

Board Binder Open Session

December 7, 2020

Agenda



Effective March 16, 2020, Governor Greg Abbott authorized the temporary suspension of certain statutory provisions of the Texas Open Meetings Act. This meeting of the Midland Development Corporation is being held pursuant to such authorization and will limit face-to-face interactions for the purpose of slowing the spread of the coronavirus (COVID-19).

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 7, 2020.

Videoconference Information

Join Zoom Webinar

https://us02web.zoom.us/j/88469538829?pwd=eUI5SXJtMFdtQ0c1NVZHbVovS09Zdz09

Password: 859780

Or join by phone:

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

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

Webinar ID: 884 6953 8829

Passcode: 859780

International numbers available: https://us02web.zoom.us/u/kdETh8xwgH

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 2, 2020, meeting of the Midland Development Corporation.
- 3. Presentation from University of Texas of the Permian Basin regarding the management and operation of the Incubator and Makerspace at UTPB's Midland campus.
- 4. Motion electing officers to serve through January 2022.
- 5. Resolution establishing the dates of the regular meetings of the Midland Development Corporation Board of Directors to be held during the period of February 2021 to January 2022.
- 6. Presentation on the November 2020 monthly expenses from the Midland Development Corporation.



7. Presentation on the monthly economic development activity report from the Midland Development

Corporation Executive Director.	
Posted this 4 th day of December, 2020.	
	Amy M. Turner City Secretary

November 2nd Minutes

MIDLAND DEVELOPMENT CORPORATION

MINUTES

November 02, 2020

The Board of Directors of the Midland Development Corporation convened in regular session at the Midland Development Corporation board room, 200 North Loraine Street, Suite 610, Midland, Texas, at 10:00 a.m. on November 02, 2020.

Board Members present: Chairman Wesley Bownds, Director Stephen Lowery,

Director Berry Simpson, Director Chase Gardaphe, Director Jill Pennington, Director Elaine Bedell and

Director Lourcey Sams

Board Members absent: None

Staff Members present: Assistant City Manager Morris Williams, Assistant City

Attorney Nicholas Toulet-Crump, Director of Airports Justine Ruff, Finance Director Mark Mason, Drainage Engineering Manager Claudius Sanchez, and Deputy

City Secretary SueAnn Reyes

Council Member(s) present: Council Member Lori Blong, Council Member Jack Ladd

MDC Staff Members present: Executive Director John Trischitti, Director of Operations

Sara Harris, Marketing Coordinator Kori Wooten, and

Administrative Assistant Blair Flanagan

1. Call meeting to order.

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

2. Motion approving the minutes of the October 05, 2020, meeting of the Midland Development Corporation.

Director Simpson moved to approve the minutes of the October 05, 2020 meeting of the Midland Development Corporation; seconded by Director Lowery. The motion carried by the following vote: AYE: Bownds, Lowery, Simpson, Gardaphe, Pennington, Bedell, Sams. NAY: None. ABSTAIN: None. ABSENT: None

 Presentation from the Midland County Hospital District on the District's progress, accomplishments, and any ongoing projects or programs related to physician recruitment.

Karen Kuehn, Manager of Physician Recruitment gave an overview of Midland Health's progress related to physician recruitment, noting there have been eleven physicians recruited to start practice in fiscal year 2020, with three additional physicians recruited for future starts in fiscal year 2021. She added that the hospital is currently challenged with recruiting specialists in neurology, pulmonary/critical care, and gastroenterology.

4. Resolution authorizing payment in the amount of \$250,156.46 to the Midland County Hospital District pursuant to the Midland Development Corporation's Reimbursable Physician Recruitment Agreement with the Midland County Hospital District.

