

Board Binder Open Session

December 4, 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 December 4, 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/83255176454?pwd=WWM1RHl3eWlpNzZEZmk3cURldnFEZz09

Passcode: 745229

Or join by phone:

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

US: +1 346 248 7799 or +1 253 215 8782 or +1 669 444 9171 or +1 669 900 9128 or +1 719 359 4580 or +1 253 205 0468 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 or +1 301 715 8592

Webinar ID: 832 5517 6454

Passcode: 745229

International numbers available: https://us02web.zoom.us/u/kdbFuoTAyP

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 November 6, 2023, meeting of the Midland Development Corporation.
- 3. Resolution establishing the dates of the regular meetings of the Midland Development Corporation Board of Directors to be held during the period of February 2024 to January 2025.
- 4. Presentation on the November 2023 monthly expenses and economic development activity report from the Midland Development Corporation Executive Director and staff.
- 5. 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

Posted this 1st day of December 2023.

- 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.

Marcia Bentley German
City Governance Officer/City Secretary

November 6th Minutes

MIDLAND DEVELOPMENT CORPORATION

MINUTES

November 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 November 06, 2023.

Board Members present: Director Berry Simpson, Director Lourcey Sams, Director

Jill Pennington, Director Brad Bullock, and Director Elvie

Brown

Board Members absent: Chase Gardaphe and Zachary Deck

Staff Members present: City Manager Tommy Gozalez, Assistant City Manager

Tina Jauz, Assistant City Attorney Nicholas Toulet-Crump, and Chief Deputy City Secretary Vanessa

Magallanes

Council Member(s) present: Mayor Lori Blong, Councilmember Robin Poole, and

Councilmember Amy Stretcher Burkes

MDC Staff Members present: Executive Director Sara Harris, Marketing &

Administrative Coordinator Gabrielle Franks, and Business Retention & Expansion Coordinator Sammi

Steel

1. Call meeting to order.

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

2. Introduction of new Midland Development Corporation board director Elvie Brown.

First Vice Chair Simpson introduced the new Midland Development Corporation board director Elvie Brown, and he was sworn in.

3. Motion approving the minutes of the September 25, 2023, meeting of the Midland Development Corporation.

Director Sams moved to approve minutes of the September 11, 2023, meeting of the Midland Development Corporation, seconded by Director Pennington. The motion carried by the following vote: AYE: Simpson, Bullock and Brown. NAY: None. ABSTAIN: None. ABSENT: Gardaphe and Deck.

4. Motion approving the minutes of the October 02, 2023, meeting of the Midland Development Corporation.

Director Sams moved to approve minutes of the September 11, 2023, meeting of the Midland Development Corporation, seconded by Director Pennington. The motion

carried by the following vote: AYE: Simpson, Bullock and Brown. NAY: None. ABSTAIN: None. ABSENT: Gardaphe and Deck.

5. Presentation from Shafik Tejani on the downtown DoubleTree Hilton hotel.

Shafik Tejani from the downtown Double Tree Hilton hotel gave a presentation regarding the need for remodeling of the hotel.

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

Director Bullock moved to approve Resolution ED-451 authorizing signatories on Midland Development Corporation bank accounts., seconded by Director Pennington. The motion carried by the following vote: AYE: Sams, Simpson and Brown. NAY: None. ABSTAIN: None. ABSENT: Gardaphe and Deck.

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

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

All the business at hand having been completed, First Vice Chair Simpson adjourned the meeting at 11:09 a.m.

Respectfully submitted,

Vanessa Magallanes, Chief Deputy City Secretary

PASSED AND APPROVED the 4th Day of December 2023.

Jill Pennington, Secretary

2024 Board Meeting Dates

RESOLUTION NO.

RESOLUTION ESTABLISHING THE DATES OF THE REGULAR MEETINGS OF THE MIDLAND DEVELOPMENT CORPORATION BOARD OF DIRECTORS TO BE HELD DURING THE PERIOD OF FEBRUARY 2024 TO JANUARY 2025

WHEREAS, the Midland Development Corporation Board of Directors finds it to be in the public interest to establish the dates on which the Board of Directors will meet in regular session during the period of February 2024 to January 2025;

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

SECTION ONE. That the dates for the regular meetings of the Midland Development Corporation Board of Directors to be held during the period of February 2024 to January 2025, as shown on Exhibit A attached hereto and incorporated herein for all purposes, are hereby adopted.

