



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

May 18, 2023

A regular meeting of the Odessa Development Corporation (ODC) was held on May 18, 2023, at 2:00 p.m. in the Council Chambers, 5th floor, City Hall, 411 W. 8th St. Odessa, Texas.

Members present: Melanie Hollmann, Jeff Russell, David Boutin, Kris Crow, and Larry Robinson.

Members absent: Ismael "Mikky" Navarrete and James Kirk.

Others present:

City Staff: Dan C. Jones, 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, Compliance Committee.

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

Mr. Russell gave the invocation.

The Pledge of Allegiance and Texas Pledge were recited.

April 13, 2023 minutes. Motion was made by Mr. Boutin and seconded by Mr. Robinson to approve the minutes as corrected. The motion was approved by unanimous vote.

Resolution No. ODC-2023R-04 – Accept ODC Compliance’s Committee’s recommendation of project noncompliance and approve a reduced fourth annual incentive payment to Select Energy.

Motion was made by Mr. Robinson and seconded by Mr. Boutin to approve the resolution. 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 reviewed the projects. He stated Project Nacero will be sending a letter requesting not to conduct an audit this year because they would not be requesting money. They realized that they had not fulfilled their obligation for this year. Project Lithium was trying to set a date with the Governor’s Economic Development office in June to meet with representatives of the

company. Project Seragio had a closed session meeting with the County Commissioners last week. This project was moving forward and had a positive discussion. Mr. Manskey reported on partner visits, economic indicators, and social media. They had a meeting on workforce with Odessa College and Texas Workforce. Mr. Boutin asked if there had been any difference on daily basis regarding the workload with different business in increased of activities. Mr. Manskey stated that had been an increased activity from inquiries through LinkedIn, one was Select USA, which was a program as part of Team Texas. The US Department of Commerce reached out to companies outside the US that have made an interest in expanding or establishing new operation in the United States. He had eight conversations during the week. Mr. Russell was concerned on accurate demographic information and how it was impacted. He stated the demographic data drives a lot of decision making. Mr. Manskey suggested to discuss at the Partnership meeting.

Ms. Callicoatte introduced Sarah Marton, who would be reporting on activities. The initial graphic design stage of the site was completed. The video from Neon Cloud was filmed. On social media, the numbers were climbing. panoramic graphics were done with the university, the college, and the hospital to include on the site. For the next month, they were reviewing publications. Digital media plans would be presented to the Advertising Committee. They would be starting to shoot testimonial video to update content for the new site. They were also working on some blogs that will start with the economic development.

Mr. Walker reported that the numbers on social media increased. They were on the process to start LinkedIn. They counseled with four entrepreneurs on the process to start a business and how to get financing. They held a workshop QuickBooks training, which was a free in-person event with SBDC. They sponsored a community cleanup event with 65-70 volunteers. On April 25, they hosted their first Town Hall meeting with four local leaders. They scheduled their first blood drive for July 8. Mr. Walker stated that they were ready for their 14th Annual Golf Tournament on July 14-15.

Mr. Patton reported for the month of April. There were 207 counseling sessions and 157 counseling hours. They presented two seminars: How to Create a Budget and a QuickBooks seminar with a total of 39 attendees. Total capitalization was \$518,131. They had a total of six workshops that included SBA Awards, a business plan workshop, marketing workshop and a financial projections workshop. There would be two intellectual property workshops. Both of those were partnership with the US Patent Trademark Office.

Mr. Beauchamp reported on the Transportation Commission. He handed out the first quarter data employment from the Texas Workforce Commission. Midland and Odessa lead the state as the highest percentage growth areas. Mr. Beauchamp reviewed the data and 2018 was the biggest increase of daily employment. During the pandemic, there were a drop in daily vehicle miles, and through the end of 2022 the numbers were up. Mr. Beauchamp reviewed data on the private business entities regarding economic sector diversification, employment by size and industry. Odessa was directly tied to mining, oil, and gas exploration. For Odessa diversification, as far as the overall business, was 7% whereas Midland was 15%. Mr. Beauchamp reviewed the business entity employment levels. Ector County had the retail trade and accommodation up above the healthcare. Mr. Crow requested information regarding traffic entering Midland from the East and how it increased going through Midland-Odessa. Mr. Beauchamp stated the traffic count out on I-20 ranged from 50,000 to 70,000 through Midland and

Odessa. There were higher traffic counts on both sides, 20,000 to 30,000 cars on either side and stretched from Big Spring back over to Pecos.

