

PUBLIC NOTICE
ODESSA DEVELOPMENT CORPORATION
BOARD OF DIRECTORS MEETING
City Council Chambers - City Hall, 5th Floor
411 W. 8th Street, Odessa, Texas 79761
Thursday, July 9, 2020, at 2:00 p.m.

Odessa Development Corporation Meeting to be held with Social Distancing Guidelines

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 Minutes of June 11, 2020 ODC Board
3. Contractors reports:
 - A. Economic Development Dept.-Odessa ChamberWesley Burnett
 - B. CVA Advertising & MarketingCraig Van Amburgh
 - C. UTPB-America's SBDC..... Tyler Patton, Sr. Business Consultant
 - D. UTPB-Business Challenge..... Melanie Hollmann
 - E. MOTRANJames Beauchamp, President
 - F. City Administrative Support; Financials Cindy Muncy
4. Discuss current grant application and process to receive assistance from ODC ODC Board
5. Discuss possible creation of emergency pool of funds for small business assistance ODC Board
6. Review and discuss proposed FY 2020-2021 Gen Dev Plan ODC Board
7. Review and discuss contractor proposals to be presented and approved at August 13th meeting ODC Board
8. Review and discuss proposed FY 2020-2021 Budget to be approved at August 13th meeting ODC Board
9. ODC Committee and Officer reports:
 - A. PartnershipTim Edgmon
 - B. Tax Incentive..... Melanie Hollmann, David Boutin
 - C. Advertising Gene Collins, Tim Edgmon
 - D. DOI Design Chris Cole, Gene Collins
 - E. Perryman Study Task Force.....Kirk Edwards
10. Discuss emergency assistance options related to the COVID-19 pandemic ODC Board
11. 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



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

June 11, 2020

A regular meeting of the Odessa Development Corporation (ODC) was held on June 11, 2020 at 2:00 p.m., in the Council Chambers, fifth floor, City Hall, 411 W. 8th St., Odessa, Texas.

Members present: Gene Collins, Melanie Hollmann, and David Boutin.

Members absent: Tim Edgmon and Chris Cole; and Mayor David R. Turner, ex-officio.

Others present:

City Staff: Norma Aguilar-Grimaldo, City Secretary; Robert Carroll, Assistant City Attorney; and Cindy Muncy, Assistant City Manager;

ODC Contractors: Craig Van Amburgh, CVA; Wesley Burnett, Economic Development; Tyler Patton, UTPB-SBDC; Bryan Bierwirth, UTPB-SBDC; Renee Earls, Chamber of Commerce; and Dustin Fawcett, MOTRAN; and

Others: and other interested citizens.

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

Mr. Collins gave the invocation.

May 14 and 27, 2020 minutes. Motion was made by Ms. Hollmann and seconded by Mr. Collins 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 reported that some projects were on hold. The Solar project was moving forward with more capital investment. A consultant had a virtual site tour on the former Summit site. There was positive activity. The Perryman strategy task force was meeting. The Odessa Housing Finance housing project was hold and PSP may require OHFC to reapply for funding. Mr. Collins asked who had the copyright to the Perryman Study. Mr. Burnett stated that ODC owned the report but would distribute the report as necessary. Mr. Boutin stated that there was certain initiatives and it was to be inclusive for effectiveness.

Mr. Van Amburgh reported that May's activities was work on the strategic communication plan. The campaign would include the importance of the Permian Basin both statewide and nationally. CVA was ready to assist with the wireless internet to educate the community. The podcast and TV would have information on the strategy plan. TV, social media, and the podcast will be included in the campaign. The outdoor billboard was important. There would be a landing page on the website for the

campaign. The campaign would be aggressive. Mr. Boutin stated that the Advertising Committee would review the campaign. There was a sense of urgency.

Mr. Patton reported on SBDC's May activity. May's capitalization was \$1,715,336 with Odessa at \$671,536. There were 258 counseling sessions and 162 counseling hours. He stated that there were changes to the PPE program and was working with people. SBDC had a new position of Disaster Assistance Consultant.

Mr. Bierwirth reported that the Business Challenge awarded \$350,000 in prize money. There were four winners. Three were start-up businesses and one was an existing business. The winners were Amenti Beauty awarded \$100,000, Keystone awarded \$50,000, Permian \$100,000, and Rooster's Diner awarded \$100,000. Since the award ceremony was cancelled, there would be an ad campaign on the winners and advertised for two weeks. He thanked the board for funding the Business Challenge. In two challenges, ODC awarded \$550,000 not including the current one. With the challenge, 25 jobs were created. ODC was a leader in helping small businesses. Mr. Collins asked for a break down on how it stimulated the economy. Mr. Bierwirth announced that it was his last Business Challenge as he was the new Disaster Assistance Consultant.

Mr. Fawcett stated that the State of the Basin webinar was attended by 338 attendees and had over 3,000 views. MOTRAN was serving as a bridge of the entities for WIFI. MOTRAN was meeting with the entities including the schools and cities. They were working on speed tests. Due to the WIFI study, towers were added for additional WIFI. Mr. Boutin stated that ODC's role was identified in assisting with additional infrastructure for enhancement. He asked that MOTRAN keep in consideration of ODC's role. Mr. Burnett stated that meetings were being held with schools on capacity and capabilities. Mr. Fawcett provided an update on the Permian Basin Freight Study. Information was gathered on real time for truck flows and freight. It would be used in the formula for proper funding. The Ports to Plains study had Odessa and Midland support. MOTRAN was supporting a study for US Hwy. 385. On I-14, Georgia wanted to be included in the interstate. MOTRAN was working on meetings with Senators Cornyn and Cruz. MOTRAN supported all four lane routes and better roadways. He would provide the updated I-14 map that included Georgia.

Ms. Muncy reported on the financial activities. Two reserved commitments were added. Total assets were \$56,240,320 and expenditures were \$187,684 for April. For the year, total revenues was \$8,213,936 and expenditures was \$2,092,401. There was a sales tax drop for June of 33.86%. Total investments for April was \$56,084,634.

Resolution No. ODC-2020R-09 – Select Energy second incentive payment based on compliance with the economic development agreement. Mr. Carroll stated that Weaver reviewed the data and Select Energy reached its required 170 jobs for 2019. The incentive payment was \$18,374.20.

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

Review and discuss proposed FY 2020-2021 General Development Plan form. Mr. Carroll stated that the new economic development and façade agreements were added to the plan. The board had no concerns on the plan form.

Review and discuss contract form for contractors. Mr. Carroll stated that sections were shifted in the form for flow and organization. Mr. Boutin stated that the changes in the program should include either an increase or decrease to the change of cost for ODC discussion. The change would be made.

ODC Committee and Officer Reports. There were no meetings for Partnership, Tax Incentive or the Design Committees. The Advertising Committee discussed the Perryman Report. The Perryman Task Force met. Mr. Burnett stated that the chair was Kirk Edwards. The task force discussed the strategy and marketing the message. Mr. Boutin emphasized the sense of urgency to get the message out locally, statewide and in Washington to protect the oil and gas in the Permian Basin. Mr. Van Amburgh stated that the campaign was slated for a yearlong.

Discuss emergency assistance options related to the COVID-19 pandemic. Mr. Carroll stated that Legal reviewed any manufacturing business or any other business. Mr. Collins stated that there needed to be a process to efficiently and qualify funding projects without going through the qualifying steps, if time sensitive during an emergency. There was no structure, as it may not fit in the matrix. Mr. Carroll stated that ODC was flexible. The situation was broad and complex and ODC adjusted the structure such as flexing out jobs or not requiring investment. It was done successfully within the confines of the law. Mr. Burnett stated that there was flexibility such as the West Texas Food Bank. The Compliance Committee was flexible and the chair was consulted on projects. They were flexible, creative and meet with a short-term notice. Mr. Boutin stated that this was a unique circumstance and projects were reviewed on a case-by-case basis. ODC has the opportunity to create, train, retain jobs and provide infrastructure with the funds. There was flexibility and leadership to review each project. Mr. Collins stated that it must be fair to everyone. He wanted it have it codified. He stated that there may be a problem in making it work and others may not fit in the guidelines. There should be no discrimination. Ms. Hollmann suggested modification in the contract and work with the grantees. She suggested a right to change section in the contract such as force majeure clause. Mr. Collins wanted it limited to emergencies. Ms. Hollmann stated it was beneficial to grantees. Mr. Burnett talked to every caller and there was no discrimination. Mr. Collins wanted each project to be reviewed and considered especially with minorities. Mr. Boutin recalled that an application was denied due to the lack of financial information that was not provided. Ms. Hollmann emphasized that if there was any type of discrimination the ODC board needed to be made aware. The General Development Plan would include an emergency section. Mr. Collins stated that it would provide for a methodology for emergencies.

The meeting adjourned at 3:36 p.m.

ATTEST:

APPROVED:

Norma Aguilar-Grimaldo, TRMC, CMC
City Secretary

David Boutin
Vice President

The contractor reports for items 3.A., 3.B., and 3.F. were not available at the time this agenda packet was assembled.

These reports will be provided to the ODC Board when received by the contractor.

UTPB SMALL BUSINESS DEVELOPMENT CENTER
2019-2020 New Business Start-Ups & Expansions

May-20							
ODESSA		OTHER LOCATIONS		ACTIVITIES			
New Businesses	1	New Businesses	2	Counseling Sessions	210	Seminars	0
Full-Time Jobs	2	Full-Time Jobs	30	Am Ind/N/Alaskan	5	Am Ind/N/Alaskan	0
Part Time Jobs	0	Part Time Jobs	0	Asian/pac. Islander	0	Asian/pac. Islander	0
				Black	40	Black	0
Total Jobs	2	Total Jobs	30	Hispanic	86	Hispanic	0
				Non-Hispanic	89	Non-Hispanic	0
				Total Clients	210	Total Attendees	0
				Counseling Hours	196	Training Hours	0

													Cumulative	End of Year	
	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	2019/20	Totals	2018/19 Totals
Counseling Sessions	212	148	149	200	214	743	232	258	210					2366	3403
Counseling Hours	229	142	150	216	202	562	202	162	196					2060	2927
Seminars Presented	3	2	1	1	3	5	0	0	0					15	42
Attendees	90	14	11	20	48	227	0	0	0					410	736
Training Hours	180.0	91	22	40	96	34	0	0	0					463	1446
New Businesses	1	11	2	3	4	2	2	6	3					34	43
Odessa New Business	0	4	1	0	1	1	2	2	1					12	13
Capitalization	\$1,025,000	\$3,709,600	\$1,000,000	\$273,000	\$721,600	\$490,000	\$228,000	\$435,827	\$594,987					\$8,478,014	\$19,824,583
Odessa Capitalization	\$250,000	\$3,265,000	\$0	\$50,000	\$521,600	\$0	\$178,000	\$408,827	\$590,800					\$5,264,227	\$3,895,616
Full-Time Jobs	8	39	4	23	22	2	7	15	32					152	192
Odessa FullTime Jobs	4	19	2	4	0	1	4	2	2					38	70
Part Time Jobs	0	28	0	5	0	0	0	0	0					33	72
Odessa Part Time Jobs	0	25	0	0	0	0	0	0	0					25	24
Total Jobs	8	53	4	26	22	2	7	15	32					169	236

7/2/2020 KAM



06/30/2020

Odessa Development Corporation Board of Directors,

CHEERS! The 2020 Odessa Business Challenge is in the books! Before diving into the details, I'd like to give a brief recap leading up to this month. At the end of January, we held three orientations, which brought in 89 attendees. Of those 89 attendees, 37 businesses paid to be part of this year's challenge, up from the previous high of 24 from 2019.

