



Board Binder Open Session

July 7, 2025

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 7, 2025. 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/87589486316?pwd=zkpE1bR6HUtxhSQB8QVwkiCsTOa0Mg.1>

Passcode: 224239

Phone one-tap:

+13462487799,,87589486316#,,,,*224239# US (Houston)

+17193594580,,87589486316#,,,,*224239# US

Join via audio:

+1 346 248 7799 US (Houston) +1 719 359 4580 US +1 253 205 0468 US +1 253 215 8782 US (Tacoma) +1 669 444 9171 US +1 669 900 9128 US (San Jose) +1 646 931 3860 US +1 689 278 1000 US +1 301 715 8592 US (Washington DC) +1 305 224 1968 US +1 309 205 3325 US +1 312 626 6799 US (Chicago) +1 360 209 5623 US +1 386 347 5053 US +1 507 473 4847 US +1 564 217 2000 US +1 646 558 8656 US (New York)

Webinar ID: 875 8948 6316

Passcode: 224239

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

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 2, 2025, meeting of the Midland Development Corporation.
3. Resolution approving the budget for the Midland Development Corporation's 2025-2026 Fiscal Year.
4. Resolution authorizing the designation of thirty-five percent (35%) of Midland Development Corporation's Fiscal Year 2024-2025 sales tax revenues for authorized infrastructure improvement projects.

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. Presentation on the June 2025 economic development activity report from the Midland Development Corporation Executive Director.

Posted this 3rd day of July 2025.

Marcia Bentley German
City Governance Officer/City Secretary

June 2nd Minutes

MIDLAND DEVELOPMENT CORPORATION

MINUTES

June 2, 2025

The Board of Directors of the Midland Development Corporation convened in regular session in the Midland Chamber of Commerce board room, 300 West Wall Street, Suite 200, Midland, Texas, at 10:00 a.m. on June 2, 2025.

Board Members present: Chairman Lourcey Sams, Director Elvie Brown, Director Zachary Deck, Director J.Ross Lacy, Director Jill Pennington, and Director Garrett Donnelly

Board Members absent: Director Brad Bullock

Staff Members present: Assistant City Manager Jose Ortiz, Interim City Attorney Nicholas Toulet-Crump, Assistant City Attorney Kevin Bailey, Deputy City Secretary Jan Hamilton, Deputy City Secretary Rachel Guentensberger, City Governance Officer/City Secretary Marcia Bentley-German, Chief of Staff Taylor Novak, Strategic Communications Officer Stewart Doreen

Council Member(s) present: Mayor Lori Blong, Council member Brian Stubbs, Council member Amy Stretcher Burkes

MDC Staff Members present: Operations Manager Ken Doyle, Executive Director Sara Harris

1. Call meeting to order.

Chairman Sams called the meeting to order at 10:00 a.m. The meeting was briefly adjourned to observe the passing Starfighter procession and reconvened at 10:14 a.m.

2. Motion approving the minutes of the May 5, 2025, meeting of the Midland Development Corporation.

Director Lacy moved to approve the minutes of the May 5, 2025, meeting of the Midland Development Corporation, seconded by Director Pennington.

The motion carried by the following vote: AYE: Sams, Lacy, Donnelly, Pennington, Deck, Brown. NAY: None. ABSTAIN: None. ABSENT: Bullock.

Robin Campbell, 110 Ridglea Drive asked about the reason behind the decision to hold this meeting at a location other than City Hall. She asked for the future MDC meetings to be held in the Council Chamber.

Judd Campbell, 110 Ridglea Drive asked for more transparency in public meetings surrounding decision making. He echoed the request to have these meetings held in the Council Chamber.

3. **Update from the Midland Development Corporation Board Chairman regarding: (i) previously executed agreements and the Midland Development Corporation's continuing obligations thereunder, and (ii) future community events scheduled to be hosted in the City of Midland, Texas.**

Chairman Sams give a brief update regarding previously executed and future community events scheduled to be hosted by the City of Midland. Chairman Sams reported on an agreement between the MDC, City of Midland, and Bush Tennis Center that was never fulfilled. Under said agreement, the City and MDC were to provide final funding only after the project met specific criteria. Since those conditions were not met, no funds were distributed. Mayor Lori Blong highlighted the importance of the "last money in" funding and how impactful that is overall. Chairman Sams also spoke about the upcoming 2025 IREC Rocket Competition to be held June 9-14th at the Midland Horseshoe area. Anyone wishing to attend this event as a spectator must preregister @ <https://www.soundingrocket.org>.

4. **Presentation from the City of Midland on Todd Drive Interchange Improvements.**

Assistant City Manager Jose Ortiz gave a brief overview of the Todd Drive interchange project. Mr. Ortiz believes this project, in its planning, has been a major success and this interchange project is very important to encourage growth and expansion for the City of Midland.

5. **Resolution authorizing the execution of a landlord lien waiver and consent to removal of personal property between the Midland Development Corporation, Castelion Corporation, and First-Citizens Bank & Trust Company.**

Director Deck moved to approve the resolution authorizing the execution of a landlord lien waiver and consent to removal of personal property between the Midland Development Corporation, Castelion Corporation, and First-Citizens Bank & Trust Company., seconded by Director Donnelly.

The motion carried by the following vote: AYE: Sams, Donnelly, Pennington, Deck, Brown, Lacy. NAY: None ABSTAIN: None. ABSENT: Bullock

6. **Presentation on the May 2025 economic development activity report from the Midland Development Corporation Executive Director.**

Executive Director Sara Harris gave a brief overview of May 2025 economic development activity report.

Judd Campbell, 110 Ridglea Drive asked some clarifying questions regarding the differences between the fiscal year vs calendar year calculations on the activity report.

7. **Discuss and take action on the scheduling of a proposed special meeting of the Board of Directors to be held in the month of June or July.**

Executive Director Sara Harris asked members for suggestions for dates that would be suitable for a special meeting to discuss Strategic Planning in the month of July. Three (3) possible meeting dates were decided upon:

*July 8th @ 2:00 pm
July 9th @ 10:00am
August 5th @ 10:00am*

With no meeting date decided upon, no action was taken at this time.

The board recessed into executive session at 10:52 a.m.

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

a. Section 551.072, Deliberation Regarding Real Property

- i. Discuss the purchase, exchange, lease, or value of real property.**

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.**

All the business at hand having been completed, Chairman Sams adjourned the meeting at 11:33 a.m.

Respectfully submitted,

Rachel Guentensberger, Deputy City Secretary

PASSED AND APPROVED on the 7th Day of July 2025.

Elvie Brown, Secretary

MDC Fiscal Year 2025-2026 Budget

RESOLUTION NO. _____

**RESOLUTION APPROVING THE BUDGET FOR THE
MIDLAND DEVELOPMENT CORPORATION'S 2025-
2026 FISCAL YEAR**

WHEREAS, the Midland Development Corporation has prepared a budget for the
Fiscal Year 2025-2026; and

WHEREAS, the Board of Directors finds it to be in the public interest to approve
said budget for the Fiscal Year 2025-2026;

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

THAT the Fiscal Year 2025-2026 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., 2025, by the following vote:

Directors voting "AYE":

Directors voting "NAY":

P. LOURCEY SAMS,
Chairman of the Midland
Development Corporation

ATTEST:

ELVIE BROWN,
Secretary of the Midland
Development Corporation

APPROVED AS TO FORM ONLY:

NICHOLAS TOULET,
Attorney for the Midland
Development Corporation

MIDLAND DEVELOPMENT CORPORATION
Proposed Budget for October 1, 2025 through September 30, 2026

	ACTUAL 2023-2024	BUDGET 2024-2025	BUDGET 2025-2026
REVENUE AND RECEIPTS			
Sales Tax	\$ 16,650,471	\$ 14,000,000	\$ 15,000,000
Public Right-Of-Way Use Fees	4,823	0	0
Interest	498,798	0	0
Interest / Non-Pooled Investment	603,480	0	0
Investment Earnings (loss)	202,762	0	0
Misc. Rentals	976,743	976,644	1,195,908
Reimbursement of Budget Expenses	1,187	0	0
Government Contributions	65,000	0	0
TOTAL REVENUE AND RECEIPTS	\$ 19,003,264	\$ 14,976,644	\$ 16,195,908
SUMMARY OF EXPENSES BY CLASSIFICATION			
<u>OPERATING EXPENSES</u>			
General Government Administration	\$ 969,469	\$ 1,094,257	\$ 1,153,006
Economic Development	8,171,267	13,805,187	15,042,902
Debt Service	202,928	77,200	0
Capital Outlay	1,931,130	0	0
TOTAL OPERATING EXPENSES	\$ 11,274,794	\$ 14,976,644	\$ 16,195,908
GRAND TOTAL	\$ 11,274,794	\$ 14,976,644	\$ 16,195,908