Mr. Boles presented the March financial report. Total assets were \$71,330,350. Revenues were \$1,840,715 and the actual year to date revenues were \$5,856,276. Total expenditures were \$400,423 and the total expenditures years to date were \$3,691,851. Sales tax receipts were \$1,242,674. Miscellaneous income was a refund from the Chamber for the contracted services of \$304,188. Changes in fair value and interest under government pools was \$217,666, CDs and CDARS were \$3,846. Savings and money markets were \$11,643. Accrued interest for municipal bonds were \$17,398. May sales tax collections for ODC was \$1,350,3795, that was an increase of \$167,137 or 14% when compared to May of 2022. The total collection for the year was \$9,502,459 that was an increase of 21% compared to the same time last year. Mr. Boles stated the budget calendar needed to be approved.

Motion was made by Mr. Boutin and seconded by Ms. Hollmann to approve the financial report and the budget calendar. The motion was approved by unanimous vote.

ODC Committee and officer reports: Partnership, Tax Incentive, Advertising, DOI Grants Design Review Board, Compliance and Legal Services Committee.

Mr. Crow stated Partnership would meet in June. Ms. Hollmann stated Tax Incentive met via email. They had good participation. They voted to approve two abatements. Mr. Russell stated Advertising met with Christi Callicoatte and reviewed the new website design that was looking good and were making good progress. Mr. Robinson stated there was nothing pending in Downtown Odessa. Mr. Boutin stated legal services was completed.

Tabled – Discuss and consider resolution approving agreement with GCC. Mr. Jones stated the contract was reviewed and was ready for approval. Mr. Boutin asked if it was applicable only to personal property, because the capital investment went as a market value. Mr. Crow explained that the grant was given based on their capital investment in the city and in the county. He suggested to change it to taxable investment. The main point was for companies to pay back into property taxes, into the system, and into the county to help further future development. Mr. Boutin stated that real property was the values that were in the tax roll appraised value and not depreciation. Mr. Crow stated the wording used for depreciation values of the Ector County Appraisal District will be deemed. Mr. Boutin suggested using different language that says that the company cannot challenge the appraised value. Ms. Hollmann stated that the company agreed to a preset depreciation schedule on tax value on the equipment, which might need to make equipment a defined term, and to any depreciated values of the Ector County Appraisal District. Mr. Boutin stated there were two types of capital investment, personal property and real property and may need to be distinguish. Mr. Russell stated that might need more discussion in terms of taxable value.

Motion was made by Ms. Hollmann and seconded by Mr. Russell to table the resolution. The motion was approved by unanimous vote.

Discuss and consider resolution approving redline agreement with Border States Industries. Mr. Jones spoke to Steven Wells and wanted to add upon the completion of the full investment payment on one half of the total grant to be paid, the full investment payment. Mr. Jones informed Mr. Wells that was not advisable, and the board would not approve. Mr. Jones stated the company agreed to 26 full time equivalent jobs and seven

full time jobs in the first year. Mr. Boutin would not be in favor if the company wanted the grant funds paid after two years. ODC wanted them to maintain the investment and payroll for five years at minimum.

Motion was made by Mr. Crow and seconded by Ms. Hollmann to deny the resolution. The motion was denied by unanimous vote.

