



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

**June 14, 2021**

A regular meeting of the Odessa Development Corporation (ODC) was held on June 14, 2021, at 2:00 p.m. in the Council Chambers, 5<sup>th</sup> floor, City Hall, 411 W. 8<sup>th</sup> St. Odessa, Texas.

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

Others present:

City Staff: Norma Aguilar-Grimaldo, City Secretary; Jan Baker, Senior Assistant City Attorney; and Cindy Muncy, Assistant City Manager; Alexa Moulakis Downtown Event Coordinator; Larry Fry, Director of Finance; Michael Marrero, City Manager; and Christina Buhnerkempe, Legal Assistant.

ODC Contractors: Craig Van Amburgh, CVA; Wesley Burnett, Economic Development; Tyler Patton, UTPB-SBDC; James Beauchamp, MOTRAN; Sarina Galindo, Odessa Hispanic Chamber of Commerce; Chris Walker, Black Chamber of Commerce; and Renee Earls, Odessa Chamber of Commerce; and

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

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

Mr. Edgmon called the meeting to order.

Mr. Burnett gave the invocation.

**May 13, 2021 minutes.** Motion was made by Mr. Boutin and seconded by Mr. Crow to approve the amended minutes. The motion was approved by unanimous vote.

**Contractors' report: Economic Development Department - Odessa Chamber, CVA Advertising and Marketing, Black Chamber of Commerce, Hispanic Chamber of Commerce, UTPB-America's SBDC, MOTRAN, and City Administrative support - Financials.** Mr. Burnett reported that Sabre Chemical was on track and conversations were being held for expansion. Project CTV was a carbon capture process at a proposed site West of Penwell. New Mexico was a competitor. He stated that the legislature did not reauthorize Chapter 313 which provided the school district an incentive for large capital expenditure projects. It would be a large potential project. Other activity was strong and there was an interest in Odessa. Mr. Burnett reported that Chapter 313 did not affect the Nacero project as the certificate was received.

Mr. Van Amburgh reported that a podcast would be made with Nacero. Television spots with Robert Chavez, an original ODC board member, were being ran in Spanish and English on retention and expansion as well as outdoor advertising. The ODC website traffic was up and there was a mix activity in social media. The Permian Fuels America

website was active as well as the social media. Mr. Edgmon reported that a Permian Fuels America meeting has not been scheduled as research was being made.

Mr. Walker reported on the Black Chamber of Commerce activities. The Black Chamber had an upgrade in social media and the website. There was a 15% increase in media activity which led to an increase to potential new members. Meetings were held with Home Care Company on a possible Odessa location. Two potential business owners were interested in starting a business in Odessa either a restaurant or food truck. A July financial workshop would be held. The Black Chamber was promoting its golf tournament for July 17. Another small business workshop was sponsored with SBDC. There was an increase in attendees. A partnership with the Hispanic Chamber for a joint networking event will be held. The Black Chamber was promoting the June 19 festivities.

Ms. Galindo reported that the Hispanic Chamber of Commerce was working with the crane hoisting company. The Hispanic Chamber was working on a fundraising mechanism to be self-sufficient. A fundraiser event was being organized with the partnership of Odessa Arts and Keep Odessa Beautiful.

Mr. Patton reported on SBDC's May activity. There were 389 counseling sessions, four seminars presented, 73 attendees, and two new businesses with one in Odessa. The total capitalization was \$2,001,226 and Odessa had a capitalization of \$10,800. He reviewed the seminar topics that were scheduled. He reported that the CMMC training did not have companies that do bids or contracts. Two workshops were held and were well attended. Workshops would be offered every six months to discuss a variety of topics. Mr. Crow stated that the defense contract industry would provide for a good diversification that would fit in with industrial and manufacturing. Mr. Patton stated that the Small Biz Accelerator program had 30 approved companies with 17 active companies. The results and feedback were good with a lot of interaction. Mr. Edgmon asked that Mr. Tyler contact the Business Challenge representatives for ODC to review the program for this upcoming year.

Mr. Beauchamp stated that the efforts on Southwest Airlines was successful with the social media. Southwest Airlines requested information on projected economic growth. Projections were provided from the State demographer and Moody Analytics. He provided a handout on projects. The State received additional transportation funding. He was communicating with the TxDOT Commission to continue the Permian program to apply funds for roads and highways. MOTRAN would ask the ODC for a resolution of support.