In January, we administered one seminar, (1) Brainstorming/Business Model Canvas, as all assigned workshops are mandatory. Many participants began scheduling the necessary time with myself, the Director of Business Competitions/Business Challenge Consultant, to discuss their business development.

In February, we administered four seminars, (1) How to Write a Business Plan, (2) How to Write an Investor Fact Sheet, (3) Marketing Your Small Business 101, and (4) Marketing Your Small Business 102. I met with all the participants multiple times to go over their business plans and investor fact sheets. Participants also emailed me their rough drafts of the fact sheet for review, and I sent them back feedback.

In March, five seminars were scheduled, (1) Legal Structure and Intellectual Property, (2) How to Build Your Outside Team, (3) Employee Benefits, (4) New Taxpayer, and (5) Bank Lender Panel, however, we were only able to present the first one due to the COVID-19 pandemic. The Investor Fact Sheets were due on March 6th and were delivered to the Judges on March 13th. While we waited for the Judges to score the Fact Sheets, I continued to work with all the participants. I scheduled appointments through Zoom and reviewed their business plans through email.

In April, we held one webinar, Business Insurance 101. I continued to meet with clients over Zoom and by phone. I announced the results of Round 1 on April 6th. The Top 15 business that went on to Round 2 can be found in last month's update and on the website www.odessabusinesschallenge.com. Throughout the month of April, the businesses moving on continued to work with me on their business plans. The ones that did not go on were introduced to Tyler Patton, Director of the UTPB Small Business Development Center. They were encouraged to continue to pursue their business goals with the help from the SBDC. The business plans were due on April 24th.

In May, I presented the webinar, How to Pitch. I also worked with the participants on their pitch presentations while they wait for the outcome of Round 2.

On June 1st, I announced the results of Round 2. The Top 8 businesses went on to Round 3, the Pitch. The Pitch Presentations were held on June 9th. After listening to all eight pitches, the judges



decided there would be four winners that will share the \$350,000 prize. I announced the winners on June 10th. The winners are

- Nancy Davis, owner of Amenti Beauty Academy - \$100,000
- Kim Schnaubert & Lisa Brazile, owners of Permian - \$100,000
- Erik & Dede Pardo, owners of Rooster's Diner - \$100,000
- Venu Yankarla, owner of Keystone IT Solutions - \$50,000

Since the Award Ceremony was canceled, we are going to run a Winners Ad Campaign on social media to highlight the winning businesses, as well as ODC and UTPB. These videos will run for two weeks starting next week.

I want to thank the entire Odessa Development Corporation Board for sponsoring this fantastic program. I couldn't think of a better way to use these funds than to reinvest back into the citizens of Odessa organically. These investments have paid off handsomely as well. Since the inception of the Odessa Business Challenge in 2018, excluding the one that just ended, the ODC has provided \$550,000 in funding for six businesses. Those six businesses have grossed over \$3 million in revenue and have created 25 FTE. It's important to note that one winning business has not opened yet, and another one just opened last month and has already sold over 50 of their patented designed coolers. I wish every city in the US would have a business competition like this one. I feel that the ODC is a leader among EDCs in the state of Texas and across the county.

Thank you for letting me be a part of this challenge for the past two years. Being the Business Challenge Consultant has been a dream job where I get reenergized every day by helping all the eager entrepreneurs in Odessa. The challenge will be in good hands with the UTPB College of Business. I am very proud of what we have turned this competition into and the results that we have had in such a small amount of time.

As of today, the program has used all the funds for the OBC20, except for the prize money. Once the winners return the required paperwork to UTPB, they may start requesting their funds in installments according to what was laid on in their business plans.

Respectfully,

Bryan Bierwirth
Director of Business Competitions
University of Texas Permian Basin
432-552-2463
Bierwirth_b@utpb.edu



P. O. Box 60816 • Midland, Texas 79711
(432) 563-6240

La Entrada al Pacífico

June 24, 2020

RECEIVED
JUN 25 2020

BY CITY SECRETARY

The Honorable Tim Edgmon, Chair
Odessa Development Corporation
P.O. Box 4398
Odessa, Texas 79760

Dear Chairman Edgmon:

Please find the attached monthly financials for May 2020, and activity report for the Midland-Odessa Transportation Alliance, Inc.

We appreciate your continued support and assistance.

Sincerely,

James Beauchamp
President, Midland-Odessa
Transportation Alliance

cc. The Honorable David Turner, City of Odessa



Permian Basin Freight Study

We have been participating in the newest rounds of public meetings hosted by the Permian Basin Freight Study being conducted by TxDOT and their consultants. This is the second round of meetings which consist of : Rural Transportation, Sand Transportation, Energy Sector, Midland-Odessa Urban, and Freight Carriers.

This round of public meetings is centered around technology and data collection methods which we have been supportive of and originally requesting. Our goal in this study is to ensure that up-to-date data gathering methods are instituted in the Permian Basin so that funding formulas, related studies, and project selections are based on the most real-time picture of the Permian Basin.

Additionally, we are having ongoing discussions with the Texas Railroad Commission in regards to data related to disposal well locations and volumes. This information is highly valuable to the study, in particular to Ector County, as there is a large number these wells located in the county that generate significant amounts of freight. Our goal has long been the inclusion of disposal numbers into freight models as it has been overlooked due to a disconnect between energy data from the Railroad Commission and TxDOT freight and truck trip modeling.

Ports to Plains Study

We recently participated in the executive summary segment of the HB 1079/ I-27 Ports to Plains Study via zoom meeting. We voiced concerns over the lack of recognition of public comment that come from the Midland-Odessa area during these sessions as well as a lack of transparency by the committee leadership as well as TxDOT and the consultants.

We have reached out to TxDOT and the consultants on numerous occasions for verification both on methodology and raw data applications and have not had any of our questions or requests met.

Upon preliminary research and analysis of the data in the study, we have found there to be significant problems in regards to energy production data, population numbers, and Gross Domestic Product analysis. What is perhaps more disconcerting is that if these

baseline numbers for current years, and at time the baseline years are actually forecasted years, that the 2050 forecasted projections could be off significantly. If we can't get accurate data for what is currently taking place in the Permian Basin along this corridor, how can we properly forecast out 30 years.

Interstate 27 Bill Filing

Congressman Arrington (R-Lubbock) and Congressman Cuellar (D-Laredo) filed legislation (H.R. 7151) which would include an Interstate 27 designation which happens to be the route being currently studied in HB 1079/ Ports to Plains Study. This route, as mentioned, is the Ports-to-Plains Corridor which includes an extension of I-27 from Lubbock through Lamesa and then splits into an eastern route through Big Spring and continues to San Angelo via US 87 in addition to a western route that includes SH 349 from Lamesa to Midland, utilizes the Craddick reliever route to FM 1788, and then continues to San Angelo via SH 158.

The lion's share of the economic analysis is based on Midland-Odessa, yet the current study deprioritizes routes to our area.

With a price tag of over \$24 billion, we continue to believe it makes sense to look at all routes and seriously focusing in on the extension to I-20.

Interstate 14 Bill Filing

We have been working extensively to ensure that Interstate 14 route designation legislation is also included into the Transportation Committee's discussion on Capitol Hill. Congressman Babin (R-Woodville) has authored this legislation and is leading the Texas delegation of 10 members as well as 5 additional members in 4 additional states in trying to push this bill forward. In order for this bill to be included as with the I-27 bill, a letter from TxDOT in support of the designation must be sent to D.C.

We are currently in ongoing talks with our local, regional, and state officials as well as TxDOT and the Governor's office to ensure that we receive this letter of support so that the bill can be included in this year's surface transportation bill.

11:38 AM
06/09/20
Cash Basis

MOTRAN ALLIANCE, INC.
Profit & Loss YTD Comparison
May 2020

	May 20	Oct '19 - May 20
Ordinary Income/Expense		
Income		
4000 · Founding Member Dues	417.00	18,336.00
4010 · Member Dues	5,500.00	73,833.33
4200 · Interest Earned	20.90	364.40
4300 · Miscellaneous Income	0.00	5,000.00
4400 · Grants	0.00	20,000.00
4410 · MDC	0.00	142,500.00
4420 · ODC	0.00	106,875.00
4600 · PBC Revenue	0.00	9,500.00
4700 · Heidelberg Donations	0.00	4,900.00
Total Income	5,937.90	381,308.73
Expense		
I-14 Initiative	0.00	10,000.00
ODC Wifi Study	0.00	4,000.00
5000 · Marketing		
5001 · MOTRAN Marketing	914.18	10,390.37
5000 · Marketing - Other	831.95	8,665.21
Total 5000 · Marketing	1,746.13	19,055.58
5025 · Travel Expenses	14.16	4,966.30
5050 · Events & Expos	149.10	21,561.44
5075 · Professional Services	95.00	12,275.00
6000 · Administration		
6035 · Dues & Subscriptions	113.98	646.96
6045 · Food & Entertainment	0.00	2,422.69
6055 · Gifts	0.00	1,641.67
6060 · Insurance	0.00	(263.96)
6075 · Miscellaneous Expense	8.65	347.92
6085 · Office Lease	2,655.00	7,965.00
6090 · Office Supplies	964.39	4,449.79
6105 · Postage	68.16	1,220.43
6115 · Program Supplies	0.00	1,192.21
6140 · Telephone	322.47	2,645.23
Total 6000 · Administration	4,132.65	22,267.94
6011 · Credit Card Charges	0.00	56.32
6033 · Donations	0.00	3,666.00
6073 · Lodging		
6074 · Delegation	0.00	110.85
Total 6073 · Lodging	0.00	110.85
6500 · Personnel		
6501 · Salaries & Wages	17,700.00	153,525.00
6502 · Payroll Taxes	1,354.05	10,953.99
6503 · Employee Health Reimbursement	788.00	6,871.00
6504 · Payroll Service Fee	106.58	1,001.45
6505 · Retirement Contributions	531.00	4,598.25
Total 6500 · Personnel	20,479.63	176,949.69
7410 · Previous year remittance-MDC	0.00	66.57
7420 · Previous year remittance-ODC	0.00	66.57
Total Expense	26,616.67	275,042.26
Net Ordinary Income	(20,678.77)	106,266.47
Net Income	(20,678.77)	106,266.47

