

PUBLIC NOTICE

**ODESSA DEVELOPMENT CORPORATION
BOARD OF DIRECTORS MEETING**

**City Council Chambers - City Hall, 5TH Floor
411 W. 8th Street, Odessa, Texas 79761**

Friday, May 1, 2020, at 10:00 a.m.

Odessa Development Corporation Meeting to be held with Social Distancing Guidelines

The Public can participate in the meeting by joining through www.webex.com.

Meeting link: <https://cityofodessa-pqj.my.webex.com/cityofodessa-pqj.my/j.php?MTID=me8db91ccb125e98b7842562ecd4e1f47>

By toll free phone number: 1-408-418-9388

Enter meeting number: 620 139 308

Password: Animal (264625 from touchtone phones and video systems)

In accordance with the Open Meetings Act, Chapter 551 of the Government Code of Texas, notice is hereby given to all interested persons that the Odessa Development Corporation will meet as set out above to consider the following items:

1. Invocation
2. Consider approval of Second Amended Economic Development Agreement with Permian Basin Food Bank, Inc. d/b/a West Texas Food Bank Wesley Burnett
3. Receive update on the Preserving the Permian Basin Energy Sector Structure and the Odessa Economy through the COVID-19 and Oil Supply Shock Challenges assessment Dr. M. Ray Perryman
4. Adjourn

This notice is being posted on the south door of City Hall and on the bulletin board of the first floor of City Hall, Odessa, Texas, on the City of Odessa's website www.odessa-tx.gov, and on the Odessa Development Corporation's website www.odessatex.com, this the _____ day of _____, 2020, at _____ .m., said time being more than seventy-two hours (72) prior to the time at which the subject meeting will be convened and called to order.

The meeting is available to all persons regardless of disability. Individuals with disabilities who require special assistance should contact the City Secretary's Office at 432-335-3276, or 411 West 8th Street, First Floor, Odessa, Texas, during normal business hours at least twenty-four hours (24) in advance of the meeting.

Norma Aguilar-Grimaldo, City Secretary

Wesley R. Burnett, CEcD, MPA
Odessa Development Corporation
Director of Economic Development
VIA EMAIL: WBurnett@odessaecodev.com



April 22, 2020

Dear Wes:

For the past 35 years, WTFB has worked to feed hungry families who are seeking food. Currently, West Texas is not only experiencing a drastic increase in the demand for food due to the COVID-19 pandemic, but the extremely high cost of living we have experienced for 2 years has also increased the need for the households we serve. Now, oil prices have crashed and West Texans are losing their jobs or are being laid off. We are in a perfect storm.

Recently, many of us have had the real feeling of scarcity for the first time because we couldn't find toilet paper or our favorite food items on the shelves. These are the same feelings that the food insecure individuals we serve have felt all along. And now many of our neighbors who have not been faced with food insecurity before will meet it head on.

According to Feeding America's Map the Meal Gap 2019, 10.2% of the population in our 19 county service area is food insecure, equivalent to 47,840 individuals. 24,650 children are food insecure, for a rate of 19%. The effects of COVID-19 and oil prices has led many more to experience food insecurity, and we expect this to continue for the next 12-18 months, if not longer. From March 16 to April 10, our two in-house pantries have seen a 280% increase in households served compared to the month of February. 74% of households served are NEW to our doors. The Odessa pantry served 195 households on Monday, April 20, and 258 on Wednesday, April 22. These are households who had not visited the pantry yet in the month of April. Total distribution, including 80+ partner agencies and our mobile outreach program, has increased by 40%, and we expect that number to rise.

WTFB, along with all 200 food banks in the country, is experiencing problems with the supply chain for food items, primarily the pantry staples we provide to our clients. Grocery stores and other food retailers are trying to keep their shelves filled, and food banks order from the same suppliers that retailers use. Donated food from our local grocery stores is at an all-time low, and TEFAP food that is allocated from the government is in short supply as well. Therefore, we must rely on purchased product to serve our clients. WTFB has been aggressively fundraising to secure the money needed to purchase the food needed to meet the increased demand in our community.

Proposal:

Our request to you is to help prepare for the second wave of this crisis. An expansion of the cooler/freezer in our Odessa facility will help us move forward and meet the increased demand. Thanks to the previous commitment from the ODC, we have been able to provide more fresh food items to West Texans in need. In 2019, we distributed over 1.2 million pounds of fresh produce to the 19 counties. That would not have been possible on 2nd Street.

Attached is a report by The Perryman Group titled *Economic Benefits of the West Texas Food Bank* dated December 2019. The annual impact WTFB has on gross product (\$62.9 million) and jobs (795) for the Permian Basin is significant. Our clients and our community need our work to continue.

