u>

MIDLAND DEVELOPMENT CORPORATION
Proposed Budget for October 1, 2024 through September 30, 2025

	ACTUAL 2022-2023	BUDGET 2023-2024	BUDGET 2024-2025
<u>OPERATING EXPENSES</u>			
54000 Building Maintenance			
54010. Building Maintenance	\$ <u>81,477</u>	\$ <u>80,000</u>	\$ <u>125,000</u>
TOTAL 54000	<u>81,477</u>	<u>80,000</u>	<u>125,000</u>
55000 Maintenance of Equipment			
55120. Maintenance of Instruments & App	<u>1,407</u>	<u>1,200</u>	<u>2,000</u>
TOTAL 55000	<u>1,407</u>	<u>1,200</u>	<u>2,000</u>
56000. Miscellaneous			
56188. MOTRAN	142,500	142,500	142,500
56202. General Fund Services	379,815	444,960	427,412
56329. MDC Construction Transfer	3,026,320	0	0
56410. Payment of Principal	107,958	70,605	70,605
56420. Interest Expense	160	6,595	6,595
56910. Depreciation Expense	0	416,460	416,460
56995. Project Non Capital (Promotions)	<u>1,304,508</u>	<u>1,200,000</u>	<u>1,400,000</u>
TOTAL 56000	<u>4,961,261</u>	<u>2,281,120</u>	<u>2,463,572</u>
57000 / 58000. Capital Purchases			
57001. Capital Buildings & Structures	3,786,732	0	0
57002. Capital Improvemnts Other Than Bldgs	<u>100,000</u>	<u>0</u>	<u>0</u>
Total 57000 / 58000	<u>3,886,732</u>	<u>0</u>	<u>0</u>
GRAND TOTAL	<u>\$ <u>11,732,673</u></u>	<u>\$ <u>26,583,806</u></u>	<u>\$ <u>14,976,644</u></u>

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

	ACTUAL 2022-2023	BUDGET 2023-2024	BUDGET 2024-2025
Balance October 1, 2022	\$ <u>25,180,909</u>		
Estimated Balance October 1		\$ <u>26,438,264</u>	\$ <u>12,831,102</u>
Revenues:			
Sales Taxes	17,214,306	12,000,000	14,000,000
Public Right-Of-Way Use Fees	4,824	0	0
Interest / Non-Pooled Investment Income	947,225	0	0
Misc. Rentals	976,744	976,644	976,644
Reimbursement of Budget Expenses	2,109	0	0
Recvr-Damages To City Property	410,370	0	0
Lease Revenue	<u>(22,708)</u>	<u>0</u>	<u>0</u>
Total Revenues	<u>19,532,870</u>	<u>12,976,644</u>	<u>14,976,644</u>
Expenditures:			
Interfund	(1,526,320)	0	
Personnel Services	303,575	442,729	508,441
Commodities	41,084	57,000	55,200
Contractual Services	3,983,457	23,721,757	11,822,431
Building Maintenance	81,477	80,000	125,000
Maintenance of Inst and App	1,407	1,200	2,000
Miscellaneous	4,961,261	2,281,120	2,463,572
Capital Purchases	<u>3,886,732</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>11,732,673</u>	<u>26,583,806</u>	<u>14,976,644</u>
Net Revenues (Expenditures)	<u>7,800,197</u>	<u>(13,607,162)</u>	<u>0</u>
Estimated Balance October 1:			
Restricted for ED Incentives	15,015,125		
Budgetary FB Unreserved	(10,109,214)		
FB Unappropriated	10,877,770		
Estimated Revenues	(2,011,811)		
Appropriations	11,692,333		
FB Reserved for Encumbrances	<u>974,061</u>		
Total Estimated Balance October 1	\$ <u><u>26,438,264</u></u>	\$ <u><u>12,831,102</u></u>	\$ <u><u>12,831,102</u></u>

UTPB Interlocal
Agreement –
Midland
Entrepreneurial
Challenge

RESOLUTION NO. _____

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

WHEREAS, The University of Texas of the Permian Basin (“*UTPB*”) has requested funding from the Midland Development Corporation (“*MDC*”), with said funds to be used for the management and administration of the Midland Entrepreneurial Challenge within the corporate limits of the City of Midland (“*City*”); and

WHEREAS, UTPB has agreed to advertise and publicize the City in conjunction with its management and administration of the Midland Entrepreneurial Challenge for the purpose of developing new and expanded business enterprises within the City; and

WHEREAS, the MDC Board of Directors finds that the Midland Entrepreneurial Challenge, through its development and cultivation of local business ventures and innovations, will greatly enhance and promote economic development within the City; and

WHEREAS, Section 504.105 of the Texas Local Government Code authorizes the MDC to make promotional expenditures that advertise or publicize the City for the purpose of developing new and expanded business enterprises; and

WHEREAS, the MDC Board of Directors finds that the expenditure of promotional funds for the management and administration of the Midland Entrepreneurial Challenge will advertise or publicize the City for the purpose of developing new and expanded business enterprises as authorized by the Act; and

WHEREAS, the MDC Board of Directors finds it to be in the public interest to authorize the execution of an interlocal agreement with UTPB to advertise and publicize the City for the purpose of developing new and expanded business enterprises;

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

SECTION ONE. That the Chairman and Secretary are hereby authorized and directed

to execute and attest, respectively, on behalf of the Midland Development Corporation, 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. Said agreement shall be in a form substantially similar to Exhibit A, which is attached hereto and incorporated herein for all purposes.

SECTION TWO. That the City Comptroller is hereby authorized and directed to pay The University of Texas of the Permian Basin, in accordance with the terms of said agreement, upon receipt of proper invoices or statements approved by the Executive Director of the Midland Development Corporation from funds available in the Midland Development Corporation Promotions Project (800705).

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., 2024, by the following vote:

Directors voting “AYE”:

Directors voting “NAY”:

P. LOURCEY SAMS,
President of the Midland
Development Corporation

ATTEST:

JILL PENNINGTON,
Secretary for the Midland
Development Corporation

APPROVED AS TO FORM ONLY:

JOHN OHNEMILLER,
Attorney for the Midland
Development Corporation

INTERLOCAL AGREEMENT

BETWEEN

**THE UNIVERSITY OF TEXAS OF THE PERMIAN BASIN
AND
MIDLAND DEVELOPMENT CORPORATION**

This Interlocal Agreement (the “*Agreement*”), is made and entered into this 23rd day of July, 2024, between the University of Texas of the Permian Basin (“*UTPB*”), and the Midland Development Corporation (“*MDC*”), an economic development corporation existing under the authority of Chapter 504 of the Texas Local Government Code, pursuant to Chapter 791 of the Texas Government Code, also known as the Interlocal Cooperation Act, regarding the Midland Entrepreneurial Challenge. UTPB and MDC are sometimes collectively referred to herein as the “*Parties*.”

WITNESSETH:

WHEREAS, MDC is a governmental entity of the state of Texas and is authorized by its governing body to enter into this Agreement; and

WHEREAS, MDC is authorized to expend promotional funds in order to advertise or publicize the City of Midland for the purpose of developing new and expanded business enterprises pursuant to Section 504.105 of the Texas Local Government Code; and

WHEREAS, UTPB is a governmental entity of the state of Texas and is authorized by its governing body to enter into this Agreement; and

WHEREAS, UTPB actively promotes business development and economic growth within the City of Midland and the surrounding region for the purposes of creating jobs and developing new and expanded business enterprises in the same; and

WHEREAS, MDC’s expenditure of promotional funds for the advertising and promotional services described herein will advertise and publicize the City of Midland for the purpose of developing new and expanded business enterprises, and will thereby enhance and promote economic development within the City of Midland; and

WHEREAS, it is the desire of the Parties hereto to combine their efforts for the purpose of developing new and expanded business enterprises within the City of Midland;

NOW, THEREFORE, in consideration of the covenants and conditions stated herein, and in consideration of the mutual benefits which will accrue to the Parties, as well as the general citizenry of the City of Midland, the Parties have agreed and do hereby agree as follows:

I. PURPOSE

The purpose of this Agreement is to state the terms and conditions under which UTPB shall

perform advertising and promotional services for MDC for the purpose of developing new and expanded business enterprises in the City of Midland and thereby enhance and promote economic development within the City of Midland.

II. OBLIGATIONS OF THE PARTIES

A. MDC Payment. MDC agrees to provide to UTPB funds in an amount not to exceed FIVE HUNDRED THOUSAND and No/00 DOLLARS (\$500,000.00), in consideration for UTPB's services described herein (the "*Service Funds*"). In addition to the Service Funds, MDC agrees to pay UTPB an amount not to exceed SEVENTY-SIX THOUSAND, FIVE HUNDRED AND FIFTY and No/00 DOLLARS (\$76,550.00) for any marketing and administrative costs associated with the operation and management of the Midland Entrepreneurial Challenge (the "*Administration Funds*"). MDC's payment of the Administration Funds shall not exceed a cumulative amount of SEVENTY-SIX THOUSAND, FIVE HUNDRED AND FIFTY and No/100 DOLLARS (\$76,550.00) over the term of this Agreement. MDC agrees to provide the Service Funds and Administration Funds (cumulatively referred to as the "*Funds*") subject to all conditions and restrictions contained in this Agreement. The payment of the Funds shall be on a cost-reimbursement basis and shall be provided by MDC to UTPB upon MDC's receipt of a written request by UTPB. In conjunction with its written request for the Funds, UTPB shall submit invoices or statements demonstrating UTPB's payment of funds in support of UTPB's performance of the services described herein (the "*Supporting Documentation*"). The approval of the Supporting Documentation is subject to the sole and absolute discretion of MDC's Chairman. Notwithstanding any provision of this Agreement to the contrary, the Parties agree that it shall be in the sole and absolute discretion of MDC to reimburse UTPB for the services to be performed described herein depending on the rendered quality of said services and the quality of the Supporting Documentation, as determined by MDC. The Parties agree that this provision, in all of its aspects, is consistent with Texas Government Code § 791.011(e).

B. UTPB Services. UTPB shall use commercially reasonable efforts to provide those promotional services described in **Exhibit A**, which is attached hereto and incorporated herein for all purposes. UTPB shall coordinate with MDC's Executive Director regarding the design, nature, content, and implementation of said services to enable the advertising and promotional activities performed hereunder to be effective and efficient in achieving the purpose of this Agreement. UTPB shall require its vendors to provide detailed outlines for any marketing strategies to include dates, times, media platforms, and proofs. Additionally, UTPB agrees to oversee the operation and management of the Midland Entrepreneurial Challenge. Regarding the Midland Entrepreneurial Challenge, UTPB shall provide those services and duties described in **Exhibit B**, which is attached hereto and incorporated herein for all purposes.

C. UTPB Report. On or before August 31, 2025, UTPB shall provide MDC with a written report containing a detailed summary of 1) UTPB's efforts to promote new and expanded business enterprises within the City of Midland; and 2) the participants, qualifications, evaluation material, and results of the Midland Entrepreneurial Challenge.

III. INDEPENDENT CONTRACTOR

UTPB shall operate hereunder as an independent contractor and not as an officer, agent, servant, or employee of MDC. UTPB shall have exclusive control of, and the exclusive right to

control, the details of the work to be performed hereunder and all personnel performing the same, and shall be solely responsible for the acts and omissions of its officers, members, agents, employees or contractors. In no event shall any person participating in or performing any of UTPB's duties or responsibilities hereunder be considered an officer, agent, or employee of MDC. Further, it is specifically understood and agreed that nothing in this Agreement is intended or shall be construed as creating a "Community of Pecuniary Interest" or "An Equal Right of Control" which would give rise to vicarious liability. UTPB shall be an independent contractor under this Agreement and shall assume all of the rights, obligations and liabilities, applicable to it as such independent contractor hereunder. MDC does not have the power to direct the order in which the work is done. MDC shall not have the right to control the means, methods or details of UTPB's work. UTPB shall assume exclusive responsibility for its work.

IV. TERM OF AGREEMENT

Upon execution by the Parties, this Agreement becomes effective July 23, 2024, and shall terminate on September 30, 2026, or when terminated by mutual agreement of the Parties, or when terminated as hereinafter provided.

V. INSURANCE

UTPB shall, at all times during the term of this Agreement, maintain and keep in full force and effect insurance in the following types and minimum amounts with companies authorized to do business in the State of Texas:

Commercial General Liability (including Contractual liability):

- Personal Injury: \$1,000,000.00 per person
\$1,000,000.00 per occurrence
- Property Damage: \$100,000.00 per occurrence

Workers' Compensation: Statutory limits

Employers' Liability: \$500,000.00 per accident or occurrence

The Commercial General Liability shall be on a per project aggregate, including completed operations, and shall be on a claims-occurred basis. This insurance shall name MDC as an additional insured and waive subrogation in favor of MDC.

The Workers' Compensation coverage provided by UTPB shall inure to the benefit of employees injured during the course and scope of their employment by UTPB pursuant to this Agreement. The Workers' Compensation shall waive all rights of subrogation in favor of MDC.

All insurance required pursuant to this Agreement shall provide for a waiver of subrogation in favor of MDC. All insurance required pursuant to this Agreement, except for Workers' Compensation Insurance, shall name MDC as an additional insured on a claims occurred basis. MDC shall be provided the notice by UTPB's insurance provider not later than thirty (30) days prior to any reduction or termination of such coverage.

UTPB shall contractually require all contractors, subcontractors, and sub-subcontractors that work on any portion of the work that is the subject of this Agreement to obtain insurance coverage that meets or exceeds the policy requirements and minimum amounts specified herein. All contractors, subcontractors, and sub-subcontractors shall obtain insurance policies that provide blanket waivers of subrogation in favor of MDC and policies that name MDC as an additional insured on a claims occurred basis (except workers' compensation).

The Parties agree that, prior to the execution of the Agreement, UTPB shall provide one or more certificates of insurance specifically stating that these requirements have been met and subject to the approval of MDC. The parties also agree that this Agreement shall not become effective until the City Attorney's Office of the City of Midland, Texas, reviews and approves of all certificates of insurance required under this Agreement. MDC shall not be required to provide any insurance whatsoever pursuant to this Agreement.

UTPB certifies that the certificate of insurance provided as required herein complies with the requirements of Chapter 1811 of the Texas Insurance Code. UTPB shall not use an unapproved certificate of insurance or insert inappropriate language on a certificate. Compliance with state law is the sole responsibility of UTPB.

VI. GENERAL TERMS

A. Entire Agreement. This Agreement embodies the complete agreement of the Parties, superseding all oral or written, previous and contemporary agreements between the Parties relating to matters in this Agreement; and except as otherwise provided herein, this Agreement cannot be modified or amended without a written agreement of the Parties.

B. Termination. MDC may terminate this Agreement at will for any or no reason upon giving at least ninety (90) days' written notice to UTPB. The parties to this Agreement understand and agree that it is in MDC's sole and absolute discretion to cancel the Agreement during the term of the Agreement without penalty to MDC. UTPB has no expectation and have received no guarantees that this Agreement will not be terminated before the end of the Agreement term. The Parties have bargained for the flexibility of terminating this Agreement upon tender of the requisite notice at any time during the term of the Agreement. All work and services under the Agreement shall be suspended upon termination of the Agreement becoming effective.

C. Multiple Counterparts. This Agreement may be executed in one or more counterparts, each of which will be deemed an original.

D. Payments from Current Revenues. The payment of funds made by MDC for the performance of UTPB's services shall be paid from current revenues available to MDC.

E. Legal Construction. In case one or more of the provisions contained in this Agreement shall for any reason be held invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provisions hereof and this Agreement shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein.

F. Defenses. This Agreement is made pursuant to Chapter 791, Texas Government Code. It is agreed that, in the execution of this Agreement, neither Party waives any immunity or defense that would otherwise be available to it against third parties, or against claims arising from the exercise of governmental powers and function. This Agreement shall not be construed as a waiver regarding the issues of governmental immunity, sovereign immunity or qualified immunity.

G. Third-Party Beneficiary. MDC's approval of this Agreement does not create a third-party beneficiary. There is no third-party beneficiary to this Agreement. No person or entity who is not a Party to this Agreement shall have any third-party beneficiary or other rights hereunder.

H. Assignment. The Parties hereto shall not assign this Agreement, in whole or in part, any such assignment being void.

I. Governing Law and Venue. This Agreement shall be governed by the laws of the State of Texas. All performance and payment made pursuant to this Agreement shall be deemed to have occurred in Midland County, Texas. Exclusive, sole and mandatory venue for any claims, suits or any other action arising from or connected in any way to this Agreement or the performance of this Agreement shall be in Midland County, Texas. The obligations and undertakings of each of the Parties shall be deemed to have occurred in Midland County, Texas.

J. Release. **NOTWITHSTANDING ANY OTHER PROVISION CONTAINED HEREIN, UTPB HEREBY RELEASES, ACQUITS, RELINQUISHES AND FOREVER DISCHARGES MDC, MDC'S EMPLOYEES AND OFFICERS, FROM ANY AND ALL DEMANDS CLAIMS, DAMAGES, OR CAUSES OF ACTION OF ANY KIND WHATSOEVER WHICH UTPB HAS OR MIGHT HAVE IN THE FUTURE, INCLUDING BUT NOT LIMITED TO BREACH OF CONTRACT, QUANTUM MERUIT, CLAIMS UNDER THE DUE PROCESS AND TAKINGS CLAUSES OF THE TEXAS AND UNITED STATES CONSTITUTIONS, TORT CLAIMS, OR MDC'S NEGLIGENCE.**

K. Notices. All notices to either Party required under this Agreement shall be sent by certified U.S. mail, postage prepaid, addressed to such Party at its respective address shown below. All notices shall be deemed given on the date so deposited in the mail, unless otherwise provided herein. Either Party hereto may change the address below by sending written notice of such change to the other Party.

