



Board Binder Open Session

March 6, 2023

Agenda



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

NOTICE OF PUBLIC MEETING

In accordance with Chapter 551, Texas Government Code, as amended, notice is hereby given to the public that the Board of Directors of the Midland Development Corporation will meet in regular session, open to the public, in the Midland Chamber of Commerce board room, 303 West Wall Street, Suite 200, Midland, Texas, at 10:00 a.m. on March 6, 2023. A quorum of the Board of Directors of the Midland Development Corporation intends to be physically present at the aforementioned location.

Videoconference Information

Join Zoom Webinar

<https://us02web.zoom.us/j/82100063465?pwd=L0gxUUZpQXVJVUZUVHNpdGJFUU54QT09>

Passcode: 065676

Or join by phone:

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

US: +1 346 248 7799 or +1 253 205 0468 or +1 253 215 8782 or +1 669 444 9171 or +1 669 900
9128 or +1 719 359 4580 or +1 646 931 3860 or +1 689 278 1000 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

Webinar ID: 821 0006 3465

Passcode: 065676

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

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 February 6, 2023, meeting of the Midland Development Corporation.
3. Resolution authorizing the execution of an economic development agreement with the City of Midland for the State Highway 191 wastewater main extension project; and authorizing payment therefor.
4. Resolution authorizing the execution of a memorandum of understanding between the Midland Development Corporation and Second Story Coworking; said memorandum of understanding to provide for the creation and establishment of Founder's Blend Midland, which shall provide business owners, investors, and members of the community with certain opportunities relating to the entrepreneurial ecosystem in West Texas.

5. Presentation on the February 2023 monthly expenses and economic development activity report from the Midland Development Corporation Executive Director and staff.
6. Pursuant to Texas Government Code §551.101, the Board of Directors will hold an Executive Session, which is closed to the public to discuss the following matters as permitted under the following Texas Government Code Sections:
 - a. Section 551.072 Deliberation Regarding Real Property
 - i. Discuss the sale, exchange, lease or value of real property described as an approximate 374-acre tract of land out of Section 33, Block 40, T-1-S, T&P RR Co. Survey, Midland County, Texas.
 - b. Section 551.087 Deliberation Regarding Economic Development Negotiations
 - i. Discuss business prospects that the Midland Development Corporation seeks to have, locate, stay, or expand in or near the City of Midland, Texas, and discuss possible incentives, and discuss contract compliance on the part of businesses.

Posted this 3rd day of March 2023.

Marcia Bentley German
City Secretary

February 6th Minutes

MIDLAND DEVELOPMENT CORPORATION

MINUTES

February 06, 2023

The Board of Directors of the Midland Development Corporation convened in regular session at the Midland Chamber of Commerce board room, 303 West Wall Street, Suite 200, Midland, Texas, at 10:00 a.m. on February 06, 2023.

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

Board Members absent: Director Jill Pennington

Staff Members present: City Attorney Nicholas Toulet-Crump, and Deputy City Secretary Vanessa White

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

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

1. Call meeting to order.

Chairman Gardaphe called the meeting to order at 10:02 am

2. Introduction of new Midland Development Corporation board director Zachary Deck.

3. Motion approving the minutes of the January 09, 2023, meeting of the Midland Development Corporation.

Director Bullock moved to approve the minutes of the January 09, 2023, meeting of the Midland Development Corporation; seconded by Director Simpson. The motion carried by the following vote: AYE: Gardaphe, Sams, Bullock, Sisniega, and Deck. NAY: None. ABSTAIN: None. ABSENT: Pennington.

4. Resolution authorizing signatories on Midland Development Corporation bank accounts.

Director Sams moved to approve Resolution ED- 430 authorizing signatories on Midland Development Corporation bank accounts, seconded by Director Bullock. The motion carried by the following vote: AYE: Gardaphe, Simpson, Sisniega, and Deck. NAY: None. ABSTAIN: None. ABSENT: Pennington.

5. Resolution authorizing the execution of a consultant services agreement with InterFlight Global Corporation in an amount not to exceed \$159,500.00 for services

related to the procurement of new tenants for facilities located at the Spaceport Business Park; and authorizing payment for said agreement.

Director Sams moved to approve Resolution ED-431 authorizing the execution of a consultant services agreement with InterFlight Global Corporation in an amount not to exceed \$159,500.00 for services related to the procurement of new tenants for facilities located at the Spaceport Business Park; and authorizing payment for said agreement, seconded by Director Simpson. The motion carried by the following vote: AYE: Gardaphe, Bullock, Sisniega, and Deck. NAY: None. ABSTAIN: None. ABSENT: Pennington.

6. Resolution authorizing the execution of a contract with Big Apple Group in the amount of \$7,500.00 for professional engineering services related to the demolition of the Western United Life Building; approving \$2,500.00 for certain related travel expenses; and authorizing payment for said agreement.

Director Bullock moved to approve Resolution ED-432 authorizing the execution of a contract with Big Apple Group in the amount of \$7,500.00 for professional engineering services related to the demolition of the Western United Life Building; approving \$2,500.00 for certain related travel expenses; and authorizing payment for said agreement, seconded by Director Sisniega. The motion carried by the following vote: AYE: Gardaphe, Simpson, Sams, and Deck. NAY: None. ABSTAIN: None. ABSENT: Pennington.

7. Resolution amending the personnel policies of the Midland Development Corporation.

Director Simpson moved to approve Resolution ED-433 amending the personnel policies of the Midland Development Corporation, seconded by Director Sams. The motion carried by the following vote: AYE: Gardaphe, Bullock, Sisniega, and Deck. NAY: None. ABSTAIN: None. ABSENT: Pennington.

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

Sara Harris gave an overview of the month's expenses, and economic development activity noting that there was a 21% year-over-year sales tax increase. Gabrielle Franks updated the board with the social media stats on Facebook, Instagram, LinkedIn, and TikTok. Sammi Steele gave an overview of the business retention and expansion program in January.

Board recessed into executive session at 10:49 a.m.

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

- a. Section 551.087 Deliberation Regarding Economic Development Negotiations

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

Board reconvened into open session at 11:23 a.m.

All the business at hand having been completed, Chairman Gardaphe adjourned the meeting at 11:24 a.m.

Respectfully submitted,

Vanessa White, Deputy City Secretary

PASSED AND APPROVED the 6th Day of March 2023.

Jill Pennington, Secretary

State Highway 191 Wastewater Main Extension

RESOLUTION NO. _____

**RESOLUTION AUTHORIZING THE EXECUTION OF
AN ECONOMIC DEVELOPMENT AGREEMENT WITH
THE CITY OF MIDLAND FOR THE STATE HIGHWAY
191 WASTEWATER MAIN EXTENSION PROJECT; AND
AUTHORIZING PAYMENT THEREFOR**

WHEREAS, the Board of Directors finds it to be in the public interest to authorize the execution of an economic development agreement with the City of Midland for the State Highway 191 Wastewater Main Extension Project;

**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 to execute and attest, respectively, on behalf of the Midland Development Corporation, an economic development agreement with the City of Midland for the State Highway 191 Wastewater Main Extension Project. Said agreement 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 is hereby authorized and directed to transfer funds to the City of Midland in accordance with the terms of said agreement from funds available in the Midland Development Corporation Fund (235) Operating Budget upon receipt of proper invoices or statements approved by the Executive Director of the Midland Development Corporation or her designee.

SECTION THREE. That the Executive Director of the Midland Development Corporation, or his/her designee, is hereby authorized and directed to administer all of the Midland Development Corporation's obligations under said agreement, including the issuance of all written notices and confirmations due thereunder.