Although WTFB is currently experiencing a decrease in the amount of food we can acquire, advocacy efforts at the state and federal level are changing things for the future. Several ways in which WTFB will procure food in the coming months are:

- The USDA allocated \$900 million from Stimulus Bill 1 and 2 for food purchase through TEFAP and trade mitigation programs that already exist. Food banks will receive an allocation of those food items.
- The USDA recently announced the Coronavirus Food Assistance Program (CFAP) which aims to keep workers in the food industry employed and provide people in need with access to food. The USDA plans to spend \$300 million per month for six months on produce, meat, and dairy products. The program will deliver pre-packaged boxes of fresh produce, dairy, and pre-cooked meats at no cost to nonprofit locations. There are no eligibility restrictions (such as income) for people who receive food boxes. Feeding America expects to receive a portion of these pre-packed boxes that will be distributed through food banks. (See attached link to Washington Post article.)
- Growers within Texas will have surplus produce that will be made available to food banks. WTFB will purchase as well as receive an allocation of the produce through the Feeding Texas Co-op.
- Recently, we have received large loads of tomatoes from Marfa, and we are expecting cucumbers soon.
- Food suppliers like Ben E. Keith and Sysco have excess fresh food they are not selling to restaurants. WTFB is negotiating with them to acquire these items for distribution to our clients.

Currently, fresh produce is less expensive and easier to procure than shelf-stable pantry items, but we need additional space to store it. Food banking has many challenges, but having to dispose of food because it spoiled before we could get it into clients' hands, is particularly tough.

Doubling the capacity of our cooler/freezer will enable WTFB to store this surplus food in hopes of meeting the increased demand. When the Odessa facility was built, space adjacent to the cooler/freezer was allocated for an expansion. That space has been used for additional dry storage, but can easily be converted and prepared for the new cooler/freezer.

Proposed cost of cooler/freezer expansion:

Cooler cost	\$563,000.00	(Edward Don & Company Foodservice Equipment Division)
Plumbing	\$350,000.00	
Mechanical	\$100,000.00	
Racking	\$50,000.00	
5% contingency	<u>\$53,150.00</u>	
Total	\$1,116,150.00	

Closing:

The cooler/freezer expansion will give us the ability to procure fresh produce for free or for far less than the cost of shelf-stable pantry items. As a result, we expect a reduction of our food acquisition expenses in the long run which will in turn help with the predicted decrease in donations due to the uncertainty of the oil and gas industry.

WTFB's Odessa facility has provided stable employment for our staff through these uncertain times. In order to continue serving our community efficiently and effectively, we expect to hire additional

warehouse staff for the Odessa facility. We will continue driving to pick-up and deliver fresh food, so will need drivers for our fleet of trucks. We will continue the time consuming process of boxing or bagging fresh food for pantry distributions, so will need warehouse processors.

With so much uncertainty about the future it is extremely difficult to predict when things will go back to normal, or what the new normal will be. However, we are certain the demand for food will not end once the threat from COVID-19 is over, and we will be here to serve West Texas for the expected long-term impact in our community.

Warmly,

A handwritten signature in blue ink that reads "Libby Campbell". The signature is fluid and cursive, with a long horizontal stroke extending to the right from the end of the name.

Libby Campbell
Executive Director

Attachments



The Perryman Group
**Economic Benefits of the West Texas
Food Bank** December 2019

Hunger involves not only a tremendous toll in human health, well-being, and dignity, but also substantial harm to the economy. The economic costs of hunger are multifaceted. Health care needs of people who are food insecure are higher due to increased incidence and severity of disease; health outcomes are also worse, reducing productivity and lifetime earnings. In addition, education expenses are higher, with a greater need for intervention. Achievement levels (and, hence, lifetime earnings) are negatively affected. These costs multiply as they work their way through the business complex and are largely borne by the whole of society.

The West Texas Food Bank provides services to some of the region's most vulnerable individuals and families. In fulfilling this important role, it also generates notable economic benefits. The Perryman Group estimated the economic benefits of the West Texas Food Bank for Ector County, Midland County, and the Permian Basin Region.

Benefits were quantified for operations, the consumer effects from enhanced resources for low-income families, and reduced social costs. The Perryman Group estimates that when multiplier effects are considered, the total benefits of the West Texas Food Bank include over \$26.0 million in gross product each year and 329 jobs in Ector County, \$13.5 million in annual gross product and 169 jobs in Midland County, and \$62.9 million in annual gross product and 795 jobs across the Permian Basin (including effects within Ector and Midland counties).

Food insecurity affects health and well-being of individuals and families. The West Texas Food Bank is an important source of nutritious food for the people of the Permian Basin and, as a notable distribution enterprise and catalyst for associated economic and social benefits, a significant contributor to regional business activity.

The Annual Impact of the West Texas Food Bank on Business Activity in the Permian Basin

Industry	Total Expenditures	Gross Product	Personal Income	Jobs
Operations	\$24,315,633	\$11,305,530	\$7,303,285	129
Enhanced Consumer Spending	\$98,732,599	\$48,712,787	\$30,380,760	634
Reduced Social Costs	\$30,202,193	\$2,851,617	\$1,885,248	32
TOTAL	\$153,250,425	\$62,869,933	\$39,569,293	795

Source: US Multi-Regional Impact Assessment System, US Multi-Regional Econometric Model, The Perryman Group

Notes: See below for methods and assumptions.