Director Pennington moved to approve Resolution ED-366 authorizing payment in the amount of \$250,156.46 to the Midland County Hospital District pursuant to the Midland Development Corporation's Reimbursable Physician Recruitment Agreement with the Midland County Hospital District; seconded by Director Lowery. The motion carried by the following vote: AYE: Bownds, Lowery, Simpson, Gardaphe, Pennington, Bedell, Sams. NAY: None. ABSTAIN: None. ABSENT: None

5. Resolution authorizing the execution of a promotional agreement with Midland Downtown Farmers Market, Inc., to advertise or publicize the City of Midland for the purpose of developing new and expanded business enterprises.

Discussion ensued regarding the requirements of the agreement. The board suggested semiannual payments with a presentation prior to payment.

Director Sams moved to amend and approve Resolution ED-367 authorizing the execution of a promotional agreement with Midland Downtown Farmers Market, Inc., to advertise or publicize the City of Midland for the purpose of developing new and expanded business enterprises in the amount of \$70,00 over three years in semi annual payments with a presentation prior to payment; seconded by Director Pennington. The motion carried by the following vote: AYE: Bownds, Lowery, Simpson, Gardaphe, Pennington, Bedell, Sams. NAY: None. ABSTAIN: None. ABSENT: None

6. Motion canceling the January 4th, 2021 meeting of the Midland Development Corporation Board of Directors.

Director Lowery moved to approve a motion canceling the January 4th, 2021 meeting of the Midland Development Corporation Board of Directors; seconded by Director Simpson. The motion carried by the following vote: AYE: Bownds, Lowery, Simpson, Gardaphe, Pennington, Bedell, Sams. NAY: None. ABSTAIN: None. ABSENT: None

7. Resolution authorizing the execution of a consultant services agreement with The Guisinger Group Partners, LP, for services related to the recruitment of a Director of Project Development for the Midland Development Corporation; and authorizing payment therefor.

Director Pennington moved to table Resolution ED-368 authorizing the execution of a consultant services agreement with The Guisinger Group Partners, LP, for services related to the recruitment of a Director of Project Development for the Midland Development Corporation; and authorizing payment therefor; seconded by Director Lowery. The motion carried by the following vote: AYE: Bownds, Lowery, Simpson, Gardaphe, Pennington, Bedell, Sams. NAY: None. ABSTAIN: None. ABSENT: None

8. Presentation on the September 2020 monthly expenses from the Midland Development Corporation.

Director of Operations Sara Harris noted no significant contractually obligated disbursements in October, and added that sales tax collections continued to trend downward year-over-year.

9. Presentation on the monthly economic development activity report from the Midland Development Corporation Executive Director.

Executive Director John Trischitti noted a successful familiarization tour of Midland attended by prospects from several different aerospace and aviation companies.

All the business at hand having been completed, Chairman Bownds adjourned the meeting at 11:01 a.m.

Respectfully submitted,

SueAnn Reyes, Deputy City Secretary

PASSED AND APPROVED the 7nd Day of December 2020.

Berry Simpson, Secretary

Slate of Officers

2020 Slate of Officers

Chairman: Wesley Bownds

1st Vice Chair: Stephen Lowery

2nd Vice Chair: Chase Gardaphe

Secretary: Berry Simpson

Treasurer: VACANT

Directors: Elaine Bedell, Jill Pennington, Lourcey Sams

2021 Meeting Dates

RESOLUTION NO.	
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RESOLUTION ESTABLISHING THE DATES OF THE REGULAR MEETINGS OF THE MIDLAND DEVELOPMENT CORPORATION BOARD OF DIRECTORS TO BE HELD DURING THE PERIOD OF FEBRUARY 2021 TO JANUARY 2022

WHEREAS, the Board of Directors finds it to be in the public interest to establish the dates on which the Board will meet in regular session during the period of February 2021 to January 2022;

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

THAT the dates for the regular meetings of the Midland Development Corporation Board of Directors to be held during the period of February 2021 to January 2022 as shown on Exhibit A, attached hereto and made a part hereof for all purposes, are hereby adopted.