If to UTPB:

University of Texas of the
Permian Basin

If to MDC:

Midland Development Corporation
Attn: Executive Director
200 N. Loraine Street, Suite 610

Attn: Dr. Brian Shedd
4901 E. University Blvd
Odessa, Texas 79762

Midland Texas, 79701

[Signature Pages Follow]

The Parties have caused this Agreement to be executed by their duly authorized representatives on this ____ day of _____, 2024.

MIDLAND DEVELOPMENT
CORPORATION

P. Lourcey Sams, Chairman

ATTEST:

Jill Pennington, Secretary

UNIVERSITY OF TEXAS OF THE
PERMIAN BASIN

By: _____

Name: _____

Title: _____

THE STATE OF TEXAS

§

§

COUNTY OF _____

§

BEFORE ME, the undersigned authority, on this __ day of _____ 2024, personally appeared _____ for the University of Texas of the Permian Basin, known to me to be the person and official whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same as the act and deed of said entity, for the purposes and consideration therein expressed, and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this the _____ day of _____, 2024.

Notary Public, State of Texas

Promotional Services to be Provided by
The University of Texas Permian Basin

1. Branding the City of Midland for the purpose of developing new and expanded business enterprises in the new Midland Entrepreneurial Challenge website, brochure and media materials.
2. Promoting the Midland Entrepreneurial Challenge on the UTPB website.
3. Adding a link from the Midland Entrepreneurial Challenge website to the Midland Development Corporation's website.
4. Including a description and logo for the Midland Development Corporation in the Midland Entrepreneurial Challenge promotional materials.
5. Including a reference to the Midland Entrepreneurial Challenge and the City of Midland's support of this program in press releases and live or prerecorded media soundbites.



MIDLAND
ENTREPRENEURIAL
CHALLENGE

BUILDING A DIVERSE MIDLAND



A Proposal for the Midland Development Corporation



From the UTPB College of Business

and the

UTPB Office of Innovation & Commercialization



THE UNIVERSITY OF TEXAS
PERMIAN BASIN™

COLLEGE OF BUSINESS



UT PERMIAN BASIN™

THE OFFICE OF INNOVATION
& COMMERCIALIZATION

Exhibit B

TABLE OF CONTENTS

Introduction to the University of Texas Permian Basin.....	3
Overview of the UTPB College of Business	3
Overview of the UTPB Office of Innovation & Commercialization.....	4
Meet the Midland Entrepreneurial Challenge Team.....	5
The Midland Entrepreneurial Challenge.....	7
1.0 Introduction	7
2.0 About the Challenge	8
3.0 Eligibility Requirements.....	8
4.0 Application Process	9
5.0 Seminars	10
6.0 Schedule of Events	10
7.0 Judging of the MEC.....	11
8.0 Basics of Receiving the Award Money	14
9.0 Accountability for the Winners	15
10.0 Marketing for the MEC	17
Midland Entrepreneurial Challenge Proposal for 2024-2025.....	19
Budget Overview	19
Budget Justification	19
Previous Midland Entrepreneurial Challenge Winners	22
2023-2024	22
2022-2023	24
2021-2022	24
2020-2021	24
2019-2020	24
2018-2019	24
2017-2018	24

Introduction to the University of Texas Permian Basin

UT Permian Basin takes great pride in being part of The University of Texas System, known for its exceptional academic success, breakthrough research, and an international reputation for excellence and innovation. It includes 14 educational institutions throughout the state, including nine universities and five health institutions. Home to over 7,000 enrolled students, UT Permian Basin benefits from the vast resources and support of the world-renowned University of Texas System yet is lean enough to foster a connected, tight-knit community while remaining financially accessible to any student. With an unwavering commitment to students, a strategic approach to designing higher education, and the resources to ensure academic success, UTPB is set to nurture the leaders who will go on to shape the future of West Texas and the nation. Each year over 250 teaching faculty deliver a highly educated and savvy workforce back into the communities of the Permian Basin and across the nation. UTPB offers 36 baccalaureate degree programs and 20 master's degree programs in the arts and sciences, business, engineering, education, and health and human performance—and the University continues to grow. Recently added chemical and electrical engineering programs offer unique internship opportunities that are attracting new students. As a regional, comprehensive institution, The University of Texas Permian Basin serves a diverse community of students from the region, the state, and beyond. Through excellence in student-centered teaching, learning, research, and public service, the University cultivates engaged citizens and impacts lives while advancing technology and the public interests of West Texas.

Overview of the UTPB College of Business

The UT Permian Basin College of Business Entrepreneurship programs have fully invested in the future of Entrepreneurship in our community. Over the past three years, the Blackstone Launchpad, a student driven entrepreneurship network funded by the Blackstone Charitable foundation, has provided tools, mentorship, and entrepreneurship opportunities for our students, regardless of their chosen major or college of study. The recently renovated state-of-the-art Roden Center for Entrepreneurship includes sound, and audio recording spaces, and meeting spaces for the student entrepreneurship organizations. With revamped and reintroduced Entrepreneurship Minor and Certificate options, UTPB College of Business is meeting the needs of today's aspiring entrepreneurs, with applicable knowledge-based materials.

Mission

The College of Business at The University of Texas Permian Basin provides responsive and innovative programs enhancing the quality of life for its students, graduates, and the community. We advance business and energy industry research, economic competitiveness and diversification, while connecting students to transformative opportunities. Through excellence in teaching, the college empowers student success and facilitates outstanding

career, personal, and community outcomes, developing next-generation leaders and entrepreneurs.

Overview of the UTPB Office of Innovation & Commercialization

The UTPB Office of Innovation & Commercialization (OIC) was developed in 2021 to unify all of the innovation and commercialization activities at the university to comprehensively support the campus and community. Through the office and its partners, a variety of resources are available to support innovation development at every point along the path to commercialization and broader societal benefit. OIC is housed at the 30,000 square foot Center for Energy and Economic Diversification (CEED) building on the Midland Campus of UTPB, which just recently completed substantial renovations to develop spaces to support innovation and entrepreneurship. The CEED contains office space, coworking space, wet lab space, a makerspace, conference/event space, and a café. OIC is also co-located at the CEED with the UTPB Small Business Development Center (SBDC) and two University research labs, the Texas Water and Energy Institute (TWEI) and the Advanced Manufacturing Center (AMC).

Mission

To unify and enrich all of the innovation and commercialization activities at UTPB through its education, research, and entrepreneurship programs and to serve as a focal point for more dynamic engagement with the community and industry.

Principles

Inclusion, Transparency, Accessibility, Value

Activity Sets

Technology Transfer, Industry Collaboration, Startup Support, Product Development



Meet the Midland Entrepreneurial Challenge Team



Dr. Brian Shedd, Executive Director for the Office of Innovation & Commercialization

Prior to coming to UTPB, Brian has worked in university technology transfer roles at the University of Houston (UH), Louisiana State University (LSU) and the University of California, Los Angeles (UCLA). At UH, he was the Director for the Office of Technology Transfer & Innovation housed at the Technology Bridge, a 75-acre research park focused on commercialization of new technologies. At LSU he was the Assistant Director of the Office of Innovation & Technology Commercialization (ITC) and responsible for intellectual property protection and commercialization of all the research that takes place on the LSU campus. At LSU, he served as the lead administrator of LSU's NSF I-Corps Site Program that prepares scientists and engineers to move beyond the lab and into the market. Brian also worked at UCLA in their technology transfer office, the Office of Intellectual Property, which is now known as the Technology Development Group. During his time at UCLA, he served as a Board Member to PortTech Los Angeles, a business incubator focused on developing technologies for the Port of Los Angeles, a Leadership Council Member for the Los Angeles Cleantech Incubator, and as a lecturer in the UCLA Anderson School of Management. He is also responsible for the creation and management of BRUINcubate, the UCLA Entrepreneur Support Network, involving more than 20 different entrepreneurial support organizations located on campus.



CC Serrato, Program Coordinator for the Office of Innovation & Commercialization

CC has served in various roles at UT Permian Basin for the past 11 years and has proven to be a vital part of the mission for the university. Her current role as the Program Coordinator in the new Office of Innovation & Commercialization will be to assist the department in coordinating entrepreneurship programs with education and research, and to help serve as a point of contact for dynamic engagement with the community and industry. The newly renovated CEED Building on the Midland campus is where you can find CC working hard to accomplish this vision!



Danna Church, Blackstone LaunchPad Campus Director

Since November 2021, Danna has served as UTPB's Blackstone LaunchPad Campus Director. She is available to assist all students regardless of their major to explore entrepreneurship and to cultivate an entrepreneurial mindset that will prepare them for the modern workforce. To accomplish this, she encourages students to participate in the many entrepreneurship opportunities provided by Blackstone LaunchPad such as workshops, mentoring, and competitions. The Blackstone LaunchPad office is currently located in the Roden Entrepreneurial Center which is now located on the newly renovated 1st floor of the Dunagan Library.

The Midland Entrepreneurial Challenge

1.0 Introduction

The Midland Entrepreneurial Challenge continues to empower innovative ideas and strategies proven to be both community inspiring and financially lucrative. The value provided by the competition includes a detailed critique from the expertise of our judges, encapsulating the importance of developing the necessary objectives to achieve market strength. Throughout the competition entrepreneurs are forced to think critically about virtually every aspect of their business. Contestants are obligated to assess their level of detail that is often overlooked, while becoming open to new and valuable suggestions that defines both short/long-term outcomes.

1.1 Midland Economic Challenge funding

The Midland Entrepreneurial Challenge (MEC), which will be funded by the Midland Development Corporation (MDC) and partnered with the University of Texas Permian Basin (UTPB), is designed to assist entrepreneurs with expanding an existing business or starting a new one.

1.2 The Purpose

Each participant will gain a better understanding of how to develop and follow a realistic business plan and model to ensure a growing business. This undoubtedly will have a positive economic impact for Midland.

1.3 Orientations

Through several orientation seminars presented by UTPB, entrepreneurs and business owners who are interested in participating, will better understand the requirements of the competition.

1.4 The Benefits

Once qualified, all entrants will have access to business coaching, expertise, and other pertinent resources offered via UTPB. These one-on-one meetings will discuss strategy, assist with building financials, and finalize business plans before they are submitted.

1.5 Award Monies

This fiscal year, the plan includes Five Hundred Thousand Dollars (\$500,000) of total available award money to be distributed with up to One Hundred Fifty Thousand Dollars (\$150,000) to each of the selected winner(s) identified through the deliberation and decision of the judges.

2.0 About the Challenge

2.1 The Objective

The objective of this program is to provide another source of capital funding to business owners and entrepreneurs in Midland who might not be able to obtain the funding otherwise. The value participating in business plan process allows participants to gain a better understanding of how to develop, build and grow strong businesses that will even further strengthen Midland's economic condition and development.

2.2 Partnership

The funding will be provided by the Midland Development Corporation and the program administration, seminars, and business plan consultation will be provided by UTPB College of Business and the Office of Innovation & Commercialization.

2.3 Anticipated Local Economic Benefit

The competition is designed to foster community involvement and innovation by bringing local entrepreneurs and professionals together to continue the economic diversification of the City of Midland. The outcomes contribute to a community's identity that preserves the unique character created by a vibrant small business community. Other benefits are the increased employment while keeping tax dollars close to home and improving the city as a result.

3.0 Eligibility Requirements

These requirements must be met in order for any applicant to participate in the program and receive award money:

- ✓ The business must be headquartered in the City of Midland (within in the city limits).
- ✓ Winning businesses that receive money cannot sell or relocate the business outside of the city limits of Midland for a period of five years after receiving award money without first returning award money received through this program.
- ✓ Participants cannot be an immediate relative of administrative officials or judges or engaged in any other business partnerships with an administrative official or judge. All special circumstances will go under the review of the UTPB Lead Coordinator, who will make the final decision.
- ✓ Participants must become a client of the UTPB SBDC by completing the 641 SBA form.
- ✓ Winning businesses must provide UTPB with economic impact data according to the Accountability section and within the deliverable deadlines outlined in the guidelines.
- ✓ Participants must have a credit score of at least 640 to participate. All special circumstances will be reviewed by the UTPB Lead Coordinator, who will make the final decision.

- ✓ Attendance is mandatory for all seminars throughout the competition unless excused by a member of the MEC Entrepreneurial Challenge Team.
- ✓ Previous winners of the challenge cannot reenter the challenge for the same business for five years; however, if the previous winner is in good standing with UTPB according to the Accountability section for a full three years, the winner may enter for a different business with approval from the UTPB Lead Coordinator.
- ✓ Previous participants who were not awarded any monies may reenter the following year.
- ✓ A participant is not allowed to participate in the challenge if he or she was convicted of a felony. UTPB will conduct background checks on all participants, and the cost of the background check will be incorporated into the entry fee.

4.0 Application Process

4.1 Orientation

Businesses interested in applying for the MEC program will be required to attend one of the orientation events as listed in section 6.0 Schedule of Events. Three separate orientation events will be held to ensure the maximum opportunity for participation.

4.2 Registration

After attending at least one orientation, businesses that wish to join the challenge must pay the non-refundable entry fee and return a signed confidentiality agreement through the online registration portal by the date listed in section 6.0 Schedule of Events.

4.3 Participant Limit & Priority Categories

The MEC is limited to 50 businesses who meet all the eligibility requirements as described in section 3.0. Priority registration will be given to businesses that are in any of the following industry sectors:

- Energy
- Water
- Space/Aerospace

4.4 Randomized Selection Process

Since the MEC is limited to 50 businesses, registrations will first be processed for any business that registers by the deadline and falls within any of the three priority categories (listed in Section 4.3), with the rest of the participants chosen by randomized selection until 50 total participants are reached.

4.5 Alternates

Roughly 10 additional registered companies (if available) will be chosen by randomized selection as alternates in case any of the initial 50 businesses do not meet the eligibility criteria or drop out of the program prior to the first seminar.

5.0 Seminars

UTPB and its partners will provide a series of seminars to all of the admitted participants on a variety of topics essential to entrepreneurs and designed to increase performance and longevity. Attending these seminars will assist business owners to achieve success by providing new skills and methods of practice. The seminars selected for the MEC will include:

- Developing the Pitch
- Lending
- Business Plan Preparation
- Marketing
- Business Resources in the City of Midland
- Business Structure
- Intellectual Property
- Preparing a Presentation

These seminars are led by other successful business owners, skilled UTPB faculty and staff, and other professionals such as accountants and tax specialists. These educational offerings help small business owners tackle many of the issues associated with early-stage startups and prepare them for the rigors of the MEC competition.

6.0 Schedule of Events

Date	Time	Topic
9/9/2024	6 – 7:30 PM	Orientation
9/10/2024	6 – 7:30 PM	Orientation
9/11/2024	6 – 7:30 PM	Orientation
9/12/2024	9:00 AM	Registration Opens
9/12/2024	5:00 PM	Registration Deadline
9/13/2024	9:00 AM	Randomized Selection – 50 Businesses Notified via Email
9/24/2024	6 – 7:30 PM	SEMINAR: Developing the Pitch (SBDC)
10/1/2024		Target Deadline for Judge Recruitment
10/8/2024	6 – 7:30 PM	SEMINAR: Preparing a Business Plan, Part 1 (SBDC)
10/22/2024	6 – 7:30 PM	SEMINAR: Preparing a Business Plan, Part 2 (SBDC)



10/23/2024	9:00 PM	Deadline for Pitch Sheets
11/5/2024	6 – 7:30 PM	SEMINAR: Marketing (Armic Systems) + Past Winner Panel
11/19/2024	6 – 7:30 PM	SEMINAR: City of Midland Resources (MDC) + MEC Mixer
11/20/2024		Pitch Score Cards received from Judges
11/22/2024		Advancing Businesses Notified
12/3/2024	6 – 7:30 PM	SEMINAR: Business Structure & Intellectual Property (SBDC & OIC)
12/12/2024	9:00 PM	Business Plans Due
1/7/2025	6 – 7:30 PM	SEMINAR: Lender Seminar (Southwest Bank)
1/21/2025		Business Plan Score Cards received from Judges
1/22/2025		Final Round Businesses Notified
1/28/2025	6 – 7:30 PM	SEMINAR: Preparing for the Final Presentation (UTPB)
2/4/2025	10 AM – 4 PM	Final Presentation to Judges
2/5/2025		WINNERS NOTIFIED!
TBD	7 – 9 PM	Award Ceremony <i>(Location: Rea Greathouse – WNPAC)</i>

7.0 Judging of the MEC

7.1 Selection of Judges

In an effort to select the best judges for the competition, UTPB seeks individuals that have developed and owned a major business within the Midland community. Judges should be industry-related experts, someone with a specific market niche, a previous winner, someone with a prestigious reputation, or individuals with a high-level of experience.

At a minimum, a judge should possess a background of 10 or more years of experience in business and/or qualifications consisting of the following:

- Business Owner
- Local Bank Lender
- Community Leader



No person shall serve as a judge that has any interrelationships relevant to board members of the Midland Development Corporation and all staff involved in the production of the MEC program.