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., 2023, by the following vote:

Directors voting “AYE”:

Directors voting “NAY”:

CHASE GARDAPHE,
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

ECONOMIC DEVELOPMENT AGREEMENT

THIS AGREEMENT is entered into by and between the **MIDLAND DEVELOPMENT CORPORATION** (“*MDC*”), an Economic Development Corporation existing under the authority of Chapter 504 of the Texas Local Government Code, and the **CITY OF MIDLAND, TEXAS** (“*City*”), a home-rule municipal corporation.

I. Recitals

- A. MDC and City desire to set forth the terms and conditions upon which Three Million Two Hundred Forty Thousand and No/100 Dollars (\$3,240,000.00) in incentive funds will be provided to City as consideration for its construction of a wastewater main extension along State Highway 191 (the “*Project*”).
- B. The Project will facilitate commercial and industrial development in the City of Midland.
- C. The MDC Board of Directors (the “*Board*”) and the City Council of the City of Midland, Texas (the “*Council*”) find that the purpose of this Agreement qualifies as an infrastructure improvement project under Section 501.103 of the Texas Local Government Code, and is therefore eligible for MDC funding.
- D. The Board and the Council find that the Project and expenditures therefor are required or suitable for infrastructure necessary to promote or develop new or expanded business enterprises within the City of Midland.
- E. The Board and the Council find that this Agreement does not constitute a direct incentive to or expenditure on behalf of a business enterprise as described in Tex. Loc. Gov’t Code § 501.158.

NOW, THEREFORE, in consideration of the promises and of the mutual covenants and agreements contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, MDC and City hereby agree as follows:

II. MDC Funding

- A. **Construction Funds.** Within five (5) days after receiving written notice from City

that the City has entered into a contract with a third party for construction of the Project, the MDC shall provide to the City incentive funds for the City's obligations under such agreement. It is expressly understood that the construction funds shall not exceed a total of Three Million Two Hundred Forty Thousand and No/100 Dollars (\$3,240,000.00). If the contract is less than the aforementioned amount, the MDC shall only provide the City funds equal to the contract. Any excess amount will remain with the MDC. MDC agrees to forgive repayment of the Funds if the conditions contained in Section III are met.

III. Obligations of City

- A. **The Project.** City agrees to engage in (or provide for) the construction of the Project. A depiction of the Project scope is contained in **Exhibit A**, which is attached hereto and incorporated herein for all purposes.
- B. **Completion.** Upon completion of the Project, City shall certify such to MDC in accordance with Section VII.B.
- C. **Repayment of Construction Funds.** If City fails to complete or provide for the completion of the Project by December 31, 2027 (the "*Construction Completion Date*"), then City agrees to repay all unused Construction Funds to MDC. Any repayable Construction Funds shall be repaid, without interest, within thirty (30) days following City's receipt of written notice from MDC that any portion of the unused Construction Funds are due to be repaid pursuant to this Section.
- D. **Extensions.** The Project Completion Date set forth herein may be extended upon a written request from City to MDC for an extension of the time allowed to complete the dates' respective tasks required by this Agreement, and MDC providing to City written approval of such request.

IV. Term

Upon execution by the parties, this Agreement becomes effective on March 29, 2023 (the "*Effective Date*"), and shall terminate when the requirements set forth in Sections II and III are completed, or when terminated by mutual agreement of the parties, or when terminated as hereinafter provided.

**V.
Law**

The parties are aware of statutory limitations on the Funds and the use of the Funds under Chapters 501 and 504 of the Texas Local Government Code, and the parties acknowledge that the Funds herein granted or guaranteed shall be utilized solely for purposes authorized under that law and by the terms of this Agreement.

**VI.
Documents**

Prior to any payment by MDC, City shall deliver to MDC an executed copy of this Agreement.

**VII.
Special Conditions**

- A. **Financial Commitment.** Notwithstanding any provision hereof which might be interpreted otherwise, MDC's total financial commitment during the term of this Agreement shall not exceed Three Million Two Hundred Forty Thousand and No/100 Dollars (\$3,240,000.00) in the aggregate.
- B. **Certification.** As to any certification required under this Agreement, City shall provide a letter from the City Manager. E-mail is an acceptable form of certification under this Agreement.
- C. **Payments.** Payments to be made to City under Section II shall be made upon a written request from City and completion of all necessary supporting documentation. The payment request and documentation should be directed to MDC Executive Director, 200 North Loraine Street, Suite 610, Midland, Texas 79701.

**VIII.
General Terms**

- A. **Entire Agreement.** This Agreement embodies the complete agreement of the parties hereto, 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. **No Third-Party Beneficiary.** The parties' approval of the 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.
- C. **Legal Relationship.** The parties are not, and shall not be considered as, joint venturers, partners, or agents of each other; and neither shall have the power to bind nor obligate the other, except as set forth in this Agreement. 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. It is mutually understood and agreed that nothing in this Agreement is intended or shall be construed as in any way creating or establishing any partnership, joint venture, or agency between MDC and City. 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.
- D. **Terminations.** This Agreement may be terminated by mutual agreement of the parties or by either party, upon the failure of the other party to fulfill an obligation as set forth herein if the default is not cured within thirty (30) days after written notice from the other party.
- E. **Counterparts.** This Agreement may be executed in any number of counterparts, each of which shall be deemed an original and constitute one and the same instrument.
- F. **Venue.** The obligations of the parties to this Agreement are deemed to have been performed in Midland County, Texas, and if legal action is necessary to enforce same, exclusive venue shall be in Midland County, Texas. All payments under this Agreement are deemed to have taken place in Midland County, Texas. The obligations and undertakings of each of the parties to this Agreement shall be deemed to have been performed in Midland County, Texas.
- G. **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.
- H. **Law.** This Agreement is subject to all applicable state and federal laws, and the parties agree that they will comply in all material respects with all such applicable laws, regulations, orders and rules of the State of Texas and other such governmental agencies. This Agreement shall be governed by and construed in

accordance with the laws and court decisions of the State of Texas.

I. **Assignment.** This Agreement shall be binding upon the parties hereto and their successors and assigns. This Agreement may not be assigned by City without the prior written consent of MDC.

J. **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 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 in the manner provided herein.

If to MDC:

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

If to City:

City Manager
City of Midland
P.O. Box 1152
Midland, Texas 79702

K. **Amendment.** This Agreement may be amended by written instrument executed by both parties expressly stating the intention to amend this Agreement.

L. **Payments.** All payments to either party required under this Agreement shall be sent by certified U.S. mail, postage prepaid, addressed to such party at the addresses shown below. All payments 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 in the manner provided herein.

If to MDC:

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

If to City:

City Manager
City of Midland
P.O. Box 1152
Midland, Texas 79702

M. MDC and City hereby agree and acknowledge that this Agreement is supported by good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by the parties.

N. This Agreement shall not be effective until approved by the Council.

IN WITNESS WHEREOF, MDC and City have executed this Agreement on the
_____ day of _____, 2023.