SECTION TWO. That the Chairman of the Midland Development Corporation is hereby authorized to cancel a regular meeting of the Midland Development Corporation Board of Directors. Midland Development Corporation staff shall post notice of any such cancellation on the Midland Development Corporation's website and the City Secretary shall post notice of any such cancellation in the same manner that Midland Development Corporation agendas are posted.

On motion of Director	, seconded by	Director	, the
above and foregoing resolution was adopt	ed by the Board	l of Directors o	f the Midland
Development Corporation at a regular meeti	ng 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

Midland Development Corporation Board of Directors

Meeting Dates for 2024 – First Monday of the Month 10:00 a.m.

Monday, February 5, 2024 – 10 a.m.

Monday, March 4, 2024 – 10 a.m.

Monday, April 8, 2024 – 10 a.m.

Monday, May 6, 2024 – 10 a.m.

Monday, June 3, 2024 – 10 a.m.

Monday, July 1, 2024 – 10 a.m.

Monday, August 5, 2024 – 10 a.m.

Monday, September 9, 2024 – 10 a.m.

Monday, October 7, 2024 – 10 a.m.

Monday, November 4, 2024 – 10 a.m.

Monday, December 2, 2024 – 10 a.m.

Monday, January 6, 2025 – 10 a.m.

Income Statement

MIDLAND DEVELOPMENT CORPORATION INCOME STATEMENT FOR THE 1 MONTHS ENDED October 31, 2023

	Oct-23	YTD	Budgeted Amount
Revenue	\$1,518,524.05	\$1,518,524.05	\$12,976,644.00
			"
40100 - State Sales Tax	\$1,376,937.05	\$1,376,937.05	\$12,000,000.00
40600 - Public ROW Use Fees	\$0.00	\$0.00	\$0.00
43000 - Interest	\$60,200.00	\$60,200.00	\$0.00
43010 - Interest - Nonpooled Invest	\$0.00	\$0.00	\$0.00
46190 - Miscellaneous Rentals	\$81,387.00	\$81,387.00	\$976,644.00
49020 - Sale of Buildings	\$0.00	\$0.00	\$0.00
4235150 - Midland Dvlpmt Corp Revenue	\$1,518,524.05	\$1,518,524.05	\$12,976,644.00

Evmana	¢426.262.66	#22C 2C2 CC	\$20 E92 90E 00
Expense	\$136,363.66	\$236,363.66	\$26,583,805.00
51010 - Base Salary	\$31,800.04	\$31,800.04	\$360,047.00
51090 - Fica MDC Portion	\$2,432.71	\$2,432.71	\$29,038.00
51110 - Health Insurance	\$2,053.36	\$2,053.36	\$28,440.00
51135 - ACCE Profit Sharing	\$1,758.01	\$1,758.01	\$25,203.00
52010 - Office Supplies	\$179.36	\$179.36	\$6,500.00
52110 - Motor Vehicle Supplies	\$60.98	\$60.98	\$1,500.00
52115 - Minor Furniture & Fixtures	\$0.00	\$0.00	\$1,000.00
52155 - Minor Computer Hrdwre & Periph	\$0.00	\$0.00	\$12,000.00
52160 - Computer Software & Supplies	\$18,231.45	\$18,231.45	\$35,000.00
52620 - Postage	\$82.49	\$82.49	\$1,000.00
53010 - Communication	\$2,339.59	\$2,339.59	\$17,000.00
53030 - Light & Power	\$7.65	\$7.65	\$150.00
53110 - Insurance-External	\$0.00	\$0.00	\$150,000.00
53212 - Equipment Rental-External	\$334.98	\$334.98	\$5,000.00
53220 - Advertising	\$31,413.06	\$31,413.06	\$225,000.00
53370 - Grounds Maintenance	\$1,868.87	\$1,868.87	\$25,000.00
53405 - Software Maintenance	\$1,525.54	\$1,525.54	\$15,000.00
53440 - External Audit Fees	\$0.00	\$0.00	\$40,000.00
53450 - Consulting Fees	\$0.00	\$0.00	\$500,000.00
53510 - Travel & Entertainment	\$0.00	\$0.00	\$10,000.00
53520 - Dues & Subscriptions	\$4,523.77	\$4,523.77	\$17,000.00
53530 - Training,Registration Fees,Etc	\$600.00	\$600.00	\$15,000.00
53905 - Economic Development Incentive	\$0.00	\$0.00	\$9,098,141.00
53907 - Business Recruitment & Retentn	\$23,480.06	\$23,480.06	\$70,000.00
53909 - Prior Year Committed Incentives	\$0.00	\$0.00	\$13,464,662.00
53920 - Rent	\$5,817.00	\$5,817.00	\$69,804.00
54010 - Building Maintenance	\$7,854.74	\$7,854.74	\$80,000.00
55120 - Maint Instruments & Appara.	\$0.00	\$0.00	\$1,200.00
56188 - MOTRAN	\$0.00	\$0.00	\$142,500.00
56202 - General Fund Services	\$0.00	\$0.00	\$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	\$0.00	\$416,460.00
56995 - Project Non Capital - Promotions	\$0.00	\$0.00	\$1,200,000.00
57001 - Capital Buildings & Structures	\$0.00	\$0.00	\$0.00
57002 - Capital Improv Other Than Bldg	\$0.00	\$100,000.00	\$0.00
235235 - Midland Development Corp	\$136,363.66	\$236,363.66	\$26,583,805.00

