

PUBLIC NOTICE
ODESSA DEVELOPMENT CORPORATION
BOARD OF DIRECTORS MEETING

Thursday, August 13, 2020, at 2:00 p.m.

The Public can participate in the meeting by joining through Zoom
Meeting link: <https://us02web.zoom.us/j/81038864890>
By toll free phone number: 1-346-248-7799
Enter meeting number: 810 3886 4890

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 July 9, 2020	ODC Board
3.	Contractors reports: A. Economic Development Dept.-Odessa Chamber..... Wesley Burnett B. CVA Advertising & Marketing.....Craig 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.	Consider approval of an Economic Development Agreement with Apergy	Wesley Burnett
5.	Consider amendment to the Economic Development Agreement with UTPB executed on April 19, 2017	Wesley Burnett
6.	Discuss the Development Finance Program Administrative Policy	ODC Board
7.	Consider a resolution approving the FY 2020-2021 General Development Plan	ODC Board
8.	Consider a resolution approving the FY 2020-2021 Budget	ODC Board
9.	Consider a resolution approving the Economic Development Contractor Agreements for FY 2020-2021	ODC Board
10.	ODC Committee and Officer reports: A. PartnershipTim Edgmon B. Tax IncentiveMelanie Hollmann, David Boutin C. Advertising.....Gene Collins, Tim Edgmon D. DOI Design Chris Cole, Gene Collins E. Perryman Study Task Force Kirk Edwards	
11.	Discuss emergency assistance options related to the COVID-19 pandemic	ODC Board
12.	Update Task Force Report	Tim Edgmon
13.	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**

July 9, 2020

A regular meeting of the Odessa Development Corporation (ODC) was held on July 9, 2020 at 2:00 p.m., in the Council Chambers, fifth floor, City Hall, 411 W. 8th St., Odessa, Texas.

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

Others present:

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

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

Others: Kirk Edwards, Wanda Clayton and other interested citizens.

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

Mr. Collins gave the invocation.

June 11, 2020 minutes. Motion was made by Mr. Collins and seconded by Mr. Boutin 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, City Administrative support, and Perryman Study Task Force. Mr. Burnett stated there were no updates due to the pandemic. He reported that the former Summit site was being discussed and our resources would benefit a company. There were no retention visits only virtual calls. He had meetings with the school district on WiFi. There were ongoing discussions. Mr. Collins asked if the underserved areas were being addressed. Mr. Burnett stated that MOTRAN completed the study. The study was being reviewed by others on all areas. Mr. Fawcett stated that MOTRAN was providing the information. The contractors could possibly work with Midland and Ector Counties to provide broadband. The school entities were focusing on the schools. Mr. Burnett was part of the discussions to assist on behalf of ODC.

Mr. Van Amburgh reported that June's activities was targeted to communication on the strategic plan. The campaign would give a reason to stay in the Permian Basin and encourage to be proud of the oil industry. The podcast and TV would have new interviewees on the strategic plan. There were no on air ads on TV but will begin on the same type of programming. The outdoor billboards will replace with the theme of the strategic plan. The campaign would have its own website with information and

resources and brand identity. It will have a direct link to ODC. The social media engagement increased by 32% and shares up to 59%. The Perryman Study Task Force met. The marketing would be for the citizens of the Permian Basin and the message of importance of the Permian Basin oil in Austin and Washington. Three things identified for the campaign theme were Permian Basin oil industry focus, Great pride in Odessa and West Texans; and short memorable and flexible subject covered in campaign. The theme for the campaign was The Permian Fuels America. The media tactics were traditional media, social media and public relations in local, regional and national. He showed billboard samples. It would have its own website and branding. The digital billboards provided flexibility. Mayor Turner asked how it would differentiate from energy. Mr. Van Amburgh stated that the campaign would be specific. Kirk Edwards, Task Force Chair, appreciated the wisdom of the ODC board for taking action. He identified the task force members. He provided a report on the current oil field conditions. About 5,000 to 6,000 people were laid off and most were minority. He stated the campaign would educate all using different tactics and get peoples attention on the importance of the Permian oil industry. He provided some experiences of the oil industry since 1981. He spoke to the Department of Energy and Department of Commerce. People needed to be educated on foreign oil versus our oil. He was excited about the campaign. Mr. Edgmon thanked the task force for their work. The Perryman report provided hard facts to educate Washington. Mr. Edwards hoped that the oil and gas associations would get behind the campaign and promote the campaign. Mr. Boutin stated that this was a sense of urgency and it would help our area especially with Mr. Edwards' passion. Mr. Edwards thanked the board for providing the initiative for the study and moving forward to address the issues.

Mr. Patton reported on SBDC's June activity. There were 210 counseling sessions and 196 counseling hours. There was one new business in Odessa. June's capitalization was \$594,987 with Odessa at \$590,800. The new Disaster Assistance Consultant began July 1. There was a good marketing and start for the disaster program. He reported that \$6.4 million was identified for clients on the PPP loans/grant program. The number was more but was not all identified. Mr. Cole asked for the numbers to be provided. Mr. Collins asked how the underserved community was marketed. Mr. Patton reported that there was 64% minority. SBDC had limitation on marketing since it was a non profit agency. He sends emails to groups around the Permian Basin. Ms. Hollmann reported that she and Mr. Cole met with the new head of the Business Challenge. More information will be provided such as hearing directly from the winners on their product or service.

Mr. Fawcett stated that the Interstate 14 filing was amended to include passing the route to Odessa. TxDOT supported the filing. Senator Cornyn supported the route. TxDOT was working on two studies. The I-27 study included concerns and input. Data was being collected for the freight study on impact of our roadways. Our trucks were under counted by at least 100,000 a day. Our area was missing out on funding. Midland and Ector Counties were generating the most economic impact. MOTRAN would advocate for more funding. He stated that once the interstate was designated then TxDOT would prioritize the routes. MOTRAN was monitoring the broadband \$80 billion funding from Washington. If approved, funds could be sought from the cities to assist with towers for our area. It was under the House and Senate consideration.

Ms. Muncy reported on financial activities. Total assets were \$56,010,881 and expenditures were \$187,684 for May. For the year, total revenues was \$9,403,499 and expenditures was \$3,511,403. Two payments were paid out from reserved

commitments. She reviewed the investment portfolio. She reported that the sales tax was budgeted for \$12 million but there would be a shortfall. As of July, sales tax was \$10.4 million.

Motion was made by Mr. Cole and seconded by Mr. Collins to approve the financial statement. The motion was approved by unanimous vote.

Discuss current grant application and process to receive assistance from ODC and possible creation of emergency pool of funds for small business Assistance. Mr. Carroll stated that there were minor changes to the program policy. Mr. Cole expressed concern on the application process of businesses missing the opportunity for assistance. He thanked the efforts by Mr. Collins of bringing it to attention. He stated that small businesses were underserved. He provided an experience with a business owner that lacked the knowledge of financial preparation. The business could have gone through the ODC as it created jobs and tax revenue. He understood the constraints of SBDC in marketing. There needed to be the opportunity to grow the business and strengthen the financial aspect of a business that needed assistance. A favorable application process was needed, as Mr. Collins suggested. Mr. Burnett stated that the application process was revamped recently. There could be more flexibility. Mr. Cole asked that Mr. Collins be involved with ideas for more flexibility and assist the businesses in strengthening in any areas, if needed. Ms. Hollmann stated that the program can be flexible and make available educational opportunities to bring the application to standard. A new application was not need. Mr. Burnett stated that more of an open minded approach and mold each project could be done. The business would still be vetted. Mr. Collins stated that owners may have trust issues with the African Americans and Hispanics. Many were hard working and could produce the product or service. He stated that the Black Chamber of Commerce could assist with bridging the trust gap. Mr. Boutin asked if there was a way the business owner can deliver its goods in exchange of the grant funds, other than the traditional financials. He asked if SBDC could have a component to assist business owners to become financially productive. A program should be developed to help small business owners. Mr. Patton stated that they work with clients on financial forms and could help create financials. Mr. Cole stated it was a multifacet approach. There needed to be an inclusive of all underserved businesses. Ms. Hollmann stated it was part of the Perryman Report to strengthen businesses.

Motion was made by Mr. Cole and seconded by Ms. Hollmann for the Compliance Committee to develop an application process. It would assist the underserved businesses. The motion was approved by unanimous vote.

Review and discuss proposed FY 2020-2021 Gen Dev Plan. Mr. Carroll stated that edits were made to the General Development Plan. Mr. Boutin suggested adding financial accounting training under SBDC. He questioned the section stating the Compliance Committee rejecting a proposal that it be reported. Ms. Hollmann stated, in the past, there was a concern that the board be aware of any rejected proposals. Mr. Burnett reported that there have not been any rejections only withdrawals of applications due to lack of information. The section will be removed. Mr. Collins asked about qualifications living in the city limits. Mr. Burnett stated that the job creation and investment must be in Odessa. The employees were not required to live in Odessa. Ms. Brooks would visit with Mr. Collins regarding the requirements. The non-discrimination statement would be placed as it was suggested.

Mayor Turner left the meeting at 3:44 p.m.

Review and discuss contractor proposals to be presented and approved at the August 31 meeting. Mr. Collins stated that the Black Chamber did not receive the request for proposals. He asked to extend the time to allow the Black Chamber to submit a request. Mrs. Muncy reported that a letter for proposal was sent to the Black Chamber of Commerce. Mr. Edgmon stated that an amendment to the budget could be made at anytime of the year. Mr. Burnett offered assistance to help with the proposal. The Black Chamber of Commerce would have to August 1 to submit its proposal.

Review and discuss proposed FY 2020-2021 Budget to be approved at the August 13 meeting. Mrs. Muncy presented a draft budget for the upcoming year. She reviewed the budget in detail. She explained the business incentives budget and the promotional limit items. She explained that the any funds left in promotions would be rolled over into the next year.

ODC Committee and Officer Reports. No reports.

Discuss emergency assistance options related to the COVID-19 pandemic. ODC would participate on options related to the COVID-19 pandemic.

Discuss future web-based Odessa Development Corporation meetings. Mr. Edgmon announced that ODC would go to virtual meetings until further notice.

The meeting adjourned at 4:01 p.m.

ATTEST:

APPROVED:

Norma Aguilar-Grimaldo, TRMC, CMC
City Secretary

Tim Edgmon
President



**Odessa Chamber of Commerce
Economic Development**

Services for the Odessa Development Corporation

July 2020

Projects

2018-01

- Lead from the Governor's office; **Sabre Chemical**, a chemical manufacturing business is seeking a HQ location in Odessa, adding 200 jobs to the workforce
- Seeking rail service location
- Company narrowing facilities list, will be working with Economic Development staff
- Negotiating for a facility continues and is close to completion
- Company is in final negotiation on existing facility in Odessa, will submit incentive application soon
- Company has closed on building, currently has 60 employees, plans to ramp up to 200 over 3 years
- HQ and distribution office, incentive application should be submitted soon
- Company continues to develop options for increasing facility size and job numbers. Discussion of locating more of operation in Odessa
- Company has incentive application, negotiations for increasing and expanding operations in Odessa
- Company making improvements / upgrades to existing local facility
- No update, waiting on application from company
- Company re-evaluating timeline due to recent situation
- No update

2018-05

- **X-Energy** is seeking to construct and operate a specific nuclear reactor in Ector County, Texas. This is a long-term project that would not expect to be in operation until 2024 and a \$1.5 billion project
- This intrinsically safe procedure is expected to generate the sale of electricity and process heat from this facility which could self-suffice the plant operations and costs

- A feasibility study has returned favorable and positive feedback
- Ongoing discussion with company for further information
- Company visited Odessa, toured GCA-very favorable, feasibility moving forward on business model
- Company will return to Odessa and discuss water issues surrounding communities moving forward
- Company plans to be in Odessa in December 2018 with DOE representatives to explore options and Odessa investments
- Company and DOE, TRRC visited Odessa, project to move forward
- Ongoing, no report
- No update

2019-01

- **Project Rockhound** is a 1000-megawatt solar project in western Ector County. \$1 billion CapEx, process of incentives with taxing entities ongoing
- No update

2019-03

- Oil and Gas manufacturing company out of state wishes to consolidate operations into Odessa
- 62 retained and transferred jobs, 46 new jobs created, \$7 million payroll
- Compliance met and will be recommending incentives to ODC board
- ODC Board and City Council approved an incentives package for the project
- Agreement executed
- Development delayed due to current situation
- No update

2020-01

- DEF Plant
- \$2.5-3 capital investment
- 15-20 jobs
- Project in early stage of planning
- Ongoing
- No update

2020-02

- Site location consultants and staff conducted virtual site visit for a new heavy industrial manufacturing facility
- 2,950 construction jobs during 3-4 year construction
- 250-380 permanent employees
- \$3-6 billion CapEx, 24/7 operation

- Completed, follow up, over 250 questions on site, utilities, rail etc
- Clarification requested, addressed
- Zoom follow up, very favorable
- Awaiting next steps with consultants and company
- Possibility of larger project, \$9 Billion capex, possible 5,000 construction jobs for 5 years, up to 500 permanent jobs, average salary +/- \$90K
- Grow Odessa, Penwell property as possible location , ongoing discussions on property, road access, incentives

Local Business Retention and Expansion

- Multiple local expansions in beginning stages
- Project Who, food manufacturer, working on ODC application. Still plans for Odessa location, timeline extended due to current situation

Odessa Partnership

- No meeting in May due to current situation. No meeting in July, possible August meeting to catch up on activity of each entity.

Business Retention and Expansion Visits

- 7 new business consultations in office
- 3 business visits out of office

Housing

- OHFC approved for incentives on 216-unit multi-family project expansion on 87th Street. PSP has withdrawn project investment of \$6 million due to recent economic situation, construction on hold.
- Housing pod project with interest in multi-family, mixed use and single-family pursuing project for Downtown and NE Odessa. Evaluating investments to partner with PSP and Downtown Odessa area interest. Project moving forward on all fronts. Project put on hold.
- Approved two housing grants. 7 single family, 6 townhomes. Funding has begun.
- LOA Land Development, 192 lot subdivision working on infrastructure grant application. Ongoing

Services and Other Activities

- Ingham Economic Index April Report sent via Mailchimp and posted to website

- Odessa Development News / Economic Indicators for June sent via Mailchimp and posted to website
- Certificates of Origin for Eckel International Inc., equipment and parts shipping to Saudi Arabia and Sultanate of Oman
- 2020 Apartment Survey forms mailed out
- Demographic information to Blair Roberts with Odessa College
- Historical rig count information to James Canon with Highmark Residential, LLC
- Data collected for 3rd Quarter Cost of Living Index



Partner Visits

Odessa Chamber Staff Meeting	Director and Staff
Weekly Stakeholder Meeting	Director
SBDC Business Plan Review	Director
UT Permian Basin – Athletic Director Interviews	Director
Odessa COVID Focus Group	Staff
TEDC Board Zoom Meeting	Director
CARES Task Force Meeting – Small Business Funding	Director and Staff
On Board Zoom Meeting	Staff
Chmura Jobs EQ Webinar – Tracking COVID Economic Impace	Staff
West Texas Food Bank – Distribution	Director and Staff
Motran Board Meeting	Director
IEDC Education and Certification Advisory Committee	Director
Institute Webinar with Justin Patton – Your Road Map to Trust	Staff
First Basin Board Meeting	Director
Chamber Education Committee Zoom	Staff
City Council Work Session	Director

Education and Certification Advisory Committee Meeting Zoom	Director
Odessa College – Community Conversation	Director
Opportunity Odessa Steering Committee Meeting	Director and Staff
Economic Development Department Meeting	Director and Staff
Home to Texas Odessa Midland Meeting – UT Austin	Director
PBRC Board Meeting	Director
TPFA Task Force Meeting	Director
High Ground Roundtable	Director
THBI Presidents Call	Director and Staff
ECISD New Teacher Welcome Breakfast	Director and Staff

Odessa Economic Indicators

2020

Building Permits

	2020	Total Value	2019	Total Value
New Single Family	73	\$14,405,770	124	\$26,679,040
New Commercial	4	\$20,609,958	10	\$40,442,000
Other	164	\$6,626,104	116	\$3,421,881
Totals	241	\$41,641,832	250	\$70,542,921
YTD Totals	1,111	\$156,645,574	1,086	\$244,841,712

Sales and Use Tax

	2020	2019	% Change
City of Odessa	\$4,073,485	\$6,158,503	-33.86%
Totals YTD	\$30,369,672	\$37,107,423	-18.16%

Labor Market Statistics

	2020	2019
Civilian Labor Force	85,961	87,649
Total Employment	74,822	85,252
Total Unemployment	11,139	2,397
Unemployment Rate	13.0%	2.7%
Payroll Employment Estimate	74,000	83,600

Permian Basin Rig Count

Month	2020	2019
June	82	321
May	115	351
April	213	356
March	291	356

Midland International Air and Space Port

	2020	2019
Enplaned	17,526	58,838
Deplaned	17,170	55,261
Enplaned YTD	157,238	313,110
Deplaned YTD	159,517	306,995

MLS Statistics-Residential (SF/COND/TH)

	2020	2019
Total Sold	137	162
Dollar Volume	\$32,365,996	\$40,616,282
Total Sold YTD	630	852
Volume YTD	\$150,627,898	\$200,695,077



ADVERTISING & MARKETING

ODESSA DEVELOPMENT CORPORATION

JULY 2020 ACTIVITIES

STRATEGIC COMMUNICATION PLAN

CVA Advertising continued to work with the advertising committee of ODC and liaison David Boutin in the implementation the Strategic Communication Plan for local, regional and national communications. “The Permian Fuels America” campaign launched during the month of July with outdoor leading the way on Monday, July 20th, with our welcome billboard for President Trump. It was followed on July 23 with the rollout of our TV campaign. A sample of the billboard is included in this report.