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

On motion of Director	, seconded by I	Director	, the
above and foregoing resolution was adopte	d by the Board	of Directors of the	Midland
Development Corporation at a regular meeting	g on the	day of	, A.D.,
2020, by the following vote:			
Directors voting "AYE":			
Directors voting "NAY":			

WESLEY BOWNDS, Chairman of the Midland Development Corporation

ATTEST:
BERRY SIMPSON,
Secretary of the Midland
Development Corporation
APPROVED ONLY AS TO FORM:
JOHN OHNEMILLER,
Attorney for the Midland
Development Corporation

Midland Development Corporation Board of Directors Meeting Dates February 2021 – January 2022

Monday, February 1, 2021 – 10 a.m.

Monday, March 1, 2021 - 10 a.m.

Monday, April 12, 2021 – 10 a.m.

Monday, May 3, 2021 – 10 a.m.

Monday, June 7, 2021 – 10 a.m.

Monday, July 12, 2021 – 10 a.m.

Monday, August 2, 2021 – 10 a.m.

Monday, September 13, 2021 – 10 a.m.

Monday, October 4, 2021 – 10 a.m.

Monday, November 1, 2021 – 10 a.m.

Monday, December 6, 2021 – 10 a.m.

Monday, January 10, 2022 – 10 a.m.

Income Statement

MIDLAND DEVELOPMENT CORPORATION INCOME STATEMENT FOR THE 2 MONTHS ENDED November 30, 2020

	Nov-20	YTD	Budgeted Amount
Revenue	\$1,067,361.70	\$2,351,806.80	\$9,000,000.00
40100 - State Sales Tax	\$983,259.60	\$2,186,317.70	\$9,000,000.00
13000 - Interest	\$0.00	\$0.00	\$0.0
3010 - Interest - Nonpooled Invest	\$2,715.10	\$2,715.10	\$0.0
46190 - Miscellaneous Rentals	\$81,387.00	\$162,774.00	\$0.00
4235150 - Midland Dvlpmt Corp Revenue	\$1,067,361.70	\$2,351,806.80	\$9,000,000.00
Expense	\$2,511,470.31	\$2,800,171.49	\$22,656,815.00
51010 - Base Salary	\$35,013.52	\$103,663.04	\$692,150.00
51090 - Fica MDC Portion	\$1,747.25	\$5,816.54	\$65,456.00
51110 - Health Insurance	\$3,097.10	\$6,221.92	\$55,460.0
51135 - ACCE Profit Sharing	\$2,450.96	\$7,618.93	\$48,451.00
52010 - Office Supplies	\$120.40	\$285.95	\$11,000.00
52110 - Motor Vehicle Supplies	\$21.50	\$21.50	\$1,000.00
52115 - Minor Furniture & Fixtures	\$0.00	\$0.00	\$500.00
52155 - Minor Computer Hrdwre & Periph	\$0.00	\$0.00	\$5,000.00
52160 - Computer Software & Supplies	\$0.00	\$8,441.31	\$30,000.00
52620 - Postage	\$0.00	\$0.00	\$700.0
53010 - Communication	\$1,418.97	\$2,836.80	\$17,000.0
53030 - Light & Power	\$8.96	\$8.96	\$150.0
53110 - Insurance-External	\$0.00	\$1,417.83	\$190,000.0
53212 - Equipment Rental-External	\$344.54	\$689.08	\$5,000.0
53220 - Advertising	\$73,717.81	\$111,543.64	\$200,000.00
53370 - Grounds Maintenance	\$985.00	\$985.00	\$5,000.0
53405 - Software Maintenance	\$1,540.85	\$3,081.70	\$12,000.0
53440 - External Audit Fees	\$4,220.00	\$4,220.00	\$20,000.0
53450 - Consulting Fees	\$0.00	\$47,810.93	\$500,000.0
53510 - Travel & Entertainment	\$0.00	\$0.00	\$15,000.00
53520 - Dues & Subscriptions	\$209.18	\$2,591.98	\$20,000.00
53530 - Training,Registration Fees,Etc	\$0.00	\$0.00	\$10,000.00
53905 - Economic Development Incentive	\$1,547,721.85	\$1,549,721.85	\$18,553,329.0
53907 - Business Recruitment & Retentn	\$9,319.76	\$10,333.16	\$50,000.0
53920 - Rent	\$6,261.72	\$12,523.44	\$75,000.0
54010 - Building Maintenance	\$9,172.00	\$26,104.77	\$45,000.0
55120 - Maint Instruments & Appara.	\$0.00	\$77.13	\$3,000.0
56188 - MOTRAN	\$0.00	\$0.00	\$137,000.0
56202 - General Fund Services	\$32,557.08	\$65,114.16	\$390,619.0
56410 - Payment of Principal	\$0.00	\$0.00	\$60,000.0
56420 - Interest Expense	\$0.00	\$0.00	\$12,000.0
56910 - Depreciation Expense	\$0.00	\$0.00	\$0.0
56995 - Project Non Capital - Promotions	\$257,467.46	\$257,467.46	\$27,000.0
57001 - Capital Buildings & Structures	\$524,074.40	\$571,574.41	\$0.0
57002 - Capital Improve Other Than Bldg	\$0.00	\$0.00	\$1,400,000.0
57070 - Construction in Process	\$99,742.00	\$99,742.00	\$0.00
235235 - Midland Development Corp	\$2,611,212.31	\$2,899,913.49	\$22,656,815.00