Exhibit A

MIDLAND DEVELOPMENT CORPORATION
Proposed Budget for October 1, 2025 through September 30, 2026

	ACTUAL 2023-2024	BUDGET 2024-2025	BUDGET 2025-2026
<u>OPERATING EXPENSES</u>			
General Government Administration			
51010. Base Salary	\$ 304,798	\$ 408,238	\$ 509,886
51090. FICA MDC Portion	21,921	32,616	41,450
51110. Hospital Insurance MDC Portion	22,634	41,100	49,200
51135. ACOC Profit Sharing	19,838	26,127	35,692
51140. Unemployment Insurance	0	360	360
52010. Office Supplies	4,103	6,500	9,940
52110. Motor Vehicle Supplies	364	1,000	1,000
52115. Minor Furniture and Fixtures	0	2,000	2,000
52155. Minor Comp. Hardware & Peripherals	6,896	5,000	5,000
52160. Computer Software & Supplies	38,832	40,000	40,000
52620. Postage	320	700	500
53010. Communications	23,762	17,000	17,000
53030. Light & Power	90	150	150
53110. Insurance - External	144,432	150,000	150,000
53212. Equipment Rental - External	4,370	5,000	5,000
53370. Grounds Maintenance	25,269	50,000	40,000
53405. Software Maintenance	19,385	20,000	22,000
53440. External Audit Fees	34,833	45,000	45,000
53510. Travel & Entertainment	13,365	15,000	20,000
53520. Dues and Subscriptions	16,487	20,000	20,000
53530. Training, Registration Fees	4,070	10,000	10,000
53920. Rent	189,398	71,466	73,128
54010. Building Maintenance	72,036	125,000	50,000
55120. Maintenance of Instruments & App	2,266	2,000	5,700
TOTAL General Government Admin	\$ 969,469	\$ 1,094,257	\$ 1,153,006

MIDLAND DEVELOPMENT CORPORATION
Proposed Budget for October 1, 2025 through September 30, 2026

	ACTUAL 2023-2024	BUDGET 2024-2025	BUDGET 2025-2026
<u>OPERATING EXPENSES</u>			
Economic Development			
53220. Advertising	\$ 157,361	\$ 300,000	\$ 300,000
53450. Consulting Fees	824,358	500,000	450,000
53905. Economic Development Incentives	5,560,725	6,246,827	905,101
53907. Business Recruitment/Retention	95,443	120,000	150,000
53909. Prior Year Committed Incentives	0	4,251,988	11,061,187
56188. MOTRAN	142,500	142,500	142,500
56202. General Fund Services	444,960	427,412	534,114
56910. Depreciation Expense	0	416,460	0
56990. Miscellaneous	85,336	0	0
56995. Project Non Capital (Promotions)	<u>860,584</u>	<u>1,400,000</u>	<u>1,500,000</u>
TOTAL Economic Development	<u>8,171,267</u>	<u>13,805,187</u>	<u>15,042,902</u>
Debt Service			
56410. Payment of Principal	169,355	70,605	0
56420. Interest Expense	<u>33,573</u>	<u>6,595</u>	<u>0</u>
TOTAL Debt Service	<u>202,928</u>	<u>77,200</u>	<u>0</u>
Capital Outlay			
57000. Capital Outlay - Leases	928,779	0	0
57002. Capital Improvemnts Other Than Bldgs	774,549	0	0
57070. Construction in Process	<u>227,802</u>	<u>0</u>	<u>0</u>
TOTAL Capital Outlay	<u>1,931,130</u>	<u>0</u>	<u>0</u>
GRAND TOTAL	<u>\$ 11,274,794</u>	<u>\$ 14,976,644</u>	<u>\$ 16,195,908</u>

35% Infrastructure
Designation

RESOLUTION NO. _____

**RESOLUTION AUTHORIZING THE DESIGNATION
OF THIRTY-FIVE PERCENT (35%) OF THE
MIDLAND DEVELOPMENT CORPORATION'S
FISCAL YEAR 2024-2025 SALES TAX REVENUES FOR
AUTHORIZED INFRASTRUCTURE IMPROVEMENT
PROJECTS**

WHEREAS, pursuant to Section 501.103 of the Texas Local Government Code,
the Midland Development Corporation ("MDC") may expend funds for infrastructure
improvement projects; and

WHEREAS, the Board of Directors finds it to be in the public interest to designate
thirty-five percent (35%) of MDC's fiscal year 2024-2025 sales tax revenues for
infrastructure improvement projects authorized by MDC Board of Directors and approved
by the Midland City Council;

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

THAT thirty-five percent (35%) of MDC's fiscal year 2024-2025 sales tax revenues
is hereby designated for infrastructure improvement projects under Section 501.103 of the
Texas Loc. Gov't Code, each of which shall be considered and approved on a case-by-case
basis by the MDC Board of Directors and the Midland City Council.

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., 2025, by the following vote:

Directors voting "AYE":

Directors voting "NAY":

P. LOURCEY SAMS,
Chairman of the Midland
Development Corporation

ATTEST:

ELVIE BROWN,
Secretary of the Midland
Development Corporation

APPROVED AS TO FORM ONLY:

NICHOLAS TOULET,
Attorney for the Midland
Development Corporation

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, an amount not to exceed \$561,000.00 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., 2025, by the following vote:

Directors voting "AYE": _____

Directors voting "NAY": _____

P. LOURCEY SAMS,
President of the Midland
Development Corporation

ATTEST:

ELVIE BROWN,
Secretary for the Midland
Development Corporation

APPROVED AS TO FORM ONLY:

NICHOLAS TOULET,
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 8th day of July, 2025, 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:

Exhibit A

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 SIXTY-ONE THOUSAND and No/00 DOLLARS (\$61,000.00) 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 FIVE HUNDRED SIXTY-ONE THOUSAND and No/ 100 DOLLARS (\$561,000.00) 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, 2026, 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 8, 2025, and shall terminate on September 30, 2027, 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 an occurrence 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 an occurrence 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

L. Reimbursement Payments; Miscalculations. The Parties acknowledge that the Funds paid to UTPB pursuant to Section II.A above shall be made exclusively on a reimbursement basis. Notwithstanding the foregoing, the Parties also acknowledge that an overpayment of the Funds may occur due to good-faith errors, oversights, and unforeseen circumstances beyond the control of either Party. Accordingly, within ten (10) days of receiving any notice from one Party to the other that an overpayment of the Funds is alleged to have occurred, the Parties shall use good-faith efforts to identify and confirm the amount of the Funds that were overpaid by MDC to UTPB. Upon the Parties' confirmation that Funds are in fact overpaid and the amount thereof, UTPB shall either: (i) immediately submit a written request to apply such overpaid Funds to a subsequent renewal or extension of this Agreement, which Funds shall be subject to the same terms and conditions contained herein; or (ii) repay such remaining Funds to MDC within thirty (30) days following the termination or expiration of this Agreement. If UTPB elects to submit a request to apply such remaining Funds to a subsequent renewal or extension of this Agreement, MDC may consider such request and notify UTPB of its decision within thirty (30) days of MDC's receipt of UTPB's request. If MDC refuses the request or fails to render a decision within said 30-day period, then UTPB shall be required to repay the remaining Funds to MDC within thirty (30) days following the termination or expiration of this Agreement. This Section shall survive the termination of this Agreement.

[Signature Pages Follow]

The Parties have caused this Agreement to become effective as of the first date referenced above.

MIDLAND DEVELOPMENT
CORPORATION

P. Lourcey Sams, Chairman

ATTEST:

Elvie Brown, 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 _____ 2025,
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
_____, 2025.

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, when feasible.
5. Including a reference to the Midland Entrepreneurial Challenge and the City of Midland's support of this new program in press releases and live or prerecorded media soundbites, when feasible.



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**

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.....	6
1.0 Introduction	6
2.0 About the Challenge	7
3.0 Eligibility Requirements.....	7
4.0 Application Process	8
5.0 Seminars	9
6.0 Schedule of Events	9
7.0 Judging of the MEC.....	10
8.0 Basics of Receiving the Award Money	13
9.0 Accountability for the Winners	14
10.0 Marketing for the MEC	15
Midland Entrepreneurial Challenge Proposal for 2025-2026.....	18
Budget Overview	18
Budget Justification	18
Previous Midland Entrepreneurial Challenge Winners	21
2024-2025	21
2023-2024	23
2022-2023	23
2021-2022	23
2020-2021	23
2019-2020	23
2018-2019	23
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. The LaunchPad, a student-driven entrepreneurship network, has provided tools, mentorship, and entrepreneurship opportunities for UTPB 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.