11:38 AM
06/09/20
Cash Basis

MOTRAN ALLIANCE, INC.
Balance Sheet
As of May 31, 2020

	<u>May 31, 20</u>
ASSETS	
Current Assets	
Checking/Savings	
1000 · Frost MOTRAN Checking	2,297.01
1010 · Frost MOTRAN Money Market	239,191.51
1015 · Frost-ODC Money Market	18,948.63
1020 · Frost- MDC Money Market	54,578.79
Total Checking/Savings	<u>315,015.94</u>
Total Current Assets	315,015.94
Fixed Assets	
1500 · Furniture & Fixtures	926.94
1510 · Accum. Dep - Furn & Fix	(926.94)
1520 · Machinery & Equipment	3,356.07
1530 · Accum Dep - Mach & Equip	(3,356.07)
Total Fixed Assets	<u>0.00</u>
TOTAL ASSETS	<u>315,015.94</u>
LIABILITIES & EQUITY	
Equity	
3900 · Net Assets	208,749.47
Net Income	106,266.47
Total Equity	<u>315,015.94</u>
TOTAL LIABILITIES & EQUITY	<u>315,015.94</u>

11:39 AM

06/09/20

MOTRAN ALLIANCE, INC.
Statement of Cash Flows
May 2020

	<u>May 20</u>
OPERATING ACTIVITIES	
Net Income	<u>(20,678.77)</u>
Net cash provided by Operating Activities	<u>(20,678.77)</u>
Net cash increase for period	<u>(20,678.77)</u>
Cash at beginning of period	<u>335,694.71</u>
Cash at end of period	<u><u>315,015.94</u></u>

**MOTRAN, INC. MONTHLY EXPENSE SUMMARY
FOR THE MONTH OF May-20**

EXPENDITURE CATEGORIES	MONTHLY EXPENSE	MDC	ODC
Credit Card Processing Fee			
Dues and Subscriptions	\$113.98		
Events and Expo's	\$149.10		
Food and Entertainment			
Gifts			
Health Insurance Reimbursement	\$788.00		
Heidleberg Donation			
I-14 Initiative			
Insurance			
MOTRAN Marketing	\$914.18		
Other Marketing	\$831.95		
Misc. Expense	\$8.65		
Office Lease	\$2,655.00		
Office Supplies	\$964.39		
Payroll Salaries	\$17,700.00	\$8,850.00	\$8,850.00
Payroll Taxes	\$1,354.05	\$677.02	\$677.02
Payroll Service Fee	\$106.58		
Retirement	\$531.00		
Postage	\$68.16		
Professional Services	\$95.00		
Program Supplies			
Travel	\$14.16	\$7.08	\$7.08
Other Travel			
Utilities: Telephone & Internet	\$322.47		
ODC Wifi			
Previous Year Reimittance MDC			
Previous Year Reimittance ODC			
TOTAL EXPENSES	\$26,616.67	\$9,534.10	\$9,534.10

MOTRAN ALLIANCE, INC.
May 2020/City EDC Funding Breakdown

	<u>Budget</u> <u>FY2018-19</u>	<u>Current</u> <u>Month</u>	<u>YTD</u> <u>Amount</u>	<u>Remaining</u> <u>Balance</u>	<u>Percent</u> <u>Remaining</u>
Revenue					
Founding Members Dues	\$20,000.00	\$417.00	\$18,336.00	\$2,081.00	10%
Member Dues	\$65,000.00	\$5,500.00	\$73,833.33	(8,833.33)	0%
Midland Development Corp	\$142,500.00		\$142,500.00	\$0.00	0%
Odessa Development Corp	\$142,500.00		\$106,875.00	\$35,625.00	25%
PBC Revenue	\$50,000.00		\$9,500.00	\$40,500.00	81%
Grants	\$5,000.00		\$20,000.00	(\$15,000.00)	0%
Interest Income	\$1,500.00	\$20.90	\$364.40	\$1,135.60	76%
Misc. Income	\$2,500.00		\$5,000.00	(\$2,500.00)	0%
Heidelberg Donations	\$4,000.00		\$4,900.00	(\$900.00)	0%
Total Revenues	\$433,000.00	\$5,937.90	\$381,308.73	\$51,691.27	12%
Expenditures					
Dues & Subscriptions					
Events					
Food & Entertainment					
Gifts					
Health Ins. Reimbursement	\$2,500.00		\$2,500.00	\$0.00	0%
Insurance					
I-14 Initiative	\$2,500.00		\$2,500.00	\$0.00	0%
Miscellaneous Expenses					
Office Lease					
Office Supplies					
Payroll-Salaries	\$115,000.00	\$8,850.00	\$76,762.50	\$38,237.50	33%
Payroll-Service Fee					
Payroll Taxes	\$7,500.00	\$677.02	\$5,476.97	\$2,023.03	27%
Retirement					
Postage					
Marketing	\$5,000.00		\$3,760.39	\$1,239.61	25%
Other Marketing					
Program Supplies					
Telephone					
Travel Expenses	\$5,000.00	\$7.08	\$2,463.51	\$2,536.49	51%
Travel Other					
Professional Services	\$5,000.00		\$5,000.00	\$0.00	0%
TOTAL EXPENSES	\$142,500.00	\$9,534.10	\$98,463.37	\$44,036.63	53%

ITEM 4

**ODESSA DEVELOPMENT
CORPORATION**

**DEVELOPMENT FINANCE
PROGRAM ADMINISTRATIVE
POLICY**

EXHIBIT "A"

ODESSA DEVELOPMENT CORPORATION
DEVELOPMENT FINANCE PROGRAM
ADMINISTRATIVE POLICY

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ODESSA DEVELOPMENT CORPORATION

DEVELOPMENT FINANCE PROGRAM

ADMINISTRATIVE POLICY

I

THE PROGRAM

- A. **Purpose.** The Development Finance Program of the Odessa Development Corporation (ODC) is designed to serve the public interest and the general welfare of the people of the City of Odessa, Texas by promoting the development of businesses new to Odessa, by promoting the development and expansion of existing businesses and business activity, creating new jobs, providing a skilled and educated work force, diversifying the local economy, adding to the tax base, and infusing new dollars into the local economy through the provision of financing assistance to eligible parties.
- B. **Applicable Law.** The Odessa Development Corporation is authorized by the Development Corporation Act of 1979 which is found in Article 5190.6 of the Texas Labor Code (the "Act"). The Odessa Development Corporation is organized under the Act as a 4A Corporation.
- C. **Types of Assistance.** Financing assistance may be provided by the ODC through grants, through direct loans, through loan guarantees and participation with local lenders or through other incentives. Financing assistance must be for lawful and practical purposes.

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- D. Eligibility.** Eligibility for financing assistance from 4A Corporations such as the ODC, is limited by state law to the creation or retention of primary jobs required or suitable for the development or expansion of manufacturing and industrial concerns, research and development facilities, distribution centers, small warehouse facilities capable of serving as decentralized storage and distribution centers, and regional or national corporate headquarter facilities. State law, of course, may change from time to time.
- E. Location.** In order to obtain financing assistance each new and existing business and each project may be located in or outside the city limits of the City of Odessa but such business or project may be located outside the city limits only with permission of the governing body having jurisdiction over the property involved and so long as the business or project will satisfy the purposes of the ODC.
- F. Discretion.** The provision of financing assistance to any person or entity and the type, extent, amount and time of such assistance is at the discretion of the ODC and the City Council of the City of Odessa.
- G. Approval by ODC and City Council.** In all cases, the ODC and the City Council must approve all financing assistance.

II

CREATION OF JOBS

- A. Amount of Assistance and Matrix.** Financing assistance of whatever type is directly tied to the creation of jobs. Attached to this policy is a matrix ("Matrix") showing the amount of financing assistance available based on the skill and pay

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level of each job position created or to be created. The amounts shown are intended as guidelines only. Final financing assistance offered may be more or less than the amounts shown. The Matrix may be changed from time to time at the discretion of the ODC.

- B. **Jobs for Residents.** A minimum of fifty-one percent of the jobs created or to be created must be available to Odessa residents. Jobs will be considered available to Odessa residents if the openings are advertised in the local daily newspaper and the local office of the Texas Workforce Commission or by other suitable means approved by the Economic Development Department (the "EDD").
- C. **Owners Not Counted.** For purposes of determining new jobs created or to be created, owners (and/or their spouses) of twenty percent or more ownership of the business involved shall not be counted.
- D. **Types of Jobs.** Jobs are restricted to what is defined as "primary jobs" in the Act. For convenience, a copy of that definition is attached.
- E. **Full Time Jobs and Salary.** Full time equivalent (FTE), permanent jobs are defined as jobs which equate to a minimum of 1820 hours per year including allowance for vacation and sick leave (or as otherwise required by the ODC). Salary or wages must be at least equal the federal minimum wage. The average hourly wage rate may impact the amount of financing assistance the ODC will provide.
- F. **Time for Jobs.** A time frame for the creation of new jobs shall be agreed upon by written contract before any financing assistance is provided by ODC.

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- G. Other Considerations.** In providing financing assistance, consideration may be given, in addition to or in lieu of the creation of new jobs, to the retention of existing jobs, the purchase of fixed assets, the purchase or lease of real property, estimated capital investments, the estimated time the project or business will remain in Odessa or another approved location and the business or project's effect on or contribution to the local economy. Consideration may also be given to environmental effects, increased utility demands, the sufficiency of existing solid and liquid waste disposal facilities, and any detriment posed by the business or project to existing businesses. This list of "other considerations" is not mean to be exclusive and the ODC, in providing or recommending the provision of financing assistance, may consider any item or matter it deems relevant.