November 2020 Net Income: (\$1,444,108.61)

Year-to-Date Net Income: (\$448,364.69)

Balance Sheet

MIDLAND DEVELOPMENT CORPORATION BALANCE SHEET FOR THE PERIOD ENDED

November 30, 2020

(Used for Internal Purposes Only)

ASSETS

Current Assets Cash and cash equivalents Sales tax receivable Prepaid expenses Accounts receivable	24,536,598 2,186,318 107,133	26,830,049
Non-Current Assets Capital Assets, net Forgivable Loans Made to Primary Government Made to Other Total Forgivable Loans	20,272,866 - 	
Total Forgivable Loans		20,779,445
Total Assets	\$	47,609,494
LIABILITIES AND NET POSITION Liabilities Accounts payable Retainage Payable Capital Leases payable Commitments payable Due within one year Due in more than one year Total Commitments Payable	92,380 257,083 12,516,465 27,112,902 39,629,367	39,978,830
Net Position Net investment in capital assets Restricted for Forgivable Loans Restricted for Capital Leases Promotions	20,272,866 506,579 257,083	
Unrestricted	2,108,275 (15,514,140)	
		7,630,664

\$ 47,609,494

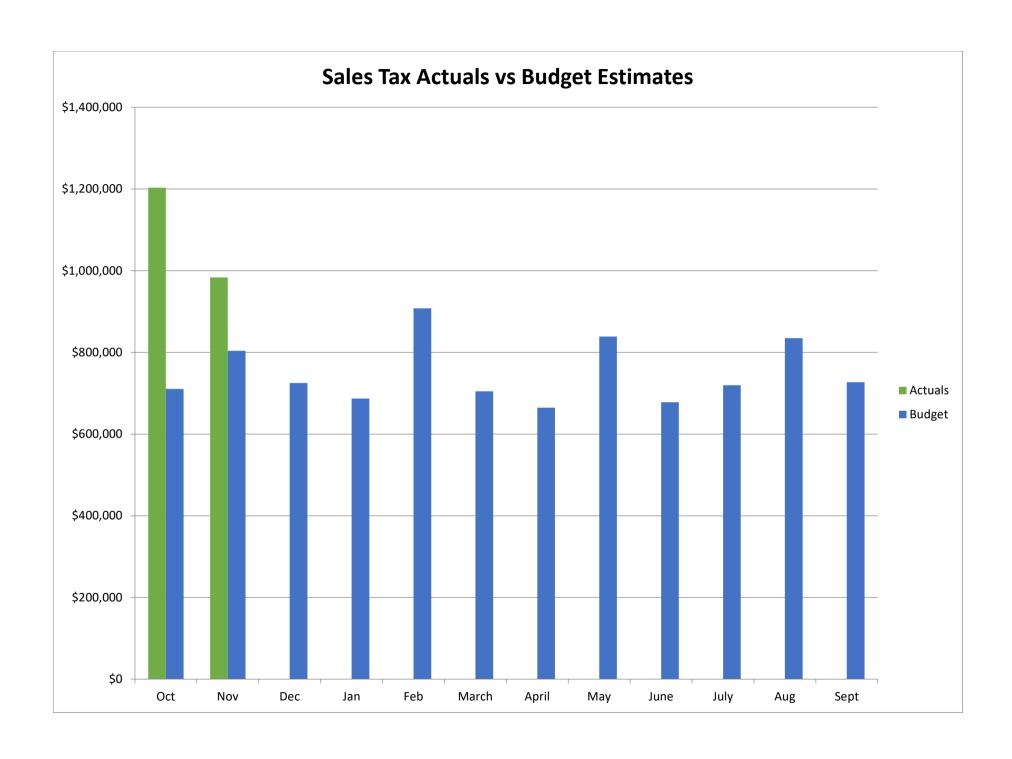