PODCAST/TV AD SERIES

Podcast - Opportunity Odessa

New podcasts will be scheduled now that the new TPFA campaign has been rolled out. Interviewees will be selected based on their relevance to the new campaign, and we will also spotlight local businessmen helped by ODC once again.

TELEVISION

New TV spots emphasizing the importance of the Permian Basin to United States security and energy independence were produced and began running on July 23 prior to President Trump’s visit. The spots are running on KOSA, KMID, KWES, KPEJ, Telemundo and Univision. The three :30 spots, targeted to Persons 18 - 54 years of age, are running in even rotation on these channels and focus on the importance of the Permian Basin to America’s energy future, The spots also drive residents of the Permian Basin to the “The Permian Fuels America” website for more information on services available to citizens who need assistance to remain in Odessa and the surrounding area until the oil industry recovers.



ADVERTISING & MARKETING

OUTDOOR ADVERTISING

As mentioned, our billboard welcoming President Trump was posted from July 22 - 30. This board was replaced on July 31 with four new TPFA billboards featuring oil and gas workers, oil rigs and pump jacks with our campaign theme and web address. Samples are attached to this proposal.

NEWSPAPER ADVERTISING

New "The Permian Fuels America" ads are running every other Sunday in the Odessa American. The color ads feature similar art to our outdoor and TV campaign, and are attached to this report. In addition, TPFA campaign is being featured in small digital ads on the Odessa American's web site.

WEBSITE

The new TPFA landing page is now active at thepermianfuelsamerica.com, and contains resources for local citizens, the objectives of the campaign and a petition that can be signed by residents of the Permian Basin to show their support for the industry. CVA will make updates to the site as new information and photos become available for publication.

SOCIAL MEDIA/DIGITAL MEDIA

Overview

An aggressive social media campaign is now underway stressing the important of The Permian and its role in our energy independence. Weekly strategy meetings are being held to schedule posts that will increase awareness, and post are occurring multiple times per week. CVA will provide analytics on activity on all social media sites once "The Permian Fuels America" campaign has finished its first month's run.



ADVERTISING & MARKETING

14' X 48' Digital Billboards

WELCOME, PRESIDENT TRUMP
DON'T FORGET
THE
PERMIAN
FUELS AMERICA®



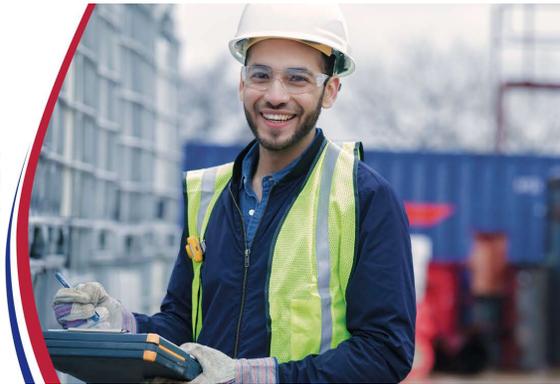
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ADVERTISING & MARKETING

14' X 48' Digital Billboards (contd.)

THE PERMIAN FUELS AMERICA®
ThePermianFuelsAmerica.com

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A digital billboard advertisement for The Permian Fuels America. The left side features the company logo in blue and red, with a red wave graphic at the bottom. The right side shows a man in a blue work jacket and a red hard hat, looking upwards against a blue sky with clouds. The billboard is framed by a red and blue curved border.

THE PERMIAN FUELS AMERICA®
ThePermianFuelsAmerica.com

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A digital billboard advertisement for The Permian Fuels America. The left side features the company logo in blue and red, with a red wave graphic at the bottom. The right side shows a man in a blue work jacket and a white hard hat, smiling against a blue sky with clouds. The billboard is framed by a red and blue curved border.



ADVERTISING & MARKETING

Color Newspaper Ad in Odessa American & OA Digital Web Ad Samples
(Sample ad; all four designs are appearing in the rotation)

THE PERMIAN FUELS AMERICA®

The Permian Basin is the most productive oil region in America.

For decades men and women have come here to build their own part of the American dream with grit and determination. You've worked hard to ensure that our oil and gas industries provide the fuel that keeps our economy moving forward, provides energy security for our nation, and keeps our citizens fed from coast to coast.

Times right now are pretty tough, but temporary. When the demand for oil comes back, The Permian will be the first oil producing zone to follow its lead.

As West Texans we know how to bounce back, and we will again. Bigger and stronger than ever. If you need help until then, visit thepermianfuelsamerica.com and find out what resources are available for you and your family right here in the Permian Basin.

Opportunity still lives here....so should you. The Permian fuels America.®

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THE PERMIAN FUELS AMERICA®

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UTPB SMALL BUSINESS DEVELOPMENT CENTER

2019-2020 New Business Start-Ups & Expansions

July-20							
ODESSA		OTHER LOCATIONS		ACTIVITIES			
New Businesses	2	New Businesses	2	Counseling Sessions	341	Seminars	0
Full-Time Jobs	2	Full-Time Jobs	15	Am Ind/N/Alaskan	17	Am Ind/N/Alaskan	0
Part Time Jobs	0	Part Time Jobs	16	Asian/pac. Islander	0	Asian/pac. Islander	0
				Black	52	Black	0
Total Jobs	2	Total Jobs	23	Hispanic	134	Hispanic	0
				Non-Hispanic	155	Non-Hispanic	0
				Total Clients	341	Total Attendees	0
				Counseling Hours	258	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	341				2707	3403
Counseling Hours	229	142	150	216	202	562	202	162	196	258				2318	2927
Seminars Presented	3	2	1	1	3	5	0	0	0	0				15	42
Attendees	90	14	11	20	48	227	0	0	0	0				410	736
Training Hours	180.0	91	22	40	96	34	0	0	0	0				463	1446
New Businesses	1	11	2	3	4	2	2	6	3	4				38	43
Odessa New Business	0	4	1	0	1	1	2	2	1	2				14	13
Capitalization	\$1,025,000	\$3,709,600	\$1,000,000	\$273,000	\$721,600	\$490,000	\$228,000	\$435,827	\$594,987	\$7,169,437				\$15,647,451	\$19,824,583
Odessa Capitalization	\$250,000	\$3,265,000	\$0	\$50,000	\$521,600	\$0	\$178,000	\$408,827	\$590,800	\$2,732,900				\$7,997,127	\$3,895,616
Full-Time Jobs	8	39	4	23	22	2	7	15	32	17				169	192
Odessa FullTime Jobs	4	19	2	4	0	1	4	2	2	2				40	70
Part Time Jobs	0	28	0	5	0	0	0	0	0	16				49	72
Odessa Part Time Jobs	0	25	0	0	0	0	0	0	0	0				25	24
Total Jobs	8	53	4	26	22	2	7	15	32	25				194	236

8/4/2020 KAM



July 21, 2020

RECEIVED
JUL 22 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 June 2020, and activity report for the Midland-Odessa Transportation Alliance, Inc.

We appreciate your continued support and assistance.

Sincerely,

A handwritten signature in black ink that reads "James Beauchamp". The signature is fluid and cursive, with a long horizontal stroke at the end.

James Beauchamp
President, Midland-Odessa
Transportation Alliance

cc. The Honorable David Turner, City of Odessa

P.O. Box 60816 • Midland, TX 79711 • (432) 563-6240 • www.motran.org

12:05 PM
07/08/20
Cash Basis

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

	Jun 20	Oct '19 - Jun 20
Ordinary Income/Expense		
Income		
4000 · Founding Member Dues	417.00	18,753.00
4010 · Member Dues	0.00	73,833.33
4200 · Interest Earned	18.98	383.38
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	435.98	381,744.71
Expense		
I-14 Initiative	0.00	10,000.00
ODC Wifi Study	0.00	4,000.00
5000 · Marketing		
5001 · MOTRAN Marketing	135.43	10,525.80
5000 · Marketing - Other	0.00	8,665.21
Total 5000 · Marketing	135.43	19,191.01
5025 · Travel Expenses	28.08	4,994.38
5050 · Events & Expos	0.00	21,561.44
5075 · Professional Services	0.00	12,275.00
6000 · Administration		
6035 · Dues & Subscriptions	164.98	811.94
6045 · Food & Entertainment	121.69	2,544.38
6055 · Gifts	0.00	1,641.67
6060 · Insurance	3,772.25	3,508.29
6075 · Miscellaneous Expense	0.00	347.92
6085 · Office Lease	0.00	7,965.00
6090 · Office Supplies	299.99	4,749.78
6105 · Postage	18.16	1,238.59
6115 · Program Supplies	2,077.58	3,269.79
6140 · Telephone	322.47	2,967.70
Total 6000 · Administration	6,777.12	29,045.06
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	171,225.00
6502 · Payroll Taxes	1,354.05	12,308.04
6503 · Employee Health Reimbursement	788.00	7,659.00
6504 · Payroll Service Fee	106.58	1,108.03
6505 · Retirement Contributions	531.00	5,129.25
Total 6500 · Personnel	20,479.63	197,429.32
7410 · Previous year remittance-MDC	0.00	66.57
7420 · Previous year remittance-ODC	0.00	66.57
Total Expense	27,420.26	302,462.52
Net Ordinary Income	(26,984.28)	79,282.19
Net Income	(26,984.28)	79,282.19

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Cash Basis

MOTRAN ALLIANCE, INC.
Balance Sheet
As of June 30, 2020

	<u>Jun 30, 20</u>
ASSETS	
Current Assets	
Checking/Savings	
1000 · Frost MOTRAN Checking	2,076.75
1010 · Frost MOTRAN Money Market	212,423.58
1015 · Frost-ODC Money Market	18,949.41
1020 · Frost- MDC Money Market	54,581.92
Total Checking/Savings	<u>288,031.66</u>
Total Current Assets	288,031.66
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>288,031.66</u>
LIABILITIES & EQUITY	
Equity	
3900 · Net Assets	208,749.47
Net Income	79,282.19
Total Equity	<u>288,031.66</u>
TOTAL LIABILITIES & EQUITY	<u>288,031.66</u>

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07/08/20

MOTRAN ALLIANCE, INC.
Statement of Cash Flows
June 2020

	<u>Jun 20</u>
OPERATING ACTIVITIES	
Net Income	<u>(26,984.28)</u>
Net cash provided by Operating Activities	<u>(26,984.28)</u>
Net cash increase for period	<u>(26,984.28)</u>
Cash at beginning of period	<u>315,015.94</u>
Cash at end of period	<u><u>288,031.66</u></u>

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07/08/20

MOTRAN ALLIANCE, INC.
Statement of Cash Flows
October 2019 through June 2020

	<u>Oct '19 - Jun 20</u>
OPERATING ACTIVITIES	
Net Income	<u>79,282.19</u>
Net cash provided by Operating Activities	<u>79,282.19</u>
Net cash increase for period	79,282.19
Cash at beginning of period	<u>208,749.47</u>
Cash at end of period	<u><u>288,031.66</u></u>

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

EXPENDITURE CATEGORIES	MONTHLY EXPENSE	MDC	ODC
Credit Card Processing Fee			
Dues and Subscriptions	\$164.98		
Events and Expo's			
Food and Entertainment	\$121.69		
Gifts			
Health Insurance Reimbursement	\$788.00		
Heidleberg Donation			
I-14 Initiative			
Insurance	\$3,772.25		
MOTRAN Marketing	\$135.43		
Other Marketing			
Misc. Expense			
Office Lease			
Office Supplies	\$299.99		
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	\$18.16		
Professional Services			
Program Supplies	\$2,077.58		
Travel	\$28.08	\$14.04	\$14.04
Other Travel			
Utilities: Telephone & Internet	\$322.47		
ODC Wifi			
Previous Year Reimittance MDC			
Previous Year Reimittance ODC			
TOTAL EXPENSES	\$27,420.26	\$9,541.06	\$9,541.06

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

	Budget <u>FY2018-19</u>	Current <u>Month</u>	YTD <u>Amount</u>	Remaining <u>Balance</u>	Percent <u>Remaining</u>
Revenue					
Founding Members Dues	\$20,000.00	\$417.00	\$18,753.00	\$1,247.00	6%
Member Dues	\$65,000.00		\$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	\$18.98	\$383.38	\$1,116.62	74%
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	\$435.98	\$381,744.71	\$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	\$85,612.50	\$29,387.50	26%
Payroll-Service Fee					
Payroll Taxes	\$7,500.00	\$677.02	\$6,153.99	\$1,346.01	25%
Retirement					
Postage					
Marketing	\$5,000.00		\$3,760.39	\$1,239.61	25%
Other Marketing					
Program Supplies					
Telephone					
Travel Expenses	\$5,000.00	\$14.04	\$2,477.55	\$2,522.45	51%
Travel Other					
Professional Services	\$5,000.00		\$5,000.00	\$0.00	0%
TOTAL EXPENSES	\$142,500.00	\$9,541.06	\$108,004.43	\$34,495.57	53%



Unified Transportation Program (UTP) Revision

UTP Projects set to be funded in the 2021 UTP Revision

Every August, the TXDOT Commission takes up the 10-year plan for funding of Texas roads and highways. Last year, we successfully worked to advocate for a special “Permian Basin Funding Category” and were successful. The Permian Basin was allotted \$600 million in additional road funding.

Last year (2020 UTP) the commission allocated approximately \$365 million of that total, and this year (2021 UTP) they will allocate the remaining \$235 million. We are proud to say that over \$200 of that is being spent on the much-needed project of Interstate-20 between Midland and Odessa.

PROPOSED PERMIAN PROJECTS FOR 2021 UTP FUNDING ALLOCATIONS (\$235 MILLION TOTAL)



From SH 115 to FM 1788
(Andrews) - Widen existing roadway



From SH 18 to the Winkler County Line
(Winkler/Ward) - Widen existing roadway



From FM 1165 to FM3541
(Culberson) - Rehab of existing roadway



From JBS Parkway (Odessa) to SH 349 (Midland)
Convert frontage roads to one-way, reconstruct & update interchanges, and increase main lanes from 4 lanes to 6 lanes

PREVIOUS PERMIAN PROJECTS FOR 2020 UTP FUNDING ALLOCATIONS (\$364.5 MILLION TOTAL)

I-20

From FM 1936 (Ector) to FM 1208 (Midland)

US 180

Addition of passing lanes in Gaines and Dawson Counties

PECOS RELIEVER ROUTE

New Construction Reliever Route for Pecos (Reeves)

FM 2185

New Road Construction in Culberson County

FM 1053

Relocation of FM 1053 in Pecos County

SL 88

New Construction of another Loop in Lubbock

2021 UTP

ROAD	DST	COUNTY	LIMITS	PURPOSE	CAT 2	LOCAL	CAT 11-ENG	CAT 12- PERMIAN	TOTAL FUNDED	FUNDING GAP	PREV FUND
SH 115	Odessa	Winkler	SH 18 to Ward County Line	Widen				\$10,000,000	\$10,000,000	\$50,400,000	
RM 652	El Paso	Culberson	FM 1165 to 1 mile W of FM 3541	Rehab			\$28,184,892	\$23,600,000	\$51,784,892	None	
SH 176	Odessa	Andrews	SH 115 to FM 1788	Widen				\$10,000,000	\$10,000,000	\$15,900,000	
I 20	Odessa	Ector	JBS to Midland County Line	Widen I-20	\$1,000,000			\$27,600,000	\$28,600,000	None	\$7,600,000
I 20	Odessa	Midland	SH 349 to FM 1208	Widen I-20	\$9,750,000			\$58,250,000	\$68,000,000	\$148,800,000	\$58,250,000
I 20	Odessa	Midland	CR 1250 to SH 349	Widen I-20	\$6,250,000			\$69,550,000	\$75,800,000	None	\$69,550,000
I 20	Odessa	Midland	Ector County Line to CR 1300	Widen I-20	\$5,500,000	\$2,000,000		\$142,000,000	\$149,500,000	None	\$42,700,000
I 20	Odessa	Ector	FM 1936 to Monahan's Draw	Widen I-20	\$9,750,000			\$71,050,000	\$80,800,000	\$41,200,000	\$7,300,000
I 20	Odessa	Ector	Monhanas Draw to JBS	Widen I-20	\$9,750,000			\$44,200,000	\$53,950,000	\$39,000,000	\$37,450,000
LP 250	Odessa	Midland	Interchange at Todd Road	Interchange	\$2,500,000				\$2,500,000	\$25,500,000	
					\$44,500,000	\$2,000,000		\$446,250,000	\$520,934,892	\$270,400,000	\$222,850,000
											\$22,150,000
											\$245,000,000

Public Commenting

We have begun collecting public comments that will be submitted to the commission in support of this Permian Basin allocation in addition to support for the commission to continue this level of funding going forward into future cycles.

Broadband/Internet Access in the Permian

Speed Testing Study

We are currently gathering submissions from the public with regards to broadband access/ levels of service of the citizens in Midland and Odessa. We are asking citizens to conduct speed tests from their home computers and then log their results as well as what level of service they are paying for.

Based on preliminary findings, we are seeing that we are paying more in Midland and Odessa than our sister cities in West Texas for similar levels of service. Additionally, we are finding that consumers are getting far less service in terms of upload and download speeds than what they are paying for/ what is being advertised.

Working with fellow Midland-Odessa Groups

As we are well aware, the topic of broadband is becoming a hot-topic in our community, state, and nation. Within the community, we have been meeting with and working as a resource with both school districts, multiple foundations, both chambers and economic development corporations on steps we can take moving forward as well as what our current outlook is for broadband in the community.