October 2023 Net Income: \$1,382,160.39

Year-to-Date Net Income: \$1,282,160.39

Balance Sheet

MIDLAND DEVELOPMENT CORPORATION BALANCE SHEET FOR THE PERIOD ENDED

October 31, 2023

(Used for Internal Purposes Only)

ASSETS

Current Assets Cash and cash equivalents Investments Sales tax receivable Prepaid expenses Accounts receivable	_	21,819,472 7,758,523 - - 81,110	29,659,105
Non-Current Assets Capital Assets, net Forgivable Loans Made to Primary Government	2,984,110	31,073,238	
Made to Other Total Forgivable Loans	6,579	2,990,689	34,063,927
Total Assets		•	\$ 63,723,032
LIABILITIES AND NET POSITION			
<u>Liabilities</u>			
Accounts payable		85,335	
Retainage Payable		130,200	
Capital Leases payable		565,054	
Commitments payable			
Due within one year	7,118,318		
Due in more than one year	12,174,011		
Total Commitments Payable		19,292,329	00 070 040
			20,072,918
Net Position			
Net investment in capital assets		31,073,238	
Restricted for Forgivable Loans		2,990,689	
Restricted for Capital Leases		565,054	
Promotions		1,354,233	
Unrestricted		7,666,900	
	_		43,650,114