7.2 Judging Criteria

The process of judging incorporates a distinctive competence to recognize a disruptive or unique business concept. Participants will be required to demonstrate a clear market need and a viable method to supply the demand. Characteristically, participants are evaluated on their ability to develop the company and manage risks. Other assessments include the ability to have a realistic potential to succeed and fully understanding the financial requirements. In addition, employment growth is considered by determining the number of full-time employees (FTEs) within three years to five years. In the business plan, judges will validate funding, cash requirements, determine cost structures and revenue streams. In the final stage, participants are evaluated on how persuasive and logical their plan is.

Initial Pitch

Category	Points
Viability	15
Team and Partners	15
Financial	15
Growth	15
Strategy	15
Competition	15
Dynamism	10
Total	100

Business Plan

Category	Points
Business	15
Product/Service	15
Marketing	15
Management	15
New Job Creation	15
New Revenue for the City	15
Compelling Narrative	10
Total	100

Final Presentation to Judges

Category	Points
Effective communication of the business plan, validation of funding request, and support for job creation	20
Judges' questions answered thoroughly and effectively	20
Knowledge, expertise, and ability of entrepreneur	20
Commercial viability of the venture	20



Overall effectiveness and quality of presentation	20
Total	100

7.3 *Participant Pitfalls*

These are common mistakes that participants should avoid at all costs!

- ⊗ Marketing activities with no strategic focus (ex. website development – launch and take orders with no particular strategy)
- ⊗ No competitive analysis
- ⊗ Unrealistic sales expectations
- ⊗ Financials that appear to be “pulled out of the air”
- ⊗ Lack of job creation details

7.4 *Structure of the Business Plan*

<p><u>The Business</u></p> <ul style="list-style-type: none"> • Legal structure and ownership • Industry, niche, or specialization • Key goals • Why does the business exist? • Prior entrepreneurship and management experience 	<p><u>Product/Service</u></p> <ul style="list-style-type: none"> • Description of each product/service • What problem will it solve? • How does it benefit customers?
<p><u>Marketing</u></p> <ul style="list-style-type: none"> • Target market • Competitive environment • Distribution strategy • Pricing strategy • Promotion strategy • Positioning strategy 	<p><u>Management</u></p> <ul style="list-style-type: none"> • Operation systems and process • Current employees • Job creation • Financials • Utilization of MDC funds

7.5 *Structure of the Final Presentations*

- ✓ Each finalist will receive a 30-minute slot in which to present. Each slot will consist of set up, presentation, question and answer with the judges, and clean up.
- ✓ The presentation order will be determined at random. All the finalists’ names will be placed in order randomly and assigned a time slot.
- ✓ Only the business presenting, the judges, and the UTPB MEC Team are allowed in the room during the pitch.



- ✓ A one-hour break will be given to the judges halfway through the pitch presentations.
- ✓ After all the pitches have been presented, the judges will score each business. The scores will be averaged and ranked by the UTPB MEC Team and provided to the judges.
- ✓ The judges will determine how many of the top average scores will be declared winners and how much of the \$500,000 each winner will receive.
- ✓ Judges will not award more money than is requested by a business, however, less money can be awarded.
- ✓ The winners and losers will be informed of the results the next business day and the winners will be invited to the award ceremony.

8.0 Basics of Receiving the Award Money

8.1 Payment method

In the event you are a recipient of the award money, the total awarded amount will be given in installments that will be distributed shortly after the completion of the challenge by UTPB and be funded by Midland Development Corporation. The winning businesses must submit a W-9 form and UTPB New Vendor form to the program coordinator for funds to be dispersed. Checks will be mailed to the address listed. In addition, winners must:

- ✓ Be able to provide proof that the business headquarters is in the city of Midland to receive money.
- ✓ Show proof of a “business account” to deposit the monies. This must be kept in a separate bank account from any personal purchases.

8.2 Award Monies

Winners will receive their awarded monies from the challenge in installments. For a winner to receive an installment, they must provide invoices that are consistent with the strategy stated in the business plan. Those invoices will be approved or rejected by the UTPB MEC Program Coordinator. If approved, a check for the total amount of the approved invoices will be distributed by UTPB and mailed to the winner’s address that was submitted on the UTPB New Vendor Form. If the winner changes his or her mailing address after submission of the UTPB New Vendor Form, it is the responsibility of the winner to notify the UTPB MEC Program Coordinator of the change.

After an installment has been issued to a winner, they will not be able to request additional funds until that winner provides receipts for the past approved invoices to be audited by the UTPB MEC Program Coordinator. This process will be repeated until the total award money has been distributed.

8.3 Installments

If a winner receives an installment and does not spend the money in a specific amount of time determined by the UTPB MEC Program Coordinator, they will be required to give the money back to UTPB for holding. If a winner spends the approved installment on anything other than the approved invoices without consent from the UTPB MEC Program Coordinator, that winner will be in violation of the terms and conditions of the challenge and all monies must be paid back to the Midland Development Corporation through UTPB, and the winner will be banned from any future business challenges in which UTPB is involved.

8.4 Financing

A challenge participant is allowed to acquire bank financing or other investor financing before the completion of the competition with the plan to pay off or make payments on those loans with the anticipated award monies from the challenge. These plans need to be addressed in the business plan and/or approved by the UTPB MEC Program Coordinator before the funds are obtained and UTPB must receive a copy of the loan documents to keep on record. University of Texas Permian Basin, Midland Development Corporation, the judges, or any other entity involved with the Midland Entrepreneurial Challenge are not responsible for repaying the loans in the event the business does not receive funds from the challenge.

8.5 Seek Accounting Advice

Award money “IS” counted as taxable income. Participants are advised to consult a CPA for accounting advice regarding the funds.

9.0 Accountability for the Winners

9.1 Award Monies Expenditures

The award money received from the challenge must only be spent on the items articulated in the business plan. The Midland Development Corporation also wants to track the benefit to the community. In order for this to happen, there are requirements that winners must follow. For the first 90 days after receiving the first installment of the award monies:

- ✓ MEC winners must email income statement and balance statements (and loan payments receipts if applicable) monthly to the MEC Program Coordinator at UTPB. If the business is following the business plan, no additional information will be requested.
- ✓ If MEC winners wish to use the award money for equity in a loan, they must provide a copy of the loan agreement to the MEC Program Coordinator at UTPB along with payment receipts.

9.2 Meeting the Requirements



If you meet all the requirements during the first 90 days, for the remainder of the first year and the entirety of the second year, you are required to:

- ✓ Email P&L and balance statements (and loan payments receipts if applicable) quarterly to the MEC Program Coordinator at UTPB. If the business is following the business plan, no additional information is required.
- ✓ If the business is not meeting goals, UTPB will work to reassess financial projections and adjust. New goals and strategies will be set to get the business back on track. Contestants will require to report in the same manner within the first 90 days.

9.3 Business Audit

If you met all the requirements through the first and second year, for the third year you are required to:

- ✓ Email P&L and balance statements (and loan payments receipts if applicable) biannually to the MEC Program Coordinator at UTPB.

9.4 Business Audit Continuation

If you meet all the requirements through the first three years, for the fourth and fifth year, you are required to:

- ✓ Email P&L and balance statements (and loan payment receipts if applicable) to the MEC Program Coordinator at UTPB at the end of the year.

9.5 Midland Presentation

At any time during the five-year period after receiving award monies from the Midland Entrepreneurial Challenge, the Midland Development Corporation Board of Directors may request a “State of your Business” presentation to the Midland Development Corporation Board of Directors monthly meeting. If a presentation is requested, the business owner(s) is highly encouraged to attend.

9.6 Violation of Terms

If the business fails to adhere to the requirements listed in Guidelines and Accountability, the business will be in violation of the terms of the Midland Entrepreneurial Challenge and all monies received from the competition will have to be paid back to UTPB. If the business does not have the total amount available to reimburse at one time, a payment plan with interest will be arranged for the balance owed. The interest rate will be set at the SBA current loan rate plus prime. The length of the repayment plan will be determined by UTPB, but in no case will be longer than two years. In addition to paying back the awarded monies, all past winners that violate the terms and conditions of the competition will not be allowed to participate in any future competitions involving UTPB. Any monies recovered by UTPB

under this section shall be returned to the Midland Development Corporation as soon as possible.

10.0 Marketing for the MEC

Marketing is a key piece of a successful program, which allows UTPB to promote the program broadly and recruit the best business opportunities from the City of Midland. UTPB's marketing efforts are focused on brand awareness and promotion of our community. The success of the marketing campaigns are influenced by a strong strategy outlining both short & long-term objectives, timelines, and specific channels to jumpstart awareness to increase participation.

10.1 Marketing Mediums

A variety of marketing mediums and platforms will be used including:

- Web via <https://midlandentrepreneurialchallenge.com/>
- Brochures
- Television
- Radio
- Newspaper
- News Releases
- Social Media
- Digital Ad Campaigns

10.2 Past Marketing Effort Engagement

Last year's program had record participation with **452** individuals signing up for an orientation session (28% increase year-over-year), resulting in **62** registered businesses (a 12.7% increase over the previous year).

Below are some statistics on the marketing campaign from the previous year to demonstrate the reach that our efforts have yielded:

Social Advertising:

The social campaign targeted Midlanders interested in business planning, startups, small business ownership, and/or entrepreneurship.

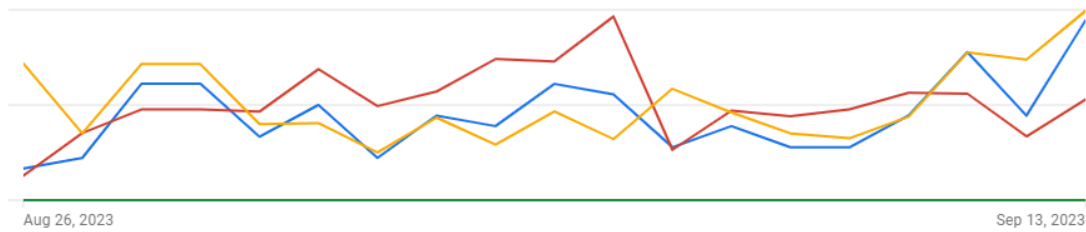
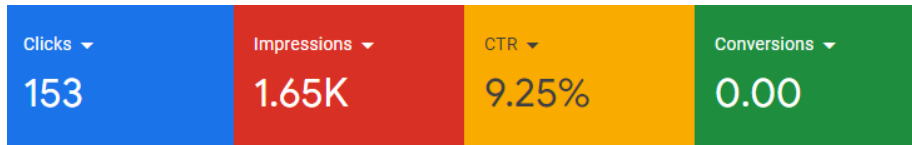
- Link Clicks: 7,275
- Impressions: 984,421
- People Reached: 106,624
- Reactions: 186
- Comments: 16
- Shares: 25

Google Ads Search



Targeted people searching for the MEC, tips for starting a business, business funding, small business grants, and entrepreneurship.

- Clicks: 452
- Impressions Delivered: 1,654
- Click-Through Rate: 9.25% (nearly triple the average click through rate of 3.17%)



A survey was conducted of the businesses that attended the orientation sessions to identify which marketing channels were successful in reaching potential participants, and overwhelmingly the majority of attendees found out about the MEC through internet-based marketing efforts such as Facebook and Instagram.

Midland Entrepreneurial Challenge Proposal for 2024-2025

UTPB is very excited for the opportunity to once again partner with the Midland Development Corporation to support our local entrepreneurs and help grow and diversify the economy here in Midland. The community has come to know this event, and it is a time filled with anticipation and excitement. We have had an excellent set of winners each year, and take great pride in watching those business grow and become standouts in the local community. Following this year’s proposal below is a summary of the past winners and some pictures from this last year’s award ceremony. We are grateful for MDC’s support of this very important program and look forward to another successful year.

Budget Overview

Award Money:	\$500,000
Personnel:	\$30,000
Program Operations:	\$26,600
Marketing:	\$19,950
TOTAL:	\$576,550

Note this amount does not include registration fees from the participants, which will vary based on the number of participants. Registration fees are used solely in Program Operations.

Budget Justification

Award Money

The most important category in the budget is the award money which is provided to the winning participants after completing the program and being selected by the judges. The prize purse ensures we have robust interest in the program and maintains competitiveness among the applicants to ensure a high quality of business entrants.

Award Money	\$500,000
TOTAL:	\$500,000

Personnel

The UTPB MEC Team will organize and execute the entire 6-month program and ensure that every aspect of this competition meets the expectations of the Midland Development Corporation. This compensation also covers the additional months of preparation and follow up with the participants for payments. This year’s MEC Team: Dr. Brian Shedd, CC Serrato, and Danna Church will provide frequent updates to the board through the Executive Director of the MDC and be available for any questions during the challenge. In addition, the MEC team will be in constant communication with the Small Business Development Center to confirm the contestants are meeting with their staff on a regular basis.

Dr. Brian Shedd	\$10,000
CC Serrato	\$15,000
Danna Church	\$5,000
TOTAL:	\$30,000

Program Operations

The second category of program operations relates to actual program costs associated with delivery of the program. This includes any food/drink, giveaways, and costs associated with the orientation sessions and seminars. Program Operations also covers in-depth Business Consulting Support services that the businesses receive throughout the program, but specifically pertain to development of the Pitch document and the Business Plans. Also included here are all of the costs associated with the awards ceremony. The awards ceremony is the culmination of the program and is a celebration of all of the hard work put into the program by the award winners, judges, and UTPB MEC Team. The ceremony provides a chance for celebration and reflection of the commitment among our contestants, recognition of the devotion of our community judges and appreciation of the opportunity provided by Midland Development Corporation. This platform allows us to discuss the importance of their business in the community, and the achievement of the person being awarded. Gathering and sharing experiences is a very powerful means of encouragement. This past year, we had 108 attendees, including family and friends of our contestants, MDC board members, city officials, UTPB faculty and staff.

The requested funds for the program operations will cover a wide variety of items, including but not limited to, the cost of the venue, invitations, food, drinks, alcohol, award checks, plaques for the judges, decorations, music, and all other items deemed necessary for a successful program as determined by the UTPB MEC Team.

A rough breakdown of this category is shown below, but please note that funds may be shifted as needed at the discretion of the UTPB MEC Team.



Miscellaneous Program Expenses	\$1,000
Business Consulting Support	\$12,000
Awards Ceremony Event Coordinator	\$4,500
Awards Ceremony Decorations	\$3,000
Awards Ceremony Event Venue	\$2,600
Awards Ceremony Food	\$3,500
TOTAL:	\$26,600

Marketing

We plan to utilize Armic Systems for the marketing campaign for the 2024-2025 MEC. Armic Systems has been our marketing partner for the MEC for the last 4 years. Based on the past work we have done with Armic Systems to conduct the marketing campaigns; we are realizing significant savings in the website management year to year. We have also reallocated the categories that we are spending our marketing dollars to spend significantly less on TV/radio and more on internet-based advertising. Overall, this has allowed us to maintain the same marketing budget for this year. The estimate we received for the marketing campaign for this year is as follows:

Website Management	\$1,250
Social Advertising (FB & IG)	\$9,600
Google Ads	\$2,500
Targeted Display Ads	\$1,600
TV Airtime (via Media Works)	\$5,000
TOTAL:	\$19,950



Previous Midland Entrepreneurial Challenge Winners

2023-2024



**MORPH Health
Optimization Center**



Pachucos's





Sable Controls



Tall City Sneakers



Tall City Speech



2022-2023

- Central Bites
- Midland Athletic Company
- The Tailgate
- Toya's Precious Jewels

2021-2022

- The Birth Center
- Magrym Consulting
- Midland AF
- TyPickle Pickles

2020-2021

No competition held this year

2019-2020

- Thermal Cam USA
- Topline Care Pharmacy
- Nothing Bundt Cakes
- Caprock Products DBA Kid Proof
- Four Hands Dental Academy

2018-2019

- Most Wanted Waste Disposal
- The Oilfield Photographer
- Piano Works Gallery & Clocks
- Tall City Brewing Co.
- Texland Collision

2017-2018

- Norman Elite
- Eccentric Brewery

Starfighters Space Memorandum of Understanding

RESOLUTION NO. _____

**RESOLUTION AUTHORIZING THE EXECUTION OF A
MEMORANDUM OF UNDERSTANDING WITH
STARFIGHTERS SPACE TEXAS, INCORPORATED;
AND AUTHORIZING PAYMENT THEREFOR**

WHEREAS, the Board of Directors finds it to be in the public interest to authorize the execution of a memorandum of understanding with Starfighters Space Texas, Incorporated;

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

SECTION ONE. That the Chairman and Secretary are hereby authorized and directed to execute and attest, respectively, on behalf of the Midland Development Corporation, a memorandum of understanding with Starfighters Space Texas, Incorporated. Said memorandum of understanding being in a form substantially similar to that of Exhibit A, which is attached hereto and incorporated herein for all purposes.

SECTION TWO. That the City Comptroller of the City of Midland, Texas, is hereby authorized and directed to pay Starfighters Space Texas, Incorporated in accordance with the terms of the above-referenced memorandum of understanding from funds available in the Midland Development Corporation Economic Development Incentives (53905) budget account.

