

**ODESSA DEVELOPMENT CORPORATION
CITY OF ODESSA, TEXAS
February 13, 2020**

A regular meeting of the Odessa Development Corporation (ODC) was held on February 13, 2020 at 2:00 p.m., in the Council Chambers, fifth floor, City Hall, 411 W. 8th St., Odessa, Texas.

Members present: Tim Edgmon, Gene Collins, Melanie Hollmann, David Boutin, Chris Cole; and Mayor David R. Turner, ex-officio.

Others present:

City Staff: Norma Aguilar-Grimaldo, City Secretary; Natasha Brooks, City Attorney; Robert Carroll, Assistant City Attorney; Cindy Muncy, Interim Assistant City Manager and Michael Marrero City Manager;

ODC Contractors: Craig Van Amburgh, CVA; Wesley Burnett, Economic Development; Tyler Patton, UTPB-SBDC; Bryan Bierwirth, UTPB-SBDC; and Kathy Vaughn, Chamber of Commerce; and

Others: Council member Tom Sprawls, and other interested citizens.

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

Mr. Collins gave the invocation.

January 9, 2020 minutes. Motion was made by Mr. Boutin and seconded by Mr. Cole to approve the minutes. The motion was approved by unanimous vote.

Contractors report: Economic Development: Odessa Chamber, CVA Advertising and Marketing, UTPB-America's SBDC, MOTRAN, and City Administrative support.

Mr. Burnett had ongoing projects and housing projects would be coming soon. There was no slowdown in activity. The Sabre Chemical was expanding. The OHFC housing project on 87th St. was moving forward. PSP approved \$6 million for the project. Mr. Collins asked about the business project of townhomes. Mr. Burnett stated that the program was created to assist with infrastructure to develop economic development. The goal of providing infrastructure grant was to target workforce housing. It was not specific to a business. The grant incentives assisted to buy down a home through infrastructure. Mr. Boutin stated with less expensive housing the buyer benefits.

Mr. Van Amburgh reported on January's advertising activity. The podcast ran featuring the community funding to the survivors, which received good feedback. Spirit of Odessa had segments on housing, education and local expansion. Investing at Home featured Bubba Saulsbury. Television spots continued to run on sports channels for business retention. It featured a testimony by Nick Fowler.

Mr. Patton reported on SBDC's January activity. January's capitalization was \$6 million, which was trending well. There were 200 counseling session and 215 counseling hours. Seminars were presented. Seminars included marketing and QuickBooks.

Mr. Bierwirth reported that the Business Challenge orientation had 89 attendees with 37 people signed up for the Challenge. There was an increase in numbers from last year. A workshop was held, as all the workshops were mandatory. The first round of

elimination was March 6. There was a \$350 fee to enter the competition. After the first round of elimination, the individuals eliminated would be referred to SBDC.

Discuss audit draft of ODC financials performed by Weaver and Tidwell. Greg Peterson, Weaver and Tidwell, stated that the audit was an unmodified report for Fiscal Year ending September 2019. He pointed out the financial narrative of the activity. He reviewed the balance sheet. He reviewed the assets and explained the prepaid items. There were \$8.1 million in contracts payables. He reviewed the itemized list for committed funds. A correction would be made on Summit as it was \$5 million. The investment income was \$1,441,461 with expenditures of \$10,976,106 with incentives of \$8,546,914. The investments were invested at low risk and conservative. There were no unfavorable variances with the budget and actual.

Motion was made by Mr. Boutin and seconded by Ms. Hollmann to approve the audit with the one correction. The motion was approved by unanimous vote.

City Administrative Support: Financials. Mrs. Muncy reported the December's financials. Total assets were \$58,737,616 with accounts payable to TxDOT and Odessa College of \$6,049,123. She reviewed the reserved short term and long-term commitments. The investment summary was reviewed.

Motion was made by Mr. Cole and seconded by Mr. Boutin to approve the finance report. The motion was approved by unanimous vote.

Consideration and possible action regarding newly drafted ODC bylaws. Mr. Carroll stated that the bylaws were reviewed in November. The bylaws included the requested clause of conflict of interest Section 2.10. Mr. Boutin asked about the Downtown Committee appointments. Mr. Carroll reported that there was no limit to the committee.

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

Resolution No. ODC-2020R-02 - Economic development agreement auditing and payment process and amend economic development agreements to reflect potential changes. Ms. Brooks stated that Section 4 was added regarding Compliance Committee procedures.

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

Discuss and possible action regarding Economic Development Agreement with Kaige Equipment, LLC. Mr. Burnett stated that Compliance reviewed the application. Eight jobs would be retained with six new jobs and a new building. The Compliance Committee recommended a \$318,000 incentive grant to be paid out in five years.

Motion was made by Ms. Hollmann and seconded by Mr. Cole to approve the Kaige economic development agreement. The motion was approved by unanimous vote.

Discussion and possible action regarding Tar Heel Holdings, LLC Housing Project and JARB Holdings, LLC Housing Project. Mr. Burnett stated that there were two companies with the same owners. One project was to provide townhomes and the other

was to provide single-family housing. The projects were reviewed by Compliance. The projects were in the city limits. The values needed to be certified. Ms. Hollmann stated that the projects followed the guidelines to incentives workforce housing.

Motion was made by Ms. Hollmann and seconded by Mr. Cole to approve the two projects.

Mr. Boutin asked about the reassurance of the buy down of cost to the end user. Mr. Burnett stated that the guidelines for the cost of the homes was \$130,000 to \$225,000. One of the obstacles was the high cost of infrastructure. Mr. Collins supported affordable housing but wanted to assure that the ODC followed the state statute. He stated that the housing fell under Type B. Mr. Burnett stated that the guidelines was for economic development of new developing enterprises. Ms. Brooks stated that the funds were used to pay for infrastructure as many other cities were doing. The funds were paid to the businesses. Ms. Hollmann called the question. Any business had the opportunity to build housing and apply for the funds under a certain amount. Mr. Burnett stated that the infrastructure development was for business enterprise.

The motion was approved by a 4-1 vote with Mr. Collins casting the nay vote.

ODC Committee and Officer Reports. Mr. Edgmon reported that the Partnership discussed the Juvenile Center and the memorial for August 31. The Sewell Auto Tech grand opening was February 27 at 5 p.m. Mayor Turner reported that KOB would furnish cigarette boxes through a grant program for the Downtown businesses, if businesses wanted the boxes. Mr. Collins stated that the Downtown merchants would be meeting on input for the Grant St. development. Mr. Edgmon suggested moving the March 12 meeting to March 17 for a joint meeting with City Council and to hear Dr. Perryman's economic development report. More information would soon be provided. The meeting adjourned at 2:58 p.m.

ATTEST:

APPROVED:

Norma Aguilar-Grimaldo, TRMC, CMC
City Secretary

Tim Edgmon
President