III

GRANTS

- A. Terms.** The ODC may provide a direct grant to a new or existing business that is relocating or expanding in Odessa. A grant will require attainment of projected new employment goals within a specific time and maintenance of that employment level for a minimum of five years.

IV

LOANS

- A. Direct Loans.** The ODC may approve a direct loan to a business or for a project upon such terms and conditions as it deems advisable and as comply with this policy. The ODC may retain the entire loan or make available to any interested

EXHIBIT "A"

financial institution a participation interest in the loan. The ODC may offer such financial institution a higher yield on the institution's portion of the loan as an enhancement to participate.

- B. Interest Rates and Length.** Interest rates at or below prevailing market rates may be offered. The length of each loan may be negotiated up to the expected useful life of any fixed assets being financed.
- C. Loan Guarantee.** The ODC may guarantee the principal balance of a loan originated through a local financial institution (lender). An interest in collateral proportionate to the guaranteed percentage of the loan will be taken by the ODC. The ODC's lien position shall be equal to that of the lender and proceeds from the liquidation of collateral shall be shared on a prorata basis. In some rare cases, the ODC may take an inferior lien position. Guarantees may not exceed 80% of the principal balance of any loan. Administration of the loan will be the responsibility of the originating lender, with periodic reporting to the ODC.
- D. Participation with Lender.** The ODC may purchase a participation in a lender's loan for the purpose of buying down the interest rate. Collateral securing the loan will be shared by the lender and ODC on a prorata basis. In some cases, the lender may be allowed a superior lien in the collateral. Participations purchased shall not exceed 50% of the total loan commitment(s) for any one borrower. This is sometimes referred to as "interest buy down".
- E. Working Capital Loans.** Loans may be used to finance up to 50% of the working capital required by a business or project. Because of the administrative requirements associated with loans of this type, however, participation by a lender

EXHIBIT "A"

will be necessary if a substantial amount of working capital, as determined by the ODC, is required.

F. Loan and Security Agreements. A loan agreement shall be signed by every borrower. It shall document all agreements, covenants, conditions and requirements that exist between the ODC and the borrower. The ODC shall also obtain such instruments or documents, signed by the borrower, as may be necessary to perfect ODC's lien or security interest in any collateral securing the loan.

G. Administration of Loans, Guarantees and Participations.

1. The contracted staff of the ODC is responsible for the administration and collection of the ODC's loan portfolio. The contracted staff shall work closely with any financial institution which is responsible for the administration or collection of any loan guaranteed by or participated in by the ODC and shall insure the periodic reports are made by the financial institution to the ODC.
2. All loans will be funded out of the ODC's unobligated fund balance. All principal repayments, interest and late charge income shall be returned to the ODC's unobligated fund balance.
3. Loans will be made on an accrual basis. Payments will be applied first to the interest due, and any remaining amount will be applied to principal.
4. All requests for loan restructuring must be submitted to and processed by the EDD and approved by the ODC and the City of Odessa.

EXHIBIT "A"

V

OTHER FORMS OF FINANCIAL ASSISTANCE

- A. **Types.** Additional types of financial assistance which may be offered by the ODC include:
1. Rent or lease subsidies.
 2. The conveyance, sale or lease of real property and improvements for such price and on such terms and conditions as the ODC deems advisable.
 3. Job training as provided by Section 38 of the Act.
 4. Such other assistance as may be permitted by applicable law and the by-laws and policies of the ODC.

VI

REQUEST FOR FINANCING ASSISTANCE

- A. **Initiation of Request.** An applicant ("Applicant") shall initiate a request for financing assistance by filing a written application ("Application") with the ODC. The application shall be in such format or on such forms as may be required from time to time by the ODC.
- B. **Contents of Application.** The Application shall contain the following:
1. The identity of the Applicant which shall include a history of the business involved in the Application and a resume or background of the Applicant, and the owners and principal managers of the business or project involved.
 2. The type and amount of financing assistance desired.
 3. A thorough description of the particular project for which the financing assistance is desired.

EXHIBIT "A"

4. A detailed business plan for the project. The business plan shall include a pro-forma financial statement, cash flow forecast and supporting assumptions.
5. An economic summary showing (i) the jobs to be created, the expected dates of their creation, salary ranges and employee skill levels or job titles; (ii) capital expenditures anticipated and the expected target dates for such expenditures; (iii) the length of time the Applicant commits the business or project involved to remain in the City of Odessa or its ETJ.
6. The economic summary may contain additional information which the Applicant feels would be of assistance to the ODC in considering the Application, such as estimated bank deposits and sales taxes generated by the project, the value of goods and services purchased locally, indirect jobs which might be created and any other contributions to the local economy.
7. A list of financial and supplier references.
8. Such other information as might be required by the Economic Development Department ("EDD") or the ODC.

C. Attachments. The following shall be attached to the Application:

1. Financial statement for the business involved in the Application for the last two fiscal years. Audited statements are preferred if available. Otherwise, in-house prepared statements may be acceptable in the discretion of the ODC.
2. A financial statement for the business involved in the Application for the current fiscal year to the date of the Application.

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3. A personal financial statement for each owner who owns 20% or more of the Applicant or of the business involved in the Application.
 4. A personal financial statement for each guarantor of any loan requested as financing assistance.
 5. A list or inventory of collateral offered with an estimate of its current market value showing the qualifications of the appraiser.
 6. If the requested financing assistance is a guarantee or interest buy-down, then in addition to the information described above, (i) a written analysis prepared by the lender of the borrower's loan application to lender and a history and status report on any existing loan to borrower; (ii) a written recommendation by the lender with respect to such request for financing assistance; (iii) a written commitment letter from the lender to the ODC; and (iv) a copy of any loan agreements or security instrument to the lender executed by the borrower.
 7. Such other documents as might be required by the EDD or the ODC.
- D. Due Diligence.** The EDD shall undertake such due diligence, in addition to that mentioned in paragraphs B and C above, as it might deem necessary or advisable or as might be requested by the ODC or its Compliance Committee.
- E. Processing of Application.** All Applications will be assembled and processed by the EDD. If the EDD, following a review of the Application and its attachments, determines that the project involved is eligible for and a permissible use of ODC financing assistance, then the EDD shall prepare a written report or evaluation ("EDD Report") containing at a minimum:

EXHIBIT "A"

1. A brief description of the Applicant and the background of the Applicant and the owners of Applicant.
 2. A brief description of the project and the requested financing assistance.
 3. A summary of the Applicant's business plan and its strengths and weaknesses.
 4. Recommended performance requirements for the project with respect to jobs created, wage scales, time deadlines, duration of the project, a realistic estimate of the time the project and/or Applicant will remain in Odessa or its ETJ, the purchase or leasing of assets and capital expenditures, noting where relevant whether the requirements fit within the Matrix and any justification for deviating from the Matrix.
 5. Any mechanism or documentation available to obtain or assure compliance with the recommended performance requirements.
 6. A summary of the proposed financing structure and any repayment agreements and schedules and loan or security agreements.
 7. Where relevant, an analysis of asset quality and the marketability or salability of equipment and inventory.
 8. A brief analysis of the financial condition of the Applicant, and any guarantors, including sources of repayment.
 9. An estimate of the project's reasonableness and likelihood of future success.
- F. Recommendation by EDD.** The EDD Report shall also contain or be accompanied by the EDD's written recommendation that the Application be granted, including any terms or conditions, or not granted. The EDD Report, the Application and any

EXHIBIT "A"

attachments, and any additional due diligence material or information shall then be forwarded to the ODC's Compliance Committee (the "CC").

- G. Recommendation by CC.** The CC, with the assistance of the EDD and the contracted staff of the ODC, shall review all the material forwarded to it by the EDD. The CC may also obtain additional information, data, documents, or analyses from the Applicant, the EDD or the contracted staff. Upon conclusion of its review the CC, by motion adopted in written minutes of its proceedings, shall make a recommendation that the Application be granted, setting out any terms, conditions or performance requirements, or that the Application not be granted. This recommendation along with information describing the project shall be delivered to the ODC Board Members, Staff and the City Council Members. "Staff" means the City Manager, the Director of Finance, the City Attorney and the City Secretary or their respective designees.
- H. Returned to EDD.** If the recommendation of the ODC is favorable, then the matter shall be referred to the EDD to negotiate the final financial assistance package and contract documents. The EDD shall work closely with the Odessa City Attorney's Office in the preparation of all necessary contract documents, including but not limited to incentive agreements, performance agreements, loan agreements, security agreements, deeds and leases. In the event that the final financing assistance package and contract documents negotiated by the EDD differs materially or significantly in any regard from the package initially recommended by the CC, then the matter shall be referred back to the CC by the EDD for reconsideration. The CC shall reconsider the matter and all differences by

EXHIBIT "A"

telephone or by meeting and make a second written or oral recommendation regarding the Application to the ODC. This second recommendation of the CC along with information describing any changes shall be delivered to the ODC Board Members, Staff and City Council Members.

- I. **Approval and Submission of Contract Documents.** Contract documents, when completed and when approved by the Applicant, shall be submitted to the ODC for its approval. If approved, the contract documents shall be submitted to the City Council for its approval.
- J. **Action By City Counsel.** No financing assistance packages shall be effective or final until approved by the City Council and all agreements deemed necessary by the Odessa City Attorney's office have been executed by the Applicant, (including any co-signers or guarantors) and the ODC.
- K. **Appearance by Applicant.** The Applicant may be invited at any time to appear before the CC and the ODC to speak in support of the Application.
- L. **Outside Consultants.** The CC and the ODC may confer with outside consultants, experts, business persons and/or lenders if deemed necessary and advisable to evaluate an Application and to determine appropriate terms, conditions and performance requirements for any financing assistance.
- M. **Continued Negotiations.** If any Application receives an unfavorable recommendation, the EDD at its discretion may continue to negotiate with the Applicant to determine if the project could be restructured or replanned in order to qualify for financing assistance.

EXHIBIT "A"

- N. **Failure to Meet Requirements.** The contract documents must specify the terms under which repayment must be made and/or recapture will occur if the business fails to meet the performance requirements specified in the documents.