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., 2024, by the following vote:

Directors voting "AYE":

Directors voting "NAY":

P. LOURCEY SAMS,
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

Memorandum of Understanding
between
the Midland Development Corporation
and
Starfighters Space Texas, Incorporated

This Memorandum of Understanding (“**MOU**”) is entered into this 9th day of July, 2024 (the “**Effective Date**”), by and between the MIDLAND DEVELOPMENT CORPORATION (“**MDC**”), a Type A development corporation existing under the authority of Chapter 504 of the Texas Local Government Code, and STARFIGHTERS SPACE TEXAS, INCORPORATED (“**Company**”) In this MOU, MDC and Company are sometimes individually referred to as a “**Party**” and collectively referred to as the “**Parties.**”

WHEREAS, the Parties are engaged in ongoing negotiations to finalize an economic development agreement under which MDC will provide certain incentives to Company as consideration for Company’s (i) expansion of its business operations to the Midland International Air & Space Port, (ii) creation and retention of primary jobs within the corporate limits of the City of Midland, and (iii) relocation of certain capital assets and equipment at the Midland International Air & Space Port; and

WHEREAS, in anticipation of the finalization of said economic development agreement, Company has commenced its relocation operations, incurring certain costs associated with said relocation, which are specifically outlined in **Exhibit A**, which are attached hereto and incorporated herein for all purposes and amount to Two Hundred Thirty-Seven Thousand and No/100 Dollars (\$237,000.00) as of the Effective Date (the “**Incurred Relocation Costs**”); and

WHEREAS, the proposed economic development agreement will, in part, provide for MDC’s reimbursement of the Incurred Relocation Costs; and

WHEREAS, in an effort to accommodate Company’s ongoing relocation operations without compromising its financial resources needed to complete said relocation, the Parties desire to enter into this MOU to provide for the reimbursement of the Incurred Relocation Costs in advance of the economic development agreement’s finalization, and to set forth the Parties’ respective rights, obligations, and undertakings regarding the same;

NOW, THEREFORE, in consideration of the covenants and conditions stated herein, and in consideration of the mutual benefits that will accrue to the Parties, the Parties have agreed and do hereby agree as follows:

- A. **Reimbursement of Incurred Relocation Costs.** Subject to Company’s satisfaction of the condition precedent referenced in **Section C**, MDC shall reimburse Company an amount equal to the Incurred Relocation Costs, totaling \$237,000.00, within ten (10) days following the Midland City Council's approval of this MOU.
- B. **Repayment Obligation.** Company shall be obligated to repay the \$237,000.00 in full and without interest to MDC by January 10, 2025, if the Parties fail to execute an economic

Exhibit A

development agreement by December 31, 2024, or upon MDC's termination of this MOU pursuant to Section D.3. MDC shall have the right to pursue all available legal remedies to ensure Company's repayment obligation, including, but not limited to, initiating legal proceedings to recover the amount paid by MDC to Company under this MOU. The provisions of this Section shall survive the termination of this MOU.

C. **Credit Towards Finalized Incentives.** MDC's payment made to Company pursuant to this MOU shall be credited towards all reimbursement amounts payable by MDC to Company under the terms of a finalized economic development agreement.

D. **Terms and Conditions.** The Parties expressly agree to the following terms and conditions:

1. **Term.** This MOU becomes effective on the Effective Date upon the execution of the Parties and shall terminate: (i) upon the mutual agreement of the Parties; or (ii) as set forth in Section D.2 or Section D.3.

2. **Automatic Termination; Incorporation.** This MOU shall automatically terminate upon Company's repayment of the \$237,000.00. Upon such an automatic termination, neither Party shall have any further obligations under this MOU, except for those obligations that by their nature are intended to survive termination (e.g., Governing Law & Venue; Attorney Fees; Release, etc.).

Conversely, if the Parties successfully execute an economic development agreement as contemplated herein, this MOU shall not automatically terminate; this MOU shall survive and be incorporated into the executed economic development agreement by reference or attachment.

3. **Termination for Cause.** MDC may terminate this MOU for cause upon the occurrence of any of the following events of default:

- a. The insolvency, bankruptcy, reorganization, dissolution, or liquidation of Company;
- b. Company's failure to perform a material obligation under this MOU; or
- c. The cancellation of Company's planned (i) expansion of its business operations to the Midland International Air & Space Port, (ii) creation and retention of primary jobs within the corporate limits of the City of Midland, or (iii) relocation of certain capital assets and equipment at the Midland International Air & Space Port.

MDC's election to terminate this MOU pursuant to this Section shall be effective upon the issuance of written notice delivered to Company via certified mail.

E. **General Terms.**

1. **Entire Agreement.** This MOU constitutes the entire agreement between the Parties and shall not be explained, modified, or contradicted by any prior or

contemporaneous negotiations, representations, or agreements, either written or oral. Only a subsequent, written agreement can modify this MOU.

2. Assignment. Neither MDC nor Company shall, either directly or indirectly, assign all or any part of this MOU or any interest, right, or privilege herein, without the prior written consent of the other Party, the granting of which shall be in the other Party's sole discretion.
3. Notices. Any notice to either Party required under this MOU shall be sent by certified U.S. mail, postage prepaid, addressed to such Party at the addresses shown below. All notices shall be deemed given on the date so deposited in the mail, unless otherwise provided herein. Either Party hereto may change the address below by sending written notice of such change to the other Party in the manner provided herein.

If to MDC:
Midland Development Corporation

Attn: Executive Director
200 N. Loraine St., Suite 610
Midland, Texas 79701

If to Company:
Starfighters Space Texas,
Incorporated
Attn: _____

4. No Third-Party Beneficiary. The Parties' approval of this MOU does not create a third-party beneficiary. There is no third-party beneficiary to this MOU. No person or entity who is not a party to this MOU shall be considered a third-party beneficiary or have any rights hereunder.
5. Legal Relationship. The Parties are not, and shall not be considered as, joint venturers, partners, or agents of each other; neither Party shall have the power to bind nor obligate the other, except as set forth in this MOU. The Parties agree not to represent to anyone that they are agents of one another or have any authority to act on behalf of one another. Nothing in this MOU is intended or shall be construed as in any way creating or establishing any partnership, joint venture, or agency between MDC and Company. Further, nothing in this MOU is intended or shall be construed as creating a "community of pecuniary interest" or "an equal right of control" that would give rise to vicarious liability.
6. Consideration. The Parties hereby agree and acknowledge that this MOU is supported by good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by the Parties.
7. Governing Law & Venue. The laws of the State of Texas shall govern, construe and enforce all rights and duties of the parties, including but not limited to tort claims and any contractual claims or disputes arising from or relating in any way to the subject matter of this MOU, without regard to conflict of law principles or rules that may direct application of the laws of another jurisdiction. All performance and payments made pursuant to this MOU shall be deemed to have occurred in

Midland County, Texas. All payments under this MOU are deemed to have taken place in Midland County, Texas. The sole, exclusive, and mandatory venue for any claim, suit, dispute, or any other action arising from, relating to, or concerning in any way this MOU shall be in Midland County, Texas.

8. Waiver of Attorney Fees. **BY EXECUTING THIS MOU, COMPANY AGREES TO WAIVE AND DOES HEREBY WAIVE ANY CLAIM IT HAS OR MAY HAVE IN THE FUTURE AGAINST MDC REGARDING THE AWARD OF ATTORNEY FEES THAT IS IN ANY WAY RELATED TO THIS MOU OR THE CONSTRUCTION, INTERPRETATION OR BREACH OF THIS MOU. COMPANY AGREES THAT IF COMPANY BRINGS OR COMMENCES ANY LEGAL ACTION OR PROCEEDING RELATED TO THIS MOU, THE CONSTRUCTION, INTERPRETATION, VALIDITY OR BREACH OF THIS MOU, INCLUDING, BUT NOT LIMITED TO, ANY ACTION PURSUANT TO THE PROVISIONS OF THE TEXAS UNIFORM DECLARATORY JUDGMENTS ACT (TEXAS CIVIL PRACTICE AND REMEDIES CODE SECTION 37.001, ET SEQ., AS AMENDED), THAT COMPANY AGREES TO WAIVE AND RELINQUISH ANY AND ALL RIGHTS TO THE RECOVERY OF ATTORNEY FEES TO WHICH IT MIGHT OTHERWISE BE ENTITLED.**

COMPANY AGREES THIS IS THE VOLUNTARY AND INTENTIONAL RELINQUISHMENT AND ABANDONMENT OF A PRESENTLY EXISTING KNOWN RIGHT. THIS SECTION SHALL NOT BE CONSTRUED OR INTERPRETED AS A WAIVER OF GOVERNMENTAL IMMUNITY.

COMPANY IS RELYING ON ITS OWN JUDGMENT. COMPANY ACKNOWLEDGES THAT COMPANY HAD THE OPPORTUNITY TO DISCUSS THIS MOU WITH LEGAL COUNSEL PRIOR TO ITS EXECUTION. THE WAIVER CONTAINED IN THIS SECTION SHALL SURVIVE THE TERMINATION OF THIS AGREEMENT.

9. Public Information Act. Company acknowledges that MDC is a governmental entity subject to the Texas Public Information Act, as amended. Company agrees that this MOU in no way affects, modifies, or limits the obligation of MDC to comply with the Texas Public Information Act or any ruling or decision of the Texas Attorney General. Company further agrees that MDC retains the right to exercise its sole and absolute discretion in determining its obligations under the Texas Public Information Act.
10. Release. **COMPANY HEREBY RELEASES, ACQUITS, RELINQUISHES AND FOREVER DISCHARGES MDC, MDC'S BOARD MEMBERS, ATTORNEYS, EMPLOYEES, AND OFFICERS, FROM ANY AND ALL DEMANDS CLAIMS, DAMAGES, OR CAUSES OF ACTION OF ANY KIND WHATSOEVER THAT COMPANY HAS OR MIGHT HAVE IN THE**

FUTURE, INCLUDING, BUT NOT LIMITED TO, BREACH OF CONTRACT, QUANTUM MERUIT, CLAIMS UNDER THE DUE PROCESS AND TAKINGS CLAUSES OF THE TEXAS AND UNITED STATES CONSTITUTIONS, TORT CLAIMS, OR MDC'S NEGLIGENCE. THE RELEASE CONTAINED IN THIS SECTION SHALL SURVIVE THE TERMINATION OF THIS MOU.

11. Governmental Immunity. By executing this MOU, MDC is not waiving its right of governmental immunity. MDC is not granting consent to be sued by legislative resolution or action. **THERE IS NO WAIVER OF GOVERNMENTAL IMMUNITY.**

12. Governmental Function. **MDC AND COMPANY HEREBY ACKNOWLEDGE AND AGREE THAT THE ENTIRETY OF MDC'S PERFORMANCE UNDER THIS MOU CONSTITUTES A GOVERNMENTAL FUNCTION. BY ENTERING INTO THIS MOU, COMPANY RELEASES MDC FROM ANY PRESENT OR FUTURE CLAIM ASSERTING MDC'S PERFORMANCE UNDER THIS MOU IS NOT A GOVERNMENTAL FUNCTION. MDC AND COMPANY ACKNOWLEDGE AND AGREE THAT THIS MOU IS IN THE PUBLIC INTEREST AND SERVES A PUBLIC PURPOSE OF THE STATE OF TEXAS AND CITY OF MIDLAND IN PROMOTING THE WELFARE OF THE GENERAL PUBLIC ECONOMICALLY BY SECURING AND RETAINING BUSINESS ENTERPRISES AND AS A RESULT OF MAINTAINING A HIGHER LEVEL OF EMPLOYMENT, ECONOMIC ACTIVITY, AND STABILITY. COMPANY'S OBLIGATIONS CONTAINED IN THIS SECTION SHALL SURVIVE THE TERMINATION OF THIS MOU.**

13. No Disparity of Bargaining Position. MDC and Company agree that there was no disparity of bargaining power between the Parties in the negotiation and execution of this MOU. MDC and Company acknowledge and agree that they each had the opportunity to be represented by competent legal counsel during the negotiation of this MOU. MDC and Company acknowledge and agree that they read and understood the entire MOU prior to its execution. MDC and Company acknowledge and agree that there were numerous compromises and concessions made by the parties resulting in the agreed-upon terms of this MOU.

14. Approval. This MOU shall not become effective until approved by the Midland City Council.

[Signature Pages Follow]

IN WITNESS WHEREOF, MDC and Company have executed this MOU as of the Effective Date.

**MIDLAND DEVELOPMENT
CORPORATION**

P. Lourcey Sams, Chairman

ATTEST:

Jill Pennington, Secretary

**STARFIGHTERS SPACE TEXAS,
INCORPORATED**

By: _____

Name: _____

Title: _____

THE STATE OF TEXAS §
 §
COUNTY OF MIDLAND §

BEFORE ME, the undersigned authority, on this day personally appeared _____, an officer of STARFIGHTERS SPACE TEXAS, INCORPORATED, known to me to be the person and official whose name is subscribed to the foregoing instrument, and acknowledged to me that he/she executed the same as the act and deed of said entity, for the purposes and consideration therein expressed, and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this the _____ day of _____, 2024.

Notary Public, State of Texas

Category	Cost	Note
Take apart and reassemble F-104; load and unload 2 engines	\$ 60,000.00	1,200 MH at \$50 = \$60,000
Cranes Florida	\$ 53,000.00	
Cranes Texas	\$ 50,840.00	
Trucking to Texas (one truck)	\$ 30,000.00	
Crew per diem	\$ 3,660.00	at IRS rate of \$183
Hotel	\$ 4,800.00	
Airfare	\$ 5,800.00	
Trucks return to FL and one overnight charge	\$ 17,000.00	
Insurance	\$ 4,500.00	
Return rental truck to FL with tools	\$ 4,000.00	
U-Haul attached to truck	\$ 3,400.00	
total	\$ 237,000.00	

Exhibit A

MITRE Corporation

Task Order 1

RESOLUTION NO. _____

RESOLUTION AUTHORIZING THE EXECUTION OF TASK ORDER NO. 1 TO THAT CERTAIN MASTER RESEARCH AND DEVELOPMENT AGREEMENT WITH THE MITRE CORPORATION FOR AN AMOUNT NOT TO EXCEED \$375,000.00; SAID TASK ORDER TO PROVIDE FOR RESEARCH AND DEVELOPMENT, SYSTEMS ENGINEERING, AND RELATED ADVISORY SERVICES NECESSARY FOR THE FURTHERANCE OF COMMERCIAL SPACE AND HIGH-SPEED FLIGHT OPERATIONS IN THE PERMIAN BASIN

WHEREAS, the Board of Directors passed a resolution authorizing the execution of that certain Master Research and Development Agreement with The MITRE Corporation (“*MITRE*”) dated June 25, 2024 (the “*Agreement*”); and

WHEREAS, the Midland City Council passed Resolution No. 067-2024, which approved the Agreement; and

WHEREAS, the Agreement contemplates that MITRE will perform certain services necessary for the furtherance of commercial space and high-speed flight operations in the Permian Basin on an as-needed basis; and

WHEREAS, the Board of Directors finds it to be in the public interest to authorize the execution of Task Order No. 1 to the Agreement for an amount not to exceed \$375,000.00, which shall to provide for research and development, systems engineering, and related advisory services necessary for the furtherance of commercial space and high-speed flight operations in the Permian Basin;

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

SECTION ONE. That the Chairman or his designee is hereby authorized and directed to execute Task Order No. 1 to the Agreement for an amount not to exceed \$375,000.00, which shall to provide for research and development, systems engineering, and related advisory services necessary for the furtherance of commercial space and high-speed flight operations in the Permian Basin. Task Order No. 1 shall be in a form substantially similar to that of Exhibit A, which is attached hereto and incorporated herein for all purposes.

SECTION TWO. That the City Comptroller is hereby authorized and directed to pay The MITRE Corporation in accordance with the terms of the Agreement and Task Order No. 1 from funds available in the Midland Development Corporation Fund operating budget upon receipt of proper invoices or statements approved by the Executive Director of the Midland Development Corporation.

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., 2024, by the following vote:

Directors voting "AYE":

Directors voting "NAY":

P. LOURCEY SAMS,
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

MDC-MITRE Task Order Number 1
to
Master Research and Development Agreement
Dated: 3 June 2024

1. Introduction

In 2021, Midland Development Corporation (MDC) commissioned a point-to-point airspace modeling study to conceptualize a high-speed airspace corridor connecting Midland Air and Spaceport (MAF) and Spaceport America to accommodate subsonic, supersonic, hypersonic, and point-to-point suborbital missions. As part of that study, an air traffic simulation model was developed to help determine high level feasibility of such a corridor and potential impacts on the aforementioned missions to the National Airspace System (NAS).

The 2021 air traffic simulation model leveraged the best available data during the then period of performance, which included Instrument Flight Rules (IFR) operations within the airspace near MAF, extending to White Sands Missile Range, current aircraft flight routings, controlled airspace sectors in Fort Worth (ZFW) and Albuquerque (ZAB) Air Traffic Control Centers, along with Midland Class C and White Sands Missile Range restricted airspace.

As directed by MDC, the initial conceptual airspace design for the high-speed airspace corridor prioritized suborbital point-to-point missions, and thus, did not yet formally consider Launch Operator trajectory data for other mission types. As such, there is a need to further develop the air traffic simulation model so that additional mission types can be analyzed. Additionally, more than 3 years have passed since the completion of the previous point-to-point airspace modeling study, also necessitating updates to the underlying baseline model data and the re-validation of modeling assumptions.

Furthermore, many exciting space-related developments have occurred at MAF and in the vicinity of the City of Midland since the original study commenced, including the establishment of a physical presence of Firehawk Aerospace, Starfighters Inc., and the Space Force Association, which have resulted in increased demand for high-speed flight testing and vertical launches in or within close proximity of the previously-conceptualized airspace for the high-speed airspace corridor. It is important to note that the existing 14 CFR Part 420 license at MAF is also eligible for renewal in September 2024, of which the renewal of existing or expanded airspace is of the utmost importance.