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

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.
- ✓ The business owner(s) must participate in the program, not employees, consultants, or contractors.
- ✓ Businesses must have less than 15 full time equivalent (FTE) employees to participate in the program.

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
9/2/2025	6 – 7:30 PM	Orientation
9/3/2025	6 – 7:30 PM	Orientation
9/4/2025	6 – 7:30 PM	Orientation
9/5/2025	9:00 AM	Registration Opens
9/7/2025	5:00 PM	Registration Deadline
9/8/2025	10:00 AM	Randomized Selection – 50 Businesses Notified via Email
9/23/2025	6 – 7:30 PM	SEMINAR: Developing the Pitch (SBDC)

10/1/2025		Target Deadline for Judge Recruitment
10/7/2025	6 – 7:30 PM	SEMINAR: Preparing a Business Plan, Part 1 (SBDC)
10/21/2025	6 – 7:30 PM	SEMINAR: Preparing a Business Plan, Part 2 (SBDC)
10/22/2025	9:00 PM	Deadline for Pitch Sheets
11/4/2025	6 – 7:30 PM	SEMINAR: Marketing (Armic Systems) + Past Winner Panel
11/18/2025	6 – 7:30 PM	SEMINAR: City of Midland Resources (MDC) + MEC Mixer
11/19/2025		Pitch Score Cards received from Judges
11/21/2025		Advancing Businesses Notified
12/2/2025	6 – 7:30 PM	SEMINAR: Business Structure & Intellectual Property (SBDC & OIC)
12/11/2025	9:00 PM	Business Plans Due
1/6/2026	6 – 7:30 PM	SEMINAR: Lender Seminar (Bank TBD)
1/20/2026		Business Plan Score Cards received from Judges
1/22/2026		Final Round Businesses Notified
1/27/2026	6 – 7:30 PM	SEMINAR: Preparing for the Final Presentation (UTPB)
2/3/2026	10 AM – 4 PM	Final Presentation to Judges
2/4/2025		WINNERS NOTIFIED!
TBD	7 – 9 PM	Award Ceremony (Location: Rea Greathouse – WNPAC)

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*

<u>The Business</u> <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 	<u>Product/Service</u> <ul style="list-style-type: none"> • Description of each product/service • What problem will it solve? • How does it benefit customers?
<u>Marketing</u> <ul style="list-style-type: none"> • Target market • Competitive environment • Distribution strategy • Pricing strategy • Promotion strategy • Positioning strategy 	<u>Management</u> <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.

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.

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 Annual Reporting Requirements

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. So long as the winners are following these guidelines for receipt of the

award monies, the MEC winners are only required to provide the following on an annual basis for five (5) years to the MEC Program Coordinator at UTPB:

- ✓ Income and balance statements (and loan payment receipts if applicable)
- ✓ Current number of employees
- ✓ Any business expansion or additional locations
- ✓ Any additional funding or financing

9.2 Reporting Requirement Deficiencies

If the winners fail to provide any of this information on an annual basis or are otherwise not following these guidelines for receiving award monies, UTPB may require the winner to submit the same information on a biannual basis in order to follow their progress more carefully.

9.3 Midland Presentation

At any time during the five (5) 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.

9.4 Violation of Terms

If the business fails to adhere to the requirements listed herein, 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 160 individuals signing up to attend one of the 3 orientation sessions which is the maximum number of registrations we can accommodate based on seating at the orientation venue, so the orientation sessions were completely full. This resulted in **59** registered businesses, with 50 businesses being admitted into the program and 9 making it onto the waiting list.

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

Social Advertising:

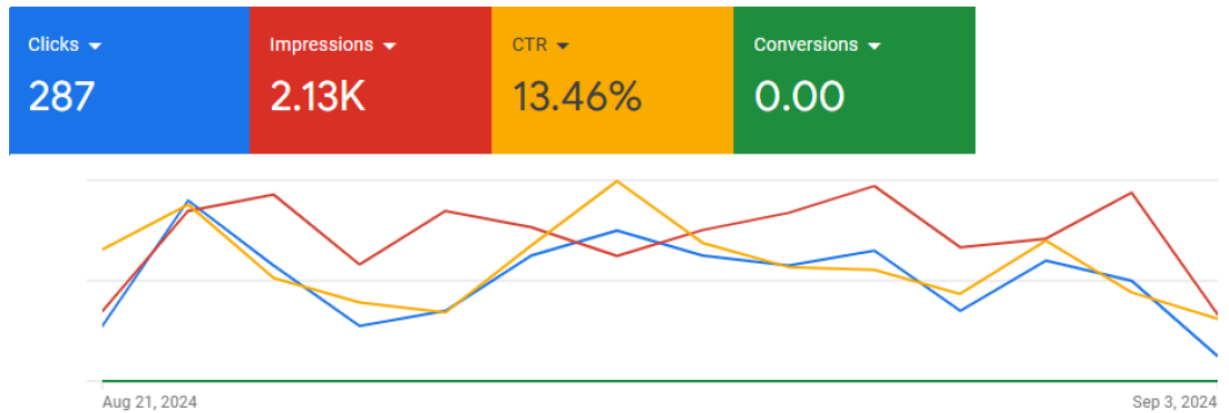
The social campaign targeted Midlanders interested in business planning, startups, small business ownership, and/or entrepreneurship.

- Link Clicks: 5,407
- Impressions: 666,481
- People Reached: 80,116
- Reactions: 140
- Comments: 6
- Shares: 30

Google Ads Search

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

- Clicks: 287
- Impressions Delivered: 2,132
- Click-Through Rate: 13.46% (*over 4X 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 word of mouth with internet-based marketing efforts such as Facebook and Instagram coming in second.

Midland Entrepreneurial Challenge Proposal for 2025-2026

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:	\$25,000
Program Operations:	\$30,000
Marketing:	\$6,000
TOTAL:	\$561,000

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 for 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
TOTAL:	\$25,000

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, alcohol¹, 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

¹ Alcohol is only purchased and provided at the awards ceremony and no other events associated with the MEC.



Awards Ceremony Decorations	\$3,000
Awards Ceremony Event Venue	\$3,900
Awards Ceremony Food	\$5,600
TOTAL:	\$30,000

Marketing

We plan to utilize Armic Systems for the marketing campaign for the 2025-2026 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)	\$2,536
Google Ads	\$1,350
Targeted Display Ads	\$864
TOTAL:	\$6,000

Previous Midland Entrepreneurial Challenge Winners

2024-2025



**Flourish Speech
Therapy**



Pearl Head Spa





**AnnGee's Barber
Academy**



KidTown Daycare



I'd Rather Bake



2023-2024

- MORPH Health Optimization Center
- Pachuco'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

To Whom it May Concern:

My name is Stacy Livingston, and I'm the founder of Midland AF, a digital platform built to help locals and visitors discover where to eat, what to do, and how to experience the best of Midland. I'm also a past participant—and winner—of the *Midland Entrepreneurial Challenge*, and I'm writing today to express my strong support for continued funding of this important program.

When my family first considered a move to Midland, I found very little online that helped me visualize what life there might be like. There was no centralized hub for discovering local businesses, culture, or events, but one thing *did* stand out: the *Midland Entrepreneurial Challenge*. It was one of the only signals I saw that the city was investing in innovation. And I remember thinking, "*If Midland is offering something like this, maybe this is a place I can get behind.*"

This lack of resources and a hope to bring more positive light to the way Midland was viewed led me to create Midland AF, now the go-to resource for discovering what's happening each week in our city. Since moving here in 2019, I've seen firsthand the rise of a "let's build it ourselves" mindset. People are more willing than ever to create what they want to see, rather than just complain about what's missing. (Of course, the complainers will always exist. But they don't build the future, entrepreneurs do.)

I've participated in the *Midland Entrepreneurial Challenge* twice—ultimately winning the second time—and I can say with certainty: the value of this program goes far beyond the prize money. It offers a space to test ideas, get feedback, "fail fast" if needed, and refine a path forward. It introduces business owners to critical resources, such as the SBDC, that they may have never discovered otherwise.

Programs like this are essential to building a more sustainable and diversified economy in Midland. They provide not only capital but momentum, giving entrepreneurs a reason to take that first step and setting a little more fire to their existing visions. The value isn't just in the winners. It lies in every founder who puts their idea into motion because the challenge gave them a reason to try. Without that push, many of these businesses, some of which are now cornerstones of our local economy, might never have started. Winning is beside the point.

I strongly urge you to continue funding the *Midland Entrepreneurial Challenge*. It's not just a grant, it's a catalyst for entrepreneurial growth, economic diversification, and the kind of Midland we all want to help build.