The Annual Impact of the West Texas Food Bank on Business Activity in Midland County

Industry	Total Expenditures	Gross Product	Personal Income	Jobs
Operations	\$3,419,784	\$1,925,192	\$1,283,178	23
Enhanced Consumer Spending	\$17,226,990	\$8,738,133	\$5,447,832	114
Reduced Social Costs	\$5,936,322	\$2,851,617	\$1,885,248	32
TOTAL	\$26,583,097	\$13,514,941	\$8,616,258	169

Source: US Multi-Regional Impact Assessment System, US Multi-Regional Econometric Model, The Perryman Group

Notes: See below for methods and assumptions.

The Annual Impact of the West Texas Food Bank on Business Activity in Ector County

Industry	Total Expenditures	Gross Product	Personal Income	Jobs
Operations	\$12,313,429	\$6,853,633	\$4,601,411	85
Enhanced Consumer Spending	\$29,098,262	\$14,696,650	\$9,256,397	194
Reduced Social Costs	\$9,340,887	\$4,487,060	\$2,966,465	51
TOTAL	\$50,752,579	\$26,037,342	\$16,824,273	329

Source: US Multi-Regional Impact Assessment System, US Multi-Regional Econometric Model, The Perryman Group

Notes: See below for methods and assumptions.

METHODS AND ASSUMPTIONS

Operations benefits based on employment at the West Texas Food Bank. Enhanced consumer effects based on consumption facilitated by the incremental food that is provided (fully adjusted for leakages, spending patterns, and other local parameters). Reduced social costs based on benefits such as reduced health costs and increased earnings and productivity.

Total economic effects are quantified for key measures of business activity:

Total expenditures (or total spending) reflects the dollars changing hands as a result of the economic stimulus of USMCA terms.

Gross product (or output) is production of goods and services that will come about in

each area as a result of the agreement. This measure is parallel to the gross domestic product numbers commonly reported by various media outlets and is a subset of total expenditures.

Personal income is dollars that end up in the hands of people in the areas; the vast majority of this aggregate derives from the earnings of employees, but payments such as interest and rents are also included.

Job gains are permanent jobs because the effects of the agreement are expected to be ongoing.

Monetary values given in 2019 US dollars per year.

THE PERRYMAN GROUP



The Perryman Group is a focused team of analysts who know how to address complex economic information tasks and present our findings effectively.

Our in-house professionals bring expertise in **economics, finance, statistics, mathematics, real estate, valuation, systems analysis, engineering, technical communications, and marketing.** Dr. Ray Perryman, President and CEO, has 40 years of experience in developing systems, analyzing complex problems, and communicating effectively. We have considerable pride in what we do. Our enthusiasm is both unbridled and contagious; every day brings a new opportunity for us to tackle a different problem or create a product or service specifically tailored to our clients.

OUR SERVICES

IMPACT ASSESSMENT

We have developed and continually maintain an extensive set of economic impact evaluation models that can be applied in a variety of contexts.

EXPERT TESTIMONY

We help clients analyze and communicate complex information in common-sense terms through comprehensive, objective analyses and clear, concise expert reports and presentations.

FORECASTING

We are at the cutting edge of econometrics and other advanced statistical methods and have provided innovative approaches for many complex applications.

SPEECHES

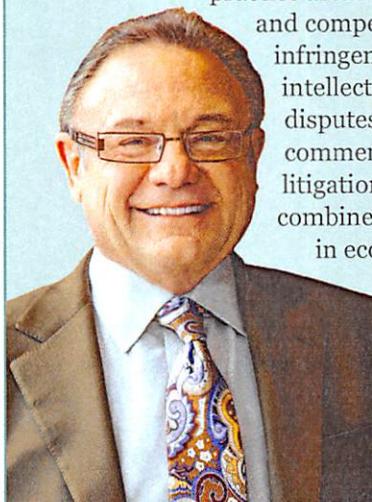
Dr. Perryman addresses dozens of audiences throughout the world every year, catering to a wide variety of events.

M. RAY PERRYMAN, PH.D.

Dr. Perryman is the President and CEO of the Perryman Group and Distinguished Professor of Economic Theory and Method at the International Institute for Advanced Studies. Over the past 40 years, Dr. Perryman has helped recruit corporations providing tens of thousands of jobs through economic development work, resolved billion-dollar legal issues, and revamped public policy through impact assessments and other studies. His firm has measured economic impacts for corporate locations and expansions involving billions in investments, and his economic forecasts are used by corporations and government agencies alike.

He has provided economic analysis and expert testimony for civil litigation across a wide range of practice areas including antitrust

and competition, patent infringement and other intellectual property disputes, securities, and commercial and complex litigation. His work combines strong expertise in economic damages calculation, asset valuation, market analysis, and statistical methods and econometrics.



For more information on subscriptions, economic forecasts, or any of our other corporate services, call 1.800.749.8705.

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