Finally, as the City of Midland positions itself as a hub for high-speed flight missions, it is very important that Congressional representatives, as well as other key stakeholders, are kept apprised of the progress associated with the high-speed airspace corridor.

2. Reference Documents

- *Master Research and Development Agreement, 3 June 2024*
- *Memorandum of Understanding Between The MITRE CORPORATION and The Midland Development Corporation to Advance Safe and Efficient Network of Launch and Reentry Spaceports, January 2024*

3. Period of Performance

This task order will commence on the date following the acceptance by all parties and will continue for a period of 4 months.

4. Task Order Elements

MITRE will perform the task order elements specifically set forth below:

1. Review Terminal Area Route Generation Evaluation and Traffic Simulation (TARGETS) files from the 2021 point-to-point airspace modeling study, as received from Kimley-Horn & Associates
2. Develop an updated baseline airspace model using TARGETS
3. Re-validate modeling assumptions associated with the previously-conceptualized airspace design for the high-speed airspace corridor between MAF and Spaceport America
4. Incorporate Launch Operator trajectory data into the airspace model (including applicable supersonic and hypersonic missions)
5. Meet with Launch Operators to better understand their respective mission operational requirements for the high-speed airspace corridor (both operational flight demonstrations and long-term mission requirements)
6. Develop Augmented Reality (AR)/Virtual Reality(VR) and cockpit simulations in MITRE's laboratory facilities in McLean, VA for use in stakeholder visits
7. Serve as an independent reviewer and advisor of potential partner or Launch Operator proposals, as needed, to include airspace-related inquiries associated with the 14 CFR Part 420 License Renewal
8. Support the MDC project management team to contribute to coordination, status, project management, executive updates and planning meetings as needed

5. Deliverables

MITRE will deliver:

1. Technical letter documenting activities performed under this Task Order
2. Technical and strategic support as needed
3. Support for stakeholder updates, briefings and partner exchanges as needed
4. Demonstration of airspace modeling and lab capabilities for high-speed flight missions

6. Key Constraints and Assumptions

MITRE will operate under the following key constraints/assumptions:

- MDC will identify appropriate points of contact and will facilitate an introduction between MITRE and the Launch Operators
- MDC will assist MITRE in obtaining any required mission trajectory data from the Launch Operators
- MDC will share public and private project relevant documents for MITRE to inform its work
- MDC will coordinate with any Congressional representatives or other key stakeholders for visits to MITRE's facilities in McLean, VA
- MITRE, in close coordination with MAF, will engage with the Federal Aviation Administration and appropriate military representatives for any project-related matters as appropriate

7. Funding

The total price for the Task Order Elements in this document is **\$375,000**. MITRE will invoice for the full amount upon award.

As specified in Section 5.4 of the Master Research and Development Agreement, all amounts due from the MDC to MITRE shall be paid in United States Dollars within thirty (30) days of the invoice date.

8. Signatures

Midland Development Corporation

By: _____

Name: Sara Harris

Title: Executive Director, Midland Development Corporation

Date: _____

The MITRE Corporation

By: _____

Name: Laura Godar

Title: Contracts Manager

Date: _____

Hickman Group
LLC Consulting
Services
Agreement

RESOLUTION NO. _____

**RESOLUTION AUTHORIZING THE EXECUTION OF A
CONSULTANT SERVICES AGREEMENT WITH
HICKMAN GROUP LLC IN AN AMOUNT NOT TO
EXCEED \$120,000.00 FOR RETAIL RECRUITMENT
SERVICES; AND AUTHORIZING PAYMENT FOR SAID
AGREEMENT**

WHEREAS, the Board of Directors finds it to be in the public interest to authorize the execution of a consultant services agreement with Hickman Group LLC in an amount not to exceed \$120,000.00 for retail recruitment services;

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

SECTION ONE. That the Chairman and Secretary are hereby authorized and directed to execute and attest, respectively, on behalf of the Midland Development Corporation, a consultant services agreement with Hickman Group LLC in an amount not to exceed \$120,000.00 for retail recruitment services. Said agreement being in the form substantially similar to that of Exhibit A, which is attached hereto and incorporated herein for all purposes.

SECTION TWO. That the City Comptroller is hereby authorized and directed to pay Hickman Group LLC in accordance with the terms of said agreement from funds available in the Midland Development Corporation Fund operating budget upon receipt of proper invoices or statements approved by the Executive Director of the Midland Development Corporation.

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., 2024, by the following vote:

Directors voting "AYE":

Directors voting "NAY":

P. LOURCEY SAMS,
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

CONSULTING SERVICES AGREEMENT

THIS AGREEMENT is made and effective the 23rd day of July, 2024, by and between the MIDLAND DEVELOPMENT CORPORATION, a Type A corporation pursuant to Chapter 504 of the Texas Local Government Code, as amended (“*MDC*”), and HICKMAN GROUP LLC (“*COMPANY*”).

ARTICLE I. PURPOSE

The purpose of this Agreement is to state the terms and conditions under which *COMPANY* shall provide consulting services and deliverables in connection with retail marketing, development, and developer engagement (the “*services*”) to *MDC*, with a focus on maximizing the utilization of *MDC*-owned and city-owned land for retail development while fostering relationships with potential developers.

ARTICLE II. SERVICES TO BE PERFORMED

1. *COMPANY* shall provide the services described in **Exhibit A**, which is attached hereto and incorporated herein for all purposes.
2. *COMPANY* shall perform the services in a manner consistent with the same level of skill and care as other professionals in approximately the same region at approximately the same point in time and for the same types of projects. *COMPANY* represents that any employee who performs services under this Agreement shall be fully qualified and competent to perform the services described in **Exhibit A**.

ARTICLE III. FINANCIAL CONSIDERATIONS

1. *MDC* agrees to pay *COMPANY* an amount not to exceed \$120,000.00 as consideration for *COMPANY*’s performance of the services according to the schedule set forth in **Exhibit A**. Expenses associated with the services are included in the set fee and are not to be billed to *MDC* separately. Within thirty (30) days of the date on which *COMPANY*’s invoice is received by *MDC*, *MDC* shall pay the full amount of such invoice; provided, however, that if *MDC* objects to any portion of an invoice, *MDC* shall notify *COMPANY* of *MDC*’s objection and the grounds thereof within fifteen (15) days of the date of receipt of the invoice, and the parties shall immediately make

Exhibit A

every effort to settle the disputed portion of the invoice. MDC in any event shall pay every portion of the invoice that is not in dispute within the 30-day period for payment.

ARTICLE IV. TERM

The term of this Agreement shall be from **July 23, 2024 until July 31, 2025**, unless the Agreement is terminated as provided below.

ARTICLE V. TERMINATION AT WILL

MDC may terminate this Agreement at will for no or any reason upon giving at least one-hundred eighty (180) days' written notice to COMPANY. The parties to this Agreement understand and agree that it is in MDC's sole discretion to cancel the Agreement during the term of the Agreement without penalty to MDC. COMPANY has no expectation and has received no guarantees that this Agreement will not be terminated before the end of the Agreement term. The parties have bargained for the flexibility of terminating this Agreement upon tender of the requisite notice at any time during the term of the Agreement. All work and services under the Agreement shall be suspended upon termination of the Agreement becoming effective.

ARTICLE VI. ASSIGNMENT

COMPANY shall not, either directly or indirectly, assign all or any part of this Agreement or any interest, right or privilege herein, without the prior written consent of MDC. The issue on whether to grant consent to an assignment is in the sole discretion of MDC.

ARTICLE VII. OWNERSHIP AND CONFIDENTIALITY OF DOCUMENTS AND OTHER WORK PRODUCT

All reports, information and other data ("*Instruments of Service*"), given to, prepared or assembled by COMPANY under this Agreement, and any other related documents or items shall become the sole property of MDC and shall be delivered to MDC, without restriction, except that COMPANY may make copies of any and all Instruments of Service for its files. MDC shall not make any modification to the plans and specifications or make them available for use by third parties without the prior written authorization of COMPANY, which consent shall not be unreasonably withheld.

ARTICLE VIII. INDEPENDENT CONTRACTOR

It is expressly understood and agreed that COMPANY shall perform all work and services described herein as an independent contractor and not as an officer, agent, servant or employee of MDC; that COMPANY shall have exclusive control of and the exclusive right to control the details of the services and work performed hereunder, and all persons performing the same; and shall be solely responsible for the acts and omissions of its officers, agents, employees, contractors and subcontractors; that the doctrine of *respondeat superior* shall not apply as between MDC and COMPANY, its officers, agents, employees, contractors and subcontractors; and that nothing herein shall be construed as creating a partnership or joint enterprise between MDC and COMPANY. No person performing any of the work and services described hereunder by COMPANY shall be considered an officer, agent, servant or employee of MDC. Further, it is specifically understood and agreed that nothing in this Agreement is intended or shall be construed as creating a “Community of Pecuniary Interest” or “An Equal Right of Control” which would give rise to vicarious liability. COMPANY shall be an independent contractor under this Agreement and shall assume all of the rights, obligations and liabilities, applicable to it as such independent contractor hereunder. MDC does not have the power to direct the order in which the work is done. MDC shall not have the right to control the means, methods or details of COMPANY’S work. COMPANY shall assume exclusive responsibility for the work. COMPANY is entirely free to do the work in its own way.

ARTICLE IX. INSURANCE

COMPANY shall always during the term of this Agreement maintain and keep in full force and effect insurance in the following types and minimum amounts with companies authorized to do business in the State of Texas:

Commercial General Liability (including Contractual liability):

-Personal Injury: \$1,000,000.00 per person
\$1,000,000.00 per occurrence

-Property Damage: \$500,000.00 per occurrence

Business Automobile Liability: \$250,000.00 combined single limit -
Personal Injury and Property Damage

Workers' Compensation: Statutory limits
Employers' Liability: \$500,000.00 per accident or occurrence

The Commercial General Liability shall be on a per project aggregate, including completed operations, and shall be on a claims-occurred basis. This insurance shall name MDC as an additional insured and waive subrogation in favor of MDC.

The Business Automobile Liability insurance provided by COMPANY shall cover any auto for bodily injury and property damage, including owned vehicles, hired and non-hired vehicles, and employee non-ownership, and the amount of such policy shall be a minimum of \$250,000.00 covering any vehicle used for the execution of the work that is the subject of this Agreement. This insurance shall name MDC as an additional insured and waive subrogation in favor of MDC.

The Workers' Compensation coverage provided by COMPANY shall inure to the benefit of employees injured during the course and scope of their employment by COMPANY pursuant to this Agreement. The Workers' Compensation shall waive all rights of subrogation in favor of MDC.

All insurance required pursuant to this Agreement shall provide for a waiver of subrogation in favor of MDC. All insurance required pursuant to this Agreement, except for Workers' Compensation Insurance, shall name MDC as an additional insured on a claims-occurred basis. MDC shall be provided with the notice by COMPANY'S insurance provider not later than thirty (30) days prior to any reduction or termination of such coverage.

COMPANY shall contractually require all contractors, subcontractors, and sub-subcontractors that work on any portion of the work that is the subject of this Agreement to obtain insurance coverage that meets or exceeds the policy requirements and minimum amounts specified herein. All contractors, subcontractors, and sub-subcontractors shall obtain insurance policies that provide blanket waivers of subrogation in favor of MDC and policies that name the MDC as an additional insured on a claims-occurred basis (except workers' compensation).

The parties agree that, prior to the execution of the Agreement, COMPANY shall provide one or more certificates of insurance specifically stating that these requirements have been met and subject to the approval of MDC. MDC shall not be required to provide any insurance whatsoever pursuant to this Agreement.

COMPANY certifies that the certificate of insurance provided as required herein complies

with the requirements of Chapter 1811 of the Texas Insurance Code. COMPANY shall not use an unapproved certificate of insurance or insert inappropriate language on a certificate. Compliance with state law is the sole responsibility of COMPANY.

Notwithstanding any contrary provision contained herein, MDC's Executive Director, in her sole and absolute discretion, may modify the insurance requirements contained in this Article.

ARTICLE X. ATTORNEY FEES

BY EXECUTING THIS AGREEMENT, COMPANY AGREES TO WAIVE AND DOES HEREBY WAIVE ANY CLAIM IT HAS OR MAY HAVE IN THE FUTURE AGAINST MDC REGARDING THE AWARD OF ATTORNEY FEES THAT IS IN ANY WAY RELATED TO THIS AGREEMENT, OR THE CONSTRUCTION, INTERPRETATION OR BREACH OF THIS AGREEMENT. COMPANY AGREES THAT IF COMPANY BRINGS OR COMMENCES ANY LEGAL ACTION OR PROCEEDING RELATED TO THIS AGREEMENT, THE CONSTRUCTION, INTERPRETATION, VALIDITY OR BREACH OF THIS AGREEMENT, INCLUDING BUT NOT LIMITED TO ANY ACTION PURSUANT TO THE PROVISIONS OF THE TEXAS UNIFORM DECLARATORY JUDGMENTS ACT (TEXAS CIVIL PRACTICE AND REMEDIES CODE SECTION 37.001, *ET SEQ.*, AS AMENDED), THAT COMPANY AGREES TO WAIVE AND RELINQUISH ANY AND ALL RIGHTS TO THE RECOVERY OF ATTORNEY FEES TO WHICH IT MIGHT OTHERWISE BE ENTITLED. THE PROVISIONS OF THIS ARTICLE SHALL SURVIVE THE TERMINATION OF THIS AGREEMENT.

COMPANY AGREES THAT THIS IS THE VOLUNTARY AND INTENTIONAL RELINQUISHMENT AND ABANDONMENT OF A PRESENTLY EXISTING KNOWN RIGHT. COMPANY ACKNOWLEDGES THAT COMPANY UNDERSTANDS ALL TERMS AND CONDITIONS OF THE AGREEMENT. COMPANY FURTHER ACKNOWLEDGES AND AGREES THAT THERE WAS AND IS NO DISPARITY OF BARGAINING POWER BETWEEN COMPANY AND MDC. THIS SECTION SHALL NOT BE CONSTRUED OR INTERPRETED AS A WAIVER OF GOVERNMENTAL IMMUNITY.

COMPANY IS RELYING ON ITS OWN JUDGMENT. COMPANY ACKNOWLEDGES THAT COMPANY HAD THE OPPORTUNITY TO DISCUSS THIS AGREEMENT WITH LEGAL COUNSEL PRIOR TO ITS EXECUTION.

ARTICLE XI. GOVERNMENTAL IMMUNITY

By executing this Agreement MDC is not waiving its right of governmental immunity. MDC is not granting consent to be sued by legislative resolution or action. **THERE IS NO WAIVER OF GOVERNMENTAL IMMUNITY.**

ARTICLE XII. NO THIRD-PARTY BENEFICIARIES

MDC's approval of this Agreement does not create a third-party beneficiary. There is no third-party beneficiary to this Agreement. No person or entity who is not a party to this Agreement shall have any third-party beneficiary or other rights hereunder.

ARTICLE XIII. RELEASE

NOTWITHSTANDING ANY OTHER PROVISIONS, COMPANY HEREBY RELEASES, ACQUITS, RELINQUISHES AND FOREVER DISCHARGES MDC, MDC'S EMPLOYEES AND OFFICERS, FROM ANY AND ALL DEMANDS, CLAIMS, DAMAGES, OR CAUSES OF ACTION OF ANY KIND WHATSOEVER WHICH COMPANY HAS OR MIGHT HAVE IN THE FUTURE, INCLUDING BUT NOT LIMITED TO BREACH OF AGREEMENT, QUANTUM MERUIT, CLAIMS UNDER THE DUE PROCESS AND TAKINGS CLAUSES OF THE TEXAS AND UNITED STATES CONSTITUTIONS, TORT CLAIMS, OR MDC'S NEGLIGENCE. THE PROVISIONS OF THIS ARTICLE SHALL SURVIVE THE TERMINATION OF THIS AGREEMENT.

ARTICLE XIV. INDEMNITY

COMPANY SHALL INDEMNIFY AND HOLD HARMLESS AND DEFEND MDC AND ALL OF MDC'S OFFICERS, AGENTS AND EMPLOYEES FROM ALL SUITS, ACTIONS, CLAIMS, DAMAGES, PERSONAL INJURIES, ACCIDENTAL DEATH, LOSSES, PROPERTY DAMAGE AND EXPENSES OF ANY CHARACTER WHATSOEVER, INCLUDING ATTORNEY'S FEES, BROUGHT FOR OR ON

ACCOUNT OF ANY INJURIES OR DAMAGES RECEIVED OR SUSTAINED BY ANY PERSON OR PERSONS OR PROPERTY, ON ACCOUNT OF ANY NEGLIGENT ACT OF COMPANY, THEIR AGENTS OR EMPLOYEES, OR ANY SUBCONTRACTOR, IN THE EXECUTION, SUPERVISION AND OPERATIONS GROWING OUT OF OR IN ANY WAY CONNECTED WITH THE PERFORMANCE OF THIS AGREEMENT, AND COMPANY SHALL BE REQUIRED TO PAY ANY JUDGMENT WITH COSTS WHICH MAY BE OBTAINED AGAINST MDC OR ANY OF ITS OFFICERS, AGENTS OR EMPLOYEES, INCLUDING ATTORNEY'S FEES.