\$ 63,723,032

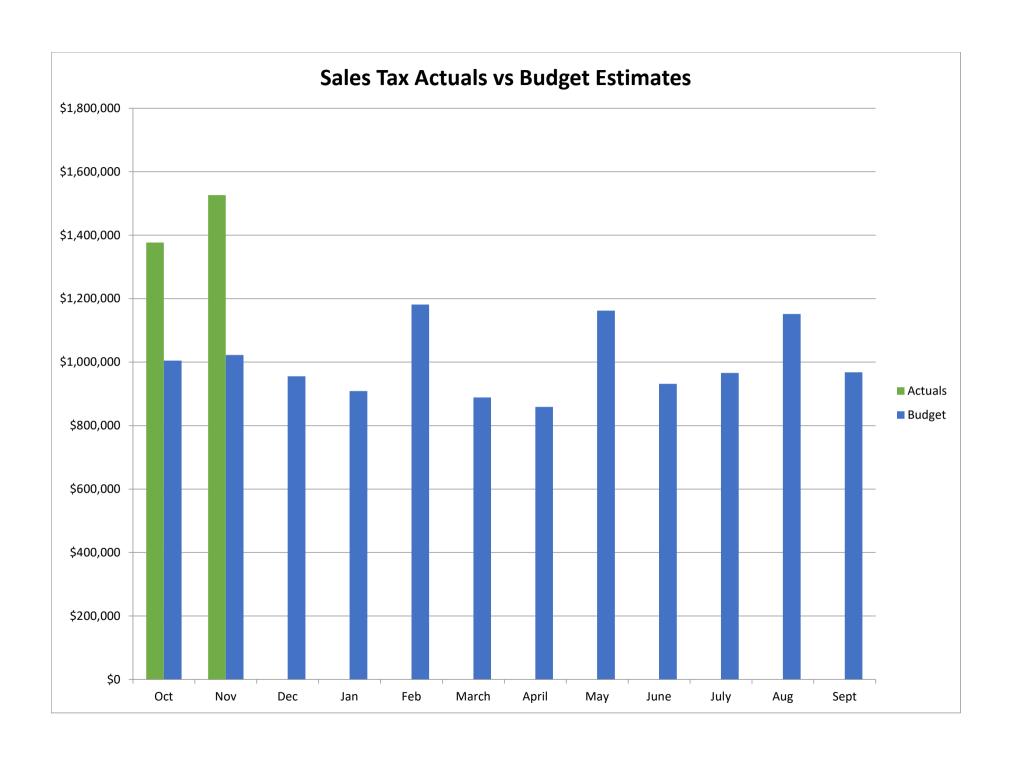
Total Liabilities and Net Position

Sales Tax



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			
January	\$1,117,874.02	\$1,358,336.22	21.51%	\$1,358,336.22			
February	\$1,434,528.04	\$1,649,985.00	15.02%	\$1,649,985.00			
March	\$983,421.74	\$1,344,612.50	36.73%	\$1,344,612.50			
April	\$1,015,116.31	\$1,266,881.01	24.80%	\$1,266,881.01			
May	\$1,487,467.44	\$1,597,917.80	7.43%	\$1,597,917.80			
June	\$1,218,236.38	\$1,325,843.43	8.83%	\$1,325,843.43			
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	\$2,903,020.47		



Activity Report

HIGH SPEED AEROSPACE TRANSPORTATION WORKSHOP

November 2023

HSAT WORKSHOP

The HSAT 6th Edition hosted over 100 experts, thought-leaders, innovators, and operators in the **high-speed flight industry**.

This hands-on and interactive workshop was hosted at UT Permian Basin's Center for Energy and Economic Diversification where a candid exchange of opinions, insights, and technical-scientific know-how took place.





Day 1

FAM Tour

Multiple companies arrived early to see Midland and some of our aviation and aerospace facilities. Day 2

HSAT Workshop

Workshop for the aerospace industry to dialogue.

Day 3

HSAT Workshop

Workshop for the aerospace industry to dialogue.

HOW THE MDC IS DIVERSIFYING THE ENERGY INDUSTRY

Chase had an opportunity to share an overview of Midland, the local economy, upcoming projects, and the Spaceport Business Park with aerospace industry participants.



OVERVIEW

ATTENDEES

Nearly 100 registrations with over 40 companies represented and hosted in Midland.

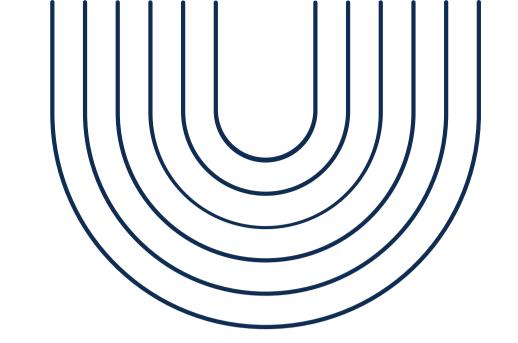
WORK SESSIONS

Workshop attendees had the opportunity to dialogue and exchange ideas on high speed flight.

FOLLOW UP

Connect with companies that showed interest in expanding operations in Midland.