**ODESSA DEVELOPMENT CORPORATION
BALANCE SHEET
JUNE 2020**

ASSETS

Investments - Local Government Pools	\$ 27,668,452
Investments - CDs and CDARs	3,229,325
Investments - Municipal Securities	12,257,611
Investments - Money Market	13,396,076
Interest Receivable - Municipal Securities	<u>222,807</u>
TOTAL ASSETS	\$ <u>56,774,271</u>

LIABILITIES

Accounts Payable	<u>187,684</u>
TOTAL LIABILITIES	\$ <u>187,684</u>

FUND BALANCE

Reserved - Short Term Commitments Due Within One Year		
FMC Technologies	\$ -	
Select Energy	-	
Glazer's Beer & Beverage	226,998	
West Texas Food Bank	558,075	
Odessa College - 2nd Project Training Facility	822,391	
UTPB - 2nd Project Training Facility	<u>1,500,000</u>	
Total Short Term Commitments		3,107,464
Reserved - Long Term Commitments Due in More Than One Year		
FMC Technologies	152,798	
Glazer's Beer & Beverage	680,995	
Select Energy	55,123	
West Texas Food Bank	146,866	
UTPB - 2nd Project Training Facility	3,000,000	
Downing Wellhead Equipment, LLC	1,640,000	
Rack Industries, LLC	2,757,294	
Kaige Industries, LLC	<u>318,000</u>	
Total Long Term Commitments		<u>8,751,076</u>
Total Reserved		11,858,540
Assigned (TXDOT Projects)		11,072,220
Assigned (Workforce Housing Infrastructure Incentives)		4,987,774
Unreserved		<u>28,668,054</u>
TOTAL FUND BALANCE		\$ <u>56,586,588</u>
TOTAL LIABILITIES AND FUND BALANCE		\$ <u><u>56,774,271</u></u>

ODESSA DEVELOPMENT CORPORATION
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
TOTAL BUDGET COMPARISON
JUNE 2020

	<u>TOTAL BUDGET</u>	<u>ACTUAL - YTD</u>	<u>REMAINING BALANCE</u>
REVENUES			
4-A Sales Tax Receipts	\$ 12,000,000	\$ 9,645,919	\$ (2,354,081)
Miscellaneous Income/Refunds	-	-	-
Interest Income	500,000	641,946	141,946
Gain and or (Loss) on Investments	(200,000)	(40,366)	159,634
TOTAL REVENUES	\$ 12,300,000	\$ 10,247,499	\$ (2,052,501)
EXPENDITURES			
Supplies and Materials	\$ 1,500	\$ 440	\$ 1,060
Audit Services	35,000	40,300	(5,300)
Special Services	202,200	201,800	400
Insurance	15,000	13,454	1,546
Bank Services	6,000	5,165	835
Administration Fee - City of Odessa	205,349	154,012	51,337
Contingencies	100,000	-	100,000
Contracted Economic Development Services			
Chamber of Commerce	852,280	639,210	213,070
MOTRAN	142,500	106,870	35,630
UTPB - Small Business Center	98,794	74,095	24,699
Promotional			
Marketing	645,865	555,177	90,688
UTPB - SBDC Entrep. Contest	422,632	-	422,632
Façade Grants	250,000	-	250,000
Business Incentives	51,872,800	1,751,778	50,121,022
Infrastructure Grants	100,000	49,712	50,288
TOTAL EXPENDITURES	\$ 54,949,920	\$ 3,592,012	\$ 51,357,908
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	\$ (42,649,920)	\$ 6,655,487	\$ 49,305,407
FUND BALANCE - AT BEGINNING OF YEAR	\$ 49,931,101	\$ 49,931,101	\$ -
FUND BALANCE - AT END OF YEAR	\$ 7,281,181	\$ 56,586,588	\$ 49,305,407

ODESSA DEVELOPMENT CORPORATION
CHANGES IN RESERVED FUND BALANCE
JUNE 2020

Reserved - Short Term Commitments

				Dates in Fiscal Years	
	Current Month	Prior Month	Month End Change	Pmt Began	Expires
FMC Technologies	\$ -	\$ -	\$ -	2017-18	2021-22
Select Energy	-	18,374	(18,374)	2017-18	2021-22
Glazer's Beer & Beverage	226,998	226,998	-	2014-15	2018-19
West Texas Food Bank	-	-	-	2016-17	2020-21
West Texas Food Bank-2nd Amendment	558,075	558,075	-	2019-20	2019-20
Odessa College - 2nd Project Training Facility	822,391	822,391	-	2017-18	2019-20
UTPB - 2nd Project Training Facility	1,500,000	1,500,000	-	2017-18	2021-22
Total Short Term Commitments	\$ 3,107,464	\$ 3,125,838	\$ (18,374)		

Reserved - Long Term Commitments

				Dates in Fiscal Years	
	Current Month	Prior Month	Month End Change	Pmt Began	Expires
FMC Technologies	\$ 152,798	\$ 152,798	\$ -	2017-18	2021-22
Glazer's Beer & Beverage	680,995	680,995	-	Not started (5 year payout)	
Select Energy	55,123	55,123	-	2017-18	2021-22
West Texas Food Bank	146,866	146,866	-	2016-17	2020-21
Odessa College - 2nd Project Training Facility	-	-	-	2017-18	2019-20
UTPB - 2nd Project Training Facility	3,000,000	3,000,000	-	2017-18	2021-22
Downing Wellhead Equipment, LLC	1,640,000	1,640,000	-		
Rack Industries, LLC	2,757,294	2,757,294	-		
Kaige Equipment, LLC	318,000	318,000	-		
Total Long Term Commitments	\$ 8,751,076	\$ 8,751,076	\$ -		
Total Reserved Fund Balance	\$ 11,858,540	\$ 11,876,914	\$ (18,374)		

**ODESSA DEVELOPMENT CORPORATION
INVESTMENT SUMMARY
JUNE 2020**

This investment summary report is in full compliance with the investment strategy as established per the City's Investment Policy and the the Public Funds Investment Act.

The fair value for the beginning and end of the reporting period are as follows:

INVESTMENT	BEGINNING BALANCE	PURCHASE AMOUNT	CHANGES IN FAIR VALUE AND INTEREST	SALES AMOUNT	ENDING BALANCE
GOVERNMENT POOLS	\$ 26,926,835	\$ 734,088	\$ 7,529	\$ -	\$ 27,668,452
CD'S AND CDARS	3,225,132	-	4,193	-	3,229,325
SAVINGS AND MONEY MARKETS	13,394,592	-	1,485	-	13,396,076
MUNICIPAL BONDS	12,275,129	-	(17,518)	-	12,257,611
AGENCY NOTES	-	-	-	-	-
TOTAL	<u>\$ 55,821,688</u>	<u>\$ 734,088</u>	<u>\$ (4,311)</u>	<u>\$ -</u>	<u>\$ 56,551,465</u>

Note: This investment report is prepared in accordance with Generally Accepted Accounting Principles (GAAP), and is in compliance with the City of Odessa's investments strategies in the investment policy, and with relevant provisions of the Public Funds Investment Act.

Cindy Muncy
Interim Assistant City Manager

**ODESSA DEVELOPMENT CORPORATION
INVESTMENT PORTFOLIO
MAY 31, 2020**

Beginning of Month

<u>INVESTMENT TYPE</u>	<u>YTM</u>	<u>MATURITY</u>	<u>PAR</u>	<u>FAIR**</u>
Local Government Investment Pools				
TexPool	0.27%	Open	\$ 19,865,378	\$ 19,865,378
Logic	0.81%	Open	7,061,457	7,061,457
Total Local Government Investment Pools			\$ 26,926,835	\$ 26,926,835
Weighted Average Rate Per Pools Total	0.41%			
Money Market Investment				
Frost Money Market	0.27%	Open	13,394,592	13,394,592
Total Money Market			\$ 13,394,592	\$ 13,394,592
Weighted Average Rate Per MM Total	0.27%			
CD AND CDARs Investments				
AimBank - 17 Month CD	1.50%	1/31/20	\$ 2,173,000	\$ 2,181,213
BBVA CD	1.71%	12/15/19	1,032,140	1,043,919
Total CD and CDARs Investments			\$ 3,205,140	\$ 3,225,132
Weighted Average Rate Per CD's Total	1.57%			
Municipal Securities				
Arizona ST B Tax	2.18%	7/1/20	\$ 340,000	\$ 340,347
Florida St Bd A Tax	2.64%	7/1/21	1,000,000	1,018,600
Dallas TX	2.21%	10/1/20	3,325,000	3,337,502
Center Tex ISD Tax	5.40%	2/15/21	1,000,000	1,028,470
Hudson Cnty NJ C-2 Tax	3.00%	9/18/20	1,000,000	1,000,730
Texas Tech University	1.95%	2/15/21	500,000	503,780
Texas St Trans	4.00%	8/27/20	5,000,000	5,045,700
Total Municipal Securities			\$ 12,165,000	\$ 12,275,129
Weighted Average Rate Per Munis Total	3.30%			
TOTAL INVESTMENTS	1.07%		\$ 55,691,566	\$ 55,821,688

** Amount does not reflect prior period market adjustments and represents fair market value adjustment as of current period end only.

**ODESSA DEVELOPMENT CORPORATION
INVESTMENT PORTFOLIO
JUNE 30, 2020**

End of Month

<u>INVESTMENT TYPE</u>	<u>YTM</u>	<u>MATURITY</u>	<u>PAR</u>	<u>FAIR**</u>
Local Government Investment Pools				
TexPool	0.22%	Open	\$ 20,603,361	\$ 20,603,361
Logic	0.63%	Open	7,065,090	7,065,090
Total Local Government Investment Pools			\$ 27,668,452	\$ 27,668,452
Weighted Average Rate Per Pools Total	0.32%			
Money Market Investment				
Frost Money Market	0.10%	Open	\$ 13,396,076	\$ 13,396,076
Total Money Market			\$ 13,396,076	\$ 13,396,076
Weighted Average Rate Per MM Total	0.10%			
CD AND CDARs Investments				
AimBank - 17 Month CD	1.50%	1/31/20	\$ 2,173,000	\$ 2,183,958
BBVA CD	1.71%	12/15/19	1,032,140	1,045,367
Total CD and CDARs Investments			\$ 3,205,140	\$ 3,229,325
Weighted Average Rate Per CD's Total	1.57%			
Municipal Securities				
Arizona ST B Tax	2.18%	7/1/20	\$ 340,000	\$ 340,000
Florida St Bd A Tax	2.64%	7/1/21	\$ 1,000,000	1,020,630
Dallas TX	2.21%	10/1/20	3,325,000	3,337,136
Center Tex ISD Tax	5.40%	2/15/21	1,000,000	1,025,980
Hudson Cnty NJ C-2 Tax	3.00%	9/18/20	1,000,000	1,000,800
Texas Tech University	1.95%	2/15/21	500,000	503,765
Texas St Trans	4.00%	8/27/20	5,000,000	5,029,300
Total Municipal Securities			\$ 12,165,000	\$ 12,257,611
Weighted Average Rate Per Munis Total	3.30%			
TOTAL INVESTMENTS	0.98%		\$ 56,434,668	\$ 56,551,465

** Amount does not reflect prior period market adjustments and represents fair market value adjustment as of current period end only.

RESOLUTION NO. ODC-2020R-__

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE ODESSA DEVELOPMENT CORPORATION APPROVING AN ECONOMIC DEVELOPMENT AGREEMENT WITH APERGY; AUTHORIZING THE EXECUTION OF ANY DOCUMENTS NECESSARY TO IMPLEMENT THIS RESOLUTION; AND DECLARING AN EFFECTIVE DATE.

WHEREAS, Apergy (the “Company”) proposes to operate a chemistry programs and services, drilling technology, artificial lift solutions, and automation technologies company classified as #213112 and #333132 of the North American Industry Classification System (NAICS) in Ector County, Texas, and increase primary jobs which satisfies the requirements of Sections 501 and 504 of the Local Government Code; and

WHEREAS, the Company has plans for building expansion/modifications and new equipment to increase its technical capabilities and improve its presence for customers and employees in the Permian Basin area by expanding/upgrading its Odessa facility. The total capital investment will be approximately \$1.815M; and

WHEREAS, the Company will retain 107 jobs and will add 20 more jobs during the first year. Over the next 3 years, this will translate in to approximately \$8,635,188.28 in annual payroll; and

WHEREAS, based on the number of jobs and payroll over the next 3 years, the Company qualifies for a total grant of \$1,000,000 to be paid out over the 3-year-period if the Company maintains compliance with all terms and conditions of the agreement;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE ODESSA DEVELOPMENT CORPORATION:

Section 1. That the statements of fact in the Preamble are found to be true and correct and are approved as findings.

Section 2. That an Economic Development Agreement with Apergy in the amount of \$1,000,000 is approved and authorized for execution.

Section 3. That this resolution shall be effective at the time of its adoption.

The foregoing resolution was approved and adopted on the 13th day of August, A.D., 2020, by the following vote:

Tim Edgmon	_____
Gene Collins	_____
Melanie Hollmann	_____
David Boutin	_____
Chris Cole	_____

Approved the 13th day of August, A.D., 2020.

APPROVED AS TO FORM:

Tim Edgmon, President

ATTEST:

Natasha Brooks, City Attorney as Attorney for
ODC Board

Norma Aguilar-Grimaldo, City Secretary as
Assistant Secretary for ODC Board



Economic Development

Application for Economic Development Assistance

The completion of the following 6-pages of information is required for all projects requesting economic development assistance from the Odessa Development Corporation. Provide information in all blanks of the application form, including the check list for Required Information on page 7. If more space is needed, attach additional pages to the corresponding information. For example, to list employees, number the attachment #5 Employment Information and attach it to page 5. Your signature is required on page 2 and page 7. If the information requested is Not Applicable, enter "N/A" in the space. Incomplete applications will not be considered for assistance. After the application is reviewed, the Odessa Development Corporation may require additional information to indicate the financial abilities or other factors of the company.

Three methods to submit the Application:

Submit the completed application *by mail*:

Odessa Chamber of Commerce, Economic Development Department
PO Box 3626
Odessa, Texas 79760

Submit the completed application *in person to*:

700 N. Grant, Suite 200
Odessa, Texas 79761
(Bank of America Building)

Submit the completed application via email to: wburnett@odessaecodev.com

This application must be filed with the Odessa Chamber of Commerce, Economic Development Department prior to making public announcement or filing Building Permit with the City.

If you have questions about this application, please contact the Economic Development Department at (432) 333-7880.

I. Contact Information

Applicant/Business Name (Exact legal name i.e. Corporation, LLC, Limited Partnership)		
Apergy		
Mailing Address		
12506 West Highway 80 East		
Physical Address (If different from mailing address)		
City	State	Zip Code
Odessa	TX	79765
Phone Number/ Office	Fax Number	
432-214-8021		
Phone Number Cell		
956-639-5022		
Email Address	Website	
Shankar.annamalai@apergy.com	www.apergy.com	
Applicant's Representative	Title	
Shankar Annamalai	VP Permian GEO-Market	

Odessa Development Corporation and the City of Odessa are public entities subject to the Open Records Act (CH. 552, Gov. Code). Applicant waives all rights to confidentiality regarding information it conveys to the Chamber, ODC, and the City of Odessa, unless it identifies in writing the information that is subject to confidentiality and such non-disclosure does not violate the Open Records Act.

Applicant's Signature

Date

II. Project Information

- 1. Description of the Project and Type of Business**
- 2. the estimated new capital investment for equipment and furniture;**
- 3. percentage of physical assets purchased in Odessa;**
- 4. list of new machinery, equipment and other physical assets.**

As part of ChampionX/Apergy's growth initiative we will be investing approximately \$1.815M for the building expansion/modifications and new equipment to increase our technical capabilities and improve our presence for customers and employees in the Permian Basin area by expanding/upgrading our Odessa facility. We will be:

1. Collocating four (4) of our businesses into our Odessa owned facility. Three (3) of our business locations will relocate from Midland, TX to Odessa, TX.
 - Office furniture, racking, etc. will be reallocated from the Midland and Odessa facilities.
 - Inventory and all other assets for the 3 Midland based business locations will move to the Odessa facility.
 - By consolidating the 3 Midland locations into the Odessa facility our Odessa employee headcount would increase from 111 to 133; an increase of ~20%.
2. Expanding one (1) of our Oklahoma based business' presence in Odessa by adding a drive refurb lab which will eliminate transporting the large drives for repair weekly to/from a third party vendor in Oklahoma
 - Repairing the drives locally reduces response time for our customer and potential risk of additional damage to the equipment during transport.
 - Adding approximately 2 technical jobs for drive repair
3. Expanding our Cable Spooling building and purchasing new cable spooling equipment
 - Purchasing cable spooling equipment from Calmec; Model #222.5 (Type TU-BR-78/18K/300/XHD) for approximately \$715K. No physical assets will be purchased in Odessa at this time.

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III. Facility Information

Current Property Values in Odessa		
Building	Equipment	
Building \$2.4M		
Address and Legal Description of each location	Address Of Location (New or <u>Expansion</u>) circle one	
1460 Windway, Odessa, TX 79763 Manufacturing, Operations and Warehouse	Expansion	
Estimated New Capital Investment for Building Construction	Estimated Dates for Construction	
	Start:	Complete:
\$1.1M	July 2020	September 2020

IV. Company Information

Description of the Company		Year Established
<p>On June 3, Apergy and ChampionX, formerly known as Nalco Champion upstream, merged to create the “new” ChampionX, a global leader in chemistry programs and services, drilling technology, artificial lift solutions, and automation technologies for the upstream and midstream oil and gas industry. The Odessa facility is a legacy Apergy/Accelerated facility.</p>		2013
NAICS Code ¹	NAICS Code Description	
<p>Multiple Codes:</p> <p>213112 = Spirit Global Energy</p> <p>333132 = PCS Ferguson and ESP Systems, LLC</p> <p>NSWM =</p>	<p>213112 = Oilfield Service Company</p> <p>333132 = Oil and Gas Field Machinery and Equipment Manufacturing</p>	

Annual Sales	Annual Sales in Odessa ²
Projected Increase in sales	Projected Increase in Odessa sales
\$500K	\$500K
Financial & Supplier References	Length of time applicant commits to Odessa

Notes

1. **NAICS Code:** North American Industrial Classification Code. The NAICS manual is available for use at the Chamber.
2. **Annual Sales in Odessa:** Estimated sales to Odessa customers. If the company has no Odessa customers, enter "none."