Total Liabilities and Net Position

Sales Tax



Sales Tax Variance

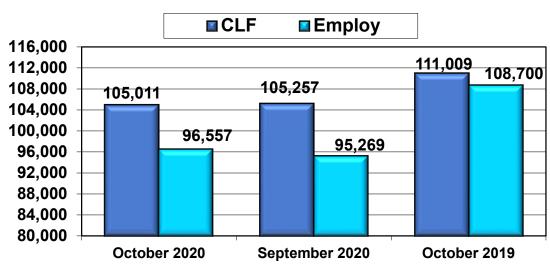
	2018-2019	2019-2020	% Change	2019-2020	2020-2021	% Change	YTD Change
October	\$1,168,778.63	\$1,219,993.44	4.38%	\$1,219,993.44	\$1,203,058.10	-1.39%	-1.39%
November	\$1,315,318.62	\$1,266,357.10	-3.72%	\$1,266,357.10	\$983,259.60	-22.36%	-12.07%
December	\$1,185,882.84	\$1,263,226.93	6.52%	\$1,263,226.93			
January	\$1,143,749.27	\$1,036,178.70	-9.41%	\$1,036,178.70			
February	\$1,442,774.27	\$1,279,615.49	-11.31%	\$1,279,615.49			
March	\$1,209,440.03	\$966,824.94	-20.06%	\$966,824.94			
April	\$1,135,613.41	\$1,006,559.17	-11.36%	\$1,006,559.17			
May	\$1,381,858.75	\$1,251,139.57	-9.46%	\$1,251,139.57			
June	\$1,175,734.10	\$897,050.21	-23.70%	\$897,050.21			
July	\$1,242,133.20	\$876,285.08	-29.45%	\$876,285.08			
August	\$1,359,171.41	\$1,074,175.26	-20.97%	\$1,074,175.26			
September	\$1,315,787.31	\$834,182.16	-36.60%	\$834,182.16			
Annual Total	\$15,076,241.84	\$12,971,588.05	-13.96%	\$12,971,588.05	\$2,186,317.70		