Mr. Fry reported on the April financial reports. There was \$58,032,932 in total assets, year to date revenues were \$5,769,208, and expenditures were \$1,663,050. He reported on investment activities on purchased securities and GO bonds. Staff was working on finalizing a CD with a local institution. Mr. Crow asked about the gain and loss on investment of \$37,655. Mr. Fry reported that there were not any sold investments with any type of loss. He handed out an anticipated cash flow statement with anticipated expenditures over five years with all grant recipients. The statement summary would be updated with activity. Mr. Crow asked if the City's \$95 million General Certificates of Obligation could be purchased by ODC. Mr. Fry stated it could be considered. Mr. Cole stated it was a good report and be provided quarterly or semi-annually. The statement summary would be updated.

**Amend the FY 2020-2021 ODC budget.** Mrs. Muncy stated that a budget amendment be made by decreasing the Business Incentives by \$320,000 and increasing the line item budgets for the Façade Grant by \$25,000 and Infrastructure Grants by \$295,000. The amendment was needed for the recent grants approved by the board.

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

Motion was made by Mr. Boutin and seconded by Mr. Russell to approve the budget transfer. The motion was approved by unanimous vote.

**Resolution No. ODC-2021R-10 – Nacero Economic Development Agreement.** Mr. Burnett stated that the agreement was for ten years at \$2 million a year after performance was verified. The job creation for the first five years was based on capital investment and the last five years was based on employment and payroll. Mr. Crow asked about a claw back section. Ms. Hollmann stated that payment was made in arrears. Mr. Burnett stated payment was earned and there was nothing to claw back. Mr. Crow questioned the contract's Section 4.2 Insurance. He asked how much amount of insurance was covered. Ms. Hollmann recommended to add language in the contract for similar insurance with other companies' industry standards. Discussion was held on the insurance on property and liability and ODC being protected. Ms. Hollmann stated that the words "jobs" and "FTE" were used interchangeably. She suggested to add "or jobs" under Section 2.2.4. Mr. Boutin stated that Section 4.4 gave the ODC the option of termination. Ms. Hollmann stated to change the Section 4.4 to "Termination" instead of "Suspension". Mr. Russell stated that Section 4.4 Suspension should have the option of suspension or termination. Mr. Boutin stated it needed to be both options. Ms. Baker stated that the changed would need to be communicated with Nacero's attorneys. Mr. Boutin made a motion to approve the agreement with the changes. Nacero's representative did not understand the insurance change. Mr. Crow stated that if Nacero would get sued then ODC would be defended. He stated the suggested added insurance language was common terminology.

Motion was made by Ms. Hollmann and seconded by Mr. Boutin to approve the resolution with the cleanup changes. The motion was approved by unanimous vote.

**Revisions to the ODC Bylaws and Development Finance Program Administrative Policy revisions.** Mr. Boutin stated that Section 4.3 Downtown Grants Design Review Board content did not make sense. Ms. Baker stated it was for the creation of the board that included Mayor or designee, council member appointed by the council, and ODC board member. Mr. Russell stated that the Council discussed removing the council members from other boards as it was expressed for Council not to serve on boards. Mr. Marrero stated that the component could be removed and redefined. He stated, currently, it would conflict with Council's wishes. Mr. Edgmon stated to provide for the section concurrent with Council. Mr. Crow reviewed Section 9.7 Confidentiality that information may be subject to the Open Meetings Act from the ODC and Compliance Committee. Ms. Hollmann stated that it may be subject to the Open Meetings Act.

Ms. Hollmann stated that the Compliance Committee did not negotiate contracts. Mr. Boutin stated that the Compliance Committee provided to the board if the applicant complied with all the regulations and if it fit the matrix. The Committee did not negotiate but the professional members were skilled in evaluating the application for feasibility. He stated that it gave the ability of having a grant applicant provide information and

know it would not be public information unless it moved forward as a favorable consideration for a grant. It provided for being able to compete with other cities. He stated that the Committee functioned as an advisory committee. He stated that additional time should be given for ODC to review projects, if needed. Mr. Crow agreed but wanted to protect the City and ODC. He stated that transparency was better and understood that the Committee was a benefit. Mr. Edgmon stated that research on the Open Meeting Act and Compliance Committee was being done and would be discussed at the next meeting. The board reviewed and discussed the proposed changes to the bylaws. Discussion was held on Section 2.3 Qualifications. Ms. Hollmann suggested to have experience equivalent to listed qualifications. Mr. Russell did not agree. He stated it would limit Council to appoint only people who served on the Compliance Committee. Mr. Crow stated that the Committee had great assets, but it would limit the City Council. He stated other members have skills that do not serve on the Compliance Committee. He recommended to keep as a consideration by having the word "or" and not "and". Mr. Boutin stated to keep as "or" as it added value. There was a duplication in Section 2.2. In Section 2.6 Meeting Agenda, added language was provided on agendas. Section 4.2 Compliance Committee, the number of members was changed to at least 10 members but not more than 12 members. On Section 4.3 a. Downtown Grants Design Review Board, there were two letter "a"s and the second one would be eliminated. Ms. Buhnerkempe stated it would reflect Council's decision as it would be approved by Council. The ODC's recommended changes were for Council's approval. It would be reviewed again by the ODC board. Mr. Russell stated it should be Section 4.3b with language for the makeup of the board, it should be one ODC board member, one appointed by the Mayor and one appointed by the Council members to keep the structure.