O1. TRANSONIC-EXISTING INDUSTRY



2 SUPERSONICS & HYPERSONICS

O3 SUBORBITAL & ORBITAL

O4. STANDARDS & BEST PRACTICES IN HSAT

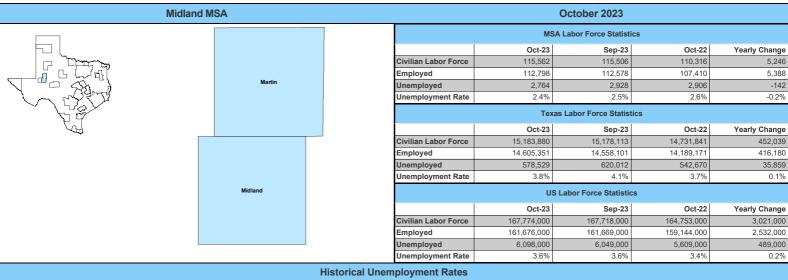
HSAT SESSIONS & TOPICS

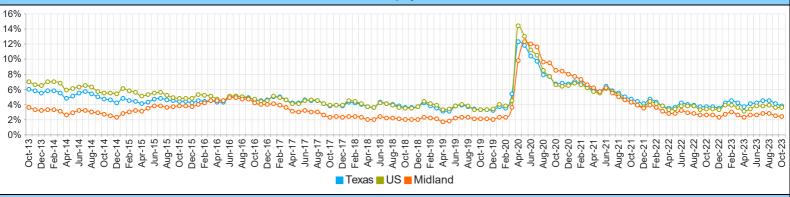


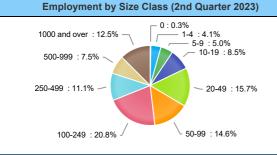


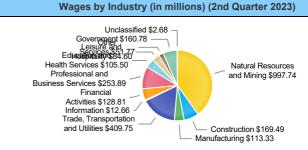






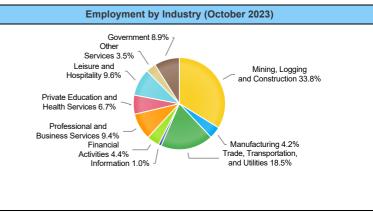






Annual Growth Rate Total Non-agricultural employment 20% 15% 10% 5% 0% -5% -10% -15% -20% -25% Dec-13 Peb-14 Apr-14 Aug-14 Aug-15 Aug-15 Aug-16 Aug-18 Aug-19 Aug-20 Aug-20 Aug-20 Aug-20 Aug-20 Aug-20 Aug-20 Aug-20 Apr-22 Jun-22 Aug-22 Oct-22 Dec-22 Feb-23 Apr-23 Jun-23 Oct-23 Apr-21 Jun-21 Aug-21 Oct-21 Dec-21

Employment by Industry (October 2023)					
Industry	Current Month Employment	% Monthly Change	% Yearly Change		
Total Nonfarm	121,700	0.7%	5.1%		
Mining, Logging and Construction	41,100	0.2%	7.9%		
Manufacturing	5,100	0.0%	4.1%		
Trade, Transportation, and Utilities	22,500	1.4%	3.7%		
Information	1,200	0.0%	0.0%		
Financial Activities	5,400	0.0%	1.9%		
Professional and Business Services	11,500	0.9%	0.9%		
Private Education and Health Services	8,100	1.2%	5.2%		
Leisure and Hospitality	11,700	0.0%	0.9%		
Other Services	4,300	0.0%	4.9%		
Government	10,800	1.9%	10.2%		







Yearly Change

3,021,000

2.532.000

489,000

0.2%

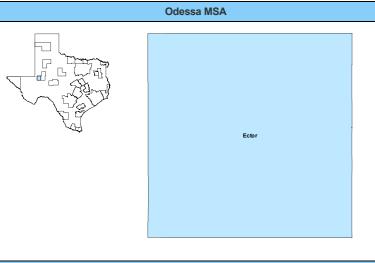
Oct-22

164,753,000

159.144.000

5,609,000

3.4%



October 2023							
MSA Labor Force Statistics							
Oct-23 Sep-23 Oct-22 Yearly Chang							
Civilian Labor Force	87,294	87,092	84,727	2,567			
Employed	84,486	84,174	81,806	2,680			
Unemployed	2,808	2,918	2,921	-113			
Unemployment Rate	3.2%	3.4%	3.4%	-0.2%			
Texas Labor Force Statistics							
	Oct-23	Sep-23	Oct-22	Yearly Change			
Civilian Labor Force	15,183,880	15,178,113	14,731,841	452,039			
Employed	14,605,351	14,558,101	14,189,171	416,180			
Unemployed	578,529	620,012	542,670	35,859			
Unemployment Rate	3.8%	4.1%	3.7%	0.1%			
US Labor Force Statistics							

Sep-23

167,718,000

161.669.000

6.049.000

3.6%

Oct-23

167,774,000

161.676.000

6.098.000

3.6%

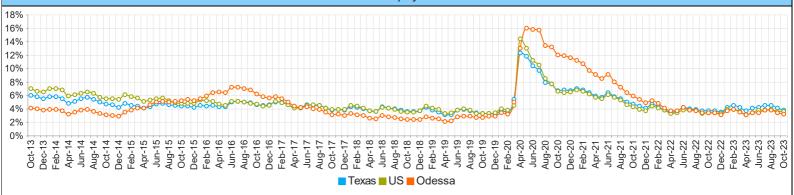
Historical Unemployment Rates

Civilian Labor Force

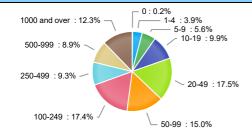
Unemployment Rate

Employed

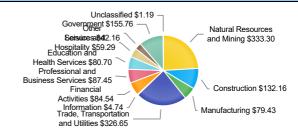
Unemployed



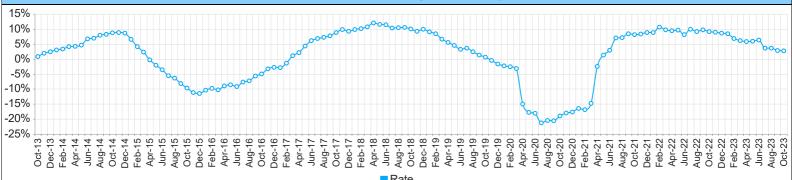
Employment by Size Class (2nd Quarter 2023)