V. Employment Information

List all Current/Transfer Full Time Employees and the Location of employment.

A. Include the number of Salaried workers and Annual Salary for each position.

B. Include the number of Hourly workers with hourly Wage and avg. number of hours.

A. Salaried Employees:

Job Title/Position	Number of Employees	Annual Salary	Job location
Job Title/Position	# Emps	Avg Salary	Location
AP/AR Supervisor	1	\$59,884.28	Midland
Apps Engineer	1	\$99,000.00	Odessa
Area Manager	1	\$174,244.95	Odessa
Buyer	1	\$72,493.91	Odessa
Fabrication Manager	1	\$103,533.00	Odessa
Field Service Supervisor	1	\$99,990.00	Odessa
Finance Senior Manager	1	\$118,800.00	Odessa
HR Generalist II	1	\$80,001.16	Odessa
HSE Manager	1	\$105,000.00	Odessa
HSE Specialist	1	\$90,000.00	Odessa
Inventory Manager	1	\$114,562.68	Odessa
IT Support Tech	1	\$75,702.16	Odessa
Maint & Facilities Supervisor	1	\$103,818.90	Odessa
Manufacturing Manager	1	\$125,932.95	Odessa
Manufacturing Supervisor	1	\$100,503.17	Midland
Operations Manager	3	\$117,675.34	Odessa
Order Management Supervisor	1	\$95,000.00	Odessa
Prod Svc Rep	1	\$102,650.30	Midland
Quality Anlst III Sr.	2	\$88,571.90	Odessa
Regional Tech Svcs Lead	1	\$115,312.69	Midland
Reliability Engr II	3	\$83,746.50	Odessa
Reliability Manager	1	\$126,547.20	Odessa
Rental Fleet Mgr	1	\$95,481.28	Odessa
Sales and Svc Rep	1	\$64,712.08	Odessa
Warehouse Supervisor	1	\$73,087.57	Odessa

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B. Hourly Employees:

Job Title/Position	Wage	Number of Employees	Annual Salary	Job location
Job Title/Position	# Emps	Avg Salary	Location	Avg Annual Hours
Accounts Receivable	3	\$22.01	Midland	6,240
Admin Asst III Sr	2	\$20.89	Odessa	4,160
Auto Field Tech	6	\$33.51	Midland	12,480
Billing Anlst	3	\$23.90	Odessa	6,240
Branch Supervisor	1	\$26.86	Midland	2,080
Cable Repair Tech	5	\$24.92	Odessa	10,400
Cable Spooling Tech	2	\$25.65	Odessa	4,160
Capillary Spooling Tech	2	\$25.07	Odessa	4,160
Cust Svc Rep	2	\$27.70	Midland	4,160
Downhole Specialist	1	\$25.98	Midland	2,080
Downhole Tech	1	\$32.96	Midland	2,080
Drafter	1	\$34.43	Odessa	2,080
Field Service Coord	1	\$26.94	Odessa	2,080
Field Service Supervisor	4	\$42.18	Odessa	8,320
Field Service Tech	19	\$33.00	Odessa	39,520
Gas Lift Svc Rep	2	\$29.75	Odessa	4,160
Hydraulic Assembler	2	\$24.34	Odessa	4,160
Hydraulic Svc Rep	4	\$27.15	Odessa	8,320
Industrial Maint Tech	1	\$29.17	Odessa	2,080
Inventory Clerk	1	\$27.83	Odessa	2,080
Inventory Controller II	1	\$24.66	Odessa	2,080
Inventory Spec	1	\$25.24	Odessa	2,080
Machinist	2	\$29.35	Odessa	4,160
Materials Supervisor	1	\$31.09	Odessa	2,080
Mechanic	1	\$27.40	Odessa	2,080
Operations Lead	1	\$28.56	Midland	2,080
Order Mgmt Analyst	4	\$20.63	Odessa	8,320
Qty Verification	2	\$23.77	Odessa	4,160
Receiving Clerk	1	\$20.85	Odessa	2,080
Reliability Tech	4	\$21.18	Odessa	8,320
Shipping Coord	4	\$23.71	Odessa	8,320
Shop Tech	9	\$20.65	Odessa	18,720
Variable Speed Drive Tech	2	\$35.58	Odessa	4,160
Warehouse	4	\$21.64	Midland	8,320
Welder	1	\$42.16	Midland	2,080

101

210,080

List all New Full Time Employees Resulting from Expansion/Relocation and/or New Location in Odessa.

A. Include number of Salaried workers and Annual Salary.

B. Include number of Hourly workers with hourly Wage and avg. number of hours.

A. Salaried Employees:

Job Title/Position	Number of Employees	Annual Salary	Job location
Job Title/Position	# Emps	Avg Salary	Location
AP/AR Supervisor	1	\$59,884.28	Midland
Manufacturing Supervisor	1	\$100,503.17	Midland
Operations Manager	1	\$114,299.68	Midland
Prod Svc Rep	1	\$102,650.30	Midland
Regional Tech Svcs Lead	1	\$115,312.69	Midland
	5		

B. Hourly Employees:

Job Title/Position	Wage	Number of Employees	Annual Salary	Job location	
Job Title/Position		# Emps	Avg Salary	Location	Avg Annual Hours
Accounts Receivable		2	\$23.48	Midland	4,160
Auto Field Tech		5	\$34.56	Midland	10,400
Branch Supervisor		1	\$26.86	Midland	2,080
Cust Svc Rep		1	\$20.31	Midland	2,080
Downhole Specialist		1	\$25.98	Midland	2,080
Downhole Tech		1	\$32.96	Midland	2,080
Operations Lead		1	\$28.56	Midland	2,080
Warehouse		2	\$21.73	Midland	4,160
Welder		1	\$42.16	Midland	2,080
		15			31,200

Provide Date when Expected to Reach Full Employment (month/year)

VI. Economic Development Assistance Request(s)

Financial Assistance Grant Requested from Odessa Development Corp. (\$\$ Amount)

\$1,000,000

How will this funding be used

Construction costs for the facility expansion, wages for employees, infrastructure investment for the driver refabricating process (technical needs).

Tax Abatement Requested from Taxing Entities

First Year of Abatement

Number of Years of Abatement*

X Yes No

3

Other Assistance Requested from City Council: Enterprise Zone Sales Tax Rebate

Yes **No**

***Abatement Schedule Requested:** Please refer to the City of Odessa Tax Abatement policy statement to determine the applicable tax abatement schedule, found on page _____ of _____. Tax abatements are subject to approval from each taxing entity: City of Odessa, Ector County, Ector County Hospital District, and Odessa College. Ector County Independent School District is excluded from tax abatement by Texas law.

Check list for a Completed Application

Items 1 – 6 of the *printed application, pages 2-6:*

- 1. Contact information.**
- 2. Summary of Project (including detailed description of construction and a detailed list of machinery, equipment and physical assets.)**
- 3. Facility Information**
- 4. Company Information**
- 5. Employment Information to include list of current employees and list of new employees expected to be created.**
- 6. Request for Economic Development Grant and/or Tax Abatement and/or Enterprise Zone City Sales Tax Rebate**

Items to be Submitted by Applicant Existing Enterprise Only

- 7. Business Plan, to include Pro Forma financial statement, cash flow forecast and supporting assumptions.
- 8. Prior 2 years and current Year-To-Date financial statements, to include Balance Sheets and Statements of Income & Expenses, and Current Receivable Aging Report.
Audited financial information is preferred, if available.
- 9. Income Tax Returns for prior three years.
- 10. Letter addressing Tax Abatement Minimum Standards *(if applicable)*
- 11. Resumé of owner(s) and principal manager(s).
- 12. Personal financial statement required, if an individual owns 20% of the company.

Items to be Submitted by Applicant New Enterprise Only

- 7. Business Plan, to include Pro Forma financial statement, cash flow forecast and supporting assumptions.
- 8. Current Year to Date financial statements for all equity owners including personal financial statement for any individuals and balance sheets and statements of income and expenses for any entities, and current receivables aging report
- 9. Income Tax Returns for prior three years for all equity owners.
- 10. Letter addressing Tax Abatement Minimum Standards *(if applicable)*
- 11. Resumé of owner(s) and principal manager(s).

Applicant's Signature, attesting all information is provided and accurate

This application must be filed with the Odessa Chamber of Commerce, Economic Development Department prior to making public announcement or filing Building Permit with the City. If you have questions about this application, please contact the Economic Development Department at (432) 333-7881.

Revised 08/21/2019

Project Champ

Jul-20

New/Transfer Jobs	\$196,613.00
Retention Jobs	\$989,699.00
Job Creation Grant	\$1,186,312.00
Capital Investment	\$52,272.00
Total Grant	\$1,238,584.00

New/Transfer Jobs

<u>Job Description</u>	<u>Employees</u>	<u>Hourly Rate</u>	<u>Annual Salary</u>	<u>Factor</u>	<u>Base Benefit</u>	<u>Annual Payroll</u>
AP/AR Supervisor	1	\$28.79	\$59,884.28	0.45	\$26,947.93	\$59,884.28
Manufacturing Supervisor	1	\$48.32	\$100,503.17	0.5	\$50,251.59	\$100,503.17
Operations Manager	1	\$54.95	\$114,299.68	0.5	\$57,149.84	\$114,299.68
Prod. Svc Rep	1	\$49.35	\$102,650.30	0.5	\$51,325.15	\$102,650.30
Regional Tech Svcs Lead	1	\$55.44	\$115,312.89	0.5	\$57,656.45	\$115,312.89
Accounts Receivable	2	\$23.48	\$48,838.40	0.45	\$43,954.56	\$97,676.80
Auto Field Technicians	5	\$34.56	\$71,884.80	0.45	\$161,740.80	\$359,424.00
Branch Supervisor	1	\$26.86	\$55,868.80	0.45	\$25,140.96	\$55,868.80
Customer Service Rep	1	\$20.31	\$42,244.80	0.35	\$14,785.68	\$42,244.80
Downhole Specialist	1	\$25.98	\$54,038.40	0.45	\$24,317.28	\$54,038.40
Downhole Tech	1	\$32.96	\$68,556.80	0.45	\$30,850.56	\$68,556.80
Operations Lead	1	\$28.56	\$59,404.80	0.45	\$26,732.16	\$59,404.80
Warehouse	2	\$21.73	\$45,198.40	0.45	\$40,678.56	\$90,396.80
Welder	1	\$42.16	\$87,692.80	0.5	\$43,846.40	\$87,692.80
	20				\$655,377.91	\$1,407,954.32

<u>Base Benefit</u>	<u>Funding</u>	<u>Funding Level</u>	<u>Funds/Job</u>
\$655,377.91	30%	\$196,613.37	\$9,830.67
\$655,377.91	45%	\$294,920.06	\$14,746.00
\$655,377.91	60%	\$393,226.75	\$19,661.34

Retention Jobs

<u>Job Description</u>	<u>Employees</u>	<u>Hourly Rate</u>	<u>Annual Salary</u>	<u>Factor</u>	<u>Base Benefit</u>	<u>Annual Payroll</u>
Apps Manager	1	\$47.60	\$99,000.00	0.5	\$49,500.00	\$99,000.00
Area Manager	1	\$83.77	\$174,244.95	0.5	\$87,122.48	\$174,244.95
Buyer	1	\$34.85	\$72,493.91	0.45	\$32,622.26	\$72,493.91
Fabrication Manager	1	\$49.78	\$103,533.00	0.5	\$51,766.50	\$103,533.00
Field Service Supervisor	1	\$48.07	\$99,990.00	0.5	\$49,995.00	\$99,990.00
Finance Senior Manager	1	\$57.12	\$118,800.00	0.5	\$59,400.00	\$118,800.00
HR Generalist II	1	\$38.46	\$80,001.16	0.5	\$40,000.58	\$80,001.16
HSE Manager	1	\$50.48	\$105,000.00	0.5	\$52,500.00	\$105,000.00
HSE Specialist	1	\$43.27	\$90,000.00	0.5	\$45,000.00	\$90,000.00
Inventory manager	1	\$55.08	\$114,562.68	0.5	\$57,281.34	\$114,562.68
IT Support Tech	1	\$36.40	\$75,702.16	0.45	\$34,065.97	\$75,702.16
Maintenance & Facilities Supervisor	1	\$49.91	\$103,818.90	0.5	\$51,909.45	\$103,818.90
Manufacturing Manager	1	\$60.54	\$125,932.95	0.5	\$62,966.48	\$125,932.95
Operations Manager	3	\$56.57	\$117,675.34	0.5	\$176,513.01	\$353,026.02
Order Management Supervisor	1	\$45.67	\$95,000.00	0.5	\$47,500.00	\$95,000.00
Quality Anist III Sr.	2	\$42.58	\$88,571.90	0.5	\$88,571.90	\$177,143.80
Reliability Engr II	3	\$40.26	\$83,746.50	0.5	\$125,619.75	\$251,239.50
Reliability Manager	1	\$60.84	\$126,547.20	0.5	\$63,273.60	\$126,547.20
Rental Fleet Mgr	1	\$45.90	\$95,481.28	0.5	\$47,740.64	\$95,481.28
Sales & Svc Mgr	1	\$31.11	\$64,712.08	0.45	\$29,120.44	\$64,712.08
Warehouse Supervisor	1	\$35.14	\$73,087.57	0.45	\$32,889.41	\$73,087.57
Admin Asst III Sr.	2	\$20.89	\$43,451.20	0.35	\$30,415.84	\$86,902.40

Billing Anlst	3	\$23.90	\$49,712.00	0.45	\$67,111.20	\$149,136.00
Cable Repair Tech	5	\$24.92	\$51,833.60	0.45	\$116,625.60	\$259,168.00
Cable Spooling Tech	2	\$25.65	\$53,352.00	0.45	\$48,016.80	\$106,704.00
Capillary Spooling Tech	2	\$25.07	\$52,145.60	0.45	\$46,931.04	\$104,291.20
Drafter	1	\$34.43	\$71,614.40	0.45	\$32,226.48	\$71,614.40
Field Service Coord	1	\$26.94	\$56,035.20	0.45	\$25,215.84	\$56,035.20
Field Service Supervisor	4	\$42.18	\$87,734.40	0.5	\$175,468.80	\$350,937.60
Field Service Tech	19	\$33.00	\$68,640.00	0.45	\$586,872.00	\$1,304,160.00
Gas Lift Svc Rep	2	\$29.75	\$61,880.00	0.45	\$55,692.00	\$123,760.00
Hydraulic Assembler	2	\$24.34	\$50,627.20	0.45	\$45,564.48	\$101,254.40
Hydraulic Svc Rep	4	\$27.15	\$56,472.00	0.45	\$101,649.60	\$225,888.00
Industrial Maint Tech	1	\$29.17	\$60,673.60	0.45	\$27,303.12	\$60,673.60
Inventory Clerk	1	\$27.83	\$57,886.40	0.45	\$26,048.88	\$57,886.40
Inventory Contoller II	1	\$24.66	\$51,292.80	0.45	\$23,081.76	\$51,292.80
Inventory Spec	1	\$25.24	\$52,499.20	0.45	\$23,624.64	\$52,499.20
Machinist	2	\$29.35	\$61,048.00	0.45	\$54,943.20	\$122,096.00
Materials Supervisor	1	\$31.09	\$64,667.20	0.45	\$29,100.24	\$64,667.20
Mechanic	1	\$27.40	\$56,992.00	0.45	\$25,646.40	\$56,992.00
Order Mgmt Analyst	4	\$20.63	\$42,910.40	0.35	\$60,074.56	\$171,641.60
QTY Verification	2	\$23.77	\$49,441.60	0.45	\$44,497.44	\$98,883.20
Receiving Clerk	1	\$20.85	\$43,368.00	0.35	\$15,178.80	\$43,368.00
Reliability Tech	4	\$21.18	\$44,054.40	0.35	\$61,676.16	\$176,217.60
Shipping Coord	4	\$23.71	\$49,316.80	0.45	\$88,770.24	\$197,267.20
Shop Tech	9	\$20.65	\$42,952.00	0.35	\$135,298.80	\$386,568.00
Variable Speed Drive Tech	2	\$35.58	\$74,006.40	0.45	\$66,605.76	\$148,012.80
	107				\$3,298,998.47	\$7,227,233.96

	<u>Base Benefit</u>	<u>Funding</u>	<u>Funding Level</u>	<u>Funds/Job</u>
Grant	\$3,298,998.47	30%	\$989,699.54	\$9,249.53
	\$3,298,998.47	45%	\$1,484,549.31	\$13,874.29
	\$3,298,998.47	60%	\$1,979,399.08	\$18,499.06

<u>Investment</u>	<u>Tax Rate</u>	<u>Tax Generated</u>		<u>Base Benefit</u>
\$1,815,000.00	0.0048	\$8,712.00	Factor 6	\$52,272.00
		\$8,712.00		\$52,272.00

\$10,000 - \$100,000	Factor 3
\$100,001 - \$500,000	Factor 4
\$500,001 - \$1,000,000	Factor 5
\$1,000,001 - \$5,000,000	Factor 6
\$5,000,001 - \$10,000,000	Factor 7
\$10,000,001 - \$20,000,000	Factor 8
Anything over \$20,000,001	WBD

<u>Base Benefit</u>	<u>Funding</u>	<u>Funding Level</u>	
\$52,272.00	50%	\$26,136.00	County
\$52,272.00	75%	\$39,204.00	Industrial District
\$52,272.00	100%	\$52,272.00	City Limits

RESOLUTION NO. ODC-2020R-___

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE ODESSA DEVELOPMENT CORPORATION APPROVING AN AMENDMENT TO THE SECOND TRAINING FACILITIES GRANT WITH THE UNIVERSITY OF TEXAS OF THE PERMIAN BASIN; AUTHORIZING THE EXECUTION OF ANY DOCUMENTS NECESSARY TO IMPLEMENT THIS RESOLUTION; AND DECLARING AN EFFECTIVE DATE.