Sincerely,
Stacy Livingston

Founder, Midland AF – The go-to resource for events, small businesses, and local culture
Founder & President, Livlen Media – Marketing and digital strategy for community-minded brands

President, Interim-Executive Director, & Advocate, Midland Art Crawl 501(c)3–
Championing local arts, creativity, and cultural growth

Owner, Brunson Bungalow & Slope & Sage Hideaway – Locally operated short-term rentals investing in hospitality and placemaking

Date: June 10, 2025

To MDC Board Members and City Council:

I am writing to express my strong support for the Midland Entrepreneurial Challenge (MEC), a valuable initiative that has made a significant positive impact on our local business community.

Having served as a judge for the competition during the 2022-23 cycle, I witnessed firsthand the challenge's ability to inspire innovation, foster entrepreneurial spirit, and create tangible opportunities for economic growth. The program provides essential support to aspiring entrepreneurs and small businesses, helping them develop viable business models that contribute to job creation and the overall vitality of Midland's economy.

On a personal note, I continue to support the businesses presented during my term as a judge, including purchasing athletic gear (Midland Athletic Company) food (Central Bites) and entertainment (The Tailgate). Recently, the CEO of Toya's Precious Jewels told me recently at the Sewell Leadership Academy that the support and funding of the MEC was crucial to their business. Finally, I have had more recent contestants reach out to me for advice concerning their company and pitch, expressing how critical support and funding would be to their business.

The MEC not only empowers local businesses but also encourages ongoing investment in our community's future. I wholeheartedly endorse the continued funding and support of this program and believe it will play a key role in driving sustainable economic development in Midland.

Thank you for your consideration.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Ben Friedman', with a stylized flourish at the end.

Benjamin K. Friedman, CFA, CPA

Executive Vice President

Chief Financial Officer

RK Supply

11400 West County Road 30 Midland, TX 79705

June 17, 2025

To whom it may concern,

Participating in the Midland Entrepreneurial Challenge was one of the most impactful experiences I've had as a business owner. While I was incredibly honored to be selected as a winner, I can honestly say that the value of the experience went far beyond the financial support.

The coaching, resources, and relationships I gained through the MEC helped me grow as an entrepreneur in ways I couldn't have anticipated. It gave me the confidence, tools, and community I needed to scale my business, hire new employees, and pursue long-term goals with clarity and momentum.

Even if I hadn't won, the experience alone would have been worth it. I now encourage every small business owner I meet to apply. It's rare to find a program that not only believes in small business but actively invests in our success.

I'm proud to live in a city that pours time, energy, and funding into its local entrepreneurs. Programs like MEC are what set Midland apart—fostering innovation, strengthening our local economy, and building a future we can all be proud of.

Thank you for continuing to support and champion the Midland Entrepreneurial Challenge.

With gratitude,

Natalie Nolen

Owner, Pearl Head Spa & Rhea Lana's of Midland Odessa

To whom it may concern:

I would love to express my support for the Midland Entrepreneurial Challenge. Our journey with the Midland Entrepreneurial Challenge was awesome both times. It was not just for the funding, but also the education and the experience.

The Challenge allows businesses to create jobs that help the economic growth of Midland. It educates the business owners going through the process that lasts a lifetime. Like the saying goes, "Give a man a fish and you feed them for a day, teach a man to fish and you feed him for a lifetime." I would recommend continuing this program to better the growth and encourage small businesses in the future for Midland, TX.

Thank you for your time,

AnnGee's Barber & Cosmetology Academy

Midland Development Corporation

Midland City Council

Dear Sirs/Madams,

I am the owner of I'd Rather Bake, a local business located here in Midland. I have been in business for almost four years now, and each year have experienced significant growth in both my retail business and the wholesale arm of my business. I am also a 2025 recipient of funding from the Midland Entrepreneurial Challenge.

I'd Rather Bake was granted \$150,000 to help my business grow and flourish. So far I have been able to acquire new equipment and build out more space, doubling my storage capacity. This had been hindering the growth of my business. I had to decline opportunities weekly due to lack of capacity in both space and equipment. I can now also expand my product line and produce my goods with much higher efficiency. I am planning to open a second storefront here in Midland as well, expanding my reach.

The knowledge and support I gained while proceeding through the stages of the Challenge have been of great value. I learned about formulating and following a solid business plan/financials, legal nuances, and have become much more familiar with our market intricacies here in the Permian Basin. I am now a more informed and educated owner of I'd Rather Bake, positioned to keep my business healthy and thriving far into the future.

The Midland Entrepreneurial Challenge is such an asset to our community, and I thank you for your support of our local businesses!

Sincerely,

Sarah Babbel

Owner, I'd Rather Bake, LLC

Stephanie Martin

432-934-4734

stephanie@centennialparkmidland.org

June 15, 2025

To whom it may concern:

I am writing to express my enthusiastic support for the Midland Entrepreneurial Challenge (MEC) and to encourage the continuation of funding and community investment in this important initiative.

As a former judge who has witnessed the tangible impact of the MEC—both through its support of local businesses and its role in cultivating a stronger entrepreneurial ecosystem—I can attest to the value it brings to our city. The challenge not only empowers aspiring entrepreneurs but also drives economic growth, fosters job creation, and strengthens the vibrancy of Midland's business community.

The long-term benefits of the MEC are clear: by investing in small businesses and innovative ideas, we lay the groundwork for a more resilient, diversified economy.

Continued support for this program is not only a vote of confidence in our entrepreneurs but also an investment in the future prosperity of our city.

Thank you for your commitment to initiatives that build a stronger Midland. I hope you will consider ongoing support for the Midland Entrepreneurial Challenge and the many individuals and businesses it serves.

Sincerely,

A handwritten signature in dark ink, appearing to read 'Stephanie Martin', with a stylized, flowing script.

Stephanie Martin

June 11, 2025

Midland Development Corporation
Attn: Board Members and City Council
P.O. Box 608
Midland, TX 79702

To Whom It May Concern

I am writing to express my full support for the continuation and funding of the Midland Entrepreneurial Challenge (MEC). As the owner of Typickle Pickles, a local food business that has grown from scratch here in Midland, I have seen firsthand how essential programs like MEC are to small businesses and to the economic health of our city.

Midland thrives when its entrepreneurs are equipped with the tools and support to succeed. The MEC provides more than just funding. It offers mentorship, structure, and belief in our community's potential. That kind of investment creates lasting impact. It helps businesses open storefronts, create jobs, and build brands that reflect the spirit of Midland.

For many of us, MEC is not just a program. It is a launchpad. Continued support and funding will ensure more entrepreneurs are empowered to contribute to our local economy in meaningful and sustainable ways.

I strongly urge the MDC Board and City Council to continue backing this important initiative. Our city is better when we believe in its builders.

Thank you for your time, your leadership, and your investment in Midland's future.

Sincerely,

Tyler Brawley
Owner, Typickle Pickles
2409 N. Big Spring St Suite B
Midland TX 79701
(432) 274 2976
Tyler@typicklepickle.com



(432)363-5422
rfonseca@flourishspeechtherapy.com
www.flourishspeechtherapy.com

6/16/2025

Midland Entrepreneurial Challenge

Dear Midland Entrepreneurial Challenge Board,

I am writing to express my deepest gratitude for the incredible impact the MEC has had on my business, Flourish Speech Therapy. Being part of the MEC program was a transformative experience, and winning the \$75,000 award has opened doors I never imagined possible.

Through MEC, I gained not only essential funding, but also critical business skills that have made me a more confident and capable business owner. The program's guidance, mentorship, and educational opportunities have helped me refine my business model, improve operations, and build a stronger foundation for sustainable growth.

Winning the MEC and receiving the financial support allowed me to invest directly into the development of Flourish Speech Therapy—expanding services, strengthening our infrastructure, and reaching more clients across the Permian Basin. As a result, we've already seen measurable growth and are now able to provide even higher-quality speech therapy services to those who need them most.

MEC has not only accelerated the success of my company, but also empowered me to serve my community in more meaningful ways. I'm proud to be part of the network of entrepreneurs shaped by this incredible initiative.

Thank you for believing in my vision and for the continued support you offer to small business owners in our region. I hope and pray that the MEC continues for years to come. I have spoken to several local owners who are hoping to join the MEC this year!

With sincere appreciation,

Rebecca Fonseca M.S. CCC-SLP

Founder, Flourish Speech Therapy



Letter of Support for the Midland Entrepreneurial Challenge

To Whom It May Concern,

My name is Edward Mayberry, and I'm writing to express my strong support for the Midland Entrepreneurial Challenge (MEC) and to emphasize the powerful impact this program has had on our business, our community, and the local economy.

Thanks to the MEC, our organization has experienced significant growth. Because of our participation and success in the challenge, we have been able to employ 27 staff members and expand our high-demand childcare center to serve over 50 additional families in need. This growth has allowed us not only to create jobs but to meet a vital need for working families across Midland.