**MIDLAND DEVELOPMENT
CORPORATION**

Chase Gardaphe, Chairman

ATTEST:

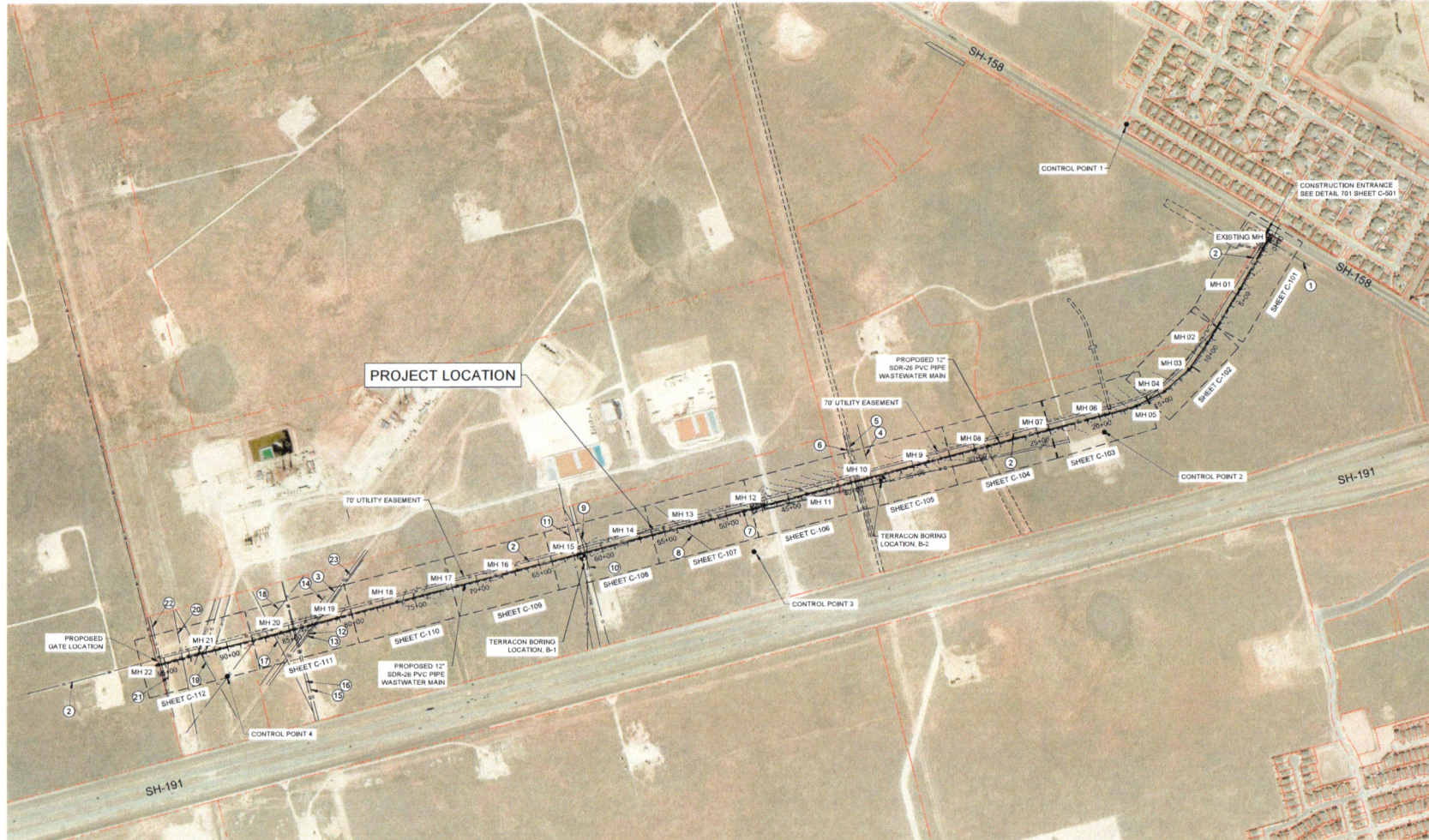
Jill Pennington, Secretary

CITY OF MIDLAND, TEXAS

Lori Merritt Blong, Mayor

ATTEST:

Marcia Bentley German, City Secretary



EXISTING UTILITIES LEGEND

- | | |
|-----------------------------------|------------------------------------|
| 1) 30" CITY OF MIDLAND WATER MAIN | 13) GPM GAS LINE |
| 2) 18" CITY OF MIDLAND WATER MAIN | 14) DCP GAS LINE |
| 3) 33" CROWM WATER MAIN | 15) DIAMONDBACK WATER LINE |
| 4) FRONTIER MIDSTREAM GAS LINE | 16) DIAMONDBACK WATER LINE |
| 5) ONEOK GAS LINE | 17) DCP GAS LINE |
| 6) CONCHO GAS LINE | 18) DCP GAS LINE |
| 7) GAS LINE | 19) ENDEAVOR GAS LINE |
| 8) GAS LINE | 20) PLAINS GAS LINE |
| 9) GAS LINE | 21) GAS LINE |
| 10) GAS LINE | 22) ENLINK PERMAN GAS LINE |
| 11) DIAMONDBACK GAS LINE | 23) 36" CITY OF MIDLAND WATER LINE |
| 12) GPM GAS LINE | |

SURVEY CONTROL POINTS			
POINT	NORTHING	EASTING	ELEVATION
1	10,696,058.88	1,723,932.75	2,858.25
2	10,693,650.44	1,723,750.59	2,878.76
3	10,692,760.83	1,721,023.06	2,889.20
4	10,691,759.89	1,716,937.54	2,892.35
TEXAS COORDINATE SYSTEM OF 1983 (NAD83); TC 4203; ELEVATIONS ARE BASED ON NAVD88			
DESCRIPTION			
1	1/2" IRON ROD WITH BLUE PLASTIC CAP "PSC CONTROL"		
2	1/2" IRON ROD WITH BLUE PLASTIC CAP "PSC CONTROL"		
3	1/2" IRON ROD WITH BLUE PLASTIC CAP "PSC CONTROL"		
4	1/2" IRON ROD WITH BLUE PLASTIC CAP "PSC CONTROL"		

Second Story Coworking – Founders Blend Memorandum of Understanding

RESOLUTION NO. _____

**RESOLUTION AUTHORIZING THE EXECUTION OF
A MEMORANDUM OF UNDERSTANDING BETWEEN
THE MIDLAND DEVELOPMENT CORPORATION AND
SECOND STORY COWORKING; SAID MEMORANDUM
OF UNDERSTANDING TO PROVIDE FOR THE
CREATION AND ESTABLISHMENT OF FOUNDER'S
BLEND MIDLAND, WHICH SHALL PROVIDE
BUSINESS OWNERS, INVESTORS, AND MEMBERS OF
THE COMMUNITY WITH CERTAIN OPPORTUNITIES
RELATING TO THE ENTREPRENEURIAL
ECOSYSTEM IN WEST TEXAS**

WHEREAS, the Board of Directors finds it to be in the public interest to authorize the execution of a memorandum of understanding between the Midland Development Corporation and Second Story Coworking for the purpose creating and establishing Founder's Blend Midland, which shall provide business owners, investors, and members of the community with certain opportunities relating to the entrepreneurial ecosystem in West Texas;

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

THAT the Chairman is hereby authorized and directed to execute and attest, respectively, memorandum of understanding between the Midland Development Corporation and Second Story Coworking for the purpose creating and establishing Founder's Blend Midland, which shall provide business owners, investors, and members of the community with certain opportunities relating to the entrepreneurial ecosystem in West Texas. 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.