Discuss and consider agreement with Standard Industrial Manufacturing. Ms. Dean recapped the discussion from the last meeting. She handed out a spreadsheet and explained the data. She stated the grant was for \$900,551. She reviewed the projections, base level of each year, and explained the different exercises if compliance was not met and penalization for not meeting the covenants in any given year. Ms. Dean talked to Tim Harry and said that there was no need to pay for the years that had not happened. According to his theory, it would have paid out in different amounts each year, which goes against what had normally been done. Mr. Boutin stated it further complicated the fact that if they do not meet the projection in the same year, it would be adjusted constantly on an annual basis. It was a lot more meaningful as opposed to them not creating all the jobs over a period of time. Ms. Dean developed a compliance sheet that dealt with the many employees projected at the end of the year and the percentage difference.

Motion was made by Ms. Hollmann and seconded by Mr. Robinson to approve the amended agreement not to exceed the total grant of \$900,551. The motion was approved by unanimous vote.

Resolution No. ODC-2023R-05 - Agreement and engagement letter for compliance consulting services with Whitley Penn. Mr. Jones stated that Roger Tovar agreed to change the proposal from Tarrant County to Ector County. The City of Odessa would be advising them to not enter any type of arbitration. Mr. Jones' recommendation was to strike the arbitration completely. Ms. Hollmann stated the contract was performable in Ector County, and there was no reason that jurisdiction should be anywhere but Ector County. She did not agree with the arbitration. Another change would be to add a place for interim city manager to sign on behalf of the city. Mr. Boles stated that the language was a general form language with arbitration and the reason they wanted Tarrant County was because that they were located in Tarrant County.

Motion was made by Ms. Hollmann and seconded by Mr. Boutin to approve for the engagement letter and the contract to match with Ector County, no arbitration, and waiver of jury trial. The motion was approved by unanimous vote.

Compliance monitoring report for Kaige Equipment provided by Weaver. Mr. Jones stated it was not sent to Compliance Committee. Ms. Hollmann stated that it needed to be sent to Compliance Committee and then bring to the board.

Motion was made by Mr. Crow and seconded by Mr. Russell to send it to Compliance Committee. The motion was approved by unanimous vote.

Discuss and consider monthly reporting requirements for ODC contractors. Mr. Crow stated that contractors were good on giving a report of their actions and activities. He would like to ease those requirements for an in-person meeting and have them quarterly. Mr. Russell stated it would be monthly written reports, and quarterly in person with the option to meet when needed.

Motion was made by Mr. Russell and seconded by Mr. Robinson for a monthly report and quarterly in person. The motion was approved by unanimous vote.

Close Session.

The board recess into Executive Session in compliance with Section 55.001 et. Seq. Texas Government Code in accordance with:

- a. Section 551.071. Consultation with Attorney.
- b. Section 551.072. Deliberation regarding real property: the purchase, exchange, lease or value of real property.
- c. Section 551.087. Deliberation regarding Economic Development negotiations.
 - i. Discuss and consider incentives for Project Ivory Tower.
 - ii. Discuss and consider incentives for Project Mission.

Motion was made by Mr. Russell and seconded by Mr. Robinson to recess for Executive Session under Section 551.087. The motion was approved by unanimous vote.

Motion was made by Mr. Boutin and seconded by Ms. Hollmann to return from Executive Session. The motion was approved by unanimous vote.

Reconvene into regular session and take any necessary action as a result of the closed session. No action taken.

Citizen comments on non-agenda items. Mr. Manskey was preparing the agenda for the meeting and to contact him if anything was needed.

Upcoming dates for future ODC Board meetings. The board members had a conflict for the meeting on June 8. It was suggested to move it for June 15 and to hold the Sales Tax Workshop for July 13.

Motion was made by Mr. Russell and seconded by Ms. Hollmann to hold the next meeting to June 15 and the Sales Tax Workshop on July 13. The motion was approved by unanimous vote.

Motion was made by Mr. Russell and seconded by Ms. Hollmann to adjourn the meeting. The motion was approved by unanimous vote. The meeting adjourned at 4:50 p.m.

ATTEST:

APPROVED:

Celia Senoret
Deputy City Secretary

Kris Crow
President