Beyond our personal success, we've also shared this opportunity with other local entrepreneurs—encouraging several friends and peers to apply. A few of them have also won and are now experiencing new levels of stability and growth in their own companies because of this program. The MEC has become more than just a competition—it's a catalyst for economic empowerment and generational change in Midland.

I understand the program is going before the Midland Development Corporation and the City Council for funding approval in early July. I respectfully urge you to continue supporting this invaluable initiative. Programs like the MEC help local visionaries turn dreams into real, job-creating businesses that make a lasting impact in our city.

I would be honored to speak on behalf of a program that has done so much for us and for others.

Sincerely,

Edward Mayberry
Board Chair, Toya's Precious Jewels Academy of the Permian Basin
432-638-3504

Income Statement

MIDLAND DEVELOPMENT CORPORATION
INCOME STATEMENT FOR THE 9 MONTHS ENDED
June 30, 2025

	Jun-25	YTD	Budgeted Amount
Revenue	\$1,376,288.36	\$11,318,621.09	\$14,976,644.00
40100 - State Sales Tax	\$1,276,629.36	\$10,011,442.08	\$14,000,000.00
40600 - Public ROW Use Fees	\$0.00	\$4,823.00	\$0.00
43000 - Interest	\$0.00	\$163,500.00	\$0.00
43010 - Interest - Nonpooled Invest	\$0.00	\$308,480.28	\$0.00
47005 - Government Contributions	\$0.00	\$0.00	\$0.00
46190 - Miscellaneous Rentals	\$99,659.00	\$823,843.00	\$976,644.00
48480 - Reimbursement of Budget Exp	\$0.00	\$6,532.73	\$0.00
49112 - Incr/Decr In Fair Value of Inv	\$0.00	\$0.00	\$0.00
4235150 - Midland Dvlpmt Corp Revenue	\$1,376,288.36	\$11,318,621.09	\$14,976,644.00

Expense	\$2,560,026.58	\$9,945,288.34	\$14,976,644.00
51010 - Base Salary	\$22,937.39	\$266,899.52	\$408,238.00
51090 - Fica MDC Portion	\$1,754.72	\$19,577.13	\$32,976.00
51110 - Health Insurance	\$1,323.07	\$17,275.90	\$41,100.00
51135 - ACCE Profit Sharing	\$0.00	\$6,604.02	\$26,127.00
52010 - Office Supplies	\$913.42	\$7,540.14	\$6,500.00
52110 - Motor Vehicle Supplies	\$0.00	\$589.73	\$1,000.00
52115 - Minor Furniture & Fixtures	\$0.00	\$0.00	\$2,000.00
52155 - Minor Computer Hrdwre & Periph	\$0.00	\$3,089.47	\$5,000.00
52160 - Computer Software & Supplies	\$649.50	\$19,713.54	\$40,000.00
52620 - Postage	\$0.00	\$204.51	\$700.00
53010 - Communication	\$1,104.98	\$10,264.78	\$17,000.00
53030 - Light & Power	\$7.64	\$75.28	\$150.00
53110 - Insurance-External	\$0.00	\$12,766.12	\$150,000.00
53212 - Equipment Rental-External	\$334.98	\$2,679.84	\$5,000.00
53220 - Advertising	\$17,276.15	\$232,268.27	\$300,000.00
53370 - Grounds Maintenance	\$2,650.70	\$21,077.70	\$50,000.00
53405 - Software Maintenance	\$1,777.74	\$15,999.66	\$20,000.00
53440 - External Audit Fees	\$140.00	\$34,500.04	\$45,000.00
53450 - Consulting Fees	\$26,041.67	\$261,095.42	\$500,000.00
53510 - Travel & Entertainment	\$159.61	\$13,394.08	\$15,000.00
53520 - Dues & Subscriptions	\$2,174.28	\$15,554.61	\$20,000.00
53530 - Training,Registration Fees,Etc	\$0.00	\$772.00	\$10,000.00
53905 - Economic Development Incentive	-\$1,592,498.28	\$2,211,892.90	\$6,246,827.00
53907 - Business Recruitment & Retentr	\$2,167.85	\$102,689.13	\$120,000.00
53909 - Prior Year Committed Incentives	\$4,022,314.00	\$4,022,314.00	\$4,251,988.00
53920 - Rent	\$6,118.26	\$54,833.19	\$71,466.00
54010 - Building Maintenance	\$5,915.36	\$114,619.58	\$125,000.00
55120 - Maint. - Instruments & Appara.	\$145.87	\$3,881.07	\$2,000.00
56188 - MOTRAN	\$0.00	\$142,500.00	\$142,500.00
56202 - General Fund Services	\$35,617.67	\$320,559.03	\$427,412.00
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	\$1,000.00	\$316,000.95	\$1,400,000.00
57000 - Capital Land Purchases	\$0.00	\$1,584,556.73	\$0.00
57002 - Capital Improvements Other Than Buildings	\$0.00	\$79,500.00	\$0.00
57005 - Infrastructure	\$0.00	\$30,000.00	\$0.00
235235 - Midland Development Corp	\$2,560,026.58	\$9,945,288.34	\$14,976,644.00

June 2025 Net Income: **(\$1,183,738.22)**

Year-to-Date Net Income: **\$1,373,332.75**

Balance Sheet

MIDLAND DEVELOPMENT CORPORATION
BALANCE SHEET FOR THE PERIOD ENDED
June 30, 2025
(Used for Internal Purposes Only)

ASSETS

Current Assets

Cash and cash equivalents	38,040,317	
Investments	5,961,285	
Sales tax receivable	-	
Prepaid expenses	134,721	
Accounts receivable	83,500	
		44,219,823

Non-Current Assets

Capital Assets, net	26,432,611	
Forgivable Loans		
Made to Primary Government	-	
Made to Other	6,579	
Total Forgivable Loans	6,579	
		26,439,190

Total Assets \$ 70,659,013

LIABILITIES AND NET POSITION

Liabilities

Accounts payable	184,417	
Retainage Payable	130,200	
Capital Leases payable	523,818	
Commitments payable		
Due within one year	7,303,025	
Due in more than one year	59,239,943	
Total Commitments Payable	66,542,969	
		67,381,404

Net Position

Net investment in capital assets	26,432,611	
Restricted for Forgivable Loans	6,579	
Restricted for Capital Leases	523,818	
Promotions	3,099,079	
Unrestricted	(26,784,478)	
		3,277,609

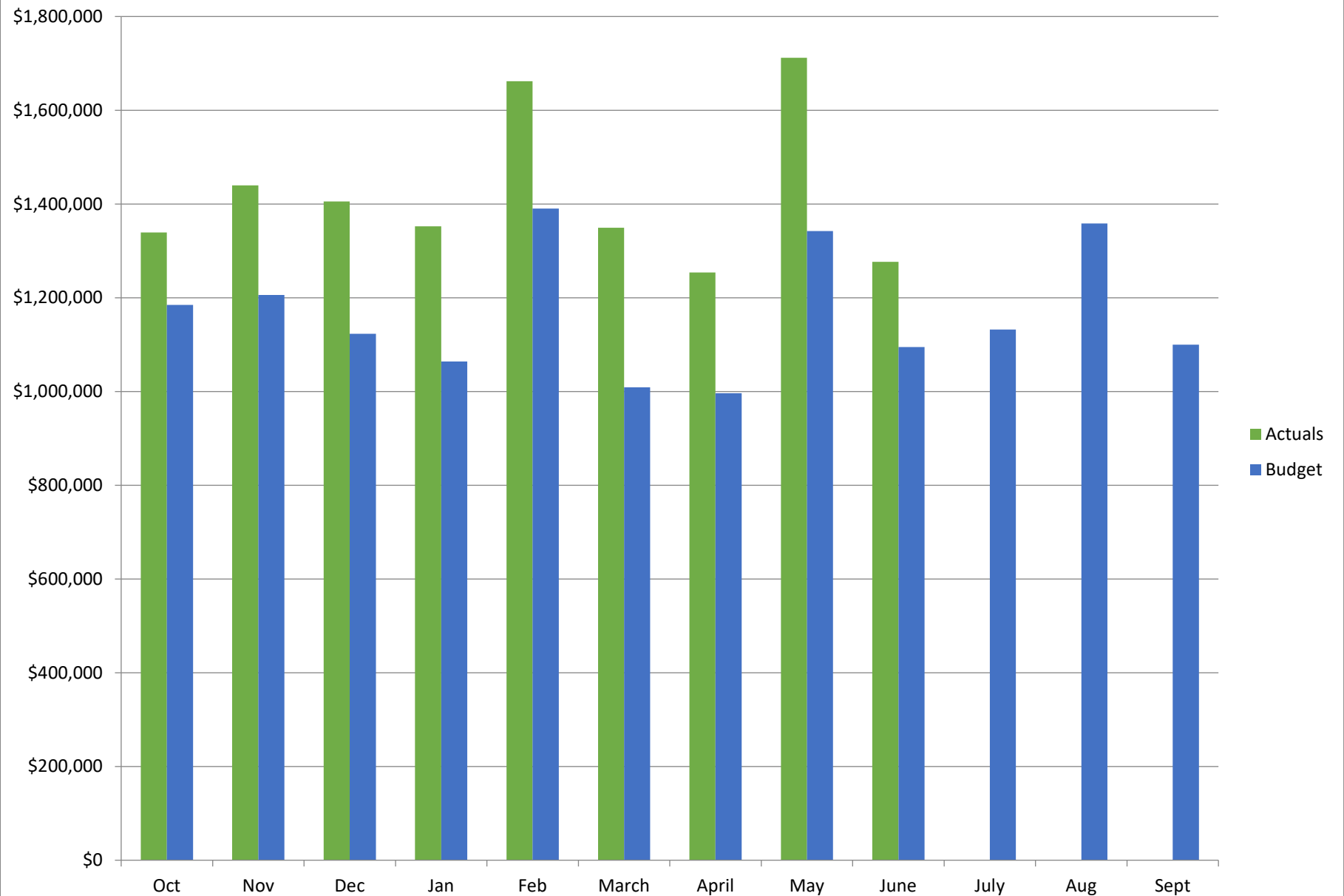
Total Liabilities and Net Position \$ 70,659,013