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., 2023, by the following vote:

Directors voting "AYE":

Directors voting “NAY”:

CHASE GARDAPHE,
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

Midland Development Corporation

and

Second Story Coworking

This Memorandum of Understanding (“MOU”) is entered into on _____, 2023, and sets forth the terms and understanding between the Midland Development Corporation, a Type A corporation pursuant to Chapter 504 of the Texas Local Government Code (“MDC”) and Second Story Coworking, a for-profit coworking space (“Second Story”), to establish and create Founder’s Blend Midland. Second Story and Midland Development Corporation are hereinafter collectively referred to as “*the parties.*”

Purpose

The purpose of this MOU is to provide the parties with the necessary framework and guidance for the creation and launch of Founder’s Blend Midland, which will serve to provide business owners, investors and other members of the community with a chance to connect and become more educated about the entrepreneurial ecosystem in West Texas. The goal of Founder’s Blend Midland is to educate, connect and inspire those in our community involved or interested in entrepreneurship. Founder’s Blend Midland will be the Midland chapter (and initial chapter) of the Founder’s Blend concept that Second Story intends to launch in additional geographical areas in the future.

The above purpose will be accomplished by undertaking the following activities:

1. Monthly meetings to occur on the second Wednesday of each month located at Second Story or other designated location (e.g., Midland College, Cogdell Learning Center, University of Texas of the Permian Basin’s Innovation Hub)
2. Coordination around coffee and snack sponsors for each meeting
3. Collaboration on marketing and branding efforts, including social media and website
4. Outreach to local businesses and their respective owner(s) or lead staff members to coordinate what businesses are attending or presenting

The parties acknowledge and agree the activities contemplated by MDC include:

- a. Assistance with branding and marketing efforts needed to get Founder’s Blend successfully launched (social media, website, etc.)
- b. News and community outreach to promote launch and monthly meetings
- c. Direct outreach to business presenters, attendees and volunteers
- d. Marketing signage for event
- e. Any other action or activity reasonably deemed necessary or appropriate by MDC’s Executive director or staff

Exhibit A

The parties acknowledge and agree the activities contemplated by Second Story include:

- a. Second Story space allows Founder's Blend Midland to take place monthly at office space located downtown
- b. Second Story purchases and owns Founder's Blend website and domain
- c. Copyright for Founder's Blend and any/all materials used for presentations and social media
- d. Any other action or activity reasonably deemed necessary or appropriate by MDC's staff

Reporting

The parties shall keep MDC's board up to date on activities related to Founder's Blend Midland from time to time and in a manner reasonably acceptable to MDC.

Funding

Notwithstanding any contrary provision contained herein, this MOU shall not be interpreted a commitment of funds by either party. This MOU merely sets forth non-monetary efforts towards the successful launch of Founder's Blend Midland. A donation from Community National Bank in the amount of Two Thousand Five Hundred and No/100 Dollars (\$2,500.00) will be used for marketing or advertising purposes.

Term

This MOU may be terminated at-will, for any or no reason by either party, and may be modified by mutual consent of authorized officials from Midland Development Corporation and Second Story Coworking. This MOU shall become effective upon signature by the authorized officials and will remain in effect for one (1) year. Upon the mutual agreement of the parties, this MOU may be extended for an additional one (1) year period.

Contact Information

Second Story Coworking
Kelli Davis - Managing Partner
432-253-0500
kelli@secondstory.co

Midland Development Corporation
Sara Harris – Executive Director
sharris@midlandtxedc.com

[Signature Page Follows]

MIDLAND DEVELOPMENT CORPORATION

Chase Gardaphe, Chairman

SECOND STORY COWORKING

By: _____

Name: _____

Title: _____

Income Statement

MIDLAND DEVELOPMENT CORPORATION
INCOME STATEMENT FOR THE 5 MONTHS ENDED
February 28, 2023

	Feb-23	YTD	Budgeted Amount
Revenue	\$1,762,625.95	\$7,207,006.83	\$11,976,644.00
40100 - State Sales Tax	\$1,649,985.01	\$6,610,844.25	\$11,000,000.00
40600 - Public ROW Use Fees	\$0.00	\$0.00	\$0.00
43000 - Interest	\$8,973.61	\$54,416.44	\$0.00
43010 - Interest - Nonpooled Invest	\$22,280.33	\$134,711.14	\$0.00
46190 - Miscellaneous Rentals	\$81,387.00	\$407,035.00	\$976,644.00
49020 - Sale of Buildings	\$0.00	\$410,370.00	\$0.00
4235150 - Midland Dvlpmt Corp Revenue	\$1,762,625.95	\$7,617,376.83	\$11,976,644.00

Expense	\$1,377,202.50	\$4,977,071.31	\$22,392,778.00
51010 - Base Salary	\$24,574.26	\$125,179.36	\$350,096.00
51090 - Fica MDC Portion	\$1,904.29	\$7,397.75	\$28,234.00
51110 - Health Insurance	\$1,374.27	\$6,393.66	\$28,080.00
51135 - ACCE Profit Sharing	\$2,183.55	\$3,140.43	\$24,507.00
52010 - Office Supplies	\$282.29	\$2,858.14	\$6,000.00
52110 - Motor Vehicle Supplies	\$0.00	\$90.19	\$1,500.00
52115 - Minor Furniture & Fixtures	\$0.00	\$0.00	\$1,000.00
52155 - Minor Computer Hrdwre & Periph	-\$546.79	\$3,036.28	\$5,000.00
52160 - Computer Software & Supplies	\$0.00	\$24,027.11	\$30,000.00
52620 - Postage	\$577.40	\$829.50	\$300.00
53010 - Communication	\$1,355.23	\$6,630.24	\$17,000.00
53030 - Light & Power	\$27.12	\$63.26	\$150.00
53110 - Insurance-External	\$1,061.00	\$1,347.00	\$150,000.00
53212 - Equipment Rental-External	\$394.17	\$1,462.51	\$5,000.00
53220 - Advertising	\$11,854.68	\$151,660.51	\$200,000.00
53370 - Grounds Maintenance	\$1,541.13	\$14,919.91	\$22,000.00
53405 - Software Maintenance	\$4,020.93	\$9,337.81	\$12,000.00
53440 - External Audit Fees	\$15,126.00	\$19,473.00	\$35,000.00
53450 - Consulting Fees	\$11,667.19	\$50,118.26	\$500,000.00
53510 - Travel & Entertainment	\$1,241.01	\$1,498.53	\$8,000.00
53520 - Dues & Subscriptions	\$1,749.85	\$4,349.96	\$15,000.00
53530 - Training,Registration Fees,Etc	\$4,722.05	\$6,928.34	\$10,000.00
53905 - Economic Development Incentive	\$0.00	\$0.00	\$5,129,123.00
53907 - Business Recruitment & Retentn	\$6,377.76	\$29,602.00	\$50,000.00
53909 - Prior Year Committed Incentives	\$605,158.11	\$1,732,358.30	\$9,999,673.00
53920 - Rent	\$5,678.50	\$28,392.50	\$68,142.00
54010 - Building Maintenance	\$28,160.73	\$56,354.72	\$80,000.00
55120 - Maint. - Instruments & Appara.	\$66.69	\$322.70	\$1,000.00
56188 - MOTRAN	\$0.00	\$71,250.00	\$142,500.00
56202 - General Fund Services	\$31,651.08	\$190,812.48	\$379,813.00
56410 - Payment of Principal	\$0.00	\$0.00	\$70,605.00
56420 - Interest Expense	\$0.00	\$0.00	\$6,595.00
56910 - Depreciation Expense	\$0.00	\$106,039.18	\$416,460.00
56995 - Project Non Capital - Promotions	\$15,000.00	\$88,298.67	\$1,100,000.00
57001 - Capital Buildings & Structures	\$600,000.00	\$1,158,838.02	\$3,500,000.00
57002 - Capital Improv Other Than Bldg	\$0.00	\$100,000.00	\$0.00
57070 - Construction in Process	\$0.00	\$974,060.99	\$0.00
235235 - Midland Development Corp	\$1,377,202.50	\$4,977,071.31	\$22,392,778.00

