



**ODESSA DEVELOPMENT CORPORATION MINUTES
CITY OF ODESSA, TEXAS**

April 13, 2023

A regular meeting of the Odessa Development Corporation (ODC) was held on April 13, 2023, at 2:02 p.m. in the Council Chambers, 5th floor, City Hall, 411 W. 8th St. Odessa, Texas.

Members present: Jeff Russell, David Boutin, Ismael "Mikky" Navarrete, James Kirk, and Larry Robinson.

Members absent: Melanie Hollmann and Kris Crow.

Others present:

City Staff: Dan Jones, Interim City Attorney; Seth Boles, Controller; Christina Buhnerkempe, Legal Assistant; Celia Senoret, Deputy City Secretary; and

ODC Contractors: Tom Manskey, Chamber of Commerce; Tyler Patton, UTPB-SBDC; James Beauchamp, MOTRAN, Tracy Jones, Chamber of Commerce; Renee Earls, Chamber of Commerce; Christi Callicoatte, Current Media Partners; and Chris Walker, Black Chamber of Commerce.

Others, Peggy Dean.

A quorum being present, Mr. Russell called the meeting to order, and the following proceedings were held:

Mr. Boutin gave the invocation.

The Pledge of Allegiance and Texas Pledge were recited.

March 9, 2023 minutes. Motion was made by Mr. Boutin and seconded by Dr. Kirk to approve the minutes as corrected. The motion was approved by unanimous vote.

Contractors' reports: Economic Development Department - Odessa Chamber, Current Media Partners, Black Chamber of Commerce, UTPB-America's SBDC, MOTRAN, and City administrative support - financials. Mr. Manskey had discussions regarding evaluation practices used by ECAD. Discussion was regarding the terms of the contract during the five-year period. Mr. Russell stated that the grants were intended to build a tax base by expanding business and facilities in the city and the county. Mr. Boutin stated they were trying to determine grant based on a number that once begun to collect was lower than what was anticipated. The best way would be to research regarding grants that had been awarded based on buildings. It would help ODC determine awarded grant to assist. Mr. Manskey proposed a TEDC workshop. He would propose dates and the workshop could be four to six hours. Mr. Manskey stated there were no changes on the reports. He had conversations with representatives of Project Lithium. They were trying to visit with the Governor's Economic Development Office in Austin. He gave an update on Project Frost that had been approved and City had sent a contract. They had one change request that had been discussed. The contract was

ready to go to City Council's agenda. Mr. Manskey reported on partner visits, business retention expansion and the economic indicators. He reviewed there was an adjustment on jobs and finished out 2022 better with jobs. Social media had new followers.

Ms. Callicoatte met with the Economic Development staff. They met on website content and on the video that was started. They were working on a lot of things that were big projects. The website would take some time. She reviewed the website initial timeline. The soft launch of the website would be in June and the full website in August. Ms. Callicoatte had other things to update such as the industrial park maps and making sure that all resources were up to date on the site. On social media, they would start measuring different tactics. The video that was started last year will be ready at the end of this month. Mr. Russel asked what was the goal with this video. Ms. Callicoatte stated the intent of this video was a general overview about Odessa. This video would project a good view for economic development.

Mr. Walker stated that this month had been very productive. The numbers on social media were doing well. They were implementing an Instagram account. They did a snack and learned event to build membership on March 25. Bankers and some representatives from different organizations attended the event. They were approached by a daycare center, and they were looking for avenues to help. On March 23, they held small business workshop with SBDC. Black Chamber of Commerce of The Permian Basin were planning its second annual community cleanup. Mr. Walker had talked to some of the local businesses that had been through SBDC and completed the course. Not all the businesses met the criteria. They were not able to produce 22, 24, or 25 jobs. They brought out to the point if there was a way that funds could be set aside for smaller businesses. They were trying to fit them for some funding. He stated there were so many that ask for funding but could not find funding.