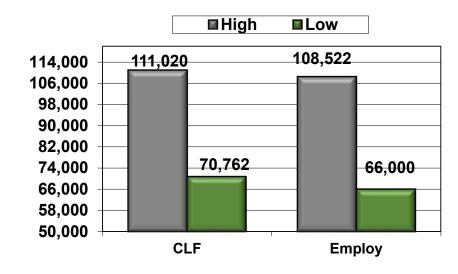


Activity Report



October 2020 Midland MSA Employment Information

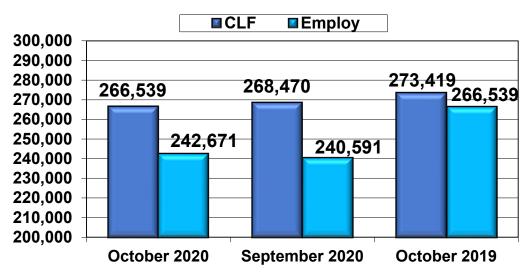


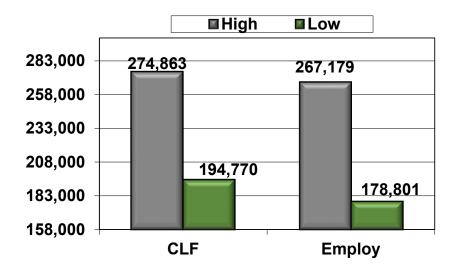


	October 2020	September 2020	October 2019	High	Low
Civilian Labor Force	105,011	105,257	111,009	111,020 (Feb 2020)	70,762 (Jan 2010)
Employment	96,557	95,269	108,700	108,522 (Dec 2019)	66,000 (Jan 2010)
Unemployment	8,454	9,988	2,309	12,725 (May 2020)	1,788 (May 2019)
Unemployment Rate	8.1%	9.5%	2.1%	12.4% (May 2020)	1.7% (Apr 2019)



October 2020 Permian Basin Workforce Development Area Employment Information

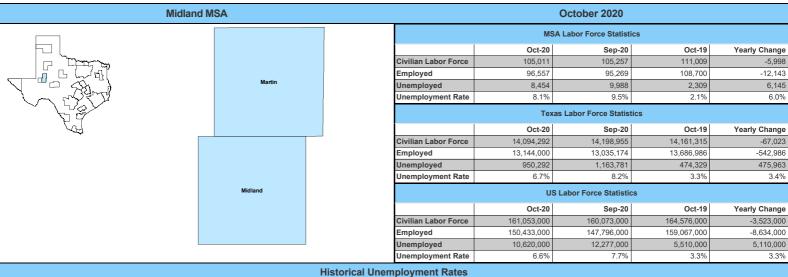


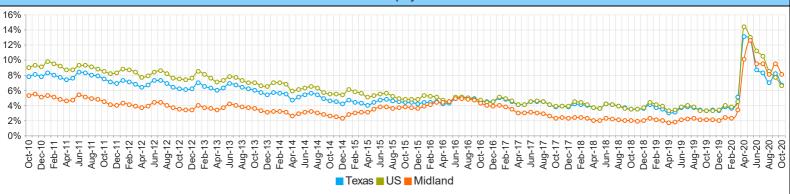


	October 2020	September 2020	October 2019	High	Low
Civilian Labor Force	266,539	268,470	273,419	274,863 (Feb 2020)	194,770 (Jan 2010)
Employment	242,671	240,591	266,788	267,179 (Feb 20120	178,801 (Jan 2010)
Unemployment	23,868	27,879	6,631	34,542 (May 2020)	5,115 (Apr 2019)
Unemployment Rate	9.0%	10.4%	2.4%	13.4% (May 2020)	1.9% (Apr 2019)





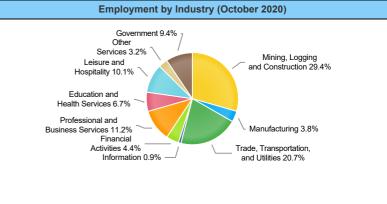






Wages by Industry (in millions) (2nd Quarter 2020) Unclassified \$1.50 Government \$141.71 Other Seivices 3937.55 Editosatitatita 649.86 Natural Resources and Mining \$635.50 Health Services \$77.50 Professional and Business Services \$192.17 Financial Activities \$87.90 Information \$10.01 Trade, Transportation Construction \$98.16 and Utilities \$282.46 Manufacturing \$56.13