February 2023 Net Income: **\$385,423.45**

Year-to-Date Net Income: **\$2,229,935.52**

Balance Sheet

MIDLAND DEVELOPMENT CORPORATION
BALANCE SHEET FOR THE PERIOD ENDED
February 28, 2023
(Used for Internal Purposes Only)

ASSETS

Current Assets

Cash and cash equivalents	18,983,799	
Investments	7,704,935	
Sales tax receivable	-	
Prepaid expenses	-	
Accounts receivable	-	
	<hr/>	26,688,734

Non-Current Assets

Capital Assets, net	27,820,269	
Forgivable Loans		
Made to Primary Government	-	
Made to Other	6,579	
Total Forgivable Loans	<hr/>	6,579
		<hr/>
		27,826,848

Total Assets \$ 54,515,582

LIABILITIES AND NET POSITION

Liabilities

Accounts payable	85,335	
Retainage Payable	36,510	
Capital Leases payable	93,357	
Commitments payable		
Due within one year	7,773,482	
Due in more than one year	7,093,488	
Total Commitments Payable	<hr/>	14,866,969
		<hr/>
		15,082,171

Net Position

Net investment in capital assets	27,820,269	
Restricted for Forgivable Loans	6,579	
Restricted for Capital Leases	93,357	
Promotions	1,044,123	
Unrestricted	10,469,083	
	<hr/>	39,433,411
		<hr/>

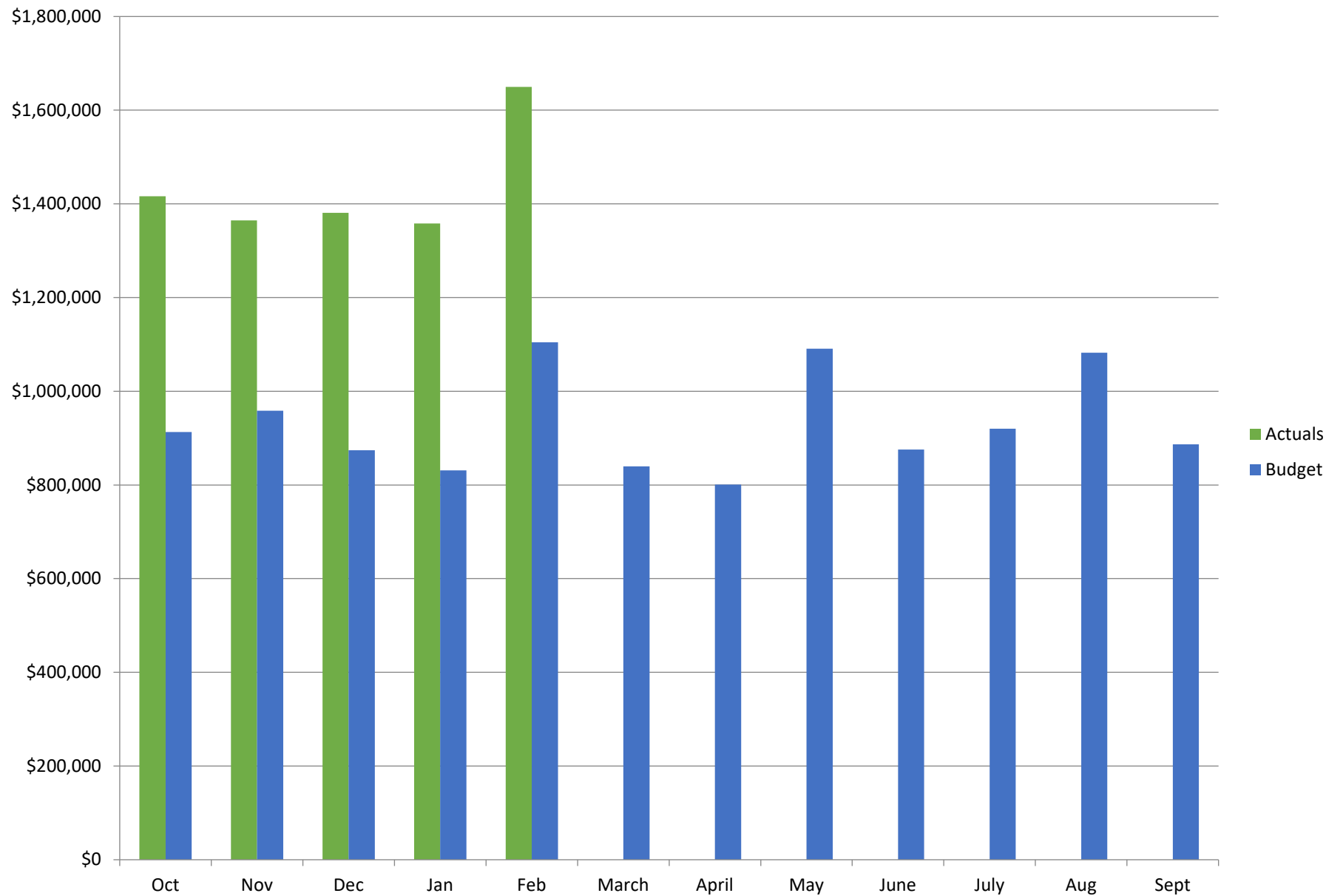
Total Liabilities and Net Position \$ 54,515,582

Sales Tax

Sales Tax Variance

	2020-2021	2021-2022	% Change	2021-2022	2022-2023	% Change	YTD Change
October	\$1,203,058.10	\$971,343.63	-19.26%	\$971,343.63	\$1,416,510.48	45.83%	45.83%
November	\$983,259.60	\$1,156,353.89	17.60%	\$1,156,353.89	\$1,364,595.51	18.01%	30.71%
December	\$843,087.27	\$1,013,549.80	20.22%	\$1,013,549.80	\$1,380,834.52	36.24%	32.49%
January	\$752,584.05	\$1,117,874.02	48.54%	\$1,117,874.02	\$1,358,336.22	21.51%	29.61%
February	\$1,224,314.99	\$1,434,528.04	17.17%	\$1,434,528.04	\$1,649,985.00	15.02%	25.93%
March	\$783,914.25	\$983,421.74	25.45%	\$983,421.74			
April	\$687,198.37	\$1,015,116.31	47.72%	\$1,015,116.31			
May	\$1,198,336.79	\$1,487,467.44	24.13%	\$1,487,467.44			
June	\$927,060.71	\$1,218,236.38	31.41%	\$1,218,236.38			
July	\$909,387.44	\$1,326,275.50	45.84%	\$1,326,275.50			
August	\$1,176,070.55	\$1,582,536.23	34.56%	\$1,582,536.23			
September	\$978,956.15	\$1,303,011.95	33.10%	\$1,303,011.95			
Annual Total	\$11,667,228.27	\$14,609,714.93	25.22%	\$14,609,714.93	\$7,170,261.73		

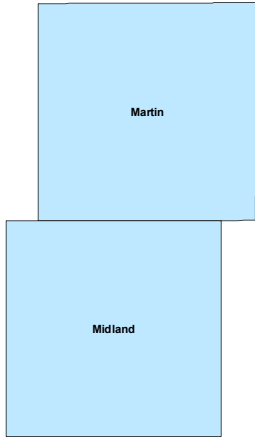
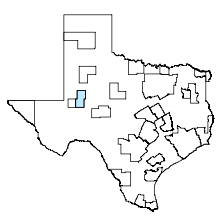
Sales Tax Actuals vs Budget Estimates