VII

PURCHASE OF REAL PROPERTY

- A. **Authorization.** The purchase of real property must be for a project authorized by the Act or other applicable law.
- B. **Appraisals.** Prior to purchasing any real property, the ODC shall obtain a copy of the appraisal of the property as reflected in the records of the Ector County Appraisal District. The ODC, in its discretion, shall also obtain an appraisal from a state certified appraiser, or an appraiser who is a member of the Appraisal Institute or similar national organization, knowledgeable of commercial or business real property values in Ector County.
- C. **Limitation.** The ODC may not purchase real property for more than fair market value.

VIII

CERTAIN PERSONS AND BUSINESS NOT ELIGIBLE

- A. **City Council Members.** No member of the Odessa City Council or person related to a council member within the second degree by consanguinity or affinity or any business in which any such person shall own an interest shall be eligible to apply for a loan under the Development Finance Program during his/her tenure or for six months thereafter.

EXHIBIT "A"

- B. **ODC Board Member.** No board member of the ODC or person related to a board member within the second degree of consanguinity or affinity, or any business in which such person shall own an interest shall be eligible to apply for a loan under the Department of Finance Program during his/her tenure or for six months thereafter.
- C. **Director or Employee of EDD.** No director, employee or staff member of the Odessa Economic Development Department, his/her supervisor, or person related to director, employee or supervisor of the Department within the second degree by consanguinity or affinity, or any business in which any such person shall own an interest shall be eligible to apply for a loan under the Department Finance Program during his/her tenure or for six months thereafter.
- D. **Other Employees and Officers Eligible.** All other City of Odessa employees and elected or appointed officers not specifically addressed above and any business in which he or she may have an interest shall be eligible to apply for financial assistance under the ODC Development Finance Program. However, no special consideration shall be granted to such an applicant.

IX

MISCELLANEOUS

- A. **Non-discrimination.** The ODC is an equal opportunity lender and does not discriminate with regard to race, color, religion, national origin, sex, marital status, age or disability (provided that the applicant has the capacity to enter into a binding contract).

EXHIBIT "A"

- B. Statute Controls.** In the event of any conflict between this policy and any applicable federal, state or local statute or ordinance, the statute or ordinance shall control.
- C. Amendment.** This policy may be amended from time to time at the discretion of the ODC.
- D. Operation of Business by ODC.** The ODC may not own or operate any project as a business other than as lessor, seller, or lender or pursuant to the requirements of agreements securing a credit transaction. The user of any financing assistance provided by the ODC shall be considered as the owner of the project for all tax purposes.
- E. More Than One Type of Assistance.** The provision of more than one type of financing assistance to any business or project is at the sole discretion of the ODC and the City Council.
- F. Default.** Agreements related to furnishing financing assistance should provide that it will be an event of default if a business or project moves outside the City of Odessa or other approved location, or prematurely ceases or abandons operations in the City of Odessa or other approved location, as the case may be, without the prior written consent of the ODC.
- G. Confidentiality.** Part of the information and material obtained by the EDD, the CC and the ODC may be considered confidential or proprietary by an Applicant, but be subject to the Open Records Act. Any Open Records request for all or some portion of such information or material shall be referred promptly to the Odessa City Attorney's office.

Exhibit "A"

Amended Section IIA to the Development Finance Program Administrative Policy

A. General Requirements:

1. It is considered to be a priority that ODC funds comply with the statutory requirements and be used in the most cost effective way possible. To that end, it is necessary to consider the value of the project to the area.
2. **The following calculations shall be made to use as a guideline to determine the incentive for a company. These are considered to be Guidelines subject to the discretion of the ODC Board and City Council and there is no intention to vest any applicant with a right to any incentive developed by these guidelines.** All applicants must be found eligible pursuant to law.
3. While the idea of diversification is universally appealing, it is a matter which is absolutely imperative for Odessa. It supersedes and dominates any other considerations. Historically, City of Odessa has always done well when oil related business does well and poorly when oil related business declines. The problem is exacerbated by the fact that when the oil economy shifts, it does so quickly and without warning; and because it represents such a large segment of the local economy, the downward shift can cause great hardship in the community. For those reasons diversification is heavily weighted in the calculation of grants.
4. If there are environmental concerns such as high demand for water or waste disposal problems, the application may be denied or reduced for that negative factor.
5. There is a separate matrix for jobs and a separate matrix for investment. An applicant can qualify for a grant based on the Job Creation Benefit Matrix or the Investment Benefit Matrix or both, if it meets at least the minimum requirements.
6. "Investment" or "Investment Value" shall mean new capital investment of long term value such as the cost of acquisition, construction or improvement, including the cost of acquiring all land, utilities, right-of-way, property rights, easements and interest, machinery and equipment, vehicles and trailers, including any equipment that has been affixed to the vehicle or trailer in such a way as not to be removed or unloaded except for maintenance, repair or replacement.

B. Jobs Creation Benefits Matrix Grant:

1. The Job Creation Benefit Matrix Grant shall be 30% of the figure derived from the attached Job Creation Benefit Matrix for new jobs only.
2. In order to be eligible for a grant based on the Job Creation Benefit Matrix, there must always be a minimum of one (1) new job created and a minimum investment value of \$10,000.

Exhibit "A"

3. Diversification Bonus:

If the project provides for diversification of the economy, the eligible Job Creation Benefit Matrix Grant shall be multiplied by two to obtain the grant amount.

C. Investment Benefits Matrix Grant:

1. The minimum investment to qualify for a grant under the Investment Benefits Matrix is ten thousand dollars (\$10,000). There must also be at least one (1) new job created.
2. If located in Ector County and within the city limits of the City of Odessa, the Investment Benefit Matrix Grant shall be determined by the amount of property taxes generated for the City of Odessa at the time of the grant application, currently \$.493248 per \$100 valuation as of May 2018, multiplied by the appropriate factor listed below: .
 - a. Investments between \$10,000 and \$100,000 shall have a factor of 3,
 - b. Investments between \$100,001 and \$500,000 shall have a factor of 4,
 - c. Investments between \$500,001 and \$1,000,000 shall have a factor of 5,
 - d. Investments between \$1,000,001 and \$5,000,000 shall have a factor of 6,
 - e. Investments between \$5,000,001 and \$10,000,000 shall have a factor of 7,
 - f. Investments between \$10,000,001 and \$20,000,000 shall have a factor of 8,
 - g. Investments over \$20,000,001 shall have a factor determined on a case-by-case basis.
3. The Investment Benefits Matrix Grant is not available if the company will also be receiving tax abatement.
4. In the event that the project is located in Ector County but outside of the city limits of the City of Odessa, the Investment Benefits Matrix Grant shall be calculated as if in the city limits and reduced by 50%. However, if located in an industrial district, it shall only be reduced by 25%.
5. In the event that the project is located in Midland County but inside the city limits of the City of Odessa, the final calculation as determined by this section shall be reduced by 50%. In the event the project is located in Midland County but outside the city limits of the city of Odessa no incentive shall be considered under this section unless or until the project property is annexed into the Odessa City Limits.

D. Positive Factor Bonus:

1. Some projects will cause an increased need for other businesses and consequently will have a positive spin off value for the community; and when this occurs, the project has additional value that should be taken into consideration. There may also be other factors that would increase the value of the project and justify an additional grant amount such as the possibility of future expansion, an extension of utilities or streets that would make for greater access to utilities and streets for future development in the area, use of a special design for buildings and improvements that would encourage other development in the area, etc.

Exhibit "A"

2. If there is any additional positive factor associated with the project, the total amount of the eligible Jobs Creation Benefit Matrix Grant and Investment Benefits Matrix Grant may be multiplied up to 1.2 to obtain the final grant amount. However, the maximum grant is 100% of the Job Creation Benefit Matrix.

E. Major Project Classification:

1. When a Major Project is being proposed, the Compliance Committee shall immediately refer the project to the ODC Board who shall consider scheduling a joint meeting with the City Council of the City of Odessa to discuss all the possible Economic Incentives available for the project and to determine what incentives shall be offered.
2. For the purposes of this section a "Major Project" is one that will have a significant impact on the local economy because of diversification of industry, the creation of a large number of high paying jobs, a large investment in facilities or infrastructure, or other significant economic factors.

F. Sample Calculations:

1. Small Business

The project has sufficient new jobs and payroll to produce a 100% Job Creation Benefit Matrix Grant of \$25,000. There is a total investment of \$200,000 and it meets the requirements for an Investment Benefits Matrix Grant. The project provides for diversification. There are no environmental concerns or a reason to apply the positive factor bonus. The project is located in the Ector County and within the city limits.

Job Creation Benefit Matrix Grant: $\$100,000 \times (30\% \times 2) =$	\$60,000
Investment Benefits Matrix Grant: $\$200,000 \times (.00493248 \times 4) =$	\$3,946
Total Grant:	\$63,946

For the same project if located in Midland County: $\$63,946 \times 50\% =$ \$31,973

2. Large Business

The project has sufficient new jobs and payroll to produce a 100% Job Creation Benefit Matrix Grant of \$1,000,000. There is a total investment of \$10,000,000 and it meets the requirements for an Investment Benefits Matrix Grant. The project provides for diversification. There are no environmental concerns or a reason to apply the positive factor bonus. The project is located in the Ector County and within the city limits.

Job Creation Benefit Matrix Grant: $\$1,000,000 \times (30\% \times 2) =$	\$600,000
Investment Benefits Matrix Grant: $\$5,000,000 \times (.00493248 \times 6) =$	\$123,312
Total Grant:	\$723,312

For the same project if located in Midland County: $\$723,312 \times .50 =$ \$361,656

Exhibit "A"

Job Creation Benefit Matrix

Monthly Wages	Annual Salary	Factor	Base Benefit	Hourly Rate
\$2,000	\$24,000	.10	\$2,400	\$12.00
2,600	31,200	.25	7,800	16.25
3,334	40,000	.35	14,000	19.00
4,000	48,000	.45	21,600	23.00
5,000	60,000	.45	27,000	29.00
6,000	72,000	.45	32,400	35.00
7,000	84,000	.50	42,000	40.00

The supporting documentation for item 5 was not available at the time this agenda packet was assembled.

The documentation will be provided to the ODC Board prior to the ODC meeting.

ITEM 6

GENERAL DEVELOPMENT PLAN

**ODESSA DEVELOPMENT CORPORATION
GENERAL DEVELOPMENT PLAN
FY – 2020-2021**

Forward

The Odessa Development Corporation is required by the Bylaws of Odessa Development Corporation to adopt, on an annual basis, a General Development Plan for the Corporation and to submit the Plan to the City Council for its approval prior to submission of the annual budget. This document has been prepared to satisfy that requirement. The State Development Corporation Act of 1979 governs Odessa’s Type A Sales Tax. Type A allows for supporting economic development projects to promote new and expanded industrial and manufacturing activities in our city.