COMPANY SHALL INDEMNIFY AND HOLD HARMLESS AND DEFEND MDC AND ALL OF MDC'S OFFICERS, AGENTS AND EMPLOYEES FROM ALL SUITS, ACTIONS, CLAIMS, DAMAGES, PERSONAL INJURIES, ACCIDENTAL DEATH, PROPERTY DAMAGE, LOSSES, AND EXPENSES OF ANY CHARACTER WHATSOEVER INCLUDING ATTORNEY'S FEES, BROUGHT FOR OR ON ACCOUNT OF ANY INJURIES OR DAMAGES RECEIVED OR SUSTAINED BY ANY PERSON OR PERSONS OR PROPERTY, ON ACCOUNT OF ANY NEGLIGENT ACT OF MDC, MDC'S OFFICERS, AGENTS AND EMPLOYEES, WHETHER SUCH NEGLIGENT ACT WAS THE SOLE PROXIMATE CAUSE OF THE INJURY OR DAMAGE OR A PROXIMATE CAUSE JOINTLY AND CONCURRENTLY WITH COMPANY OR COMPANY'S EMPLOYEES, AGENTS OR SUBCONTRACTORS NEGLIGENCE IN THE EXECUTION, SUPERVISION AND OPERATIONS GROWING OUT OF OR IN ANY WAY CONNECTED WITH THE PERFORMANCE OF THIS AGREEMENT, AND COMPANY SHALL BE REQUIRED TO PAY ANY JUDGMENT WITH COSTS WHICH MAY BE OBTAINED AGAINST MDC OR ANY OF ITS OFFICERS, AGENTS OR EMPLOYEES, INCLUDING ATTORNEY'S FEES.

COMPANY AGREES THAT IT SHALL INDEMNIFY AND SAVE MDC HARMLESS FROM ALL CLAIMS GROWING OUT OF ANY DEMANDS OF SUBCONTRACTORS, LABORERS, WORKMEN, MECHANICS, MATERIALMEN, AND FURNISHERS OF MACHINERY AND PARTS THEREOF, EQUIPMENT, POWER TOOLS AND ALL SUPPLIES, INCURRED IN THE FURTHERANCE OF THE PERFORMANCE OF THIS AGREEMENT. WHEN MDC SO DESIRES, COMPANY

SHALL FURNISH SATISFACTORY EVIDENCE THAT ALL OBLIGATIONS OF THE NATURE HEREINABOVE DESIGNATED HAVE BEEN PAID, DISCHARGED OR WAIVED. COMPANY, ITS SURETIES AND INSURANCE CARRIERS SHALL DEFEND, INDEMNIFY AND SAVE HARMLESS MDC AND ALL OF ITS OFFICERS, AGENTS AND EMPLOYEES FROM ALL SUITS, ACTIONS, OR CLAIMS OF ANY CHARACTER WHATSOEVER, BROUGHT FOR OR ON ACCOUNT OF ANY INJURIES OR DAMAGES RECEIVED OR SUSTAINED BY ANY PERSON OR PERSONS OR PROPERTY, ARISING FROM ANY ACT OF COMPANY OR ANY SUBCONTRACTOR, THEIR AGENTS OR EMPLOYEES, IN THE EXECUTION AND SUPERVISION OF THIS AGREEMENT, AND SHALL BE REQUIRED TO PAY ANY JUDGMENT WITH COSTS WHICH MAY BE OBTAINED AGAINST MDC OR ANY OF ITS OFFICERS, AGENTS, OR EMPLOYEES INCLUDING ATTORNEY'S FEES.

THE PROVISIONS OF THIS ARTICLE SHALL SURVIVE THE TERMINATION OF THIS AGREEMENT.

ARTICLE XV. GENERAL PROVISIONS

A. Waiver. No waiver by MDC of a breach of any covenant, condition, or restriction of this Agreement shall be construed or held to be a waiver of any succeeding or preceding breach of the same or any other covenant, condition, or restriction contained in this Agreement.

B. Governing Law and Venue. The laws of the State of Texas shall govern, construe and enforce all rights and duties of the Parties, including, but not limited to, tort claims and any contractual claims or disputes arising from or relating in any way to the subject matter of this Agreement, without regard to conflict of laws and rules that would direct application of the laws of another jurisdiction. All performance and payment made pursuant to this Agreement shall be deemed to have occurred in Midland County, Texas. The obligations and undertakings of the Parties shall be deemed to have occurred in Midland County, Texas. Exclusive venue for any claim, suit, or other action arising from or connected in any way to this Agreement shall be in Midland County, Texas.

C. Notice. Any notice or demand that shall be made regarding this Agreement, shall be

made in writing and delivered either in person or by certified or registered mail. Notice by mail shall be complete upon deposit of the paper, postage prepaid, in a post office or official depository under the care and custody of the United States Postal Service addressed as follows:

If to MDC: Executive Director
 Midland Development Corporation
 200 N. Loraine, Suite 610
 Midland, Texas 79701

If to COMPANY: Hickman Group, LLC

The parties hereto may change the above-designated addresses by giving notice pursuant to the terms of this Section.

D. Severability. In case any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal, or unenforceable in any respect, this invalidity, illegality, or unenforceability shall not affect any other provision of the Agreement, and this Agreement shall be construed as if the invalid, illegal, or unenforceable provision had never been contained herein.

E. Use of Language. Words in the singular shall be held to include the plural, unless the context otherwise requires.

F. Amendments, Modifications, Alterations. No amendment, modification, or alteration of the terms of this Agreement shall be binding unless it is in writing, dated subsequent to the date of this Agreement, and duly executed by the parties to this Agreement.

G. Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be deemed as original, and all of which shall constitute one and the same instrument.

H. Federal Wage Requirements. If applicable, the Davis-Bacon Act, 29 CFR 5.5, and any

related acts or regulations are hereby incorporated by reference and made a part of this Agreement, and all terms and requirements under said laws, by such incorporation, are made terms and requirements of this Agreement, to which the parties to this Agreement have agreed to be bound.

I. Notice of Alleged Breach; Statutory Prerequisites. As a condition precedent to filing suit for alleged damages incurred by an alleged breach of an express or implied provision of this Agreement, COMPANY or his legal representative, shall give the MDC Chairman, or any other reasonable official of MDC, notice in writing (consisting of one (1) original and seven (7) copies of notice attached to a copy of this Agreement) of such damages, duly verified, within ninety (90) days after the same has been sustained. The discovery rule does not apply to the giving of this notice. The notice shall include when, where and how the damages occurred, the apparent extent thereof, the amount of damages sustained, the amount for which COMPANY will settle, the physical and mailing addresses of COMPANY at the time and date the claim was presented and the physical and mailing addresses of COMPANY for the six (6) months immediately preceding the occurrence of such damages, and the names and addresses of the witnesses upon whom COMPANY relies to establish its claim; and a failure to so notify the MDC Chairman within the time and manner provided herein shall exonerate, excuse and except MDC from any liability whatsoever. MDC is under no obligation to provide notice to COMPANY that COMPANY'S notice is insufficient. MDC reserves the right to request reasonable additional information regarding the claim. Said additional information shall be supplied within thirty (30) days after receipt of notice.

The statutory prerequisites outlined herein constitute jurisdictional requirements pursuant to Section 271.154 of the Texas Local Government Code and Section 311.034 of the Texas Government Code. Notwithstanding any other provision, COMPANY'S failure to comply with the requirements herein shall perpetually bar COMPANY'S claim for damages under Chapter 271 of the Texas Local Government Code, and Section 311.034 of the Texas Government Code, regardless if MDC has actual or constructive notice or knowledge of said claim or alleged damages. COMPANY agrees that the requirements of this entire Agreement are reasonable. The provisions of this Section shall survive the termination of this Agreement.

J. Prompt Pay Act. MDC and COMPANY agree that Texas Government Code, Chapter

2251, Payment for Goods and Services does not waive governmental immunity.

K. Compliance. COMPANY agrees that it shall comply with Texas Government Code Section 2252.908, as amended. COMPANY agrees that it shall comply with Texas Local Government Code Section 176.006, as amended.

L. Anti-Boycott Statutes. To the extent that Tex. Gov't Code §§ 2271.002 and 2274.002 apply to this Agreement, COMPANY hereby verifies that:

- COMPANY does not boycott Israel and will not boycott Israel during the term of this Agreement;
- COMPANY does not boycott energy companies and will not boycott energy companies during the term of this Agreement; and
- COMPANY does not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association and will not discriminate during the term of this Agreement against any firearm entity or firearm trade association.

If Tex. Gov't Code § 2270.002 does not apply to this Agreement, such verification is not required, and COMPANY shall be deemed to have not made such verification.

M. Records Retention and Production of Information. To the extent that this Agreement is a contract described by Tex. Gov't Code § 552.371, COMPANY shall: (i) preserve all contracting information related to the Agreement as provided by the records retention requirements applicable to MDC for the duration of the contract; (ii) promptly provide to MDC any contracting information related to the Agreement that is in the custody or possession of COMPANY on request of MDC; and (iii) on completion of the Agreement, either (a) provide at no cost to MDC all contracting information related to the Agreement that is in the custody or possession of COMPANY, or (b) preserve the contracting information related to the Agreement as provided by the records retention requirements applicable to MDC.

N. Public Information. To the extent that this Agreement is a contract described by Tex. Gov't Code § 552.371, COMPANY agrees as follows in accordance with Tex. Gov't Code § 552.372(b): The requirements of Subchapter J, Chapter 552, Government Code, may apply to this contract, and the contractor or vendor agrees that the contract can be terminated if the contractor

or vendor knowingly or intentionally fails to comply with a requirement of that subchapter.

O. Conflict of Terms. If a conflict of terms or language exists between: (i) any of the provisions of this Agreement; and (ii) any of the provisions contained in any exhibit(s) attached to this Agreement, precedence shall be given to the provisions of this Agreement. For the avoidance of any doubt, the provisions contained in this Agreement shall supersede any and all conflicting provisions contained in any exhibit(s) attached hereto. Furthermore, the Parties acknowledge and agree that any provision contained in an exhibit(s) attached to this Agreement that imposes an additional express or implied obligation on MDC is hereby made void and of no force or effect. MDC's sole and exclusive obligations under this Agreement are contained in the provisions of this Agreement that precede the signature page(s), which evidences the Parties' execution and acceptance hereof.

P. Interpretation. By executing this Agreement, the Parties acknowledge and agree that this Agreement shall not be interpreted or construed against any Party solely because such Party or its legal counsel drafted this Agreement. The Parties have read, understood, and approved of the language and terms set forth herein.

[Signature Pages Follow]

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

MIDLAND DEVELOPMENT CORPORATION

P. Lourcey Sams, Chairman

ATTEST:

Jill Pennington, Secretary

COMPANY:

By: _____

Name: _____

Title: _____

STATE OF _____ §
 §
COUNTY OF _____ §

BEFORE ME, the undersigned authority, on this ____ day of _____, 20__, personally appeared, _____ of _____, known to me to be the person and official whose name is subscribed to the forgoing instrument, and acknowledged to me that he executed the same as the act and deed of said entity, for the purposes and consideration therein expressed, and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this the ____ day of _____, 20__.

Notary Public, State of _____

Scope of Work: Retail Recruitment Services for the Midland Development Corporation

Objective: To provide retail marketing, development, and developer engagement services to the Midland Development Corporation (MDC), with a focus on maximizing the utilization of MDC-owned and city-owned land for retail development while fostering relationships with potential developers.

Key Activities:

1. Identifying Retail and Restaurant Targets:

- Identify key retail and restaurant targets that align with the City's vision for growth and economic development, considering factors such as market demand, consumer preferences, and economic impact.
- In partnership with the MDC, develop a target list of twenty-four (24) retailers and restaurants, including contact information for outreach purposes, prioritizing those that maximize the utilization of MDC-owned and city-owned land.

2. Engagement with Retailers and Developers

- Proactively reach out to and facilitate discussions and negotiations with targeted retailers and developers interested in leasing or purchasing MDC-owned and city-owned land for retail projects, as well as other property within the City's jurisdictional limits.
- Actively promote the benefits and incentives of investing in Midland to prospective retailers and developers.
- Collaborate closely with MDC and City stakeholders to align marketing and recruitment efforts with broader economic development strategies and goals.

3. Identify and Foster Partnership Opportunities

- Utilize existing network of regional and national retail developers to identify potential partners for property development.
- Work collaboratively with MDC staff to contact and build relationships with developers active in the region, ensuring readiness to meet retailer needs.

4. Downtown Retail Focus:

- Engage in discussions with key downtown stakeholders and business owners and support downtown revitalization efforts.
- Explore innovative approaches to attract retailers to downtown Midland, leveraging its unique character and charm.

Deliverables:

1. Target List of Retailers and Restaurants (at least 24, including contact information)
2. Target List of Developers (at least 10, including contact information)
3. Retail Recruitment Plan
4. Monthly Recruitment Updates

Contract Terms:

- Duration: One year
- Fee: \$10,000 per month (flat fee)

Income Statement

MIDLAND DEVELOPMENT CORPORATION
INCOME STATEMENT FOR THE 9 MONTHS ENDED
June 30, 2024

	Jun-24	YTD	Budgeted Amount
Revenue	\$1,592,570.02	\$11,176,731.66	\$12,976,644.00
40100 - State Sales Tax	\$1,350,292.64	\$9,570,496.43	\$12,000,000.00
40600 - Public ROW Use Fees	\$0.00	\$4,823.00	\$0.00
43000 - Interest	\$44,487.51	\$349,129.34	\$0.00
43010 - Interest - Nonpooled Invest	\$51,302.87	\$400,965.22	\$0.00
47005 - Government Contributions	\$65,000.00	\$65,000.00	\$0.00
46190 - Miscellaneous Rentals	\$81,487.00	\$732,683.00	\$976,644.00
48480 - Reimbursement of Budget Exp	\$0.00	\$1,187.11	\$0.00
49112 - Incr/Decr In Fair Value of Inv	\$0.00	\$52,447.56	\$0.00
4235150 - Midland Dvlpmt Corp Revenue	\$1,592,570.02	\$11,176,731.66	\$12,976,644.00

Expense	\$485,709.26	\$5,034,018.77	\$26,583,805.00
51010 - Base Salary	\$25,649.94	\$238,215.95	\$360,047.00
51090 - Fica MDC Portion	\$1,962.22	\$16,827.33	\$29,038.00
51110 - Health Insurance	\$1,911.13	\$19,057.73	\$28,440.00
51135 - ACCE Profit Sharing	\$1,486.62	\$15,145.65	\$25,203.00
52010 - Office Supplies	\$304.74	\$3,073.15	\$6,500.00
52110 - Motor Vehicle Supplies	\$0.00	\$303.48	\$1,500.00
52115 - Minor Furniture & Fixtures	\$0.00	\$0.00	\$1,000.00
52155 - Minor Computer Hrdwre & Periph	\$2,435.55	\$2,435.55	\$12,000.00
52160 - Computer Software & Supplies	\$649.50	\$26,952.93	\$35,000.00
52620 - Postage	\$0.00	\$315.24	\$1,000.00
53010 - Communication	\$538.82	\$11,180.14	\$17,000.00
53030 - Light & Power	\$7.45	\$60.24	\$150.00
53110 - Insurance-External	\$0.00	\$4,862.00	\$150,000.00
53212 - Equipment Rental-External	\$669.96	\$3,030.47	\$5,000.00
53220 - Advertising	\$1,586.30	\$132,974.83	\$225,000.00
53370 - Grounds Maintenance	\$1,456.93	\$17,620.66	\$25,000.00
53405 - Software Maintenance	\$1,637.74	\$17,620.66	\$15,000.00
53440 - External Audit Fees	\$0.00	\$34,832.78	\$40,000.00
53450 - Consulting Fees	\$27,960.00	\$288,277.30	\$500,000.00
53510 - Travel & Entertainment	\$56.10	\$11,923.80	\$10,000.00
53520 - Dues & Subscriptions	\$843.24	\$13,416.56	\$17,000.00
53530 - Training,Registration Fees,Etc	\$0.00	\$825.08	\$15,000.00
53905 - Economic Development Incentive	\$0.00	\$0.00	\$9,098,141.00
53907 - Business Recruitment & Retentn	\$5.87	\$100,854.57	\$70,000.00
53909 - Prior Year Committed Incentives	\$112,432.71	\$2,941,896.80	\$13,464,662.00
53920 - Rent	\$5,969.21	\$52,809.63	\$69,804.00
54010 - Building Maintenance	\$7,685.56	\$50,130.25	\$80,000.00
55120 - Maint. - Instruments & Appara.	\$335.44	\$1,639.75	\$1,200.00
56188 - MOTRAN	\$0.00	\$142,500.00	\$142,500.00
56202 - General Fund Services	\$37,080.00	\$333,720.00	\$444,960.00
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	\$182,589.77	\$416,460.00
56995 - Project Non Capital - Promotions	\$253,044.23	\$368,926.47	\$1,200,000.00
235235 - Midland Development Corp	\$485,709.26	\$5,034,018.77	\$26,583,805.00

June 2024 Net Income: \$1,106,860.76

Year-to-Date Net Income: \$6,142,712.89

Balance Sheet

MIDLAND DEVELOPMENT CORPORATION
BALANCE SHEET FOR THE PERIOD ENDED
June 30, 2024
(Used for Internal Purposes Only)

ASSETS

Current Assets

Cash and cash equivalents	29,485,642	
Investments	7,810,971	
Sales tax receivable	-	
Prepaid expenses	133,644	
Accounts receivable	-	
	-	37,430,256