Mr. Patton reviewed the SBDC report. They had 224 counseling sessions. In March, the three seminars were SWAT Analysis, Access to Capital and Business Structure sponsored by BCCPB. In April they had two workshops, How to Create a Budget and Quick Book training. Forty-six people had registered. Four new businesses for the month. They were an oil change in auto mechanic shop, oilfield service company, cleaning service and an online boutique. Two of those companies were in Odessa. Capitalization for the month was \$1.6 million. Fourteen and a half new FTEs were spread out over eight companies. Small Business Week would be April 30 through May 5. They would have four events. One of the events would be Small Business Awards on May 1 at the Wagner Noel. And three other marketing workshops. He stated that the first quarter of this calendar year the number of clients was up by 20%.

Mr. Beauchamp stated that was looking at private business establishments in Midland and Odessa. There were 3,817 private businesses entities in Ector County. Seven percent of them were related directly to oil and gas. Fifty seven percent of the 3,817 were five employees or less. On April 28, MOTRAN was hosting a luncheon about hydrogen pipelines and CO2 pipelines in the area presented by Exxon Mobil pipeline companies. They had a meeting with TxDOT on the 158 corridor. That was an overlapping segment of I-14 and I-27 that would like to see moving along in the development phase. This was a portion from Sterling City back over Midland. The right of way in utility cost involved in upgrading that corridor coming into Midland was estimated at \$5.7 billion. The South Loop in Midland was completed. The importance of those projects, both impacted in Ector County for interstate access. A significant portion of 158 runs from Midland back over to West Odessa 302.

They were in discussions with Senator Cruz's office on the Ports to Plains Coalition. Legislation was filed that would designate the area as I-227 instead of I-27. They finalized submission of the \$5 million in marking the federal level for Interstate 20 reconstruction and expansion between 1300 in Midland County, JBS Parkway and Ector County. Mr. Russell asked the time frame for the I-20 expansion. Mr. Beauchamp stated that this portion would begin late 2023. Construction would be March or April of 2024 and estimated the project would stretch out about three years.

Mr. Boles reviewed the February financial report. Total revenues were \$30 million, total expenditures were \$3.2 million. He gave a breakdown that ties back to each of the individual investment summary and the statement revenue, expenditures, and changes in fund balance. Sales tax receipts were \$1.3 million in value interest of government pools. Money markets were \$12,244. Municipal bonds approved interest of \$14,504. Municipal bond interest received was \$50,793. There was a loss on investment of \$8,330. Total expenditures were \$2,254,209. A new investment was purchased a municipal security from the Connecticut State Tax. Sales tax collections for April were \$1,046,588 which was an increase of \$148,072 or 16.48% when it was compared to the same month last year. Total collected for fiscal year 2023 was \$8,228,665 or 25.88% when it was compared to the first seven months of the last fiscal year.

ODC Committee and officer reports: Partnership, Tax Incentive, Advertising, DOI Grants Design Review Board, Compliance and Legal Services Committee. Mr. Russell stated Partnership had a meeting last month. They had a good attendance. The school district nor the hospital attended the meeting. OC will have its grand opening for the downtown park in May. Judge Fawcett was working to put together a comprehensive full five-to-ten-year plan facilities with the county. The last Council meeting, the sport complex, seems to be proceeding and was looking very promising. Public private partnership provided some additional sports opportunities at a lower cost. Mr. Russell stated meetings would be schedule quarterly. Mr. Boutin stated that the Tax Incentive has not met yet for this year. Mr. Russell stated Advertising had not met; however, they had received regular updates from Ms. Callicoatte with Current Media. No report on DOI grants design review board or Compliance. Mr. Boutin stated there was no report on the Legal Services Committee.

Discuss and consider Project Fuse. Ms. Dean, Chairperson of Compliance Committee, reported on Project Fuse, Border State Industries. This project had been approved previously by ODC, a grant of \$970,660. It was going to retain 35 jobs, create ten new jobs and spend \$12 million. A revised application was submitted. They had reduced the retained jobs from 35 to 26, the retained salaries from \$1,000,865 to 1,000,290, the new jobs from ten to seven and the salaries on the new jobs from \$510 to \$342. They were still going to do the project, the \$12 million capital investment. Ms. Dean stated the matrix was revised to accommodate the lesser capital investment and the lesser salaries. This was a wholesale distributor of electrical construction, industrial, utility and data communications materials. They were constructing a new 30,000 square foot facility in South Odessa. The recommendation was the grant be reduced from \$970,660 to \$735,933 and pay over five years.