Sales Tax Revenue

Sales Tax Variance

	2022-2023	2023-2024	% Change	2023-2024	2024-2025	% Change	YTD Change
October	\$1,416,510.48	\$1,376,937.05	2.87%	\$1,376,937.05	\$1,339,067.34	-2.75%	-2.75%
November	\$1,364,595.51	\$1,526,083.42	-10.58%	\$1,526,083.42	\$1,439,817.92	-5.65%	-4.28%
December	\$1,380,834.52	\$1,363,408.12	1.28%	\$1,363,408.12	\$1,405,626.04	3.10%	-1.92%
January	\$1,358,336.22	\$1,290,650.15	5.24%	\$1,290,650.15	\$1,352,302.16	4.78%	-0.36%
February	\$1,649,985.00	\$1,673,418.77	-1.40%	\$1,673,418.77	\$1,662,116.28	-0.68%	-0.44%
March	\$1,344,612.50	\$1,191,145.36	12.88%	\$1,191,145.36	\$1,349,307.23	13.28%	1.50%
April	\$1,266,881.01	\$1,226,873.37	3.26%	\$1,226,873.37	\$1,253,723.43	2.19%	1.59%
May	\$1,597,917.80	\$1,474,708.24	8.35%	\$1,474,708.24	\$1,711,737.58	16.07%	3.51%
June	\$1,325,843.43	\$1,350,292.64	-1.81%	\$1,350,292.64	\$1,276,629.36	-5.46%	2.54%
July	\$1,395,392.32	\$1,404,616.05	-0.66%	\$1,404,616.05			
August	\$1,662,691.61	\$1,598,380.46	4.02%	\$1,598,380.46			
September	\$1,328,790.99	\$1,298,093.07	2.36%	\$1,298,093.07			
Annual Total	\$17,092,391.39	\$16,774,606.70	-1.86%	\$16,774,606.70	\$12,790,327.34		

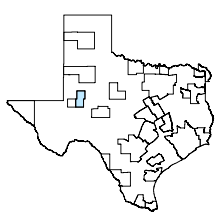
Sales Tax Actuals vs Budget Estimates



Activity Report

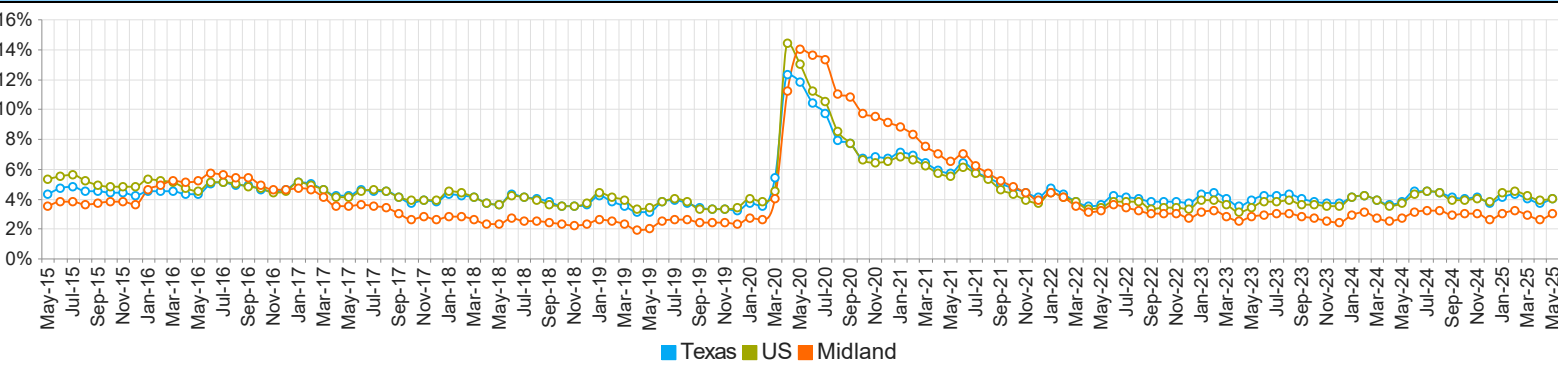
Midland MSA

May 2025

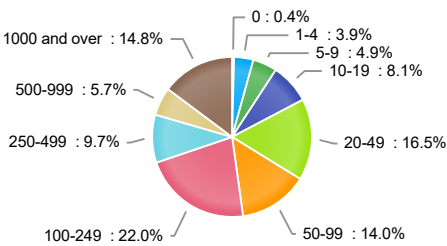


MSA Labor Force Statistics				
	May-25	Apr-25	May-24	Yearly Change
Civilian Labor Force	105,766	106,390	103,221	2,545
Employed	102,605	103,591	100,440	2,165
Unemployed	3,161	2,799	2,781	380
Unemployment Rate	3.0%	2.6%	2.7%	0.3%
Texas Labor Force Statistics				
	May-25	Apr-25	May-24	Yearly Change
Civilian Labor Force	15,826,370	15,922,902	15,501,676	324,694
Employed	15,194,230	15,334,895	14,913,510	280,720
Unemployed	632,140	588,007	588,166	43,974
Unemployment Rate	4.0%	3.7%	3.8%	0.2%
US Labor Force Statistics				
	May-25	Apr-25	May-24	Yearly Change
Civilian Labor Force	170,216,000	170,650,000	167,576,000	2,640,000
Employed	163,401,000	164,069,000	161,341,000	2,060,000
Unemployed	6,815,000	6,582,000	6,235,000	580,000
Unemployment Rate	4.0%	3.9%	3.7%	0.3%

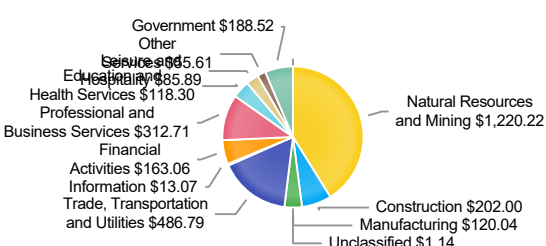
Historical Unemployment Rates



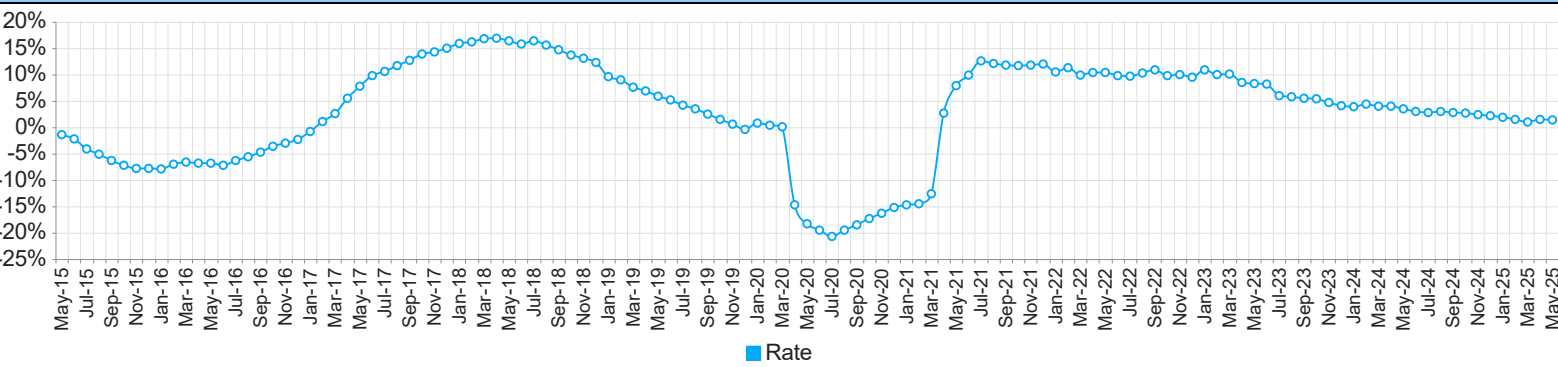
Employment by Size Class (4th Quarter 2024)