WHEREAS, the University of Texas of the Permian Basin (“UTPB”) and ODC entered into the Second Training Facilities Economic Development Agreement in the amount of \$7,500,000 on April 19, 2017; and

WHEREAS, UTPB satisfies the requirements of Chapters 501 and 504 LGC as a “project authorizing the expenditure of economic development sales tax”. UTPB has established primary job training facilities for use by an institution of higher education classified as #611310 of the North American Industry Classification System (NAICS); and

WHEREAS, UTPB has made a request for additional funds in the amount of \$2,100,000 for the purpose of purchasing equipment, infrastructure investment and expanding the applied training programs. The total capital investment will be \$92,000,000; and

WHEREAS, UTPB will certify that, in addition to the student data as required by the 2017 economic development agreement, at least the following number of students will have completed the required courses for each semester: 2020-21: Fall 1,100, Spring 1,000, Summer 300 2021-22: Fall 1,100, Spring 1,000, Summer 300 2022-23: Fall 1,100, Spring 1,000, Summer 300; and

WHEREAS, based on the student data over the next 3 years, UTPB qualifies for a total additional grant of \$2,100,000 to be paid out over a 3-year-period if UTPB maintains compliance with all terms and conditions of the agreement;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE ODESSA DEVELOPMENT CORPORATION:

Section 1. That the statements of fact in the Preamble are found to be true and correct and are approved as findings.

Section 2. That an amendment to the Second Training Facilities Grant with the University of Texas of the Permian Basin in the amount of \$2,100,000 is approved and authorized for execution.

Section 3. That this resolution shall be effective at the time of its adoption.

The foregoing resolution was approved and adopted on the 13th day of August, A.D., 2020, by the following vote:

Tim Edgmon	___
Gene Collins	___
Melanie Hollmann	___
David Boutin	___
Chris Cole	___

Approved the 13th day of August, A.D., 2020.

Tim Edgmon, President

APPROVED AS TO FORM:

ATTEST:

Natasha Brooks, City Attorney as Attorney for
ODC Board

Norma Aguilar-Grimaldo, City Secretary as
Assistant Secretary for ODC Board

RESOLUTION NO. ODC-2020R-___

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE ODESSA DEVELOPMENT CORPORATION APPROVING A THIRD TRAINING FACILITIES GRANT WITH THE UNIVERSITY OF TEXAS OF THE PERMIAN BASIN; AUTHORIZING THE EXECUTION OF ANY DOCUMENTS NECESSARY TO IMPLEMENT THIS RESOLUTION; AND DECLARING AN EFFECTIVE DATE.

WHEREAS, the University of Texas of the Permian Basin (“UTPB”) satisfies the requirements of Chapters 501 and 504 LGC as a “project authorizing the expenditure of economic development sales tax”. UTPB has established primary job training facilities for use by an institution of higher education classified as #611310 of the North American Industry Classification System (NAICS); and

WHEREAS, UTPB has plans to purchase additional equipment, make additional infrastructure investment and expand the applied training programs. The total capital investment will be \$92,000,000; and

WHEREAS, UTPB will certify that at least the following number of students will have completed the required courses for each semester: 2020-21: Fall 1,100, Spring 1,000, Summer 300 2021-22: Fall 1,100, Spring 1,000, Summer 300 2022-23: Fall 1,100, Spring 1,000, Summer 300; and

WHEREAS, based on the student data over the next 3 years, UTPB qualifies for a total grant of \$2,100,000 to be paid out over a 3-year-period if UTPB maintains compliance with all terms and conditions of the agreement;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE ODESSA DEVELOPMENT CORPORATION:

Section 1. That the statements of fact in the Preamble are found to be true and correct and are approved as findings.

Section 2. That a Third Training Facilities Grant with the University of Texas of the Permian Basin in the amount of \$2,100,000 is approved and authorized for execution.

Section 3. That this resolution shall be effective at the time of its adoption.

The foregoing resolution was approved and adopted on the 13th day of August, A.D., 2020, by the following vote:

Tim Edgmon	___
Gene Collins	___
Melanie Hollmann	___
David Boutin	___
Chris Cole	___

Approved the 13th day of August, A.D., 2020.

Tim Edgmon, President

APPROVED AS TO FORM:

ATTEST:

Natasha Brooks, City Attorney as Attorney for
ODC Board

Norma Aguilar-Grimaldo, City Secretary as
Assistant Secretary for ODC Board

Utilization of Advanced manufacturing Center

High-tech and start-up companies often rely on universities for development and testing of innovative ideas for their businesses. For instance, Center for Advanced Materials and Manufacturing Innovation (CAMMI) at the University of New Hampshire, and Advanced Manufacturing and Design Center at The University of Texas at Austin. Both centers have been crucial in attracting and supporting high-tech companies to their communities.

The cities of Odessa and Midland, however, does not have such a center to support start-up companies in advanced manufacturing. The Fab Lab at Odessa College is not well-positioned to serve this function. “It plays a crucial role to offer a space where the community of different academic preparation and experience can create and customize almost anything.” It was not established with the emphasis of advanced manufacturing, research and development, commercialization of innovation ideas, and supporting high-tech start-ups. Table 1 compares the capabilities of the OC Fab Lab and the proposed AMC.

To diversify our regional economy and attract high-tech businesses, there is a need for community-university-industry partnership to develop an Advanced Manufacturing Center (AMC). It will be utilized all-year- round to support the region’s economy in three major ways:

1. **Attract and support manufacturing-related startup companies:** AMC will provide the design, analysis, and testing expertise to support new high-tech businesses. Specifically, it will be used for
 - Fabrication of experimental apparatus for Research Projects
 - Fabricating prototypes for startup companies
 - Service to Industry Partners
 - Material characterization
 - Mechanical testing
 - Synthesize and testing of materials to validate simulation models
 - Design of engineering systems
 - Internship Opportunities
 - Computational Materials Science and their manufacturing.
 - Medical and Healthcare, Environmental Monitoring, Smart City, Wastewater Treatment
2. **Train skilled-workforce in advanced manufacturing:** AMC will be woven into five courses in the UTPB engineering curriculum to train **247 students** per year. This estimated enrollment was based on spring, summer, and fall 2020 enrollment data.
Teaching Areas
 - MENG 4478: Senior Design (30 students – Flocker and Ibrahim – fall 2020)
 - MENG 3348: Computer Aided Mechanical Design (24 students – Flocker – summer 2020)
 - MENG 3348: Computer Aided Mechanical Design (48 students – Flocker – spring 2020)
 - MENG 4478: Senior Design (30 students – Ibrahim – spring 2020)
 - MENG 3324: Manufacturing Processes (47 students in fall 2020 – Uddin and Ibrahim)
 - ENGR 1204: Engineering Graphics (39 students in spring 2020 – McPherson)
 - ENGR 1204: Engineering Graphics (29 students in summer 2020 – Ibrahim/McPherson)
 - Computer Numerical Control (CNC) programming/G-coding (New Course/Tutorial - Uddin)
 - Basics and advanced projects such as biofuel cells, flexible/printed electronics, paper-based batteries, 3D printed biofuel cells, miniaturized bio photovoltaics, etc.

Research Areas

Provides support to do proof of concept for:

- Miniaturized Microbial fuel Cells (MFCs) and Bio-Photovoltaics (BPVs) for health and environmental monitoring applications
- Self-powered Microbial-based and Enzymatic-based Point-of-Care Biosensors Implantable Biosensors and Biobatteries
- MFC-based Wastewater treatment and toxicity removal
- Local technological expertise to research, develop and manufacturer Wind, Solar, Solar Brine Ponds, and Deep Well Geothermal components.
- Wind new blade technologies and turbine efficiencies,
- Solar - energy storage for dark hours,

3. **Support an all-year-round engineering competitions:** AMC will be utilized to support three national engineering competitions such as the Mini Baja Vehicle, NASA Moon Buggy, and the Electric Vehicle.

Comparison of Odessa College Fab Lab and UTPB Advanced manufacturing Center

	Odessa College Fab Lab https://www.odessa.edu/community/FabLabPermian/index.html	Advanced Manufacturing Center
Goals and Impact	<p>The fabrication laboratory, or Fab Lab, is where you can design, create, and customize almost anything.</p> <p>The Lab is accessible to people of all backgrounds and experience levels.</p>	<p>advancing discovery and understanding of advanced manufacturing technologies,</p> <p>increasing access to manufacturing techniques through technology developed from AMC,</p> <p>improving a sustainable framework for the region’s economic diversification through manufacturing, and increasing university-industry partnerships and student engagements, to educate future generation of technology leaders, inventors, and entrepreneurs</p> <p>reduce skills gap in the nation’s \$1.7 trillion manufacturing industry,</p> <p>supports technology incubator and start-up companies,</p> <p>high precision machining, micro and large scale systems</p> <p>pipeline for trained, skilled workers entering the manufacturing sector</p>

Lab Equipment:	laser engravers 3d Printers automated embroidery machine shop bot vinyl cutter precision milling machines pancake bot virtual reality platform	computer numerical controlled (CNC) lathe and mill manual lathe and mill vertical and horizontal saw tooling estimator 3-D printer CNC plasma CNC router laser cutter plastic injection molding waterjet cutter machines mechanical testing – tensile and compression, biaxial tensile testing modeling software – Finite Element Analysis material characterization – scanning electron microscope (available at UTPB)
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Economic Development

**Application for
Economic Development Assistance**

The completion of the following 6-pages of information is required for all projects requesting economic development assistance from the Odessa Development Corporation. Provide information in all blanks of the application form, including the check list for Required Information on page 7. If more space is needed, attach additional pages to the corresponding information. For example, to list employees, number the attachment #5 Employment Information and attach it to page 5. Your signature is required on page 2 and page 7. If the information requested is Not Applicable, enter "N/A" in the space. Incomplete applications will not be considered for assistance. After the application is reviewed, the Odessa Development Corporation may require additional information to indicate the financial abilities or other factors of the company.

Three methods to submit the Application:

Submit the completed application *by mail*:

Odessa Chamber of Commerce, Economic Development Department
PO Box 3626
Odessa, Texas 79760

Submit the completed application *in person to*:

700 N. Grant, Suite 200
Odessa, Texas 79761
(Bank of America Building)

Submit the completed application via email to: wburnett@odessaecodev.com

This application must be filed with the Odessa Chamber of Commerce, Economic Development Department prior to making public announcement or filing Building Permit with the City. If you have questions about this application, please contact the Economic Development Department at (432) 333-7880.

I. Contact Information

Applicant/Business Name (Exact legal name i.e. Corporation, LLC, Limited Partnership)		
The University of Texas Permian Basin		
Mailing Address		
4901 East University		
Physical Address (If different from mailing address)		
City	State	Zip Code
Odessa	TX	79762
Phone Number/ Office	Fax Number	
4342-552-2100		
Phone Number Cell		
Email Address	Website	
sandra.woodley@utpb.edu	https://www.utpb.edu	
Applicant's Representative	Title	
Dr. Sandra Woodley	President	

Odessa Development Corporation and the City of Odessa are public entities subject to the Open Records Act (CH. 552, Gov. Code). Applicant waives all rights to confidentiality regarding information it conveys to the Chamber, ODC, and the City of Odessa, unless it identifies in writing the information that is subject to confidentiality and such non-disclosure does not violate the Open Records Act.

Applicant's Signature

Date

II. Project Information

1. Description of the Project and Type of Business

As one of the most affordable universities in the United States and a member of the globally respected University of Texas System, the University of Texas Permian Basin (UTPB) serves Odessa, the Permian Basin, and the Great State of Texas by educating tomorrow's talented workforce and future technicians, managers, and leaders. Building on existing partnerships with ODC that promote education in business and technical skills, UTPB will prepare the next generation of innovators to lead the region, with workforce development in advanced manufacturing, material fabrication, product development, and project management. In collaboration with the full array of curriculum and research capacity at UTPB, these applied training programs can promote the diversification of the Odessa economy to make the community more robust, resilient, and appealing to potential industry.

The array of projects covered within the proposal will increase the existing curriculum and additional research opportunities for students. Additionally, students will gain hands-on learning experiences and engage in activities that connect the university to the community, as well as consistent and ongoing internships to help staff local businesses with well-trained employees and managers.

Through this partnership, UTPB will contribute to the Odessa community and ODC economic development goals by creating new manufacturing jobs, growing the tax base, promoting business activity, expanding business compatible with Odessa, diversifying the economy, and building a skilled and educated workforce in Odessa.

The definition of economic development has changed in the past decade. The shortcomings of the models built solely upon providing tax incentives, startup grants, and facilities to businesses have required an updated definition: "Economic development is the expansion of capacities that contribute to the advancement of society through the realization of individuals', firms', and communities' potential. Economic development is the means to achieve sustained increases in prosperity and quality of life realized through innovation, lowered transaction costs, and the utilization of capabilities towards the responsible production and diffusion of goods and services" (Feldman et al.).

In this context, colleges and universities enhance their community and regional competitiveness through many diverse programs including the development of human capital, talent, technology, research, innovation, public policy, and stewardship of the local community. By delivering upon the promise in this proposal, UTPB will continue to show its deep institutional investment in the Odessa community. This unique collaboration between Odessa Development Corporation and UTPB will provide the region with valuable tools to increase the number of students and adults gaining post-secondary credentials needed to meet economic and workforce goals in advanced integrated manufacturing and entrepreneurship. This collaboration also supports the recent growth within the various industrial sectors. Thus, these renewed efforts must develop multiple levels of workers with strong work principles and essential manufacturing-related skills necessary to be successful.

2. The estimated new capital investment for equipment and furniture

100% of the funds will be used to offset faculty salaries, purchase equipment, and for infrastructure investment.

3. Percentage of physical assets purchased in Odessa

All physical asset purchases must be made following State of Texas bidding and contracting requirements.

4. List of new machinery, equipment and other physical assets

Computer numerical controlled lathe, mill, cutter, router, software to convert SolidWorks, AutoCAD, Waterjet cutter machine, Plastic injection molding machine, Manual lathe and mill, Vertical and horizontal saw, Tooling estimator, 3-D printers, Dye-Sublimation Printer, Project Management software, Digital Mixer, Public Address (PA) system, Video recording and editing equipment, and facilities upgrades for the use of all installed equipment.

III. Facility Information

Current Property Values in Odessa		
Building		Equipment
\$200,000,000.00		\$9,500,000.00
Address and Legal Description of each location	Address of Location (New or Expansion) circle one	
4901 East University, Odessa, Texas 79762	N/A	
Estimated New Capital Investment for Building Construction	Estimated Dates for Construction	
	Start:	Complete:
Recent Investment = \$92,000,000		8/31/2020

IV. Company Information

Description of the Company		Year Established
<p>The University of Texas Permian Basin is a public university located in Odessa, TX. The university provides undergraduate and graduate academic degree programs in five colleges: College of Arts and Sciences, College of Business, College of Education, College of Engineering, and College of Nursing, enrolling approximately 6,000 students.</p>		1972
NAICS Code ¹	NAICS Code Description	
611310	Colleges, Universities, and Professional Schools	
Annual Sales		Annual Sales in Odessa ²
Approximately \$46 million (Education budget)		Approximately \$46 million
Projected Increase in sales		Projected Increase in Odessa sales
N/A		N/A
Financial & Supplier References		Length of time applicant commits to Odessa
State of Texas provides partial financial support.		Indefinitely

Notes

- NAICS Code:** North American Industrial Classification Code. The NAICS manual is available for use at the Chamber.
- Annual Sales in Odessa:** Estimated sales to Odessa customers. If the company has no Odessa customers, enter "none."

V. Employment Information

List all Current/Transfer Full Time Employees and the Location of employment.

A. Include the number of Salaried workers and Annual Salary for each position.

B. Include the number of Hourly workers with hourly Wage and avg. number of hours.

A. Salaried Employees:

Job Title/Position	Number of Employees	Annual Salary	Job location
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Full-time faculty salaries	166	\$12.1 million	UTPB
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B. Hourly Employees:

Job Title/Position	Number of Employees	Annual Salary	Job location
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Part-time faculty salaries	6	\$75,430.00	UTPB
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List all New Full Time Employees Resulting from Expansion/Relocation and/or New Location in Odessa.

A. Include number of Salaried workers and Annual Salary.

B. Include number of Hourly workers with hourly Wage and avg. number of hours.

A. Salaried Employees:

Job Title/Position	Number of Employees	Annual Salary	Job location
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B. Hourly Employees:

Job Title/Position	Wage	Number of Employees	Annual Salary	Job location
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Provide Date when Expected to Reach Full Employment (month/year)

Immediate impact upon commitment from ODC.