Non-Current Assets

Capital Assets, net	26,723,935	
Forgivable Loans		
Made to Primary Government	2,984,110	
Made to Other	6,579	
Total Forgivable Loans	2,990,689	
		29,714,624

Total Assets		\$ 67,144,880
--------------	--	---------------

LIABILITIES AND NET POSITION

Liabilities

Accounts payable	185,026	
Retainage Payable	130,200	
Capital Leases payable	523,818	
Commitments payable		
Due within one year	14,763,510	
Due in more than one year	45,570,976	
Total Commitments Payable	60,334,486	
		61,173,530

Net Position

Net investment in capital assets	26,723,935	
Restricted for Forgivable Loans	2,990,689	
Restricted for Capital Leases	523,818	
Promotions	2,185,307	
Unrestricted	(26,452,398)	
	-	5,971,350

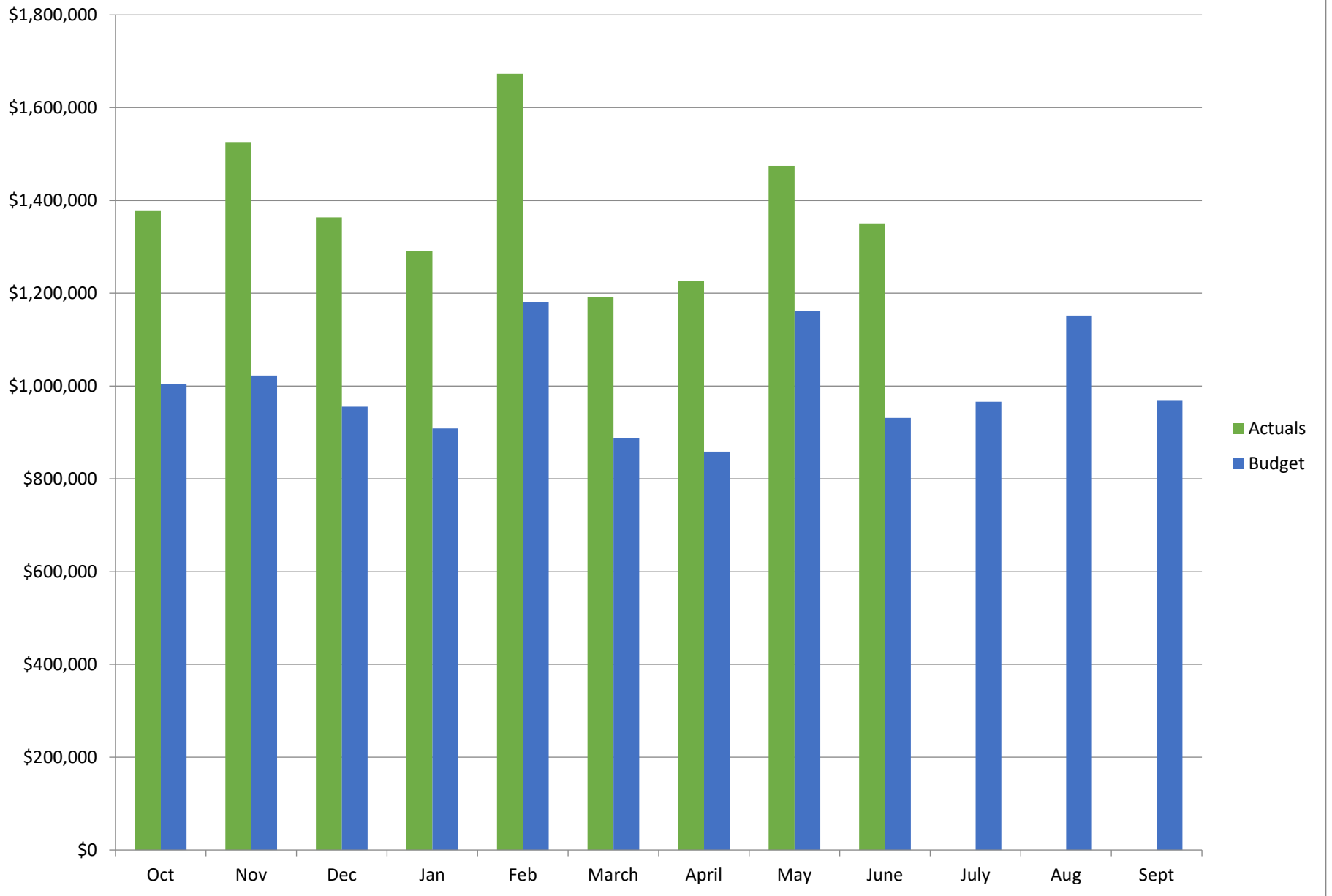
Total Liabilities and Net Position		\$ 67,144,880
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Sales Tax Revenue

Sales Tax Variance

	2021-2022	2022-2023	% Change	2022-2023	2023-2024	% Change	YTD Change
October	\$971,343.63	\$1,416,510.48	45.83%	\$1,416,510.48	\$1,376,937.05	-2.79%	-2.79%
November	\$1,156,353.89	\$1,364,595.51	18.01%	\$1,364,595.51	\$1,526,083.42	11.83%	4.38%
December	\$1,013,549.80	\$1,380,834.52	36.24%	\$1,380,834.52	\$1,363,408.12	-1.26%	2.51%
January	\$1,117,874.02	\$1,358,336.22	21.51%	\$1,358,336.22	\$1,290,650.15	-4.98%	0.67%
February	\$1,434,528.04	\$1,649,985.00	15.02%	\$1,649,985.00	\$1,673,418.77	1.42%	0.84%
March	\$983,421.74	\$1,344,612.50	36.73%	\$1,344,612.50	\$1,191,145.36	-11.41%	-1.09%
April	\$1,015,116.31	\$1,266,881.01	24.80%	\$1,266,881.01	\$1,226,873.37	-3.16%	-1.36%
May	\$1,487,467.44	\$1,597,917.80	7.43%	\$1,597,917.80	\$1,474,708.24	-7.71%	-2.25%
June	\$1,218,236.38	\$1,325,843.43	8.83%	\$1,325,843.43	\$1,350,292.64	1.84%	-1.83%
July	\$1,326,275.50	\$1,395,392.32	5.21%	\$1,395,392.32			
August	\$1,582,536.23	\$1,662,691.61	5.06%	\$1,662,691.61			
September	\$1,303,011.95	\$1,328,790.99	1.98%	\$1,328,790.99			
Annual Total	\$14,609,714.93	\$17,092,391.39	16.99%	\$17,092,391.39	\$12,473,517.12		

Sales Tax Actuals vs Budget Estimates



Activity Report



MARKETING REPORT

July 1, 2024

SOCIAL MEDIA

Facebook

- 4,096 followers
- Top posts: Juneteenth in Midland, Midland's Population, Limon con Chile Reel

LinkedIn


- 2,212 followers
- Top posts: Juneteenth in Midland, Cogdell Learning Center, Midland's Population

Instagram

- 3,180 followers
- Top posts: Limon con Chile Reel, Midland County Museum Reel, Juneteenth in Midland



SOCIAL MEDIA




Midland, TX Population

Source: United States Census Bureau

	2020 Census	2023 ACS Estimate	20-23 % Change
City of Midland	132,524	138,397	+4.43%
Midland County	169,983	177,108	+4.19%
Midland MSA <small>Midland & Martin Counties</small>	175,224	182,324	+4.05%

The Census Bureau collects population data on Midlanders who live within Midland city limits and who live in Midland County or Martin County.

- The Midland MSA is made up of both Midland County and Martin County.
- Another good indicator of population growth is MISD's growing enrollment.




Juneteenth in Midland

Wednesday, June 19th

- 7 PM: Mr. & Miss Juneteenth Scholarship Pageant - MLK Center

Thursday, June 20th

- 6 PM-10 PM: Vendors & Live Entertainment - Washington Park
- 10 PM: Juneteenth Kick-Off Party - The DoubleTree

Friday, June 21st

- 6 PM-10 PM: Vendors & Live Entertainment - Washington Park
- 7 PM: Boots & Bling Ball - Bush Convention Center

Saturday, June 22nd

- 10 AM: Parade - Coleman Family Clinic
- 12 PM: Opening Ceremony - Coleman Family Clinic
- 12 PM-2PM: Kids Korner - Pavilion




MARKETING/OTHER

Newsletter

- Open Rate (June's Newsletter): 33.48%
- Local economy updates, business updates, local news.

Website

- Design update in progress
- Living in Midland & Population of Midland Pages





UPDATES:

- **WEBSITE COPY UPDATE**
 - **WWW.MIDLANDTXSPACEPORT.COM**
- **SOCIAL MEDIA**
 - **INSTAGRAM - 49 FOLLOWERS**
 - **FACEBOOK - 94 FOLLOWERS**
 - **LINKEDIN - 162 FOLLOWERS**
- **HSAT & FAM TOUR PREP & PLANNING**
- **TRIFOLD IS COMPLETE, REVIEWING/EDITING/PRINTING**



SKILLED WORKFORCE

At the heart of the oil and gas industry, Midland finds itself in a unique position to invest in itself to diversify our economy. Midland is home to almost twice the national average of engineers in our workforce. Their skills are directly transferrable to the businesses at the Spaceport.



LOCATION, LOCATION, LOCATION

Midland enjoys direct flights to Dallas, Austin, Houston, Las Vegas, Tucson, and Denver while also a day's drive away from other major cities in the US. The Permian Basin and West Texas are known for our robust infrastructure, access to interstates, rail, and air transportation making Midland a competitive location for aerospace and defense companies.



THAT WILDCATTER SPIRIT

Midland's wildcatter and entrepreneurial spirit is evident in its people and has run through the veins of the community since the discovery of oil. This same mentality is the perfect match to that of the aerospace and defense industry. These professionals are taking risks and trying new things which make a great fit in Midland.

FOUNDERS BLEND

● June Founders Blend

- June 5th at Cogdell Learning Center
- South Side Barbershop and Venture Robotics
- Midland College BEDC - coffee and breakfast





FOUNDERS BLEND

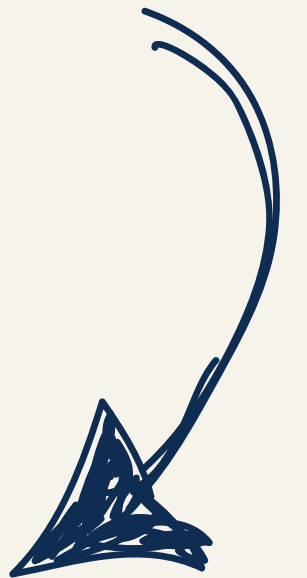


FOUNDERS BLEND

Wednesday, August 7th
UT Permian Basin
CEED Building
8 am - 9 am

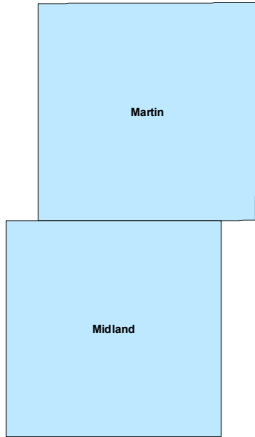
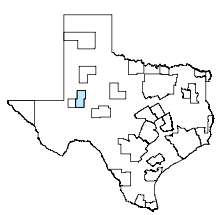
BLENDING MINDS & BUILDING BUSINESSES

- **August Founders Blend**
 - August 7th at UTPB's CEED Building
 - No July meeting!



Midland MSA

May 2024

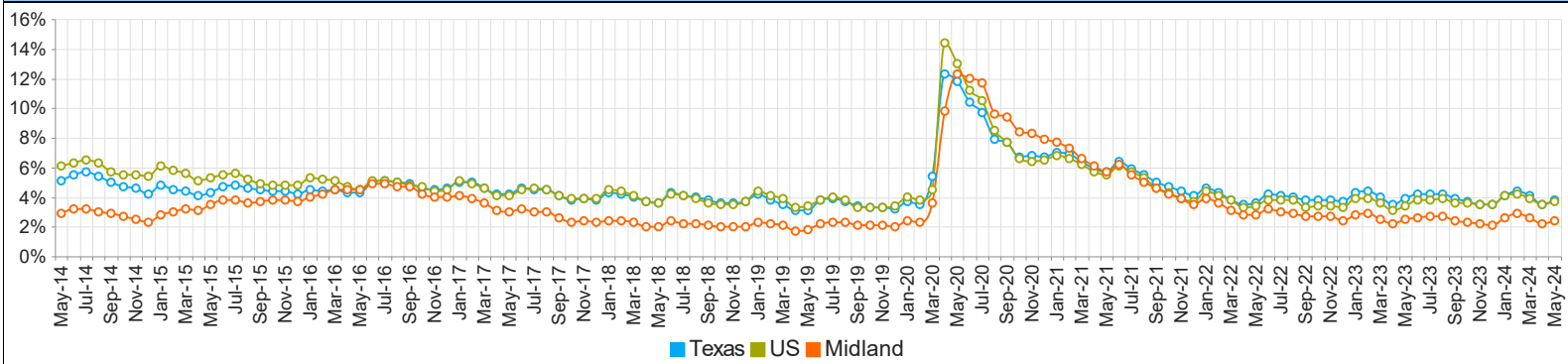


MSA Labor Force Statistics				
	May-24	Apr-24	May-23	Yearly Change
Civilian Labor Force	115,822	116,351	113,972	1,850
Employed	112,999	113,747	111,149	1,850
Unemployed	2,823	2,604	2,823	0
Unemployment Rate	2.4%	2.2%	2.5%	-0.1%

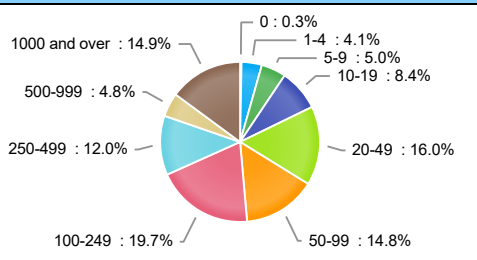
Texas Labor Force Statistics				
	May-24	Apr-24	May-23	Yearly Change
Civilian Labor Force	15,284,842	15,304,322	14,990,077	294,765
Employed	14,709,904	14,762,048	14,407,172	302,732
Unemployed	574,938	542,274	582,905	-7,967
Unemployment Rate	3.8%	3.5%	3.9%	-0.1%

US Labor Force Statistics				
	May-24	Apr-24	May-23	Yearly Change
Civilian Labor Force	167,576,000	167,484,000	166,702,000	874,000
Employed	161,341,000	161,590,000	161,002,000	339,000
Unemployed	6,235,000	5,894,000	5,700,000	535,000
Unemployment Rate	3.7%	3.5%	3.4%	0.3%

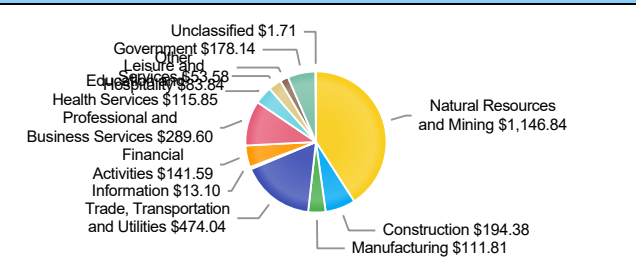
Historical Unemployment Rates



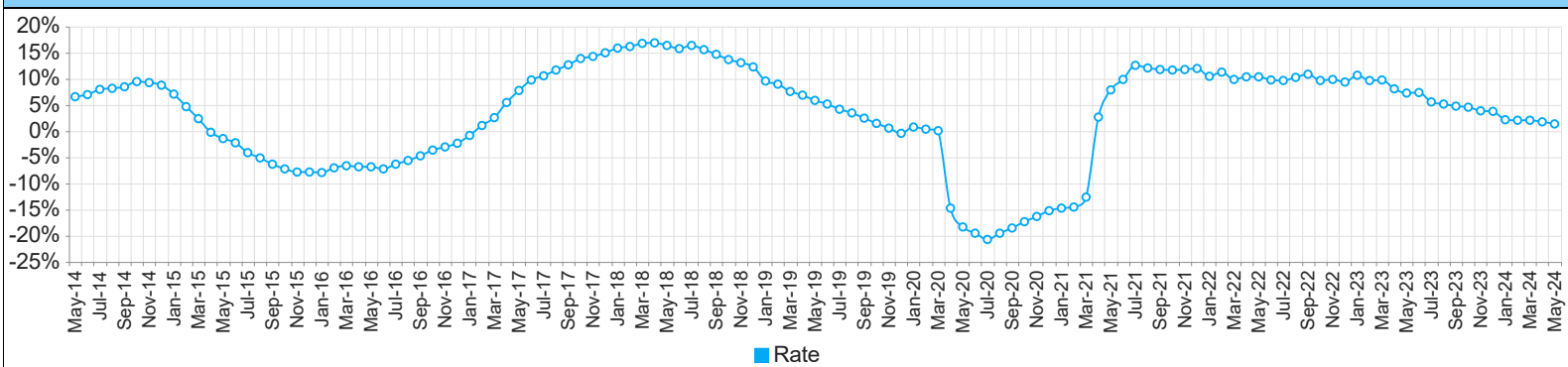
Employment by Size Class (4th Quarter 2023)



Wages by Industry (in millions) (4th Quarter 2023)