GENERAL DEVELOPMENT PLAN

VISION:

“Odessa is a city of opportunity. By diversifying and expanding its economy, Odessa will provide opportunities for employment and the best possible quality of life for all of its citizens.”

PURPOSE:

Article Four of the Articles of Incorporation of the Odessa Development Corporation indicates that, “the purpose of the Corporation is to promote and develop industrial and manufacturing enterprises in order to eliminate unemployment and underemployment, and to promote and encourage employment and the public welfare of, for, and on behalf of the City, and to do any and all projects authorized by Section 4A of Article 5190.6, Tex. Rev. Stat. Ann.”

MISSION:

On March 24, 1998, City Council drafted a Mission for Odessa Development Corporation. The Mission is to:

Create new jobs;

- Grow the tax base;
- Promote business activity and expand business compatible with Odessa;
- Diversify the economy; and
- Help build a skilled and educated work force

2020-2021 Strategic Planning Goals:

- Assist in public/private coordinated effort to find solutions to construction of workforce housing
- Explore other/additional incentives for business/industrial projects located throughout the community
- Explore other/additional incentives for downtown projects
- Utilize all forms of social media and traditional media for creative marketing
- Work collaboratively with Odessa College, UTPB, and TTU-HSC
- Work collaboratively with downtown groups and agencies
- Intentionally establish global marketplace marketing

2020-2021 Target Industries: These industries are from the 2017 Target Industry Analysis^[CMB1] conducted by the research firm, The Perryman Group. The code numbers are North American Industry Classification System (NAICS) Sector numbers required for ODC Funding.

Perryman's Target Industries for the Odessa Area
NAICS Codes

Oil and Gas Support Sectors

21- Mining, Quarrying and Oil & Gas Extraction

213112- Support Activities for Oil & Gas operation

31-33 Manufacturing

Renewable Energy Manufacturing and Support

Machinery Manufacturing

Chemical Manufacturing

Environmental Equipment

Metal Fabrication

Including but not limited to;

33313- Mining and Oil and Gas Field Machine Manufacturing

332710- Maching Shops

33299- All other Fabricated Metal Product Manufacturing

3251- Basic Chemical Manufacturing

3323- Architectural and Structural Metal Manufacturing

Aircraft Maintenance and Parts

3364- Aerospace Products and Parts

336411- Aircraft Manufacturing

336413- Other Aircraft Parts and Auxiliary Equipment Manufacturing

62-Health Care

Health Care Delivery

42- Wholesale Trade

Medical Devices and Equipment

48-49 Transportation and Warehousing

Distribution

Warehousing

Transportation Support Service

51- Information

Data Processing

Economic Development Strategy in the Odessa-Ector County Area

Target Industries for the Odessa Area	
Industry	Local Multiplier
Oil and Gas Support Sectors	3.26
Renewable Energy Manufacturing and Support	2.98
Environmental Equipment	2.92
Health Care Delivery	2.36
Medical Devices and Equipment	3.04
Distribution	3.07
Warehousing	2.88
Machinery Manufacturing	3.25
Chemical Manufacturing	7.59
Aircraft Maintenance and Parts	3.20
Data Processing	2.66
Metal Fabrication	2.75
Transportation Support Services	2.86
Source: The Perryman Group	

NON-DISCRIMINATION

The ODC is an equal opportunity lender and does not discriminate, and will take affirmative action measures to ensure against discrimination, in any of its activities or operations with regard to race, color, gender, national origin (ancestry), age, religion, creed, marital status, military status or veteran status, sexual orientation, gender identity or gender expression or disability (provided that the applicant has the capacity to enter into a binding contract.)

These activities include, but are not limited to, providing financing assistance to qualified applicants through grants, direct loans, loan guarantees and participation with local lenders or through other incentives. We are committed to providing an inclusive and welcoming environment for all applicants.

A. EXISTING MULTI-YEAR ECONOMIC DEVELOPMENT GRANT AGREEMENTS

The Odessa Development Corporation from time-to-time enters into multi-year agreements with certain entities which help fulfill the purpose of the Corporation, which is to promote and develop industrial and manufacturing enterprises in order to eliminate unemployment and underemployment, and to promote and encourage employment and the public welfare of, for, and on behalf of the City, and to do any and all projects authorized by Section 4A of Article 5190.6, Tex. Rev. Stat. Ann.”

The entities with which the Odessa Development Corporation currently has multi-year economic development grant agreements are as follows:

- West Texas Food Bank
- FMC Technologies, Inc.
- Select Energy Services
- UTPB – Second training facilities grant
- Glazer’s Beer and Beverage of Texas, LLC
- Odessa College – Second training grant
- City of Odessa
- Downing Wellhead Equipment, LLC
- Rack Industries, LLC
- Kaige Equipment LLC

Information including the type of agreement, term of the agreement, grant amount, effective date, and annual payment are more fully laid out in Exhibit A, attached hereto.

EXHIBIT "A"

<u>Company:</u>	<u>Type:</u>	<u>Grant Amt.</u>	<u>Effective Date:</u>	<u>Term:</u>	<u>Annual Payment:</u>
West Texas Food Bank	Eco Dev	\$735,000 \$1,116,150	6/6/2014 Amended 3/9/2017 Amended 5/18/2020 Completion date: 5/18/2025 2026 is last report	5 years beginning in 2020	\$147,000 through 2021 \$1,116,150 was paid in advance
FMC Technologies Inc.	Eco Dev	\$381,992.00	2/18/2016 Completion date: 01/01/2017 2022 is last report	5 years beginning in 2017	\$76,398.40
Select Energy Services	Eco Dev	\$91,871.00	9/30/2016 2023 is last report	5 years beginning in 2018	\$18,374.20
UTPB-Second Training Facilities Grant	Eco Dev	\$7,500,000	4/19/2017 Commencement date: Fall 2017 2022 is last report	5 years beginning in 2017	\$1,500,000
Glazer's Beer and Beverage of Texas, LLC	Eco Dev	\$1,134,991	8/31/2017 Completion date: 08/31/2018 2023 is last report	5 years beginning in Sept. 2018	\$226,998.20
Odessa College – Second Training Grant	Eco Dev	\$8,000,000	9/8/2017 Commencement date: Fall 2017 2020 is last report	3 years paid in 6 month increments beginning in 2017	\$1,000,000 (2020)
City of Odessa	Grant to build parking structure at hotel	\$9,290,741	3/11/2016	Until completed	One PA in the amount of \$5M issued; need to verify additional amounts
Downing Wellhead Equipment, LLC	Eco Dev	\$1,640,000	1/16/2020	5 years	\$328,000.00
Rack Industries, LLC	Eco Dev	\$2,757,924	2/10/2020	5 years	\$551,584,80
Kaige Equipment, LLC	Eco Dev	\$318,000	4/15/2020	5 years	\$63,600.00

B. EXISTING DOWNTOWN ECONOMIC DEVELOPMENT GRANT AGREEMENTS

<u>Company:</u>	<u>Type:</u>	<u>Grant Amt.</u>	<u>Effective Date:</u>	<u>Term:</u>	<u>Annual Payment:</u>
Ambler Law	Downtown Infrastructure	\$45,817.83	3/10/2020	1 year	N/A
Ambler Law	Downtown Façade	\$25,000.00	3/9/2020	1 year	N/A
Original Town Office Bldg., Inc.	Downtown Façade	\$25,000.00	3/9/2020	1 year	N/A
Karla Flores	Downtown Façade	\$25,000.00	6/16/2020	1 year	N/A

C. EXISTING TXDOT ADVANCE PAY – \$11.5 M

ODC RESOLUTION NO. ODC-2017R-31

COUNCIL RESOLUTION NO. 2017R-117

\$2,000,000	RC-42d Overpass Yukon and Loop 338
\$2,000,000	RC-15b Overpass Faudree and IH20
\$2,000,000	RC-09 Hwy 385 and South Loop 338
\$2,000,000	RC-15a BI-20 and Faudree
\$2,000,000	RC-131 West Loop 338 and 8 th Street
\$500,000	RC-13 56/52 nd and Loop 338
\$500,000	RC-133 Faudree - SH191 to Yukon Rd.
\$500,000	RC-21 US385 at Loop 338 N

D. WORKFORCE HOUSING INFRASTRUCTURE INCENTIVE PROGRAM-\$5 M

In 2019, ODC voted by Resolution No. ODC-2019R-1 dated March 14k, 2019, to request that the Odessa City Council approve the ODC Board setting aside \$5,000,000.00 of undesignated/unassigned ODC fund to be available for entities who present a project that meets whatever guidelines the ODC Board ultimately approved for such housing related projects. The City Council on April 9, 2019, approved setting aside \$5M for this project.

On July 29, 2019, by Resolution No. 2019R-55, the City Council approved the following guidelines:

Odessa Development Corporation Section 501.103 Infrastructure Incentive Related to Workforce Housing Program Guidelines

In accordance with Resolution No. ODC-2019R-01, which was passed by the ODC Board on March 14, 2019, the ODC designates funds in the amount of up to \$5,000,000 for incentive grants to be used towards certain infrastructure projects necessary to promote or develop new or expanded business enterprises within the Ector County City limits. The Section 501.103 Infrastructure Incentive Program Guidelines shall only be in effect for the time period until the designated and appropriated funds are exhausted.

Section 501.103 of the Local Government Code states that an authorized use of Type A funds is for "certain targeted infrastructure projects necessary to promote or develop new or expanded business enterprises, limited to streets and roads, rail spurs, water and sewer utilities, and electric utilities, gas utilities, drainage, site improvements, and related improvements.

General Requirements:

1. It is considered to be a priority that ODC funds comply with statutory requirements and be used in the most cost-effective way possible. To that end, it is necessary to consider the value of the project to the area.
2. These guidelines are subject to amendment at the discretion of the ODC Board and City Council. There is no intention to vest any applicant with a right to any incentive developed by these guidelines.
3. All applicants must be found eligible for funds pursuant to Section 501.103 of the Local Government Code, governing the use of Type A funds for certain targeted infrastructure.