VI. Economic Development Assistance Request(s)

Financial Assistance Grant Requested from Odessa Development Corp. (\$\$ Amount)

\$2,100,000 (\$700,000 per year for 3 years)

How will this funding be used:

The University of Texas Permian Basin seeks a contract agreement with the Odessa Development Corporation in the amount of \$2.1 million over 3 years (\$700,000 per year) to pay for workforce training provided by select professors and instructors within ODC's preferred NAICS (North American Industry Classification System) sectors. The total employee compensation demonstrates approximately \$2.6 million per year that could be partially offset by the Odessa Development Corporation, thereby providing UTPB the opportunity to use previously committed funds toward major initiatives in manufacturing workforce development, research enhancement, and entrepreneurial training.

UTPB will provide ODC with an annual accounting of associated expenditures and updated course offerings.

Additionally, UTPB will provide documentation and certification to ODC showing, after each semester, the total number of on-campus and/or online students served by the UTPB campus completing the courses, with a passing grade. UTPB must comply with the required minimum number for each semester completed at the time of each payment period. UTPB agrees that at least the following number of students will have completed the described courses for each semester:

2020-21: Fall 1,100, Spring 1,000, Summer 300

2021-22: Fall 1,100, Spring 1,000, Summer 300

2022-23: Fall 1,100, Spring 1,000, Summer 300

College of Engineering and College of Business at UTPB

Engineering (ENGR) includes jobs in NAICS Sector 541330 - Engineers from the College of Engineering at The University of Texas of the Permian Basin shape how the world is built—developing industry innovations, leading teams of engineers in new, effective ways, and creating healthy, safe, and modern communities.

Mechanical Engineering (MENG) includes jobs in NAICS Sector 541330 to design components, machines, systems, or processes and analyze their designs using the principles of physics to ensure the product functions safely, efficiently, reliably, and affordably.

Petroleum Engineering (PENG) includes jobs in NAICS Sector 541330 concerned with the development, exploration, conservation, and transportation of oil and gas resources. Petroleum engineers plan and supervise drilling and well-completion programs, design and select drilling and production equipment, estimate reserves, and manage oil and gas properties.

Management (MNGT) includes jobs in NAICS Sector 523 with subsectors 44-45 (Retail Trade) and 551 (Management of Companies and Enterprises), many of which benefit from the training provided in Entrepreneurship education, focusing on new business creation. Only courses offered explicitly for fundamental Business and Entrepreneurship training will be supported by this grant, for example: BUSI 1301 (Business Principles), MNGT 3315 (Developing Management Skills), MNGT 3318 (Small Business Management), MNGT 4330 (Entrepreneurial Leadership), MNGT 4335 (Family Business Strategies). And courses emphasizing manufacturing: MNGT 3307 (Project Management Fundamentals), MNGT 3340 (Production Operations Management), MNGT 3380 (Managing Technology), MNGT 4340 (Operations Analysis and Control, MNGT 4380 (Total Quality Management).

Marketing (MRKT) includes jobs in NAICS Sectors 5416 and 5419, many of which benefit from the training provided in Entrepreneurship education, focusing on new business creation. Only courses offered explicitly for fundamental Business and Entrepreneurship training will be supported by this grant, for example: MRKT 3306 (Retailing and Distribution), MRKT 3307 (Sales Management), MRKT 3304 (Small Business Marketing), MRKT 4307 (Professional Selling), MRKT 4312 (Marketing Strategy),

Tax Abatement Requested from Taxing Entities	First Year of Abatement	Number of Years of Abatement*
<input type="checkbox"/> Yes <input type="checkbox"/> No		
Other Assistance Requested from City Council: Enterprise Zone Sales Tax Rebate		
<input type="checkbox"/> Yes <input type="checkbox"/> No		

***Abatement Schedule Requested:** Please refer to the City of Odessa Tax Abatement policy statement to determine the applicable tax abatement schedule, found on page _____ of _____. Tax abatements are subject to approval from each taxing entity: City of Odessa, Ector County, Ector County Hospital District, and Odessa College. Ector County Independent School District is excluded from tax abatement by Texas law.

Check list for a Completed Application

Items 1 – 6 of the *printed application, pages 2-6:*

- x 1. Contact information.
- x 2. Summary of Project (including detailed description of construction and a detailed list of machinery, equipment and physical assets.)
- X 3. Facility Information
- X 4. Company Information
- X 5. Employment Information to include list of current employees and list of new employees expected to be created.
- x 6. Request for Economic Development Grant and/or Tax Abatement and/or Enterprise Zone City Sales Tax Rebate

Items to be Submitted by Applicant Existing Enterprise Only

- 7. Business Plan, to include Pro Forma financial statement, cash flow forecast and supporting assumptions.
- 8. Prior 2 years and current Year-To-Date financial statements, to include Balance Sheets and Statements of Income & Expenses, and Current Receivable Aging Report.
Audited financial information is preferred, if available.
- 9. Income Tax Returns for prior three years.
- 10. Letter addressing Tax Abatement Minimum Standards *(if applicable)*
- 11. Resumé of owner(s) and principal manager(s).
- 12. Personal financial statement required, if an individual owns 20% of the company.

Items to be Submitted by Applicant New Enterprise Only

- 7. Business Plan, to include Pro Forma financial statement, cash flow forecast and supporting assumptions.**
- 8. Current Year to Date financial statements for all equity owners including personal financial statement for any individuals and balance sheets and statements of income and expenses for any entities, and current receivables aging report**
- 9. Income Tax Returns for prior three years for all equity owners.**
- 10. Letter addressing Tax Abatement Minimum Standards *(if applicable)***
- 11. Resumé of owner(s) and principal manager(s).**

Applicant's Signature, attesting all information is provided and accurate

This application must be filed with the Odessa Chamber of Commerce, Economic Development Department prior to making public announcement or filing Building Permit with the City. If you have questions about this application, please contact the Economic Development Department at (432) 333-7881.

Revised 08/21/2019

Benefits of the Workforce and Innovation for a Stronger Economy (WISE) Proposal

An Advanced Manufacturing Center and a Blackstone LaunchPad Innovation Center at the University of Texas Permian Basin (UTPB) are the venues for delivery of the proposed economic diversification opportunities for Odessa, TX, through the Odessa Development Corporation's efforts.

We want to highlight several of the primary new benefits that will emerge from this project:

1. Advanced workforce and entrepreneurial training
2. Facilities for local manufacturers and inventors to safely produce prototypes
3. Community access to scientific, engineering, and business researchers for invention support
4. Continued development of a foundation for UTPB corporate research center
5. Additional UTPB enrollment from the expanded offering of high-demand programs

Benefits of UTPB Advanced Manufacturing Center

High-tech and startup companies often rely on universities to develop innovative ideas for their businesses. Several examples, including the Advanced Manufacturing and Design Center at the UT-Austin, show how higher education institutions play a crucial role in supporting regional manufacturing-based economic development activities.

Currently, the cities of Odessa and Midland currently do not have such a center to support startup companies in advanced manufacturing. The Fab Lab at Odessa College is not well-positioned to serve this function. The lab was not established with the emphasis of advanced manufacturing, research and development, commercialization of innovative ideas, and supporting high-tech startups. Table 1 compares the capabilities of the OC Fab Lab and the proposed AMC.

There is a need for a community-university-industry partnership to develop an Advanced Manufacturing Center (AMC) to expand our regional economy and attract high-tech businesses. This center will be utilized year-round to support the region's economy in three significant ways:

1. *Attract and support manufacturing-related startup companies:* AMC will provide the design, analysis, and testing expertise to support new high-tech businesses. Specific functions include: a. fabrication of experimental apparatus for medical, healthcare, environmental monitoring, and wastewater treatment research projects; b. computational material science and their manufacturing; c. fabricating prototypes for startup companies; d. service to industry partners including material

characterization, mechanical testing, synthesizing and testing of materials to validate simulation models, design of engineering systems, and internship opportunities.

2. Train skilled-workforce in advanced manufacturing: The AMC will be woven into seven courses and related hands-on-experience in the UTPB engineering curriculum to train a minimum of 250 students per year. This estimated enrollment was based on Spring, Summer, and Fall 2020 enrollment data.

- MENG 4478: Senior Design (0 students – Flocker and Ibrahim – Fall 2020)
- MENG 3348: Computer-Aided Mechanical Design (24 students – Flocker – Summer 2020)
- MENG 3348: Computer-Aided Mechanical Design (48 students – Flocker – Spring 2020)
- MENG 4478: Senior Design (30 students – Ibrahim – Spring 2020)
- MENG 3324: Manufacturing Processes (47 students in Fall 2020 – Uddin and Ibrahim)
- MENG 3351: Heat Transfer (22 students in Spring 2020 - Arbabi)
- ENGR 1204: Engineering Graphics (39 students in Spring 2020 – McPherson)
- ENGR 1204: Engineering Graphics (29 students in Summer 2020 – Ibrahim/McPherson)
- ENGR 2301: Engineering Mechanics Statics (47 students in Spring 2020 and Fall 2020 – Konero and Bravo)
- PENG 4410: Senior Design (32 Students in Spring 2020 and Fall 2020 - Harouka)
- Computer Numerical Control (CNC) programming/G-coding (New Course/Tutorial - Uddin)
- Machining (New Course – TBD)
- Basics and advanced projects such as biofuel cells, flexible/printed electronics, paper-based batteries, 3D printed biofuel cells, miniaturized bio photovoltaics, etc.

3. Research Areas: Provides support to do a proof of concept for the following manufacturing industries.

- Miniaturized microbial fuel cells (MFCs) and Bio-Photovoltaics (BPVs) for health and environmental monitoring applications
- Self-powered Microbial-based and Enzymatic-based Point-of-Care Biosensors, Implantable Biosensors, and Bio-batteries
- MFC-based Wastewater treatment and toxicity removal
- Local technological expertise to research, develop and manufacture wind, solar, solar brine ponds, and deep well geothermal components

- Wind new blade technologies and turbine efficiencies
- Solar energy storage for dark hours

4. *Support annual engineering competitions: a year-round engineering competition:* The AMC will be utilized to support three national engineering competitions, such as the Mini Baja Vehicle, NASA Moon Buggy, and the Electric Vehicle.

Uniqueness of the UTPB Advanced Manufacturing Center compare to Odessa College Fab Lab

	UTPB AMC	Odessa College Fab Lab
Goals and Impact	<ul style="list-style-type: none"> • Advancing discovery and understanding of advanced manufacturing technologies • Increasing access to manufacturing techniques through technology developed from AMC • Improving a sustainable framework for the region's economic diversification through manufacturing • Strengthening university-industry partnerships and student engagements, educating the future generation of technology leaders, inventors, and entrepreneurs to reduce the skills gap in the nation's \$1.7 trillion manufacturing industry • Supports technology incubator and start-up companies, high-precision machining, micro- and large-scale systems pipeline for trained, skilled workers entering the manufacturing sector 	<ul style="list-style-type: none"> • The fabrication laboratory, or Fab Lab, is where you can design, create, and customize almost anything. • The Lab is accessible to people of all backgrounds and experience levels.

<p>Available/ Proposed Equipment</p>	<ul style="list-style-type: none"> • Computer numerical controlled (CNC) lathe and mill • Manual lathe and mill • Vertical and horizontal saw • Tooling estimator • 3D printer • CNC plasma • CNC router • Laser cutter • Plastic injection molding • Waterjet cutter machines • Mechanical testing – tensile and compression, biaxial tensile testing • Modeling software – Finite Element Analysis • Material characterization – scanning electron microscope 	<ul style="list-style-type: none"> • Laser engravers • 3D Printers • Automated embroidery machine • Shop bot • Vinyl cutter • Precision milling machines • Pancake bot • Virtual reality platform
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Benefit of UTPB LanchPad Innovation Center

The Blackstone Foundation is motivated to promote the entrepreneurial advancement of communities, and one of its programs for this purpose is support for Blackstone LaunchPad programming on university campuses. Recently UTPB received an initial award to establish an innovation Launchpad on our campus. The funding provided by Blackstone is targeted to specific program outcomes. Thus, Blackstone's level of funding is insufficient to achieve the proposed impactful results, barring investment by the university and partners for infrastructure and equipment. If relied solely on Blackstone LaunchPad funding, UTPB can establish a narrow, student-focused program with limited capacity to integrate the technical and scientific skills needed to innovate at scale. However, the ability to push venture ideas from concept to business and patentable outcomes requires this infrastructure to be in place. Accomplishing this innovation for the local economy and infrastructure, built within the programming for entrepreneurial development at UTPB, is a critical component. In this context, additional support from ODC will allow UTPB to move forward efforts in diversifying the business and economic base of Odessa and the region.

Working with ODC, the efforts of UTPB can expand to impact a greater number of students and the Odessa community. For instance, the support will allow the Small Business Development Center, which receives funding from ODC, to provide evening consulting hours on the UTPB campus. Thus, the ability to facilitate goals to invigorate the Odessa economy is reliant upon funding for the full infrastructure (equipment, technology transfer expertise, scientific research collaboration) that is available in partnership with the UTPB.

UTPB LaunchPad affiliated support to the Odessa region:

1. *Train a skilled workforce with entrepreneurial talent:* Multiple courses in the UTPB entrepreneurship curriculum train at least **317 students** per year. This baseline estimate enrollment was collated from Spring, Summer, and Fall 2020 enrollment data.

- BUSI 1301: Business Principles (138 students – Carrigan and Peckham)
- MNGT 3318: Small Business Management (72 students – Verlei)
- MNGT 3315: Developing Management Skills (131 students – Akah and Fannin)
- MNGT 4330: Entrepreneurial Leadership (107 students – Peckham)
- MNGT 4335: Family Business Strategies (N/A students)
- More courses will be added with the initiation of the UTPB Bachelor's degree in Management with a concentration in Entrepreneurship (Fall 2021).

2. *Train a skilled workforce for managing manufacturing operations:* Multiple courses in the UTPB Management curriculum train at least 300 students per year. This baseline estimate enrollment was collated from Spring, Summer, and Fall 2020 enrollment data:

- MNGT 3307: Project Management Fundamentals (94 Students - Sirisomboonsuk)
- MNGT 3340: Production Operations Management (195 Students – Sirisomboonsuk and Xie)
- MNGT/ITEC 3380: Managing Technology (82 Students - Morrison)
- MNGT/ITEC 4380: Total Quality Management (148 Students – Morrison and Delay)

3. *Research Areas:* Provides support for innovation through following activities.

- Business activity (creation and employment) analysis for Odessa and the Permian Basin
- Pedagogy for entrepreneurship development in university and community programs
- Integration of creative arts, technical, and business curriculum in skills development for the workforce
- Operations management for advanced manufacturing

4. *Support Student Venture Competitions:* As part of Blackstone LaunchPad programs at UTPB, a Student Venture Competition is a required activity, with potential co-branding with Odessa Development Corporation and direct business idea support from ODC.

Uniqueness of the UTPB Innovation LaunchPad compared to Odessa College Fab Lab

	UTPB Innovation LaunchPad	Odessa College Fab Lab
Goals and Impact	<ul style="list-style-type: none"> • Advancing concept discovery and development • Access to scientific, research, and technology transfer expertise • Providing a sustainable framework for the region's economic diversification • Increasing university-industry partnerships and student engagement • To educate future generation of technology leaders, inventors, and entrepreneurs • Supports business incubator and start-up companies 	<ul style="list-style-type: none"> • The fabrication laboratory, or Fab Lab, is where you can design, create, and customize almost anything. • The Lab is accessible to people of all backgrounds and experience levels.
Available/ Proposed Equipment	<ul style="list-style-type: none"> • Computer numerical controlled (CNC) lathe and mill • 3D printers • Dye-sublimation printer • Project development software – AutoCad and Microsoft Project • Digital Mixer • Public Address System • Video Recording and Editing 	<ul style="list-style-type: none"> • Laser engravers • 3D Printers • Automated embroidery machine • Shop bot • Vinyl cutter • Precision milling machines • Pancake bot • Virtual reality platform

Workforce and Innovation for a Stronger Economy (WISE)

University of Texas Permian Basin

WISE Proposal

Executive Summary:

The University of Texas Permian Basin (UTPB) proposes two strategically connected initiatives aimed at retooling our local workforce and accelerating research and development to promote innovation that will create more jobs and diversify our economy. These efforts are expected to cost \$700,000 annually for three years as shown below, for a total of \$2.1 million.

1. Workforce Training and Advanced Manufacturing Center – \$1.1 Million (\$400k in Year 1, \$400k in Year 2, \$300k in Year 3)
2. Innovation Center/Incubator/Makerspace support for new business start-ups – \$1.0 Million (\$300k in Year 1; \$300k in Year 2, \$400k in Year 3)

Overview:

The WISE initiative seeks to advance the regional manufacturing workforce pipeline and create an innovation/incubator center at UTPB. This unique collaboration between Odessa Development Corporation and UTPB will provide the region with valuable tools to increase the number of students and adults gaining post-secondary credentials needed to meet economic and workforce goals. This region has seen dramatic growth within the various industrial sectors, and renewed efforts must develop multiple levels of workers with strong work principles and essential manufacturing-related skills necessary to be successful.

In an effort to support the mission of Odessa Development Corporation, and meet a growing need among local employers, UTPB *WISE initiative* proposes a two-tiered approach as follows:

1. ***Develop multiple school-to-work pipelines*** (AutoCAD, Solidworks/Autodesk Inventor, and computer-aided design) by ***establishing an advanced manufacturing***

center that will allow students to participate in work-based learning and gain relevant industry certifications.

Establish an innovation center/incubator that will support new business start-ups and will re-train existing businesses to develop around new technologies and product designs. This work will support research and development, technology transfer, intellectual property, innovation, and student /faculty/community entrepreneurial growth.