Activity Report

Midland MSA

December 2022



MSA Labor Force Statistics

	Dec-22	Nov-22	Dec-21	Yearly Change
Civilian Labor Force	105,497	104,795	103,649	1,848
Employed	102,761	101,854	99,519	3,242
Unemployed	2,736	2,941	4,130	-1,394
Unemployment Rate	2.6%	2.8%	4.0%	-1.4%

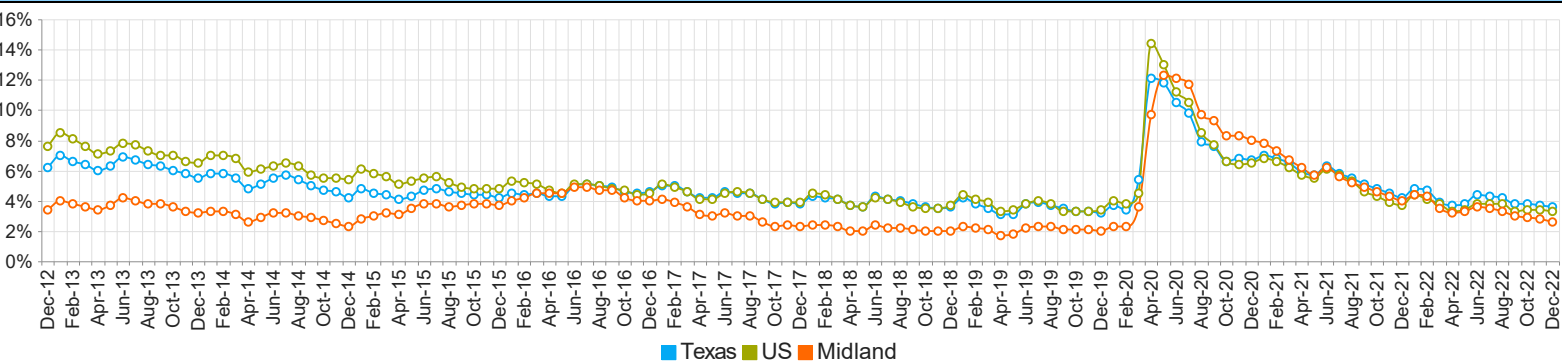
Texas Labor Force Statistics

	Dec-22	Nov-22	Dec-21	Yearly Change
Civilian Labor Force	14,720,000	14,704,057	14,369,567	350,433
Employed	14,189,378	14,160,174	13,761,548	427,830
Unemployed	530,622	543,883	608,019	-77,397
Unemployment Rate	3.6%	3.7%	4.2%	-0.6%

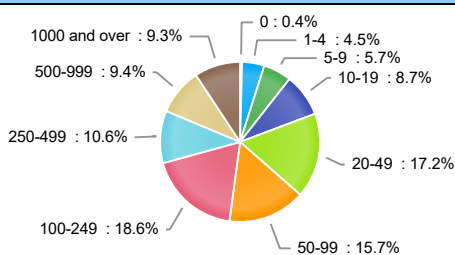
US Labor Force Statistics

	Dec-22	Nov-22	Dec-21	Yearly Change
Civilian Labor Force	164,224,000	164,272,000	161,696,000	2,528,000
Employed	158,872,000	158,749,000	155,732,000	3,140,000
Unemployed	5,352,000	5,523,000	5,964,000	-612,000
Unemployment Rate	3.3%	3.4%	3.7%	-0.4%

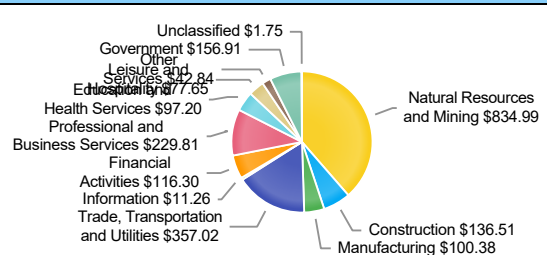
Historical Unemployment Rates



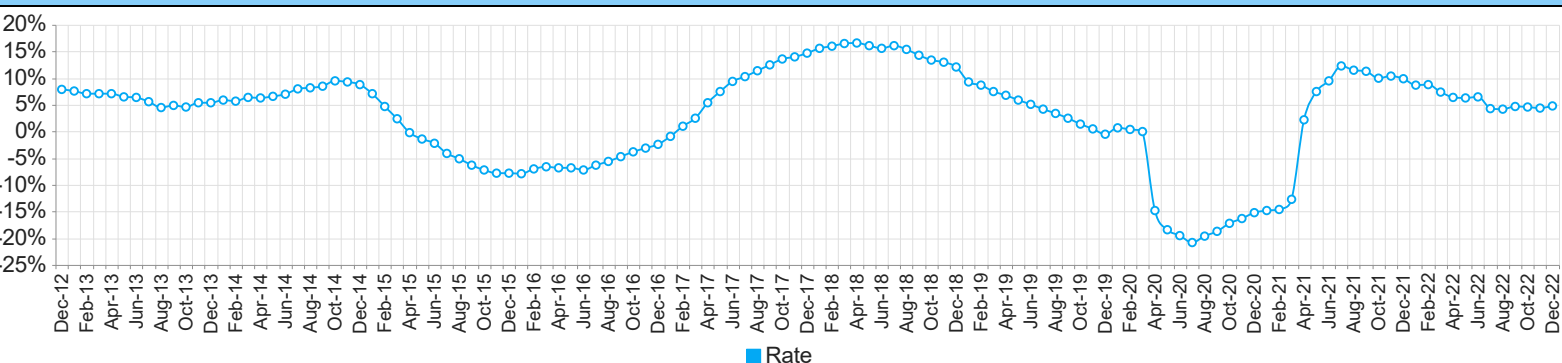
Employment by Size Class (2nd Quarter 2022)



Wages by Industry (in millions) (2nd Quarter 2022)



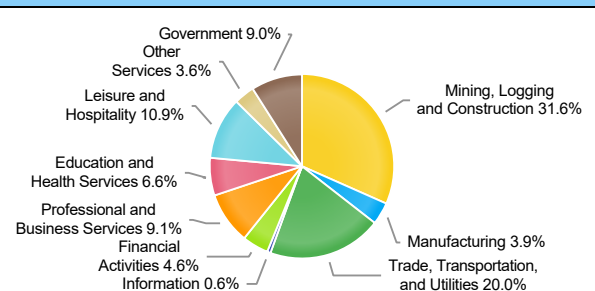
Annual Growth Rate Total Non-agricultural employment



Employment by Industry (December 2022)

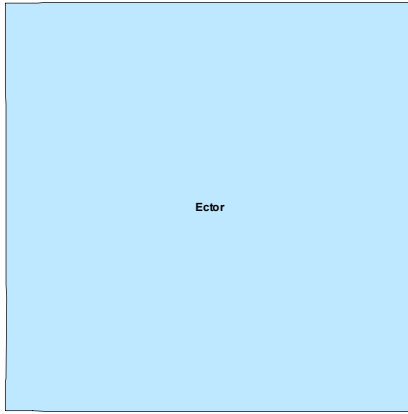
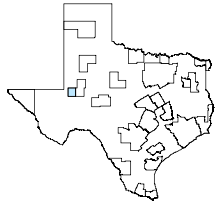
Industry	Current Month Employment	% Monthly Change	% Yearly Change
Total Nonfarm	110,600	0.7%	4.8%
Mining, Logging and Construction	34,900	1.7%	9.4%
Manufacturing	4,300	0.0%	7.5%
Trade, Transportation, and Utilities	22,100	0.9%	1.4%
Information	700	0.0%	0.0%
Financial Activities	5,100	0.0%	2.0%
Professional and Business Services	10,100	0.0%	1.0%
Education and Health Services	7,300	0.0%	4.3%
Leisure and Hospitality	12,100	0.0%	6.1%
Other Services	4,000	0.0%	5.3%
Government	10,000	0.0%	1.0%