Requirements and Process for Application of Funds:

1. Applicants for infrastructure incentives (or funds) must submit a completed application requesting funds to the ODC Compliance Committee, along with building and infrastructure plans and specifications for the proposed investment. Approval for payment of incentives for infrastructure is conditioned upon a post-construction inspection and appraisal process described herein.
2. Each application will be evaluated on an individual basis. It is within the ODC's sole discretion to determine the amount of the incentives for infrastructure, if any.
3. Applicants for a grant must construct a site-built single family, duplex, or multi-family or apartment complex that complies with applicable City of Odessa Building Codes and ordinances, subject to exclusions of the program as described herein.
 - a. Any single-family home with a minimum of 3 bedroom/2 bath and a certified appraised value of \$130,000.00 up to \$225,000.00 may qualify for a grant according to the Section 501.103 Infrastructure Benefit Matrix Guidelines.

- b. Multi-family construction will be evaluated separately on a sliding scale based on fair market rent rates.
4. Incentives are payable from ODC for certain infrastructure investments made by Applicant after completion of construction, receipt of a certified appraisal and final inspection by city inspection officials and/or a certificate or temporary certificate of occupancy. Upon the final inspection by city officials and/or the issuance of a certificate or temporary certificate of occupancy, the City finance department shall issue payment to Applicant.

Additional Incentives: (applicant may only qualify for one (1) additional incentive)

1. Businesses that are certified as Historically Underutilized Business (HUB) will receive an additional incentive of \$1,500.00.
2. Development in designated City Target Areas will receive an additional incentive of \$1,500.00. (Please see the attached map used by the City identifying the CDBG Target areas.)

Exclusions:

1. No funding shall be considered if the project is eligible to receive funds from any other federal or state funding source or matching grants.
2. No funding shall be considered for manufactured housing.
3. Unless the dwelling is an apartment complex and prior disclosure was provided to the ODC for approval, no funding will be given to any applicant seeking to construct his/her own dwelling. This exclusion also applies to officers and directors of closely held businesses, when the business is the entity submitting the application for funds or the construction.
4. No funding shall be given for construction of buildings intended for occupancy by a business. ODC may consider apartment complexes that will also house a business office or retail establishment as a part of the complex or substantial investment.

Section 501.103 Infrastructure Benefit Matrix:

1. For Single-Family Housing infrastructure, ODC shall provide the Applicant with the following type of incentive, in the designated amount, after Applicants provides proof of compliance with the conditions set forth in a subsequent agreement:
 - a. The minimum investment for a single-family home to qualify for a grant under the Section 501.103 Infrastructure Benefit Matrix is \$130,000.00.
 - b. If located within Odessa City limits, ODC shall make payable to Applicant a grant to reimburse Applicant for infrastructure costs as defined herein.
 - c. If located outside of city limits, within Ector County, the Section 501.103 Infrastructure Benefit Matrix Grant shall be calculated as if in the city limits and reduced by 50%.
 - d. In city limits: $\$200,000 \times 4.92\% \text{ tax rate} = \$9,840$ (example only)
 Outside city limits: $\$200,000 \times 2.46\% \text{ tax rate} = \$4,920$ (example only)
2. For Multi-Family Housing infrastructure, ODC shall provide the Applicant with the following type of incentive, in the designated amount, after Applicants provides proof of compliance with the conditions set forth in a subsequent agreement:
 - a. If located in Odessa City limits, the Multi-Family Housing Benefit shall be determined by a sliding scale of projected rental rates as a percentage of fair market rental rates.

- b. If the project is located outside of city limits, the infrastructure incentive payment shall be calculated as if in the city limits and reduced by up to 50%.
- c. Rental Rate = 75% of fair market rate, Benefit = 5% of investment
Rental Rate = 80% of fair market rate, Benefit = 4% of investment
Rental Rate = 85% of fair market rate, Benefit = 3% of investment

ODC will evaluate each application submitted and at its sole discretion will grant or deny funding in accordance with its purpose to achieve housing to support creation and/or retention of primary jobs within the City of Odessa, and Ector County.

E. 2020-2021 Economic Development - EDD-OCC
Economic Development Department-Odessa Chamber of Commerce

Mission:

- Develop, organize, and administer the comprehensive Economic Development program of the ODC
- Increase the number of jobs and realize economic benefits for the City through expansion and diversification of the economic base
- Coordinate new or expanded manufacturing and industrial facilities
- Bring in research and development facilities, recycling facilities, defense industry firms, renewable energy, healthcare-related businesses and services, logistics consulting, distribution centers, warehouse facilities, and other activities authorized under the Economic Development Act
- Promote the City of Odessa as a Regional Business Center

Goals:

In relation to the **ODC's Compliance Committee:**

- Receive, review, and respond to all inquiries and industrial prospect requests
- Provide one-on-one counseling
- Make appropriate referrals of applications for new and existing businesses, as based on the Jobs Creation Matrix or the Investment Benefit Matrix
- Communicate with Compliance Committee members as to meeting dates
- Provide meeting venue for Compliance Committee
- Coordinate with City Attorney office for necessary documents for applications
- Record and maintain minutes of all meetings
- Maintain all records of the Compliance Committee
- Coordinate with City Attorney and City Secretary for documents to be considered by ODC and City Council
- Annually evaluate Odessa's incentive and financing programs as compared with competitive cities
- Recommend revisions to ODC and the City Council to improve competitiveness in attracting business and expanding existing businesses

Perform the following Economic Development functions:

- Provide ongoing recruitment of primary employers, expansions, and capital investment into Odessa
- Promote awareness of, and distribute, information on incentives including job creation and capital investment grants, workforce availability and training capabilities
- Continue aggressive local business retention and expansion program through coordinated visits and interviews with local businesses
- Work with all available partners to provide entrepreneurs and small businesses with counsel and support
- Provide coordination of International Trade which will include all markets outside of Texas and the United States
- Provide training in exporting through active membership in District Export Council. Our staff also provides on average 60 Certificates of Origin per year for local business exports from Odessa manufacturers. Prospect development includes ALL prospects regardless of the country of origin.

- Work with the Texas Economic Development Council, Team Texas, The High Ground of Texas, and the Governor's office of Economic Development to develop Odessa as the Business center in our region
- Work with the Odessa Black Chamber of Commerce and the Odessa Hispanic Chamber of Commerce
- In cooperation with the City Manager's Office and City Attorney's Office present tax abatement(s) requests to local taxing entities
- Improve cooperation and coordination to expand efforts in the city, county, and region, particularly in the area of infrastructure planning and development
- On behalf of ODC, coordinate the bi-monthly meetings of the Odessa Partnership
- Maintain the system for collection of basic economic and community data

Coordinate and work cooperatively with other ODC contractors as follows:

- Work with, and make appropriate referrals to, the UTPB-America's SBDC to provide professional counsel and support to entrepreneurs and small businesses
- Promote and market the resources of UT-Permian Basin, Odessa College, and Texas Tech University-Health Sciences Center to develop a skilled, educated, and motivated labor force
- Work in cooperation with and support the efforts of MOTRAN
- Work with CVA Advertising to administer the ODC's comprehensive marketing program

F. 2020-2021 Economic Development - UTPB-SBDC

UTPB - America's Small Business Development Center

Mission: Support the efforts of the Odessa Development Corporation by providing small businesses, start-ups, and entrepreneurs with professional counsel and support.

Goals:

1. Small Business Development Center:

- Act as Odessa's Small Business Center as a "one stop-shop" for small business development
- Facilitate on-going education seminars for small business development and to assist start-up companies
- Assist in loan packaging
- Provide one-on-one counseling
- Conduct seminars to assist start-up companies

2. Odessa Business Challenge:

Administer and manage the "Odessa Business Challenge" program in coordination with the ODC to award funds to entrepreneurs and small businesses through a competitively judged competition

3. OPTIONAL proposal: **Train potential entrepreneurs online**

General Topics of the Online Educational Component (OEC)

- Introduction to Entrepreneurship
- Recognizing Opportunities and Generating Ideas
- Feasibility Analysis
- Developing an Effective Business Model
- Industry and Competitor Analysis
- Writing a Business Plan
- Preparing the Proper Ethical and Legal Foundation
- Assessing a New Venture's Financial Strength and Viability
- Building a New-Venture Team
- Getting Financing or Funding
- Marketing Issues
- Intellectual Property

G. 2020-2021 Infrastructure - Midland-Odessa Transportation Alliance MOTRAN

Mission:

- Support the continued development of transportation infrastructure in order to promote economic development in Odessa for new or expanded business enterprises
- Bring additional infrastructure funding to the area, above normal programmed amounts

Goals:

- Secure additional transportation infrastructure funding:
 - Specifically for Ector County and City of Odessa
- Energy Sector Improvements:
 - Partner with the Texas Department of Transportation (TXDOT) and Texas A&M Transportation Institute (TTI) to research and develop data that accurately accounts for truck traffic derived from oil and gas well development and production activity in the Permian Basin, and will allow us to address issues with lack of programmed funding
- Project specific improvements along US 385, US 67, and La Entrada al Pacifico Corridors:
 - Continue to advocate for advancement of the planning/design efforts underway for US 385 from the Crane/Upton County Line to 1-10 in advancement of the La Entrada al Pacifico Corridor
 - Continue participation in planning study to identify and program additional improvements along the US 67 corridor from Presidio to 1-10 to facilitate continued development of the La Entrada Corridor
- Interstate-14 Re-Designation:
 - Continue efforts for re-designation of the western segment of Interstate-14 to the US 87/SH158/1-20 corridor, as opposed to the current designation along US 190
- Collaborate with other entities to develop strategies to improve transportation, transmission, and telecommunications (including Wi-Fi) infrastructure in Ector County

H. 2020-2021 Advertising - CVA Advertising & Marketing, LTD

Mission: Administer the ODC's comprehensive marketing program using a variety of tools to enhance the city's image while promoting and marketing Odessa not only as a Regional Business Center but also as a location for manufacturing and other activity authorized by the Economic Development Act to all targeted industries.