Performance Outcomes:

The University will utilize the following metrics to track the success of the program:

- the number of students who participate in the advanced manufacturing center and career exploration activities/job placements
- the number of students in manufacturing programs of study who obtain credentials or industry certifications
- the number of students and faculty who utilize the innovation center
- the number of new patents, copyrights, and business ventures launched from these efforts
- the number of local businesses who are supported in re-design and re-tooling

Project Details:

Workforce Training and Advanced Manufacturing Center (WT-AMC)

In response to the health and socioeconomic impact of COVID-19, and the regional economic downturn associated with the oil and gas industry, UTPB will establish a WT-AMC to provide a short-term retraining and training in AutoCAD, Solidworks/Autodesk Inventor, computer-aided design, and project management to dislocated workers. The WT-AMC will also offer a variety of services to support community projects, senior student design projects, engineering competitions, research and hands-on experiential learning projects, course requirements, and student organizations. The enhanced multi-purpose AMC facility will be equipped with additional machines, including a computer numerical controlled (CNC) lathe and mill, a manual lathe and mill, a vertical and horizontal saw, a

tooling estimator, and a 3-D printer. The CNC machining will utilize software that can convert SolidWorks and AutoCAD data to meet design requirements. The facility will support both faculty and students in design, fabrication, and assembly of testing fixtures and prototypes.

Acquisition of this equipment will significantly enhance UTPB's capacity to respond to community and industry needs and to train and prepare students for the technical workforce and graduate school. These resources will also facilitate multi-disciplinary collaborative research between faculty and students from the College of Engineering, Arts and Science, Business, and Nursing.

In consultation with academic departments, the WT-AMC Supervisor will establish machine shop safety instructions and specific safe operating procedures for all equipment in the AMC facility. A preventive and routine maintenance plan and calibration schedule for the machines will also be implemented. The impact of the machine shop on faculty and students will be evaluated based on student participation rates and the number of projects completed each academic year.

The WT-AMC will have considerable positive impacts on student learning and training (e.g., senior projects, design competitions, undergraduate research projects) and strengthen institutional infrastructure. Student engagement in innovative, real-world projects has been shown to enhance educational outcomes, improve academic performance, increase retention in STEM fields, and develop invaluable critical thinking and professional skills. Additionally, access to the WT-AMC is expected to result in the development of many undergraduate and graduate research theses, which will be disseminated through publications in peer-reviewed scientific journals, in press releases, and at local and national professional meetings.

We envision four to eight months of training in computer-aided design, CNC machining, and project management. The cohort of students in this program will register in an existing computer-aided design, ENGR 1204, under a separate section from regular UTPB students. The credits earned from this program will be transferable to a degree program if desired. ENGR 1204 is an introduction to sketching to generate two- and three-dimensional drawings based on the conventions of graphical engineering communication; topics include spatial relationships, multi-view projections and sectioning, dimensions,

graphical presentation of data, and fundamentals of computer graphics.

2. Project Management is aimed at developing an understanding of project management methodology under the ambit of existing standards designed by PMI. Using such standards, the participants can initiate, efficiently manage, and effectively lead the projects to success. Training topics will include: an introduction to project management and knowledge areas; the role of a project manager; project integration management; project scope management; project schedule management; project cost management; introduction to MS Project; project quality management; project resource management; project communications management; project risk management; project procurement management; and project stakeholder management.

We estimate a 3-year budget for the WT-AMC totaling **\$1.1 million: \$400,000 in Year 1; \$400,000 in Year 2; and \$300,000 in Year 3**: Approximately \$500,000 will be allocated to the acquisition and installation of CNC plasma, CNC router, lathe, 3D printer, laser cutter, plastic injection molding, waterjet cutter machines, and other related technologies. Additional costs include staffing, project management, training development, operation, and maintenance of the WT-AMC. Included in the first year allocation would be materials and supplies to design and fabricate protective barriers for local businesses to minimize exposure to COVID-19 for researchers, workers, clients and customers.

UTPB Innovation Center/Incubator/Makerspace

The Innovation Center at UTPB project calls for renovations to space on the UTPB campus to house the main location of the proposed LaunchPad, incubator, and makerspace. The 3,500 square foot space, with 1,900 square feet to be renovated, is currently used as library space that is greatly underutilized in the era of online information acquisition. The investment will leverage a commitment from Blackstone Charities to support operations within the facilities, with distributions as projected for August 2020: \$60,000; Fall 2020: \$117,800; Fall 2021: \$140,775; and Fall 2022: \$140,750, with some anticipated funding through at least two additional years. The specific goals of the Blackstone Charity support are for deliverables of Student Participation, Entrepreneurship Events, and Student Venture Launches.

This space will also be leveraged for promoting faculty research, development, and technology transfer that can promote the start-up of new businesses. The makerspace will include eight 3-D printers, ranging from entry-level educational to professional sub-industrial printers, encouraging experimentation and design development in a safe, innovative environment. A Dye-Sublimation Printer will enable the quick execution of design ideas and small-scale production for on-campus needs and marketing of events on campus to the broader community. Other technology hardware will facilitate the development of presentation, communication, and engagement skills necessary for the marketing of innovative ideas. AutoCAD and Project Management software will introduce students to tools that integrate technology, production, and management. Audiovisual tools for sound engineering, live performance, and video production include Digital Mixer, Public Address (PA) system, video recording, and editing equipment. The Blackstone Launchpad will provide an environment that encourages entrepreneurial risk-taking, innovation skill development, and ground-level design thinking, resulting in new ideas that offer business opportunities in the local community. This infrastructure investment allows for full funding from Blackstone Charities to promote student programming, engagement, and faculty technology transfer.

Additionally, we estimate a 3-year budget for Blackstone LaunchPad Odessa totaling **\$1.0 million – \$300,000 in Year 1; \$300,000 in Year 2; and \$400,000 in Year 3.**

The commitment of **\$1,000,000**, spread out over three years will be directed to the following budget areas:

- a. \$530,000 – Construction and outfitting costs (\$400,000 construction, \$130,000 Furniture/fixtures/innovation and collaboration spaces);
- b. \$200,000 – Infrastructure costs (Technology, Audio-Visual, a modular stage for performance and lecture, 3-D and other printing hardware and support)
- c. \$270,000 – Staffing for makerspace/technology transfer and commercialization/ Research and Development.

Grant Budget Summary

Expenses Line Category	Grant Contract
Workforce Training and Advanced Manufacturing Center	\$1,100,000

Innovation Center/Incubator at UTPB	\$1,000,000
Grand Total	\$2,100,000

**ODESSA DEVELOPMENT CORPORATION
DEVELOPMENT FINANCE PROGRAM
ADMINISTRATIVE POLICY**

**ARTICLE I
THE PROGRAM**

- 1.1 **Purpose.** The Development Finance Program (the “Program”) of the Odessa Development Corporation (the “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.
- 1.2 **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 Development Corporation Act found in Chapter 501 of the Local Government Code, as amended. (the “Act”). The Odessa Development Corporation is organized under the Act as a 4A-Type A Economic Development Corporation.
- 1.3 **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.
- 1.4 **Eligibility.** Eligibility for financing assistance from 4A-Type A 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.
- 1.5 **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.
- 1.6 **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.
- 1.7 **Approval by ODC and City Council.** In all cases, the ODC and the City Council must approve all financing assistance.

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**ARTICLE II
CREATION OF JOBS**

- 2.1 **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 (the “Matrix”) showing the

amount of financing assistance available based on the skill and pay 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.

- 2.2 **Jobs for Residents.** A minimum of fifty-one percent (51%) 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”).
- 2.3 **Owners Not Counted.** For purposes of determining new jobs created or to be created, owners (and/or their spouses) of twenty percent (20%) or more ownership of the business involved shall not be counted.
- 2.4 **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.~~
- 2.5 **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.
- 2.6 **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.
- 2.7 **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 meant to be exclusive and the ODC, in providing or recommending the provision of financing assistance, may consider any item or matter it deems relevant.

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ARTICLE III **GRANTS**

- 3.1 **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.

ARTICLE IV **LOANS**

- 4.1 **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 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.
- 4.2 **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.
- 4.3 **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 eighty percent (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.
- 4.4 **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 fifty percent (50%) of the total loan commitment(s) for any one borrower. This is sometimes referred to as "interest buy down".
- 4.5 **Working Capital Loans.** Loans may be used to finance up to fifty percent (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 will be necessary if a substantial amount of working capital, as determined by the ODC, is required.
- 4.6 **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.
- 4.7 **Administration of Loans, Guarantees and Participations.**
- A. The contracted staff of the ODC (the "Staff") is responsible for the administration and collection of the ODC's loan portfolio. "Staff" shall mean means the City Manager, the Director of Finance, the City Attorney and the City Secretary or their respective designees. ~~The contracted s~~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.

- B. 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.
- C. 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.
- D. All requests for loan restructuring must be submitted to and processed by the EDD and approved by the ODC and the City of Odessa.

ARTICLE V
OTHER FORMS OF FINANCIAL ASSISTANCE

5.1 **Types.** Additional types of financial assistance which may be offered by the ODC include:

- A. Rent or lease subsidies.
- B. The conveyance, sale or lease of real property and improvements for such price and on such terms and conditions as the ODC deems advisable.
- C. Job training as provided by ~~Section 38~~ Sec. 501.162 of the Act.
- D. Such other assistance as may be permitted by applicable law and the bylaws and policies of the ODC.

ARTICLE VI
REQUEST FOR FINANCING ASSISTANCE

6.1 **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.

6.2 **Contents of Application.** The Application shall contain the following:

- A. The identity of the Applicant which shall include a history of the business involved in the Application and a resume² or background of the Applicant, and the owners and principal managers of the business or project involved.
- B. The type and amount of financing assistance desired.
- C. A thorough description of the particular project for which the financing assistance is desired.
- D. A detailed business plan for the project. The business plan shall include a pro-forma financial statement, cash flow forecast and supporting assumptions.
- E. 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 Extraterritorial Jurisdiction ("ETJ").

- F. 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.
- G. A list of financial and supplier references.
- H. Such other information as might be required by the ~~Economic Development Department~~ (“EDD”) or the ODC.

6.3 **Attachments.** The following shall be attached to the Application:

- A. 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.
- B. A financial statement for the business involved in the Application for the current fiscal year to the date of the Application.
- C. A personal financial statement for each owner who owns twenty percent (20%) or more of the Applicant or of the business involved in the Application.
- D. A personal financial statement for each guarantor of any loan requested as financing assistance.
- E. A list or inventory of collateral offered with an estimate of its current market value showing the qualifications of the appraiser.
- F. 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.
- G. Such other documents as might be required by the EDD or the ODC.

6.4 **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 (the “CC”).

6.5 **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 funds~~, then the EDD shall prepare a written report or evaluation (the “EDD Report”) containing at a minimum:

- A. A brief description of the Applicant and the background of the Applicant and the owners of Applicant.

- B. A brief description of the project and the requested financing assistance.
- C. A summary of the Applicant's business plan and its strengths and weaknesses.
- D. 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.
- E. Any mechanism or documentation available to obtain or assure compliance with the recommended performance requirements.
- F. A summary of the proposed financing structure and any repayment agreements and schedules and loan or security agreements.
- G. Where relevant, an analysis of asset quality and the marketability or salability of equipment and inventory.
- H. A brief analysis of the financial condition of the Applicant, and any guarantors, including sources of repayment.
- I. An estimate of the project's reasonableness and likelihood of future success.

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

6.7 **Recommendation by CC.** The CC, with the assistance of the EDD and the ~~contracted s~~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 s~~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.~~

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6.8 **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 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.

- 6.9 **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.
- 6.10 **Action by City-Counsel Council.** 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.
- 6.11 **Appearance by Applicant.** The Applicant may be invited at any time to appear before the CC, ~~the ODC~~ and the ~~ODC-City Council~~ to speak in support of the Application.
- 6.12 **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.
- 6.13 **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.
- 6.14 **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.

ARTICLE VII **PURCHASE OF REAL PROPERTY**

- 7.1 **Authorization.** The purchase of real property must be for a project authorized by the Act or other applicable law.
- 7.2 **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.
- 7.3 **Limitation.** The ODC may not purchase real property for more than fair market value.

ARTICLE VIII **CERTAIN PERSONS AND BUSINESS NOT ELIGIBLE**

- 8.1 **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/ or her tenure or for six months thereafter.

- 8.2 **ODC Board Members**. 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/ or her tenure or for six months thereafter.
- 8.3 **Director or Employee of EDD**. No director, employee or staff member of the ~~Odessa Economic Development Department~~EDD, his/ or her supervisor, or person related to director, employee or supervisor of the ~~Department~~EDD 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/ or her tenure or for six months thereafter.
- 8.4 **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.

ARTICLE IX **MISCELLANEOUS**

- 9.1 **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). 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.)~~
- 9.2 **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.
- 9.3 **Amendment**. This policy may be amended from time to time at the discretion of the ODC.
- 9.4 **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.
- 9.5 **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.
- 9.6 **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.

- 9.7 **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.

ODC DEVELOPMENT FINANCE PROGRAM ADMINISTRATIVE POLICY
ATTACHMENT "A"
MATRIX
PAGE 1 OF 4

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 financing assistance for a company. These are ~~considered to be~~ Guidelines subject to the discretion of the ODC Board and the City Council of the City of Odessa and there is no intention to vest any applicant with a right to any incentive assistance 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, the 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 thirty percent (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.
3. Diversification Bonus:

ODC DEVELOPMENT FINANCE PROGRAM ADMINISTRATIVE POLICY
ATTACHMENT "A"
MATRIX
PAGE 2 OF 4

If the project provides for diversification of the economy, the eligible Job Creation Benefit Matrix Grant shall be multiplied by two (2) 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~~If 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 fifty percent (50%). However, if located in an industrial district, it shall only be reduced by twenty-five percent (25%).
5. ~~In the event that~~If 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 fifty percent (50%). ~~In the event~~If the project is located in Midland County but outside the city limits of the ~~e~~City of Odessa, no ~~incentive~~assistance shall be considered under this section unless or until the project property is annexed into the Odessa ~~C~~city ~~L~~imits.

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

**ODC DEVELOPMENT FINANCE PROGRAM ADMINISTRATIVE POLICY
ATTACHMENT "A"
MATRIX
PAGE 3 OF 4**

development in the area, use of a special design for buildings and improvements that would encourage other development in the area, etc.

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 one hundred percent (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~~ financing assistance available for the project and to determine what ~~incentives~~ assistance 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 Odessa city limits.

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

For the same project if located in Midland County: \$63,946 x 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 Odessa city limits.

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

**ODC DEVELOPMENT FINANCE PROGRAM ADMINISTRATIVE POLICY
ATTACHMENT "A"
MATRIX
PAGE 4 OF 4**

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

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

RESOLUTION NO. ODC-2020R-__

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE ODESSA DEVELOPMENT CORPORATION, APPROVING THE GENERAL DEVELOPMENT PLAN OF THE ODESSA DEVELOPMENT CORPORATION FOR THE FISCAL YEAR 2020-2021; APPROVING THE FINDINGS OF FACT; AND DECLARING AN EFFECTIVE DATE.

WHEREAS, pursuant to the Bylaws of the Odessa Development Corporation, the Board shall annually research, develop, prepare, and submit to the City Council for its approval, an economic development plan (“General Development Plan” or “Plan”) for the City, which shall include proposed methods and the expected costs of implementation; and

WHEREAS, the Plan shall include both short-term and long-term goals for the economic development of the City, proposed methods for the elimination of unemployment and underemployment, and the promotion of employment, through the expansion and development of a sound industrial and manufacturing base for and within the City; and

WHEREAS, the General Development Plan shall not be effective until the same has been approved by the Odessa City Council;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE ODESSA DEVELOPMENT CORPORATION:

Section 1. That the statements of fact in the Preamble are found to be true and correct and are approved as findings

Section 2. That the proposed General Development Plan of the Odessa Development Corporation for the fiscal year 2020-2021, attached hereto as Exhibit A, is hereby approved.

Section 3. That this resolution shall be effective at the time of its adoption.

The foregoing resolution was approved and adopted on the 13th day of August, A.D., 2020, by the following vote:

Tim Edgmon	_____
Gene Collins	_____
Melanie Hollmann	_____
David Boutin	_____
Chris Cole	_____

Approved the 13th day of August, A.D., 2020.

Tim Edgmon, President

APPROVED AS TO FORM:

ATTEST:

Natasha L. Brooks, Sr. Asst. City Attorney as
Attorney for ODC Board

Norma Aguilar-Grimaldo, City Secretary as
Assistant Secretary for ODC Board

**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 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"

Company:	Type:	Grant Amt.	Effective Date:	Term:	Annual Payment:
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

Company:	Type:	Grant Amt.	Effective Date:	Term:	Annual Payment:
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 Except as provided in the Investment Benefit Matrix Grant. ODC may consider apartment complexes that will also house a business office or retail establishment as a part of the complex or substantial investment.

Commented [CMB1]: I don't think we can add this comment because this section is written verbatim from the guidelines adopted by the City Council.