Wages by Industry (in millions) (4th Quarter 2024)



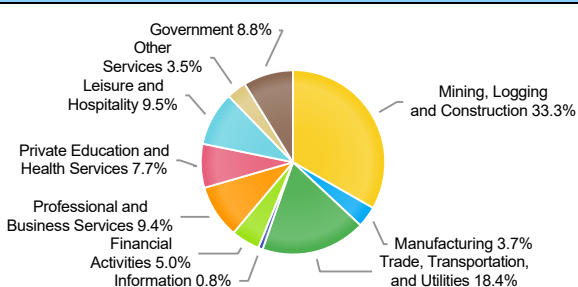
Annual Growth Rate Total Non-agricultural employment



Employment by Industry (May 2025)

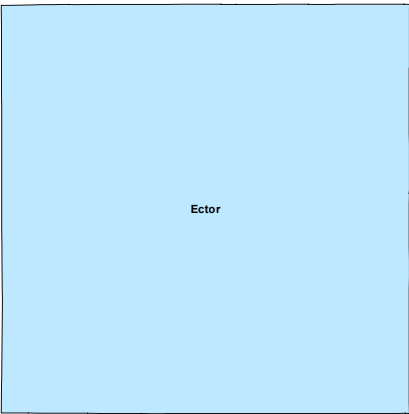
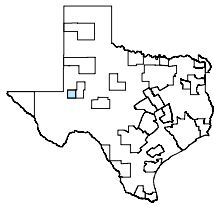
Industry	Current Month Employment	% Monthly Change	% Yearly Change
Total Nonfarm	126,900	0.1%	1.4%
Mining, Logging and Construction	42,200	-0.2%	0.5%
Manufacturing	4,700	0.0%	2.2%
Trade, Transportation, and Utilities	23,300	0.0%	1.7%
Information	1,000	0.0%	0.0%
Financial Activities	6,300	0.0%	1.6%
Professional and Business Services	11,900	-0.8%	0.0%
Private Education and Health Services	9,800	1.0%	3.2%
Leisure and Hospitality	12,100	1.7%	3.4%
Other Services	4,400	0.0%	0.0%
Government	11,200	0.0%	1.8%

Employment by Industry (May 2025)



Odessa MSA

May 2025



MSA Labor Force Statistics

	May-25	Apr-25	May-24	Yearly Change
Civilian Labor Force	88,129	88,582	85,966	2,163
Employed	85,028	85,813	83,222	1,806
Unemployed	3,101	2,769	2,744	357
Unemployment Rate	3.5%	3.1%	3.2%	0.3%

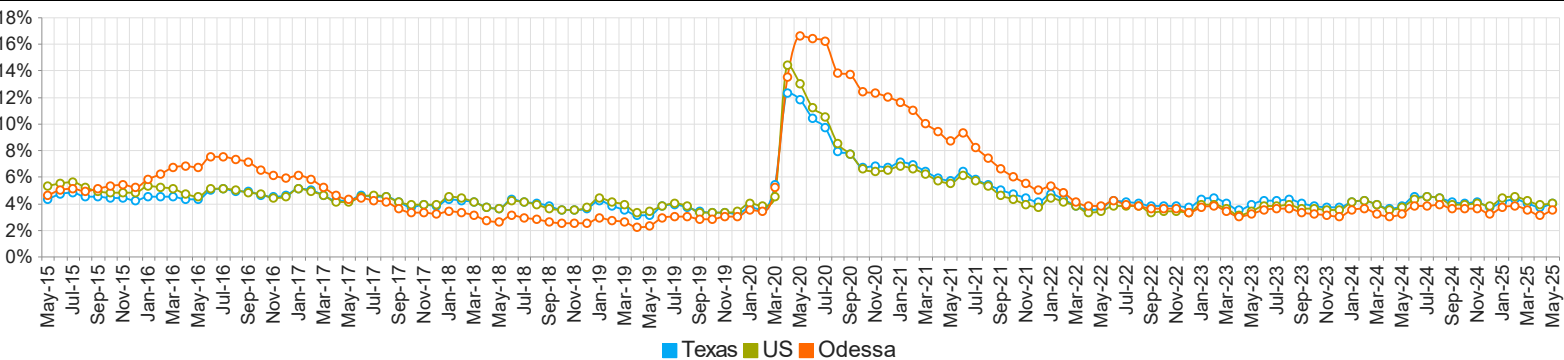
Texas Labor Force Statistics

	May-25	Apr-25	May-24	Yearly Change
Civilian Labor Force	15,826,370	15,922,902	15,501,676	324,694
Employed	15,194,230	15,334,895	14,913,510	280,720
Unemployed	632,140	588,007	588,166	43,974
Unemployment Rate	4.0%	3.7%	3.8%	0.2%

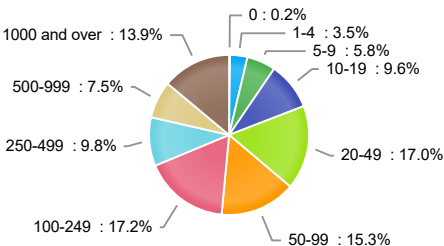
US Labor Force Statistics

	May-25	Apr-25	May-24	Yearly Change
Civilian Labor Force	170,216,000	170,650,000	167,576,000	2,640,000
Employed	163,401,000	164,069,000	161,341,000	2,060,000
Unemployed	6,815,000	6,582,000	6,235,000	580,000
Unemployment Rate	4.0%	3.9%	3.7%	0.3%

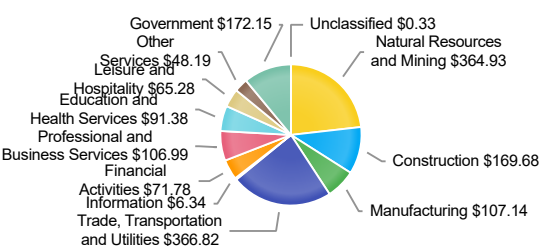
Historical Unemployment Rates



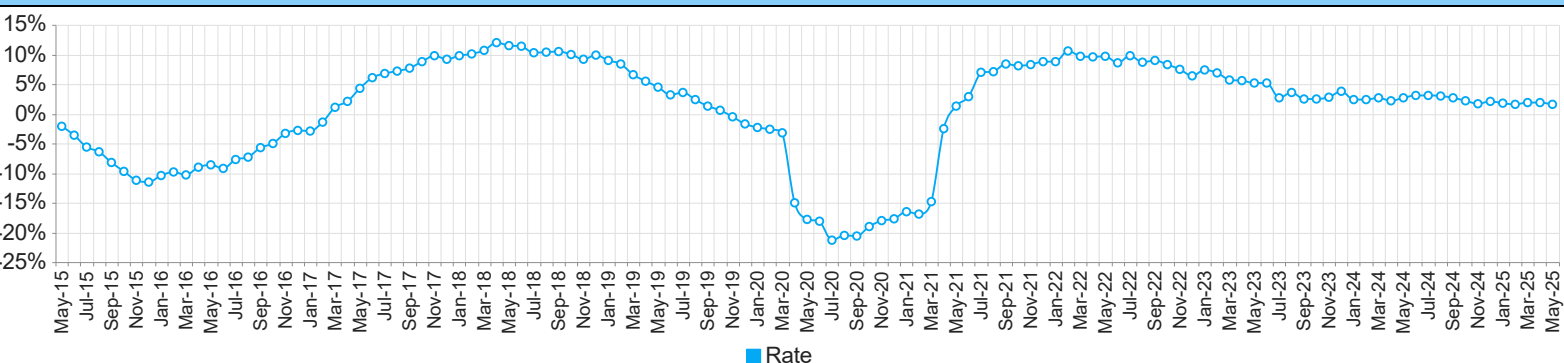
Employment by Size Class (4th Quarter 2024)



Wages by Industry (in millions) (4th Quarter 2024)