Goals:

PRIMARY TARGET AUDIENCE

- Prospective consultants, site selectors, corporate executives at companies thinking about relocating, particularly within our target industries
 - Develop more target industry-specific marketing campaigns, particularly those targeted toward medical manufacturing and technology
 - Focus broad messages on ODC target industries and site selectors
 - Increase messaging to corporate executives/decision makers not located in Odessa
 - Enhance image and perception and increase consideration of Odessa for company relocations and business expansion and retention
 - Continue to provide tools to the economic development department for increased face-to-face interaction with site selectors and local businesses
 - Continue to execute goal-driven digital strategy
 - Increase website traffic through other digital marketing tactics
- Prospective local businesses, current business owners/management and employees
 - Continue to expand messaging for Business Retention & Expansion
 - Increase direct marketing to consultants and local businesses
 - Increase messaging to Odessa businesses

SECONDARY TARGET AUDIENCE

- Local Workforce
 - Help all economic development stakeholders connect and collaborate
- Odessa Citizens
 - Continue internal marketing campaign - Odessa community awareness of ODC

I. 2020-2021 Administrative Services - City of Odessa
(Continue unchanged from 2018 and switch to a 2-yr contract term in future)

Goals:

- Provide all necessary accounting, financial, legal, administrative, and operational services necessary to operate the Odessa Development Corporation
- Provide proper venues for conducting ODC business in compliance with the Public Open Meetings Act

Services provided by City Finance Department

Accounting:

- receipt of sales tax revenue
- monitoring of sales tax revenue
- monthly monitoring of ODC investments

Financial:

- monthly financial monitoring
- monthly reporting
- facilitate payments to ODC contractors and grant recipients
- coordination with Budget Director to compile ODC budget
- provide information for the Budget, Audit, and Finance Committee

Services provided by City Manager's office

- assist, as needed

Legal services provided by City Attorney's Office:

- Work with Economic Development Dep't-OCC on Compliance Committee applications
- Attend Compliance Committee meetings
- Work with Economic Development Dep't-OCC to meet with companies; negotiation, preparation, and review of all Economic Development Agreements
- Downtown Odessa, Inc.: meet with grant applicants, negotiation, preparation, and review of all Infrastructure and Façade Agreements
- Contractor's Agreements:
 - Annually review ODC General Development Plan
 - Prepare resolutions for ODC approval and for the City Council approval of ODC items
 - Legal research, preparation of all ancillary documents and agreements
 - Working with outside auditors and the City Auditor to audit compliance with all agreements
- Through the City Manager's office, coordinate efforts with Economic Development Executive Director-OCC to work with local government entities to establish an aggressive and competitive incentive and finance policy to include Enterprise Zone, Tax Abatements, Freeport Tax Exemptions, 380 agreements, etc.[CMB2]
- Assist City Secretary in preparation and posting of ODC agendas for all meetings
- Prepare and post of ODC items on the City Council's Work Session meetings
- Prepare and post of the ODC items on the City Council Agendas

Administrative services provided by the City Secretary's Office:

- Prepare and post of ODC agendas for all meetings with the assistance of the Legal Department
- Coordinate with City Attorney all legal documents for ODC meetings
- Records in writing and prepares the minutes of ODC for all meeting
- Protects and preserves all ODC records, such as agendas, minutes, resolutions, and contracts
- Serves as custodian of the ODC corporate seal
- Serves as assistant secretary to ODC

Downtown Odessa, Inc.:

- Manage and administer a comprehensive façade and infrastructure improvements grant program for the businesses located in downtown Odessa

J. Downtown Odessa, Incorporated Infrastructure Program

Mission. The Downtown Infrastructure Improvement Program is designed to encourage businesses to promote or develop new or expanded business enterprises in the Odessa Downtown area pursuant to 501.103 of the Texas Local Government Code by encouraging business owners to rehab buildings located in the downtown Odessa Boundaries and make them suitable for businesses to flourish while adhering to current City of Odessa Building Code guidelines.

1. **Incentives.** The ODC will reimburse up to 50%, but not more than \$200,000, toward the total project cost for a Qualifying Infrastructure Project as described herein. Grant amounts shall be determined on a case by case basis for infrastructure improvement. The funds are available on a cost reimbursement basis only. No funds will be paid “up front” or advanced prior to the completed construction. Owner or lessee is responsible for at least 50% of total project cost.
2. **Boundaries.** The Downtown boundaries are 1st Street, Adams Avenue, 10th Street and Bernice Avenue, and grants are available only for property within these boundaries. The amount of grant funds available shall be determined based on location of the property in accordance with the following tiered system:
 - a. **Tier 1.** 100% of 50% of grant funds shall be available for properties located within the boundaries of 3rd Street, N. Jackson Ave., 7th Street, and N. Lincoln Ave.;
 - b. **Tier 2.** 75% of the 50% of grant funds shall be available for properties located within the boundaries of 2nd Street, N. Hancock Ave., 8th Street, and N. Sam Houston Ave.;
 - c. **Tier 3.** 50% of the 50% of grant funds shall be available for properties located within the boundaries of 1st Street, N. Tom Green Ave., 9th Street, N. Washington Ave.; and
 - d. **Tier 4.** 25% of the 50% of grant funds shall be available for properties located outside the boundaries of Tier 1 through Tier 3 but still within the Downtown boundaries as described above.

Infrastructure. A “Qualifying Infrastructure Project” means planned improvements, repairs, or remediations that are necessary to meet City Code requirements in order to promote or expand business enterprises, including but not limited to the following: environmental remediation, water-sewer-electric or gas utilities, fire suppression systems, and other approved site improvements necessary to satisfy code requirements. Housing and projects for the general infrastructure needs of the city and not for the promotion and development of new or expanded business are not eligible.

Guidelines. The following guidelines are applicable to the Downtown Infrastructure Improvement Program:

1. Final approval for a Downtown Infrastructure Improvement application must be obtained from the City Council of the City of Odessa prior to any work being performed. Any work done prior to final approval shall not be eligible for reimbursement.

2. Improvements must be made in conformance with all applicable building codes, laws and zoning requirements. Further, improvements for buildings which are located on properties with outstanding property taxes or City-related liens are not eligible for incentive funding.
3. The determination of eligibility for any project or specific project item is on a case by case basis.
4. Grantee shall invest at least 50% of their own funds in the project. The ODC will reimburse up to 50%, but not more than \$200,000, toward the total project cost for a Qualifying Infrastructure Project.
5. Infrastructure subject to reimbursement includes interior ADA requirements, Fire Codes, Building Codes.
6. Infrastructure subject to reimbursement includes approved infrastructure projects that are specifically designed to bring the buildings up to City Code requirements. Business specific improvements, including but not limited to improvements such as kitchen equipment, will not be eligible. Each project shall be reviewed for qualification on an individual basis.
7. Fire Code required Sprinkler Systems shall always qualify as a reimbursable infrastructure cost.
8. Eligible infrastructure costs shall be reimbursed upon completion of the project by the Grantee, the submission of the required paperwork for a compliance audit, and the issuance of a certificate of occupancy.
9. Applicant, whether lessee or owner, that is intending to use only a portion of a building or structure may apply for the portion that they intend to use without requiring them to do infrastructure for the entire property. However, applicant, whether lessee or owner, that is intending to make use of a portion of the building **or** the entire building or structure, shall be limited to 1 **(one)** Downtown Infrastructure Improvement application for all eligible infrastructure improvements in that building or structure.
10. So long as the lessee has permission to make improvements that qualify under the grant then no additional restrictions shall apply solely because the applicant is a Lessee.

K. Downtown Odessa, Incorporated Façade Program

Mission. The Building Façade Improvement Program is designed to encourage local businesses in the Odessa Downtown area to make exterior improvements which enhance the appearance of their buildings, to better attract other businesses to the downtown area and to demonstrate the economic vitality of the Downtown area for economic development purposes. The stated public purpose is to revitalize and to improve economically distressed structures within Downtown Odessa, to encourage new and expanded business enterprises in the downtown area.

1. **Incentives.** ODC will reimburse up to 80%, but not more than \$25,000, toward the total project cost of building façade improvements for businesses' sites located in the described boundaries. Building owner or lessee is responsible for at least 20% of total project cost.
2. **Boundaries.** The Downtown boundaries are 1st Street, Adams Avenue, 10th Street and Bernice Avenue, and grants are available only for property within these boundaries. The amount of grant funds available shall be determined based on location of the property in accordance with the following tiered system:
 - a. **Tier 1.** 100% of the 80% of grant funds shall be available for properties located within the boundaries of 3rd Street, N. Jackson Ave., 7th Street, and N. Lincoln Ave.;
 - b. **Tier 2.** 75% of the 80% of grant funds shall be available for properties located within the boundaries of 2nd Street, N. Hancock Ave., 8th Street, and N. Sam Houston Ave.;
 - c. **Tier 3.** 50% of the 80% of grant funds shall be available for properties located within the boundaries of 1st Street, N. Tom Green Ave., 9th Street, N. Washington Ave.; and
 - d. **Tier 4.** 25% of the 80% of grant funds shall be available for properties located outside the boundaries of Tier 1 through Tier 3 but still within the Downtown boundaries as described above.

Façade.

1. **Eligible Improvements.** Eligible Improvements are limited to the exterior building façade, including:
 - a. Exterior treatment systems, such as painting, murals, siding, stucco or simulated stucco, brick/stone work, or other approved treatments;
 - b. Structural improvements to the building façade;
 - c. Masonry or tile cleaning/repair;
 - d. Restoration of details in historical buildings;
 - e. Removal of elements that cover architecturally significant areas; and
 - f. Repair or replacement of exterior doors, windows and trim work (in public view) which are necessary for aesthetic purposes
2. **Ineligible Activities.** The following are ineligible uses of grant funds:
 - a. New construction;
 - b. Interior improvements;
 - c. Routine maintenance;

- d. Parking lot improvements; and
- e. Landscaping

3. General Provisions.

- a. Final approval for a Downtown Building Façade Improvement application must be obtained from the City Council of the City of Odessa prior to any work being performed. Any work done prior to final approval shall not be eligible for reimbursement.
- b. Improvements shall be made in conformance with all applicable building codes, laws, and zoning requirements.
- c. All grant recipient improvements must be in compliance with the design standards set forth in the Downtown Master Plan for the overlay zone.
- d. No more than 25% of the total cost of improvements can be related to the exterior painting of the building.
- e. Churches and non-profit organizations are not eligible.
- f. No grant funds will be paid "up front" or advanced prior to the completion of construction. All grant funds are available on a cost-reimbursement basis only.
- g. Funds are subject to Section 504.105 Texas Local Government Code that limits annual spending for promotional purposes to 10% of the ODC revenues.
- h. Funds are limited to those uses that have the purpose of developing new and/or expanded business enterprises and not for other uses such as housing.
- i. Applicant, whether lessee or owner, that is intending to make use of the entire building or structure shall be limited to one Downtown Building Façade Improvement application for all eligible façade improvements on that building or structure.

The contractor proposals were not available at the time this agenda packet was assembled.

These proposals will be provided to the ODC Board when received by the contractor.