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-Odesa Chamber of Commerce

Mission:

- [The Economic Development Department of the Odessa Chamber of Commerce has been and will continue to be the main source for Economic Development services in Odessa, Texas. Even prior to the inception of the Odessa Development Corporation, the Chamber has provided the staff and expertise for Economic Development in our community for more than eight decades.](#)
- 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:

- [In FY 2020 - 2021 The Economic Development Department of the Odessa Chamber of Commerce will be the lead entity for economic development in and for Odessa, Texas providing measurable results of job creation and capital investment. We will build upon the strength of our volunteer network, professional staff, expertise in the industry, as well as our networking and relationship building locally, nationally, and internationally to meet the demand of our challenges. We will continue to spread the word that "Odessa is Open for Business."](#)
- [In FY 2020 - 2021 through their connections with the Texas Economic Development Council, Team Texas, The High Ground of Texas, and the Governor's office of Economic Development, The Chamber will continue to develop Odessa as the Business center in our region. With the help of their marketing partners, The Chamber will promote Odessa as the location for manufacturing and other business activities. The Economic Development Department of the Chamber will provide the structure for support and coordination of all economic development efforts in Odessa. Receive, review, and respond to all inquiries and industrial prospect requests](#)
- [In FY 2020 - 2021 The Economic Development Department will work with all available partners to provide entrepreneurs and small businesses with counsel and support. 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

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~~—In FY 2020 - 2021 our department will continue an aggressive local business retention and expansion program through coordinated visits and interviews with local businesses to learn about changes in their operations and help them strengthen their Odessa operations, address concerns and challenges to doing business in Odessa and provide support throughout any necessary process for expansion. 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
- In FY 2020 – 2021 The Odessa Chamber of Commerce Economic Development Department will provide coordination of International Trade which will include all markets outside of Texas and the United States.
This will be accomplished through relationships in these markets and relevant consultant contacts. Our Economic Development Specialist is a member of the District Export Council, providing training in exporting. 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. If there is a fit with the Odessa market, we will work to build on that and develop the business as it suits our economy. 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

1. Small Business Development Center

Mission: — Provide consulting, training and research to small businesses

Goals:

Consulting:

- Provide analysis of existing company practices and make recommendations
- Problem solving, creating value, improving growth, and maximizing efficiency
- Develop business models
- Evaluate competitors to pinpoint advantages or disadvantages
- Analyze financial statements
- Assist with applications for economic development funds referred by ODC

Advising:

- Provide an informal environment to engage, exchange ideas, and develop ongoing methodologies
- Provide coaching and guidance in creating future growth
- Challenge business owner to think clearly and objectively
- Provide creative ideas and alternative strategies

Training/Workshops:

- Development of Business Models
- Business Plan Development
- Prospective Financial Outlook
- Entrepreneurial Leadership
- New Tax Payer workshop
- Access to Capital
- QuickBooks I & II
- Franchise opportunities
- Marketing
- Intellectual Properties

Disaster Assistance:

Work with new and existing clients to navigate the challenges of the COVID 19 financial disaster including assistance applying for available economic assistance

2. Odessa Business Challenge

Mission: Empower innovative ideas and strategies proven to be both community inspiring and financially lucrative.

Goals:

- Assist entrepreneurs with expanding an existing business or starting a new one
- Offer orientation seminars to explain the requirements of the competition
- Offer qualified participants access to business coaching, expertise and other pertinent resources
Assist with building financials and finalizing business plans
- Award and distribute monies to selected winner(s)

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 I-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 I-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/I-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

Mission:

Secure additional area infrastructure funding to facilitate necessary improvements related to maximizing current economic opportunities, as well as, providing the additional capacity in our infrastructure system to accommodate new development (housing, retail, commercial) and lay the groundwork necessary to support developments that would allow economic diversification.

Work to help increase telecommunications infrastructure and investment in the area through increased broadband deployment to gaps in current service and higher levels of service, improved cellular communications, and facilitating a more competitive market.

Goals:

- 1) Energy Sector Improvements:

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- Continue to work on the Permian Basin Regional Freight Study to develop a list of energy sector projects for the area, that facilitate short and long-term freight needs and economic development opportunities
 - Continue to work for additional capacity/levels of service improvements in the Delaware Basin region, especially as it relates to the build out to standard of the SH 302 between Odessa and Kermit/Mentone to facilitate economic growth along this critical workforce and freight corridor
 - Continue to push priorities in the Central Permian Basin, especially related to connectivity to and from the Midland-Odessa area, that are currently overlooked in the Permian Promise
- 2) Project Specific Improvements Along I-20, LP 338, US 385, SH 349, SH 158, and the South Midland Loop (Extension of Loop 250 South of I-20 to SH 349 and ultimately SH 158), and SH 191 between Midland and Odessa:
- Support development of Loop 338 in Odessa and capacity improvements to the Interstate 20 Corridor in Odessa
 - Continue work to find funding for the final leg of the project from Crane/Upton county line to McCamey
 - Find additional funding to conduct a study for the ultimate connection of US 385 to I-10 as a freeway design (4 lane divided)
 - Development of SH 349 South of I-20 to 4 lane divided
 - Continuing to work with Midland County on the South Midland Loop
 - Capacity Improvements to SH 191
 - Extension of the Craddick Reliever Route West to Odessa and East to I-20
- 3) I-14 Re-Designation:
- Continue efforts aimed at the re-designation of the western segment of I-14 to the US 87/SH158/I-20 corridor, as opposed to the current designation along US 190
- 4) I-27 Study:
- Remain engaged in the study the extension of I-27 to ensure the study is conducted fairly and examines all possible route
 - Ensure the study focuses heavily on a potential extension from Lubbock to I-20, as detailed in the original Perryman Study
- 5) Local Leverage Opportunities:
- Work to recruit private sector investments in area infrastructure that can leverage additional state and federal investment
- 6) Broadband and Telecom Infrastructure:
- Complete survey of area service levels and utilize that data along with industry assessment to communicate area broadband and telecommunications needs to service providers
 - Update mapping that identifies areas of need
- 7) Telling the Story of the Permian Basin:
- Through the Permian Basin Coalition efforts, continue to provide demographic and economic data highlighting the needs and impact of the Permian Basin both to regional leaders and state leaders
 - Expand current network to begin communicating this same data on the national/federal level as well.

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~~

Goals:

Target Industry/Site Selector Marketing

- Develop more target industry-specific marketing campaigns, particularly those targeted toward medical manufacturing and technology
- Continue to execute goal-driven digital strategy
- Focus broad messages on ODC target industries and site selectors
- Increase website traffic through digital marketing tactics
- Maintain direct marketing and trade publication ads to consultants and local businesses

Local Business Retention and Expansion Marketing

- Continue messaging to Odessa businesses owners about the opportunities that exist for them through ODC utilizing the broadcast, outdoor and print mediums
- Continue to expand messaging for Business Retention & Expansion utilizing case studies when available

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- Continue to build name recognition and purpose of the ODC with an internal marketing campaign targeted to the Odessans
- Enhance image and perception of the Permian Basin to increase consideration of Odessa for company relocations and business expansion and retention
- Help all economic development stakeholders connect and collaborate

Primary Target Audience(s)

- Prospective consultants, site selectors, corporate executives at companies thinking about relocating, particularly within our target industries
- Prospective local businesses, current business owners/management and employees seeking to expand their current business in the Odessa market

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Community Marketing Campaign (“Grassroots” Part of ODC Strategic Marketing Plan)

- Instill pride in the workforce for what they contribute to the world to help them find meaning in their chosen career path and create loyalty to the area
- Create compelling reasons for companies and individuals to remain in the area through the downturn and beyond
- Educate the community on the resources available to them to assist them through the down cycle
- Create a vision of opportunity, prosperity, and the ability for individuals to thrive in the future

Primary Target Audience (Adults 18 - 54 years of age)

- Permian Basin Workforce
- Odessa Citizens

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Regional/National Advocacy Campaign (“Grass Tops” Part of ODC Strategic Marketing Plan)

- Short Term Goal - Create an advocacy campaign that articulates the economic and social benefits of saving the US oil and gas industry’s viability
- Long Term Goal - Continue the journey to American energy independence

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Communication Approach

- Educate policy makers and influencers on the existential threat to all but the major, multinational companies should there be no mitigating actions to help them survive
- Create a compelling vision where the United States in no longer at the mercy of foreign entities’ actions and manipulation of the supply and price of oil and gas
- Provide evidence of the importance of a stable domestic energy industry as vital to our national security
- Call on all politicians, policy makers and voters to support American energy independence by leveling the playing field between independent US producers and OPEC+ producers
- Utilize outreach strategy to:
 - Communicate to Congress and others in DC the needs of the Permian Basin as it relates to stimulus funding and industry policies
 - Identify areas of opportunity to maximize funding efforts and policy discussions
 - Proactively seek DC and State Legislative insight to understand potential impact to the Permian Basin

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Primary Target Audiences

- Policy Makers and Politicians in Austin and Washington, DC

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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.
 - 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 Facade 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.

Facade.

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.

ODESSA DEVELOPMENT CORPORATION
 FY 2020-21 Proposed Revenues and Expenditures Budget Summary

DRAFT BUDGET

	FY 2014-2015 Actual	FY 2015-2016 Actual	FY 2016-17 Actual	FY 2017-18 Actual	FY 2018-19 Actual	FY 2019-2020 Approved Budget	FY2020-2021 Proposed Budget	Change from Prev. Year
Revenues								
Sales Tax	\$ 9,329,338	\$ 7,679,466	\$ 9,616,257	\$ 13,566,694	14,731,649	\$ 12,000,000	\$ 9,500,000	1
Incentives Returned	-	-	-	-	449,888	-	-	
Investment Income	145,421	224,602	371,613	632,577	1,441,451	300,000	150,000	1
Total Revenue	<u>9,474,759</u>	<u>7,904,068</u>	<u>9,987,870</u>	<u>14,199,271</u>	<u>16,622,988</u>	<u>12,300,000</u>	<u>9,650,000</u>	
Expenditures								
Audit & Compliance Services	23,000	24,200	27,388	26,600	34,050	35,000	38,000	2
Bank Services	3,791	6,490	7,178	6,424	7,386	6,000	6,000	2
City of Odessa	75,115	123,597	229,221	229,221	205,349	205,349	205,349	3
Contingencies	44,549	-	-	-	-	100,000	100,000	2
Insurance	-	-	2,212	11,058	15,000	15,000	16,262	2
Special Services	34,170	5,000	382,074	50,477	56,199	75,000	75,000	4
Supplies and Materials	517	75	1,332	2,165	360	1,500	1,500	2
Transportation and Memberships	-	-	-	-	-	-	-	
Capital Outlay/Data Processing Equipment	-	-	-	3,501	-	-	-	
Contracted Economic Development Services								
Odessa Chamber of Commerce	729,833	755,777	800,000	766,607	807,341	852,280	973,605	5
Odessa Hispanic Chamber of Commerce	115,150	95,181	132,994	92,080	-	-	146,665	6
Odessa Hispanic Chamber of Commerce-MI	-	157,901	62,679	59,784	-	-	-	
Odessa Black Chamber of Commerce	-	-	-	-	-	-	-	
MOTRAN	77,324	83,756	85,025	89,656	170,000	142,500	137,000	7
UTPB-SBDC	-	47,500	47,500	97,065	111,294	98,794	108,183	8
Promotional								
Marketing - CVA	348,597	248,252	682,545	630,040	590,653	645,865	1,044,294	9
UTPB-SBDC/Entrepreneurial Contest	-	-	-	260,000	381,720	422,632	426,924	10
Facade	-	-	-	20,000	49,840	250,000	180,000	11
Sub Total of Expenditures	<u>1,452,046</u>	<u>1,547,729</u>	<u>2,460,148</u>	<u>2,344,678</u>	<u>2,429,192</u>	<u>2,849,920</u>	<u>3,458,782</u>	
Business Incentives	2,383,020	12,691,423	4,686,501	2,543,543	8,479,125	52,000,000	50,000,000	13
Infrastructure Grants	-	-	-	-	67,789	100,000	100,000	12
Total Expenditures	<u>3,835,066</u>	<u>14,239,152</u>	<u>7,146,649</u>	<u>4,888,221</u>	<u>10,976,106</u>	<u>54,949,920</u>	<u>53,558,782</u>	
Revenues Over (Under) Expenditures	5,639,693	(6,335,084)	2,841,221	9,311,050	5,646,882	(42,649,920)	(43,908,782)	
Prior Period Adjustment	-	1,857,456	-	-	-	-	-	
Beginning Fund Balance	33,395,221	39,034,914	34,557,286	37,398,507	46,709,557	52,356,449	52,356,439	
Ending Fund Balance	<u>\$ 39,034,914</u>	<u>\$ 34,557,286</u>	<u>\$ 37,398,507</u>	<u>\$ 46,709,557</u>	<u>52,356,439</u>	<u>\$ 9,706,529</u>	<u>\$ 8,447,657</u>	

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Notes/Assumptions:

1. Sales tax revenue will be reduced due to the local economy and recent sales tax receipts - investment income will be down due to lower interest rates
2. No change - expenditures should hold about the same with an slight increase for Audit/Compliance services and insurance
3. The City will utilize the third party consultant's prior cost allocation plan again this year to determine the administrative charge
4. Special Services - to be used at Board's discretion
5. Increase in request due to \$120,000 community strategies and small operating costs increase
6. OHCC's plan to partner w/OCC to compliment and interface with the services provided by OCC-services more fully described in proposal
7. Decrease of 3.86%
8. Slight increase in the budget - salaries and fringe benefits
9. Reflects a large increase - 61.69% increase
10. \$350,000 in awards, \$40,000 in marketing, \$36,924 admin. Fees - \$4,292 increase over the prior year
11. Amount to be considered for Facade Grants - lowered by \$50,000
12. Same as prior year

13. Subject to change - Business Incentives are traditionally budgeted at maximum amount - amounts reserved in fund balance will be charged to the business incentive expense line item at the time it is paid out - the TXDOT and Workforce Housing expenses will also be charged to this line item

2021 Business Incentives Budget		\$ 50,000,000	A
Reserves - Incentives Grants Awarded	\$ 11,858,540		
2020 Incentive Grants to be Paid	3,107,464		
Remaining Reserves to be paid thru 20		8,751,076	
Assigned - TXDOT		11,072,220	
Assigned - Workforce Housing Infrastructure Incentives		5,000,000	
Balance of 2020 Business Incentive Budget Available for New Incentives Agreements		\$ 25,176,704	

Promotional limit (10% of revenue for 2020-2021)	950,000
Marketing-CVA	(1,044,294)
UTPB-SBDC/Entrepreneurial Contest	(426,924)
Façade Grant program	(180,000)
	<u>(701,218)</u>
Rollover available	766,846
Remaining balance after budget	<u>65,628</u>

this is subject to change based on actual results of spending for the current fiscal year we are in now-currently based on what was budgeted

RESOLUTION NO. ODC-2020R-__

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE ODESSA DEVELOPMENT CORPORATION, APPROVING THE BUDGET OF THE ODESSA DEVELOPMENT CORPORATION FOR THE FISCAL YEAR 2020-2021; APPROVING THE FINDINGS OF FACT; AND DECLARING AN EFFECTIVE DATE.

WHEREAS, pursuant to the Bylaws of the Odessa Development Corporation, the Board shall annually adopt a proposed budget of expected revenues and proposed expenditures for the next ensuing fiscal year; and

WHEREAS, the budget shall contain such classifications and shall be in such form as may be prescribed from time to time by the Council; and

WHEREAS, the budget shall not be effective until the same has been approved by the Odessa City Council;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE ODESSA DEVELOPMENT CORPORATION:

Section 1. That the statements of fact in the Preamble are found to be true and correct and are approved as findings

Section 2. That the proposed budget of the Odessa Development Corporation for the fiscal year 2020-2021, attached hereto as Exhibit A, is hereby approved.

Section 3. That this resolution shall be effective at the time of its adoption.

The foregoing resolution was approved and adopted on the 13th day of August, A.D., 2020, by the following vote:

Tim Edgmon	_____
Gene Collins	_____
Melanie Hollmann	_____
David Boutin	_____
Chris Cole	_____

Approved the 13th day of August, A.D., 2020.

Tim Edgmon, President

APPROVED AS TO FORM:

ATTEST:

Natasha L. Brooks, Sr. Asst. City Attorney as Attorney for ODC Board

Norma Aguilar-Grimaldo, City Secretary as Assistant Secretary for ODC Board

RESOLUTION NO. ODC-2020R-__

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE ODESSA DEVELOPMENT CORPORATION, APPROVING THE ECONOMIC DEVELOPMENT CONTRACTOR AGREEMENTS FOR THE FISCAL YEAR 2020-2021; APPROVING THE FINDINGS OF FACT; AUTHORIZING THE ODC PRESIDENT TO EXECUTE SAID AGREEMENTS; AND DECLARING AN EFFECTIVE DATE.

WHEREAS, pursuant to the General Development Plan of the Odessa Development Corporation, the Board has accepted Proposals from ODC's economic development contractors for the 2020-21021 fiscal year, and

WHEREAS, at the August 13, 2020, meeting of the ODC Board, the proposals were reviewed, discussed and approved; and

WHEREAS, based on the proposals, seven (7) Economic Development Contractor Agreements ("Agreements") have been prepared and are ready for execution by the contractors; and

WHEREAS, the Agreements shall not be effective until the same has been approved by the Odessa City Council;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE ODESSA DEVELOPMENT CORPORATION:

Section 1. That the statements of fact in the Preamble are found to be true and correct and are approved as findings

Section 2. That the following Economic Development Contractor Agreements for the 2020-2021 fiscal year are hereby approved:

1.	City of Odessa	\$205,349
2.	CVA Marketing	\$1,044,294
3.	Odessa Chamber of Commerce	\$973,605
4.	MOTRAN	\$137,000
5.	Odessa Hispanic Chamber of Commerce	\$146,665
6.	UTPB-Business Challenge	\$426,924
7.	UTPB-Small Business Development Center	\$108,183

Section 3. That the President of the ODC or his designee is hereby authorized to execute the Agreements.

Section 4. That this resolution shall be effective at the time of its adoption.

The foregoing resolution was approved and adopted on the 13th day of August, A.D., 2020, by the following vote:

Tim Edgmon	___
Gene Collins	___
Melanie Hollmann	___
David Boutin	___
Chris Cole	___

Approved the 13th day of August, A.D., 2020.

Tim Edgmon, President

APPROVED AS TO FORM:

ATTEST:

Natasha L. Brooks, Sr. Asst. City Attorney as
Attorney for ODC Board

Norma Aguilar-Grimaldo, City Secretary as
Assistant Secretary for ODC Board