Employment by Industry (October 2020)						
Industry	Current Month Employment	% Monthly Change	% Yearly Change			
Total Nonfarm	101,700	2.0%	-11.6%			
Mining, Logging and Construction	29,900	1.7%	-24.7%			
Manufacturing	3,900	0.0%	-7.1%			
Trade, Transportation, and Utilities	21,100	2.4%	-6.6%			
Information	900	0.0%	-10.0%			
Financial Activities	4,500	0.0%	-6.2%			
Professional and Business Services	11,400	2.7%	1.8%			
Education and Health Services	6,800	1.5%	-2.9%			
Leisure and Hospitality	10,300	4.0%	-6.4%			
Other Services	3,300	0.0%	-19.5%			
Government	9,600	2.1%	1.1%			
			_			







164,576,000

159.067.000

5.510.000

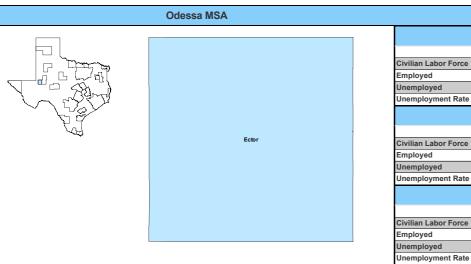
3.3%

-3,523,000

-8.634.000

5,110,000

3.3%



October 2020						
MSA Labor Force Statistics						
	Oct-20	Sep-20	Oct-19	Yearly Change		
Civilian Labor Force	86,375	88,001	88,389	-2,014		
Employed	76,561	76,546	85,963	-9,402		
Unemployed	9,814	11,455	2,426	7,388		
Unemployment Rate	11.4%	13.0%	2.7%	8.7%		
	Tex	as Labor Force Statist	tics			
	Oct-20	Sep-20	Oct-19	Yearly Change		
Civilian Labor Force	14,094,292	14,198,955	14,161,315	-67,023		
Employed	13,144,000	13,035,174	13,686,986	-542,986		
Unemployed	950,292	1,163,781	474,329	475,963		
Unemployment Rate	6.7%	8.2%	3.3%	3.4%		
	Us	S Labor Force Statistic	cs			
	Oct-20	Sep-20	Oct-19	Yearly Change		

160,073,000

147.796.000

12.277.000

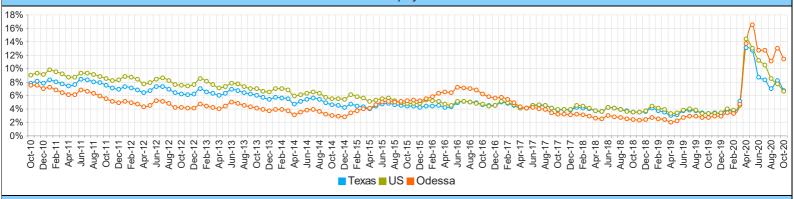
7.7%

161,053,000

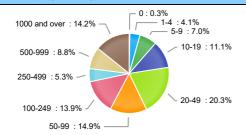
150.433.000

10.620.000

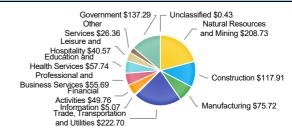
Historical Unemployment Rates



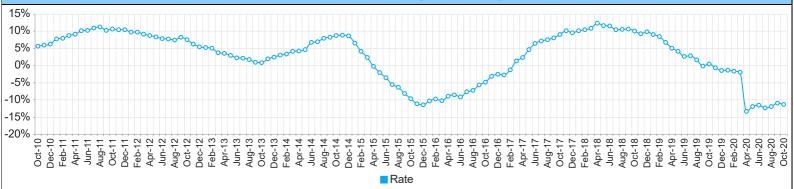
Employment by Size Class (2nd Quarter 2020)



Wages by Industry (in millions) (2nd Quarter 2020)