Employment by Industry (December 2022)



Odessa MSA

December 2022



MSA Labor Force Statistics

	Dec-22	Nov-22	Dec-21	Yearly Change
Civilian Labor Force	81,648	81,456	81,054	594
Employed	78,576	78,185	76,357	2,219
Unemployed	3,072	3,271	4,697	-1,625
Unemployment Rate	3.8%	4.0%	5.8%	-2.0%

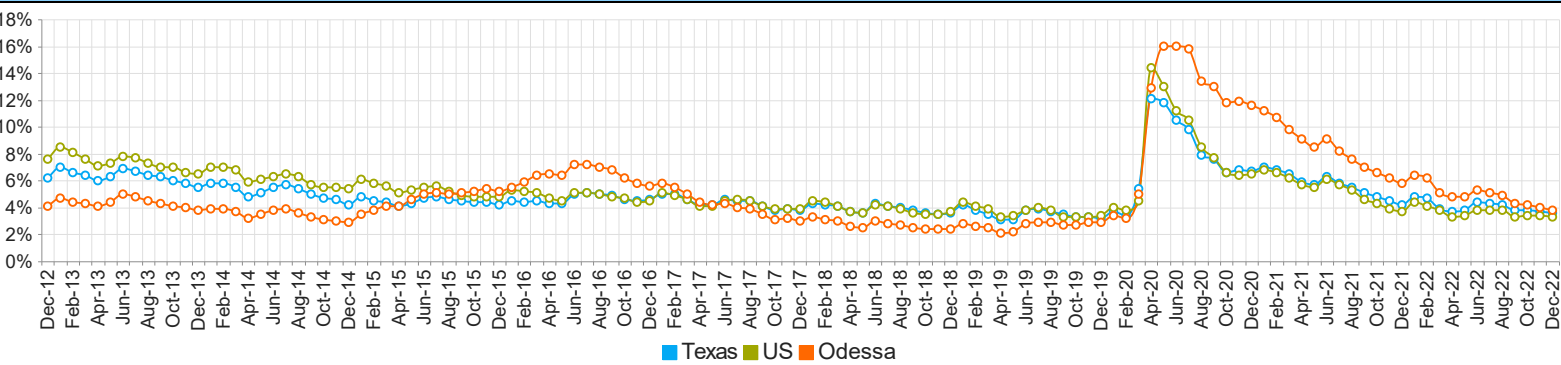
Texas Labor Force Statistics

	Dec-22	Nov-22	Dec-21	Yearly Change
Civilian Labor Force	14,720,000	14,704,057	14,369,567	350,433
Employed	14,189,378	14,160,174	13,761,548	427,830
Unemployed	530,622	543,883	608,019	-77,397
Unemployment Rate	3.6%	3.7%	4.2%	-0.6%

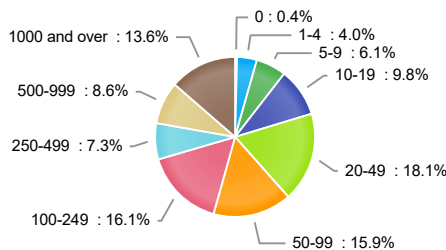
US Labor Force Statistics

	Dec-22	Nov-22	Dec-21	Yearly Change
Civilian Labor Force	164,224,000	164,272,000	161,696,000	2,528,000
Employed	158,872,000	158,749,000	155,732,000	3,140,000
Unemployed	5,352,000	5,523,000	5,964,000	-612,000
Unemployment Rate	3.3%	3.4%	3.7%	-0.4%

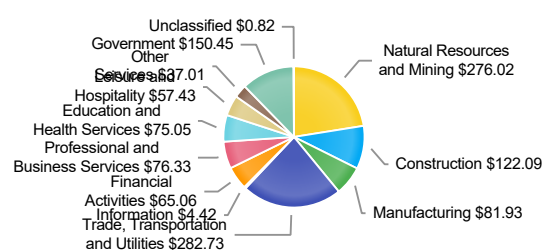
Historical Unemployment Rates



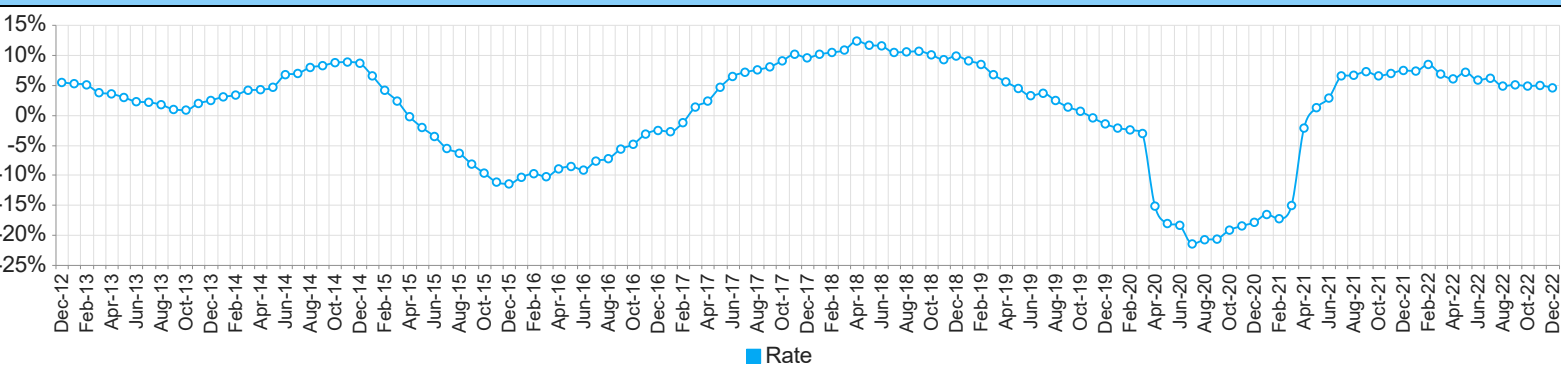
Employment by Size Class (2nd Quarter 2022)



Wages by Industry (in millions) (2nd Quarter 2022)



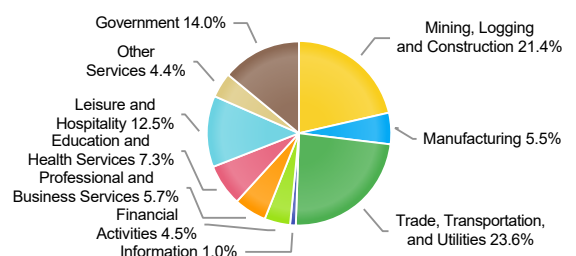
Annual Growth Rate Total Non-agricultural employment



Employment by Industry (December 2022)