The Development Finance Program policy was reviewed. Mr. Boutin stated that there was added language to Section 1.2 Applicable Law and Section 2.4 Types of Jobs. Ms. Hollmann stated if "Primary Jobs" were defined then it should be capitalized through the document. Ms. Baker stated the language was taken from the statute. Ms. Hollmann stated to capitalize.

Regarding the bylaws, Mrs. Muncy stated that Section 5.2 Annual Corporate Budget, the proposed budget adoption should be changed to 30 days instead of 60 days as time extension was given to the contractors.

**Guidelines governing the downtown infrastructure and façade grant revisions.**

Mr. Cole asked about the number of bids for the grants. Mr. Russell stated it would be amending Section 11-4-1(c) to add: applicant must receive two or more bids and submit the bids to the packet. Ms. Hollmann asked about requiring SBDC classes. Mr. Russell stated to add language if they were a new business then a prescribed SBDC program be taken. Ms. Hollmann stated a decision needed to be made on what constituted a new business. Mr. Cole stated that there may be existing businesses that open new businesses, and it would not be fair. Discussion was held on the business experience. Mr. Boutin stated that new businesses fail within three years. Mr. Russell stated to have language to submit a business plan if less than three years in business and go through a level of SBDC program based on business experience and principles once defined. Mr. Russell and Ms. Hollmann will work on the language for the document. Mr. Boutin stated that it should represent controlling interest. Mr. Boutin stated to replace the word "they" to "it" when it referred to business. Mr. Russell stated, under Façade and Infrastructure, language was added that an applicant must receive and submit two bids.

Motion was made by Mr. Cole and seconded by Ms. Hollmann to table the Bylaws revisions and the Development Finance Program Policy. Ms. Hollmann requested that the original and changes be sent to her and Mr. Russell. The motion was approved by unanimous vote.

Ms. Moulakis stated that the Downtown Odessa Board of Directors recommended changes in the grant program and the Downtown Review Board. The first recommendation was to provide for one member of Downtown staff and two board members with at least two out of three members be in attendance. She reviewed the current grant application process. She stated the change would streamline the process. It would remove the ODC board member. Mr. Cole asked if ODC needed to be involved. It was discussed if the ODC board would have all the information. In the past, there was a ODC board member that reported to the ODC board. Mr. Russell suggested one Downtown Odessa board member, one ODC member, one mayor appointment and one council member appointment. Mr. Marrero stated that staff would not vote. Mr. Marrero stated to take out the Council member to expedite the process. There could be two ODC board members on the review board. Ms. Moulakis stated the second recommendation was to require a business plan to be submitted with the application which would be a main component. If the plan was not sufficient then recommend taking courses. Ms. Hollmann stated that the grant would not be held up due to the courses, but applicants have the time to complete the courses during the construction time. Ms. Moulakis stated the concern was there may be experienced business owners which may not be applicable for the courses and hinder the program. The program should be expedited and transparent but did not want it to be a hinderance. Mr. Russell stated it would be for a certain level of business experience. If it was a new owner, the business training was to set up for success. Ms. Hollmann stated that the priority was to provide the best tools for the business to succeed. Mr. Robinson did not want to make it uninviting. Mr. Boutin did not want to provide grant funds without training. Mr. Russell stated that Ms. Hollmann, Ms. Moulakis, and he would work on the language. Mr. Cole stated the program was to provide money to make downtown look better and not make it an SBA. Ms. Hollmann asked for the recommended number of seminars. Mr. Patton suggested three seminars that included cash management, financial projects, and human resources. Ms. Hollmann stated the biggest issue was cash flow and not remit payroll taxes. Mr. Cole stated to find a way to keep it simple. Ms. Moulakis stated the final recommendation was codifying the requirement of two bids submitted with the application.

**ODC Committee and Officer Reports: Partnership, Tax Incentive, Advertising and Downtown Grants Design Review Board.** There were no reports.

**Citizen comments on non-agenda items.** None.

Motion was made by Mr. Cole and seconded by Ms. Hollmann to adjourn the meeting. The motion was approved by unanimous vote. The meeting adjourned at 3:49 p.m.

ATTEST:

APPROVED:

Norma Aguilar-Grimaldo, TRMC, CMC  
City Secretary

Tim Edgmon  
President