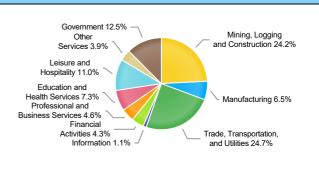
Annual Growth Rate Total Non-agricultural employment



Employment by Industry (October 2020)

Employment by Industry (October 2020)						
Industry	Current Month Employment	% Monthly Change	% Yearly Change			
Total Nonfarm	74,400	0.5%	-11.4%			
Mining, Logging and Construction	18,000	-1.1%	-18.2%			
Manufacturing	4,800	2.1%	-5.9%			
Trade, Transportation, and Utilities	18,400	1.1%	-6.1%			
Information	800	14.3%	0.0%			
Financial Activities	3,200	-3.0%	-8.6%			
Professional and Business Services	3,400	-2.9%	-32.0%			
Education and Health Services	5,400	1.9%	1.9%			
Leisure and Hospitality	8,200	2.5%	-9.9%			
Other Services	2,900	3.6%	-21.6%			
Government	9,300	0.0%	-6.1%			

Employment by Industry (October 2020)





6,275

7.358

3.0%

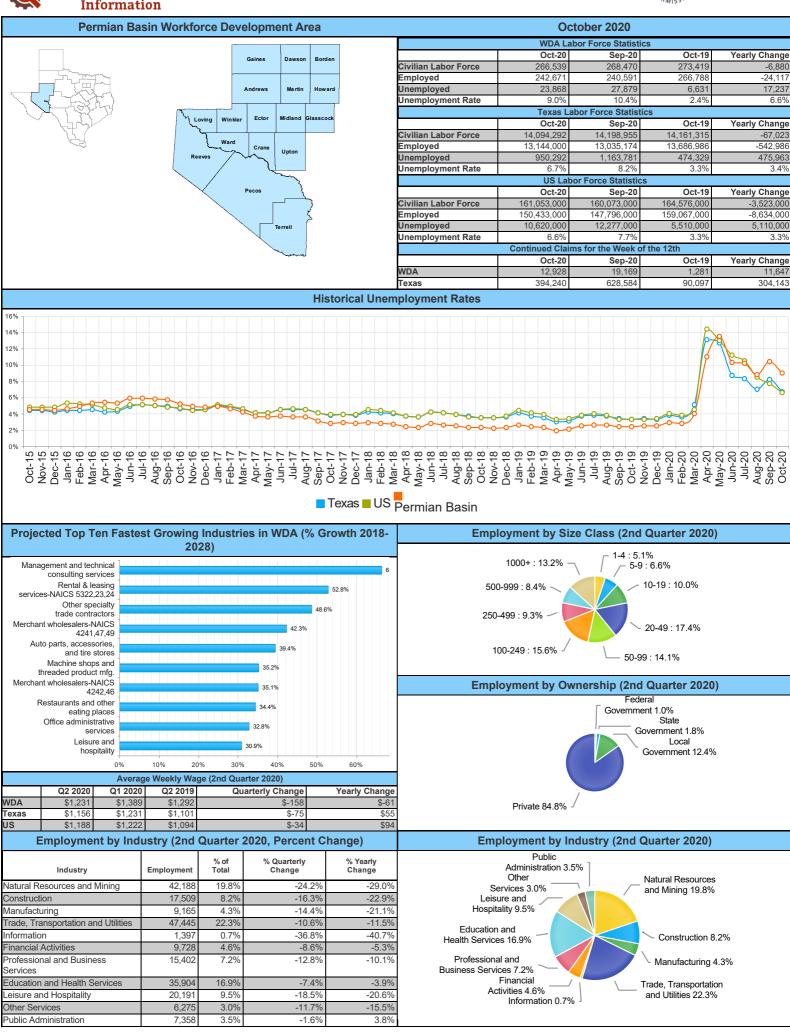
3.5%

-11.7%

-1.6%

3.89





Information 0.7%