Wages by Industry (in millions) (2nd Quarter 2023)

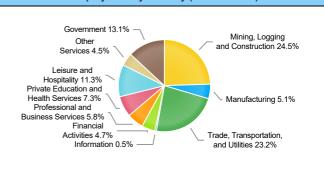


Annual Growth Rate Total Non-agricultural employment



Employment by Industry (October 2023)						
Industry	Current Month Employment	% Monthly Change	% Yearly Change			
Total Nonfarm	82,400	1.0%	2.7%			
Mining, Logging and Construction	20,200	2.0%	5.8%			
Manufacturing	4,200	2.4%	5.0%			
Trade, Transportation, and Utilities	19,100	0.5%	0.5%			
Information	400	0.0%	0.0%			
Financial Activities	3,900	0.0%	2.6%			
Professional and Business Services	4,800	2.1%	2.1%			
Private Education and Health Services	6,000	0.0%	3.4%			
Leisure and Hospitality	9,300	0.0%	2.2%			
Other Services	3,700	0.0%	2.8%			
Government	10,800	0.9%	0.9%			

Employment by Industry (October 2023)





26 305

7,703

6.919

10.3%

3.0%

2.7%

2 4%

1.7%

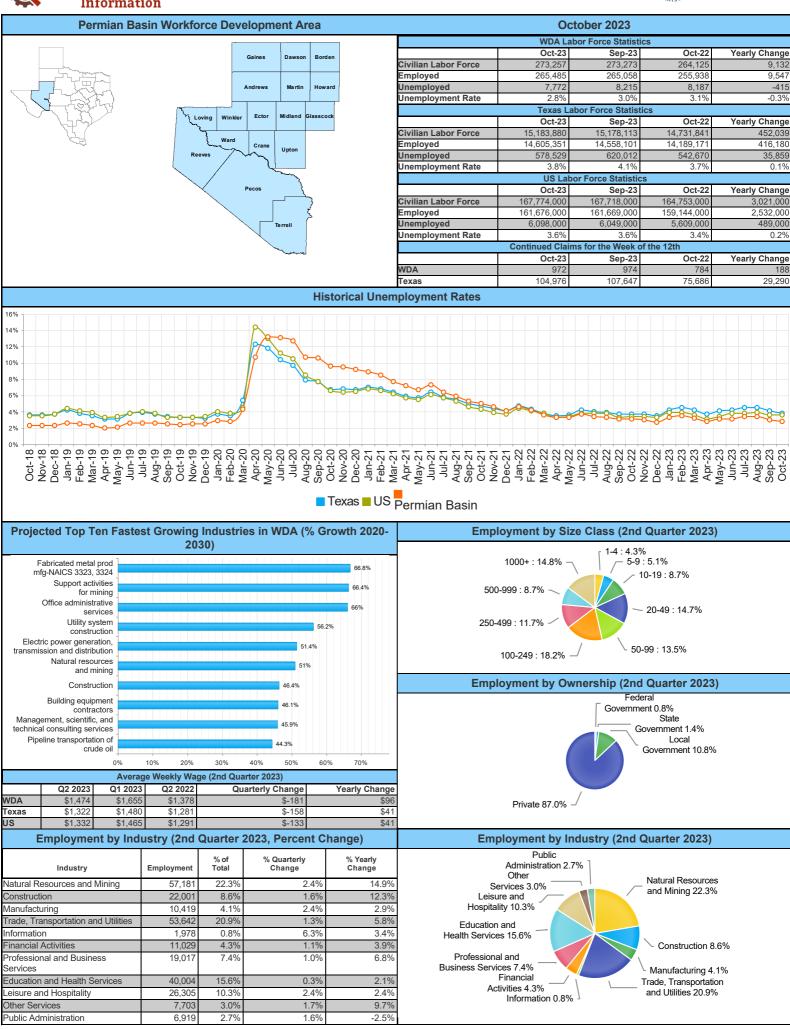
1.6%

2 4%

9.7%

-2 5%





Activities 4.3%

Information 0.8%

Trade, Transportation

and Utilities 20.9%