Motion was made by Mr. Boutin and seconded by Dr. Kirk to reduce the grant for \$735,933. The motion was approved by unanimous vote.

Discuss and consider Select Energy grant payment. Ms. Dean stated that the grant was for \$18,000,734.20 a year and it was the fourth year. There were some exceptions

to the compliance of the grant and there were some anomalies. Ms. Dean review the payroll hours. She stated that they used 1820 hours and came up with 290 FTEs. They had 120 more jobs with over a million dollars of less payroll. The Compliance Committee recommended since their salary dollars were 80% of what was required to pay 80% of their grant opportunity, which would take it from \$18,734 to \$14,987. She stated that their payment had been late, and their information was not turned in timely.

Motion was made by Mr. Boutin and seconded by Dr. Kirk to approve to pay 80% of the contract for the amount of \$14,987.36. The motion was approved by unanimous vote.

Resolution No. ODC-2023R-01 - Discuss and consider Glazer's Beer & Beverage grant payment. Ms. Dean stated that Glazer qualified for payment and recommended its payment. The audit was completed with no exceptions. The amount was \$226,998.20.

Motion was made by Dr. Kirk and seconded by Mr. Boutin to approve the payment. The motion was approved by unanimous vote.

Discuss and consider Project Flow. Ms. Dean stated that this was a manufacturer of fluid and expendables for plunger pumps and centrifugal pumps. They were buying a building to expand. They had sent a detailed tax return and information. They had eight people working and were going to add 22 people over the next five years. Ten were added in the first year, primarily mechanics. Ms. Dean stated that they need some direction to calculate what had been projected and figure out the payroll with all people at their projected rates at the end of five years period. Mr. Russell stated to revise some of the contracts. ODC goals were to increase the tax base on capital improvements. There was a consensus to send this item back to the Compliance Committee.

Resolution No. ODC-2023R-02 - Engagement letter for legal services with Brown & Hofmeister. Mr. Russell stated the Legal Department had reviewed the contract. Mr. Jones stated City Council would need to approve it.

Motion was made by Mr. Boutin and seconded by Mr. Navarrete to approve the resolution. The motion was approved by unanimous vote.

Mr. Robinson arrived at 3:39 p.m.

Tabled agreement for compliance consulting services with Whitley Penn. Mr. Russell stated the proposal was reviewed. The contract would be for compliance audit. The cost was \$6,500 per audit. Mr. Boutin recommended a modification to exhibit A regarding service approach and methodology. Mr. Boles stated the Finance Department had not met with Whitley Penn on the details and expectations. Mr. Jones stated Roger Tobar wanted to meet with Larry Fry. His recommendations were to table this item.

Motion was made by Mr. Boutin and seconded by Dr. Kirk to table the resolution. The motion was approved by unanimous vote.

Economic development agreement template. Mr. Russell proposed for Brown & Hofmeister to review the current economic development agreements using that as basis for any needed modifications, board training, educating on economic development general and specific issues. The goal was to get an improved template that can be used for future economic development agreements.

Resolution No. ODC-2023R-03 - Grant compliance procedures. Ms. Buhnerkempe stated this was to update the procedures and review the changes that would take place. One of the main changes were to remove the Legal Department from the process and assigned Finance Department.

Motion was made by Mr. Boutin and seconded by Mr. Navarrete to approve the resolution. The motion was approved by unanimous vote.

Close Session. None.

Citizen comments on non-agenda items. None.

Upcoming dates for future ODC Board meetings. Mr. Boutin had a conflict for the meeting on May 11. He suggested the meeting on May 18.

Motion was made by Mr. Boutin and seconded by Mr. Navarrete to move the next meeting to May 18. The motion was approved by unanimous vote.

Motion was made by Dr. Kirk and seconded by Mr. Navarrete to adjourn the meeting. The motion was approved by unanimous vote. The meeting adjourned at 3:47 p.m.

ATTEST:

APPROVED:

Celia Senoret
Deputy City Secretary

Jeff Russell
Vice President