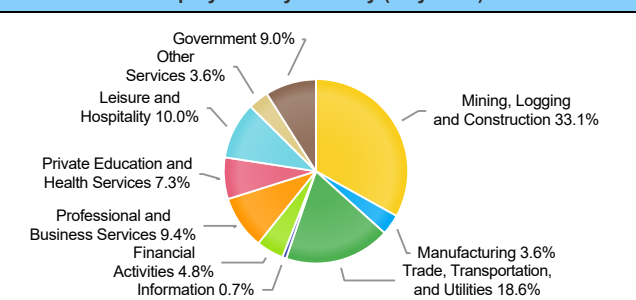
Annual Growth Rate Total Non-agricultural employment



Employment by Industry (May 2024)

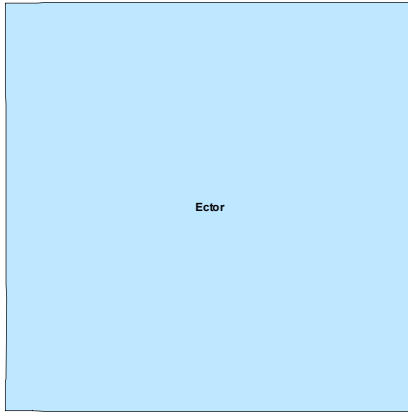
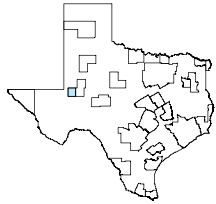
Industry	Current Month Employment	% Monthly Change	% Yearly Change
Total Nonfarm	121,600	-0.2%	1.4%
Mining, Logging and Construction	40,200	-0.7%	-1.5%
Manufacturing	4,400	0.0%	2.3%
Trade, Transportation, and Utilities	22,600	0.0%	2.3%
Information	900	0.0%	-18.2%
Financial Activities	5,800	0.0%	9.4%
Professional and Business Services	11,400	0.0%	0.9%
Private Education and Health Services	8,900	1.1%	-1.1%
Leisure and Hospitality	12,100	0.8%	4.3%
Other Services	4,400	0.0%	2.3%
Government	10,900	-0.9%	7.9%

Employment by Industry (May 2024)



Odessa MSA

May 2024



Ector

MSA Labor Force Statistics

	May-24	Apr-24	May-23	Yearly Change
Civilian Labor Force	86,927	87,156	85,888	1,039
Employed	84,135	84,555	83,111	1,024
Unemployed	2,792	2,601	2,777	15
Unemployment Rate	3.2%	3.0%	3.2%	0.0%

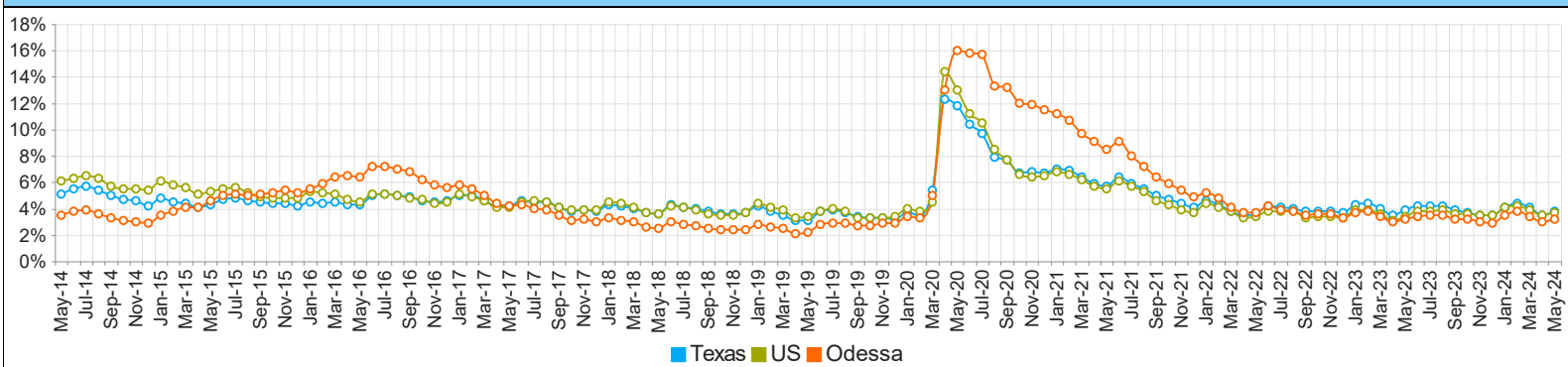
Texas Labor Force Statistics

	May-24	Apr-24	May-23	Yearly Change
Civilian Labor Force	15,284,842	15,304,322	14,990,077	294,765
Employed	14,709,904	14,762,048	14,407,172	302,732
Unemployed	574,938	542,274	582,905	-7,967
Unemployment Rate	3.8%	3.5%	3.9%	-0.1%

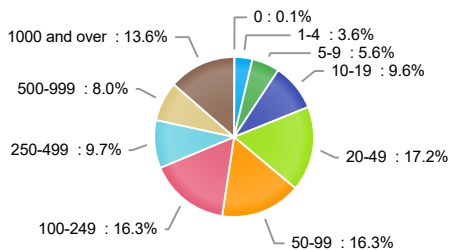
US Labor Force Statistics

	May-24	Apr-24	May-23	Yearly Change
Civilian Labor Force	167,576,000	167,484,000	166,702,000	874,000
Employed	161,341,000	161,590,000	161,002,000	339,000
Unemployed	6,235,000	5,894,000	5,700,000	535,000
Unemployment Rate	3.7%	3.5%	3.4%	0.3%

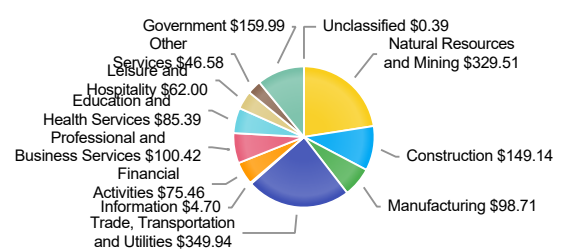
Historical Unemployment Rates



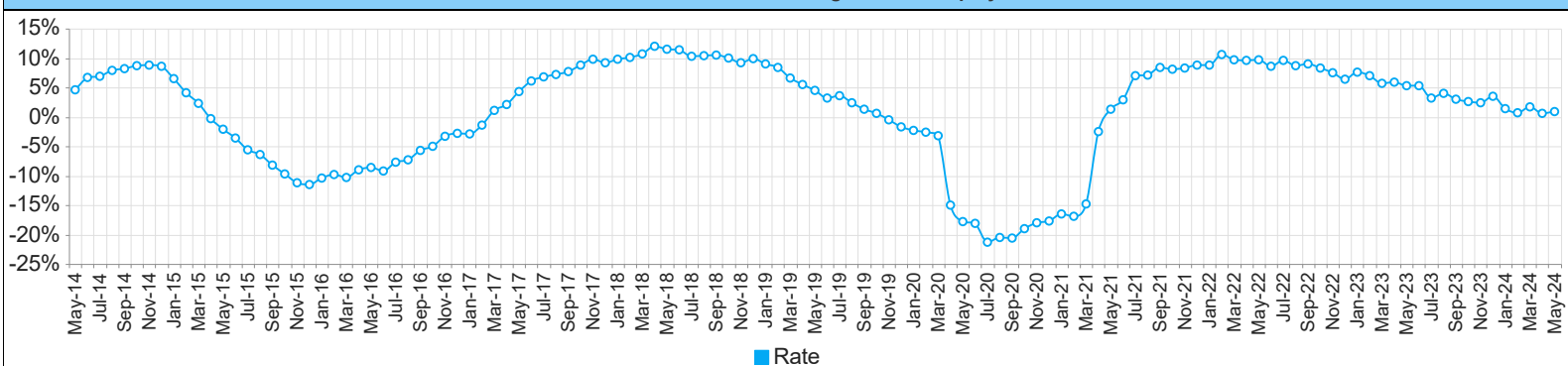
Employment by Size Class (4th Quarter 2023)



Wages by Industry (in millions) (4th Quarter 2023)



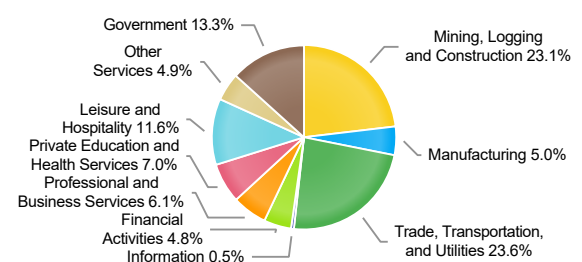
Annual Growth Rate Total Non-agricultural employment



Employment by Industry (May 2024)

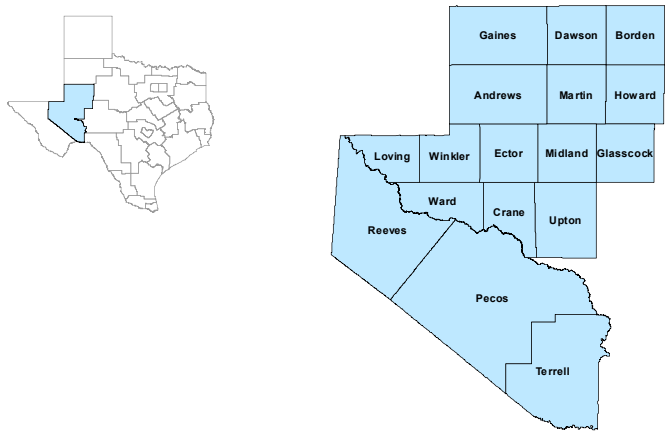
Industry	Current Month Employment	% Monthly Change	% Yearly Change
Total Nonfarm	81,700	0.1%	0.9%
Mining, Logging and Construction	18,900	0.0%	-3.6%
Manufacturing	4,100	0.0%	2.5%
Trade, Transportation, and Utilities	19,300	-0.5%	1.0%
Information	400	0.0%	0.0%
Financial Activities	3,900	2.6%	2.6%
Professional and Business Services	5,000	0.0%	2.0%
Private Education and Health Services	5,700	0.0%	0.0%
Leisure and Hospitality	9,500	1.1%	3.3%
Other Services	4,000	0.0%	8.1%
Government	10,900	0.0%	2.8%

Employment by Industry (May 2024)



Permian Basin Workforce Development Area

May 2024



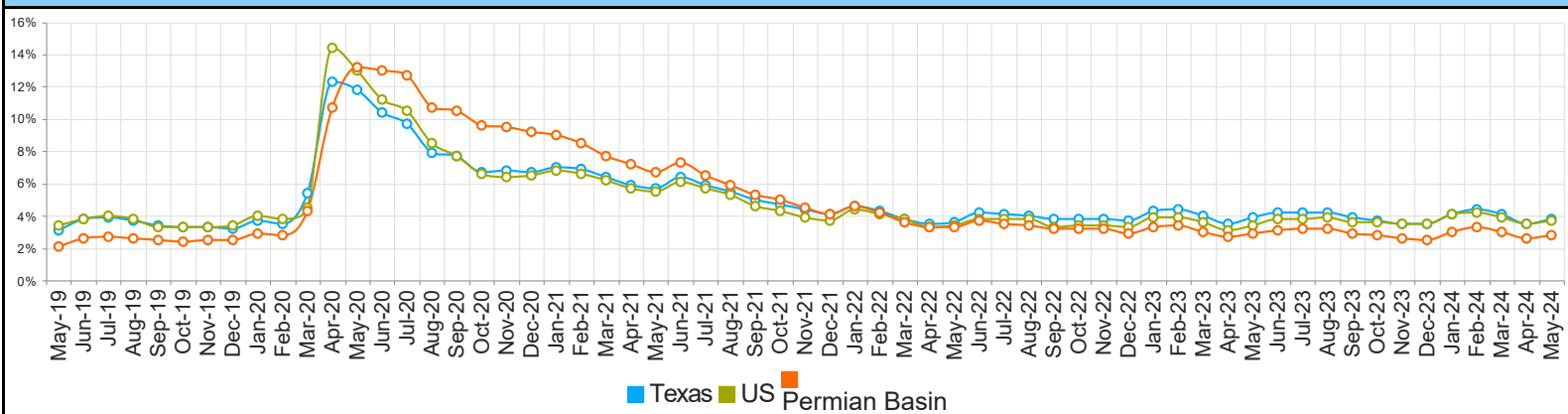
WDA Labor Force Statistics				
	May-24	Apr-24	May-23	Yearly Change
Civilian Labor Force	277,505	278,281	271,879	5,626
Employed	269,739	271,090	263,936	5,803
Unemployed	7,766	7,191	7,943	-177
Unemployment Rate	2.8%	2.6%	2.9%	-0.1%

Texas Labor Force Statistics				
	May-24	Apr-24	May-23	Yearly Change
Civilian Labor Force	15,284,842	15,304,322	14,990,077	294,765
Employed	14,709,904	14,762,048	14,407,172	302,732
Unemployed	574,938	542,274	582,905	-7,967
Unemployment Rate	3.8%	3.5%	3.9%	-0.1%

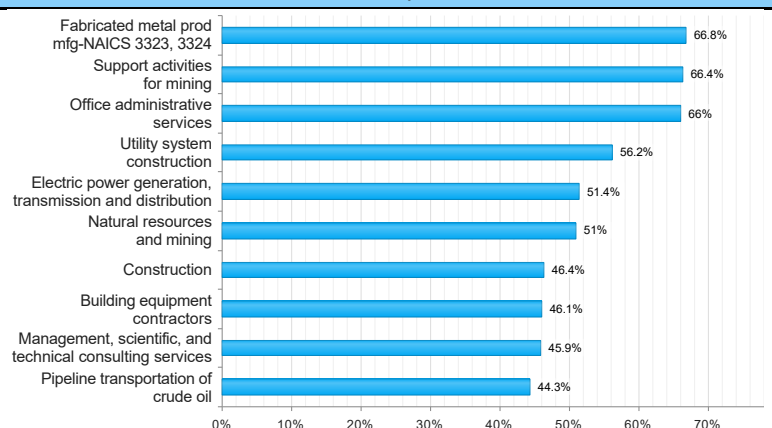
US Labor Force Statistics				
	May-24	Apr-24	May-23	Yearly Change
Civilian Labor Force	167,576,000	167,484,000	166,702,000	874,000
Employed	161,341,000	161,590,000	161,002,000	339,000
Unemployed	6,235,000	5,894,000	5,700,000	535,000
Unemployment Rate	3.7%	3.5%	3.4%	0.3%

Continued Claims for the Week of the 12th				
	May-24	Apr-24	May-23	Yearly Change
WDA	1,209	1,205	993	216
Texas	119,200	117,431	107,169	12,031

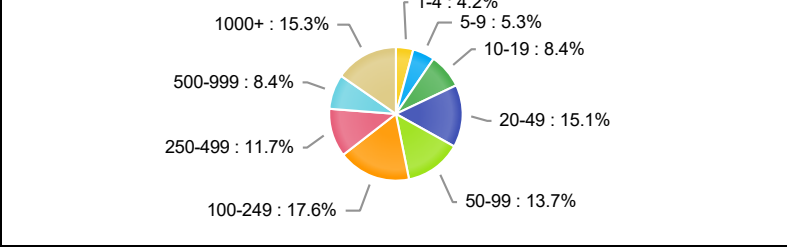
Historical Unemployment Rates



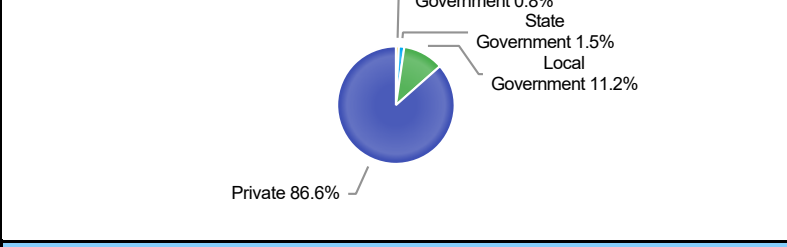
Projected Top Ten Fastest Growing Industries in WDA (% Growth 2020-2030)



Employment by Size Class (4th Quarter 2023)



Employment by Ownership (4th Quarter 2023)



Average Weekly Wage (4th Quarter 2023)					
	Q4 2023	Q3 2023	Q4 2022	Quarterly Change	Yearly Change
WDA	\$1,594	\$1,504	\$1,535	\$90	\$59
Texas	\$1,427	\$1,336	\$1,372	\$91	\$55
US	\$1,435	\$1,334	\$1,385	\$101	\$50

Employment by Industry (4th Quarter 2023, Percent Change)

Industry	Employment	% of Total	% Quarterly Change	% Yearly Change
Natural Resources and Mining	55,789	21.6%	-0.9%	3.5%
Construction	22,350	8.6%	1.1%	5.6%
Manufacturing	10,699	4.1%	1.5%	3.5%
Trade, Transportation and Utilities	54,947	21.3%	1.3%	3.2%
Information	1,980	0.8%	-1.2%	4.3%
Financial Activities	11,432	4.4%	1.3%	4.4%
Professional and Business Services	18,677	7.2%	0.6%	0.6%
Education and Health Services	41,732	16.1%	6.0%	4.0%
Leisure and Hospitality	26,334	10.2%	-0.8%	2.3%
Other Services	7,619	2.9%	-1.0%	2.2%
Public Administration	6,990	2.7%	0.3%	0.5%

Employment by Industry (4th Quarter 2023)