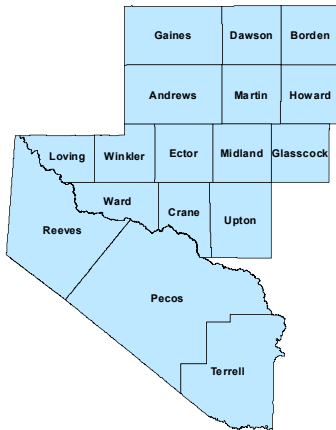
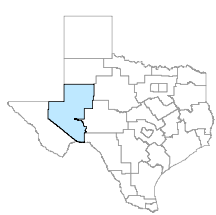
Industry	Current Month Employment	% Monthly Change	% Yearly Change
Total Nonfarm	77,000	0.3%	4.5%
Mining, Logging and Construction	16,500	0.6%	10.7%
Manufacturing	4,200	0.0%	2.4%
Trade, Transportation, and Utilities	18,200	1.1%	1.7%
Information	800	0.0%	0.0%
Financial Activities	3,500	0.0%	6.1%
Professional and Business Services	4,400	-2.2%	2.3%
Education and Health Services	5,600	0.0%	5.7%
Leisure and Hospitality	9,600	0.0%	5.5%
Other Services	3,400	0.0%	3.0%
Government	10,800	0.0%	0.9%

Employment by Industry (December 2022)



Permian Basin Workforce Development Area

December 2022



WDA Labor Force Statistics

	Dec-22	Nov-22	Dec-21	Yearly Change
Civilian Labor Force	253,306	252,331	250,403	2,903
Employed	245,217	243,689	238,515	6,702
Unemployed	8,089	8,642	11,888	-3,799
Unemployment Rate	3.2%	3.4%	4.7%	-1.5%

Texas Labor Force Statistics

	Dec-22	Nov-22	Dec-21	Yearly Change
Civilian Labor Force	14,720,000	14,704,057	14,369,567	350,433
Employed	14,189,378	14,160,174	13,761,548	427,830
Unemployed	530,622	543,883	608,019	-77,397
Unemployment Rate	3.6%	3.7%	4.2%	-0.6%

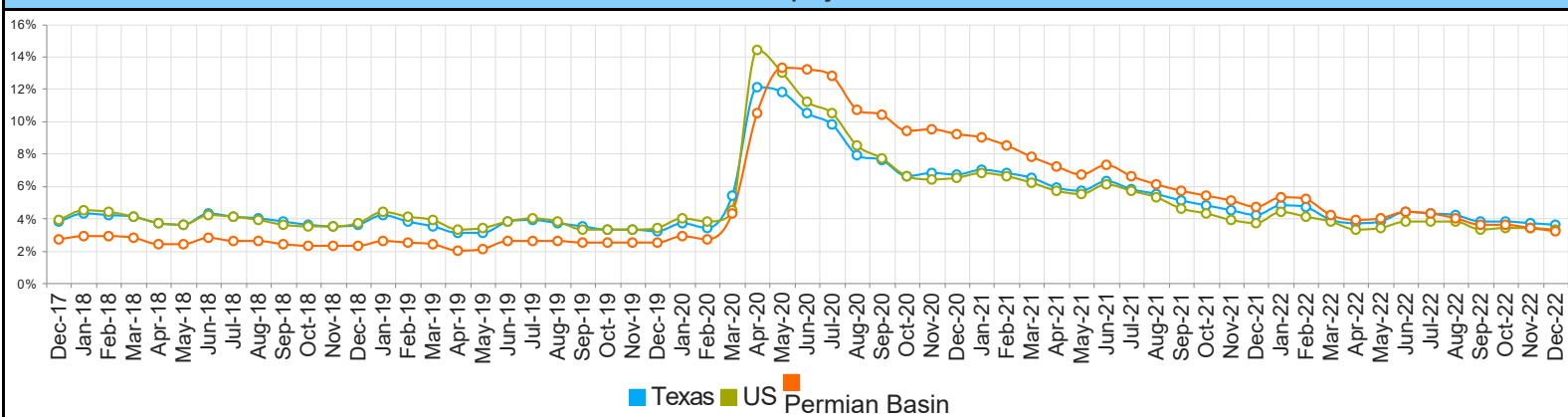
US Labor Force Statistics

	Dec-22	Nov-22	Dec-21	Yearly Change
Civilian Labor Force	164,224,000	164,272,000	161,696,000	2,528,000
Employed	158,872,000	158,749,000	155,732,000	3,140,000
Unemployed	5,352,000	5,523,000	5,964,000	-612,000
Unemployment Rate	3.3%	3.4%	3.7%	-0.4%

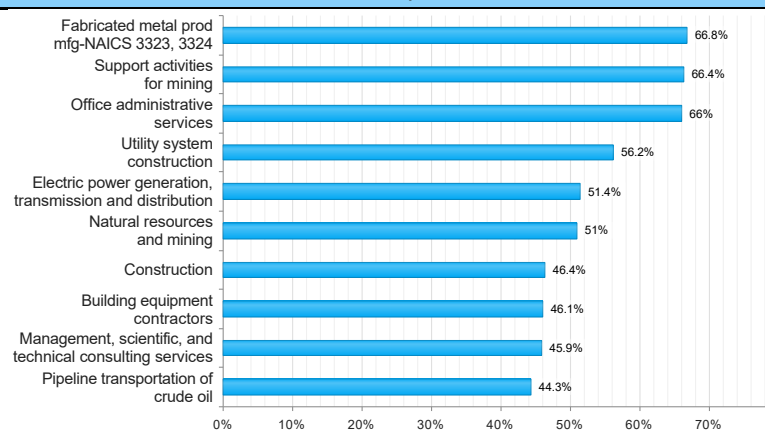
Continued Claims for the Week of the 12th

	Dec-22	Nov-22	Dec-21	Yearly Change
WDA	797	801	1,140	-343
Texas	88,368	80,935	81,952	6,416

Historical Unemployment Rates



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



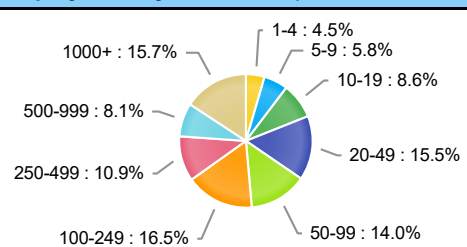
Average Weekly Wage (2nd Quarter 2022)

	Q2 2022	Q1 2022	Q2 2021	Quarterly Change	Yearly Change
WDA	\$1,390	\$1,459	\$1,248	\$-69	\$142
Texas	\$1,284	\$1,368	\$1,210	\$-84	\$74
US	\$1,294	\$1,374	\$1,241	\$-80	\$53

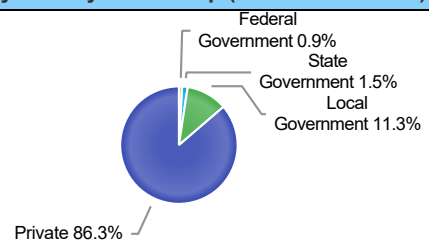
Employment by Industry (2nd Quarter 2022, Percent Change)

Industry	Employment	% of Total	% Quarterly Change	% Yearly Change
Natural Resources and Mining	49,549	20.4%	4.3%	16.3%
Construction	19,467	8.0%	5.5%	21.2%
Manufacturing	13,929	5.7%	2.8%	52.8%
Trade, Transportation and Utilities	50,590	20.9%	0.7%	4.7%
Information	1,906	0.8%	4.4%	6.2%
Financial Activities	10,534	4.3%	1.6%	6.7%
Professional and Business Services	17,660	7.3%	0.8%	7.4%
Education and Health Services	39,025	16.1%	-1.1%	1.8%
Leisure and Hospitality	25,625	10.6%	4.5%	4.7%
Other Services	7,021	2.9%	4.3%	8.8%
Public Administration	7,101	2.9%	-1.0%	-2.7%

Employment by Size Class (2nd Quarter 2022)



Employment by Ownership (2nd Quarter 2022)



Employment by Industry (2nd Quarter 2022)