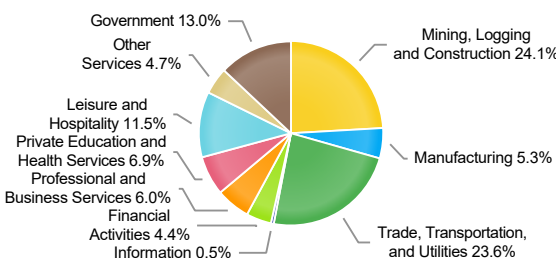
Annual Growth Rate Total Non-agricultural employment



Employment by Industry (May 2025)

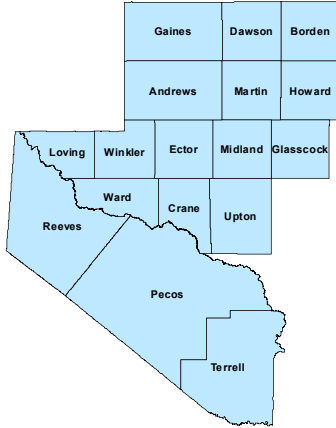
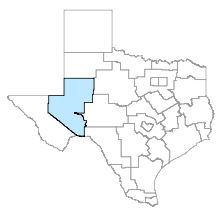
Industry	Current Month Employment	% Monthly Change	% Yearly Change
Total Nonfarm	84,400	0.1%	1.6%
Mining, Logging and Construction	20,300	0.0%	5.2%
Manufacturing	4,500	0.0%	2.3%
Trade, Transportation, and Utilities	19,900	0.5%	1.0%
Information	400	0.0%	0.0%
Financial Activities	3,700	0.0%	0.0%
Professional and Business Services	5,100	-1.9%	-3.8%
Private Education and Health Services	5,800	0.0%	1.8%
Leisure and Hospitality	9,700	2.1%	0.0%
Other Services	4,000	0.0%	0.0%
Government	11,000	-0.9%	0.9%

Employment by Industry (May 2025)



Permian Basin Workforce Development Area

May 2025



WDA Labor Force Statistics

	May-25	Apr-25	May-24	Yearly Change
Civilian Labor Force	262,579	263,957	255,256	7,323
Employed	254,168	256,456	247,731	6,437
Unemployed	8,411	7,501	7,525	886
Unemployment Rate	3.2%	2.8%	2.9%	0.3%

Texas Labor Force Statistics

	May-25	Apr-25	May-24	Yearly Change
Civilian Labor Force	15,826,370	15,922,902	15,501,676	324,694
Employed	15,194,230	15,334,895	14,913,510	280,720
Unemployed	632,140	588,007	588,166	43,974
Unemployment Rate	4.0%	3.7%	3.8%	0.2%

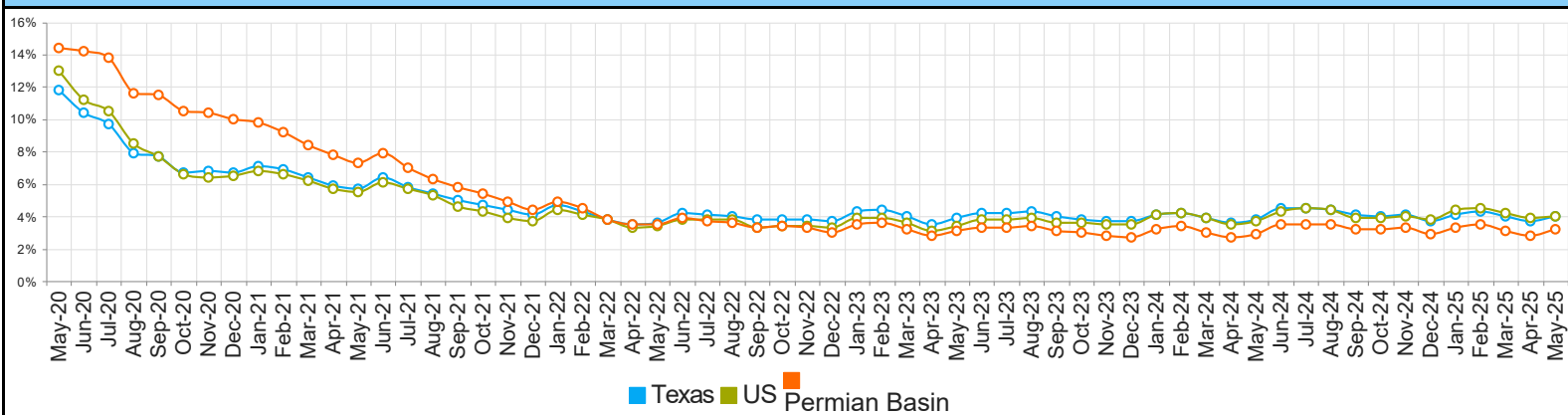
US Labor Force Statistics

	May-25	Apr-25	May-24	Yearly Change
Civilian Labor Force	170,216,000	170,650,000	167,576,000	2,640,000
Employed	163,401,000	164,069,000	161,341,000	2,060,000
Unemployed	6,815,000	6,582,000	6,235,000	580,000
Unemployment Rate	4.0%	3.9%	3.7%	0.3%

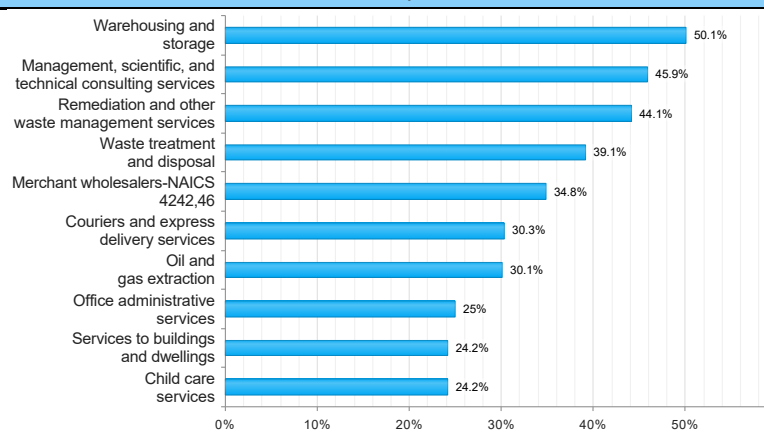
Continued Claims for the Week of the 12th

	May-25	Apr-25	May-24	Yearly Change
WDA	1,399	1,317	1,238	161
Texas	127,209	127,329	121,722	5,487

Historical Unemployment Rates



Projected Top Ten Fastest Growing Industries in WDA (% Growth 2022-2032)



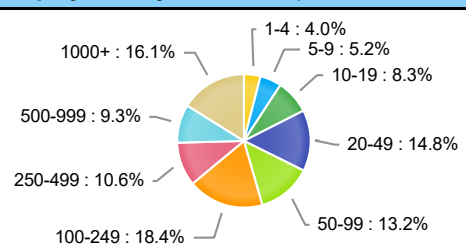
Average Weekly Wage (4th Quarter 2024)

	Q4 2024	Q3 2024	Q4 2023	Quarterly Change	Yearly Change
WDA	\$1,662	\$1,626	\$1,595	\$36	\$67
Texas	\$1,488	\$1,394	\$1,427	\$94	\$61
US	\$1,507	\$1,393	\$1,435	\$114	\$72

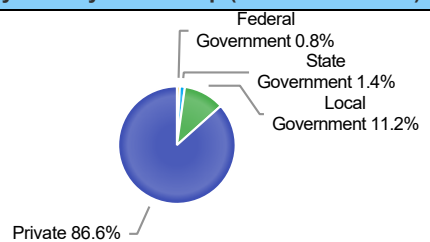
Employment by Industry (4th Quarter 2024, Percent Change)

Industry	Employment	% of Total	% Quarterly Change	% Yearly Change
Natural Resources and Mining	56,843	21.4%	-0.8%	2.1%
Construction	24,419	9.2%	0.5%	9.1%
Manufacturing	10,763	4.1%	-1.2%	0.7%
Trade, Transportation and Utilities	56,237	21.2%	1.2%	1.7%
Information	1,877	0.7%	-2.4%	-5.2%
Financial Activities	11,932	4.5%	0.4%	4.3%
Professional and Business Services	19,288	7.3%	0.7%	3.2%
Education and Health Services	43,284	16.3%	7.1%	3.7%
Leisure and Hospitality	26,221	9.9%	-2.3%	-0.7%
Other Services	7,635	2.9%	-0.6%	-0.1%
Public Administration	7,140	2.7%	-0.5%	2.1%

Employment by Size Class (4th Quarter 2024)



Employment by Ownership (4th Quarter 2024)



Employment by Industry (4th Quarter 2024)

