

Wichita Falls Economic Development Corporation

Board Packet

8-18-2022

2:30 PM

Wichita Falls City Hall

Index

1. Notice of Meeting
2. Call to order
3. Consent Agenda
 - a. Approval of Minutes (July 21, 2022)
 - b. Financial Report
4. Discussion and possible action related to authorizing board president to execute a contract with Panda Biotech, LLC regarding contract term date
5. Discussion and possible action related to execute an agreement for hangar improvement project at Wichita Falls Regional Airport totaling \$118,220
6. Discussion and possible action related to purchase equipment at Wichita Falls Regional Airport totaling \$133,979 for the benefit of Sheppard Air Force Base
7. Discussion and possible action related to a loan incentive for Compass Container Works Corporation DBA Proforma Corporation
8. Executive Sessions
9. Adjourn

NOTICE OF MEETING

MEETING: Wichita Falls Economic Development Corporation (WFEDC)

DATE: August 18, 2022

TIME: 2:30 o'clock p.m.

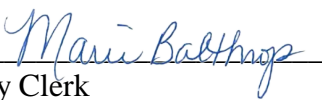
LOCATION: City Council Chambers and/or Council Conference Room, Memorial Auditorium building, 1300 Seventh Street, Wichita Falls, Texas

1. Call to order
2. Consent Agenda
 - a. Approval of Minutes (July 21, 2022)
 - b. Financial Report
3. Discussion and possible action related to authorizing board president to execute a contract with Panda Biotech, LLC regarding contract term date
4. Discussion and possible action on a request by the City of Wichita Falls for local match funding related to various airfield projects and equipment for use by Sheppard Air Force Base
5. Discussion and possible action on a request by the City of Wichita Falls related to hangar modifications at Wichita Falls Regional Airport
6. Discussion and possible action related to a loan incentive for Compass Container Works Corporation DBA Proforma Corporation
7. Executive Sessions
 - a. In accordance with TEXAS GOVERNMENT CODE § 551.087, to discuss or deliberate the offer of a financial or other incentive, including modification to an existing agreement, for a business prospect that the WFEDC seeks to have, locate, stay, or expand in or near the territory of the City of Wichita Falls and with which the WFEDC is conducting economic development negotiations for creation and retention of primary jobs (as defined by TEX. LOCAL GOV'T. CODE §501.002).
 - b. In accordance with Texas Government Code §551.071, consultation with attorney on matter involving pending or contemplated litigation or other matter in which the duty of the attorney to the governmental body under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with the Texas Open Meetings Act.
8. Adjourn.

Wheelchair or handicapped accessibility to the meeting is possible by using the designated parking spaces and ramp located off the east parking lot on the Sixth Street entrance. Spanish language interpreters, interpreters for the deaf, Braille copies, or any other special needs will be provided to any person requesting a special service with at least 24 hours' notice.

Certification

I certify that the above notice of meeting was posted on the bulletin board at Memorial Auditorium, Wichita Falls, Texas, on the 12th day of August, 2022, at 4:45 o'clock p.m.



City Clerk

Every item on this agenda shall be considered a public hearing, and citizens may appear at the beginning of this meeting and request to speak on any item. Regardless of the agenda heading under which any item is listed, any word or phrase of any item listed on this agenda shall be considered a subject for consideration for purposes of the Texas Open Meetings Act and other relevant law, and Board of Directors may deliberate and vote upon any such subject and resolutions related thereto. Any word, phrase or other subject may be voted upon, regardless of any language of limitation found in this agenda or any document referring to such action. Funding amounts may differ from the amounts shown on this agenda. In addition to other items listed hereon, any item that has previously been discussed by this Board of Directors may be discussed and deliberated and is herein added as a subject of this meeting without further notice. Any item on this agenda may be discussed in executive Session if authorized by Texas law regardless of whether any item is listed under "Executive Sessions" of this agenda, regardless of any past or current practice of this Board of Directors. Executive sessions described generally hereunder may include consideration of any item otherwise listed on the agenda plus any subject specified in the executive session notice. Executive sessions described generally hereunder are closed meetings, may include consideration of any item otherwise listed on the agenda plus any subject specified in the executive session notice, and may include items under Texas Government Code Sections 551.071, 551.072, 551.073, 551.074, 551.076, 551.084, and/or 551.087. Any descriptions of property or amounts stated herein are descriptive and not restrictive, and property and amounts may be changed in the motions, actions, or documents without further public notice. This agenda has been reviewed and approved by the attorney for the governing body, and the presence of any subject or description in the Executive Session portion of this agenda constitutes a written interpretation of Chapter 551 of the Texas Local Government Code by the attorney for the governmental body indicating that said subject or description thereof may be legally discussed in a closed meeting.

MINUTES OF THE
WICHITA FALLS ECONOMIC DEVELOPMENT CORPORATION

July 21, 2022

Present:

Leo Lane, President	§	WFEDC Members
David Toogood, Vice President	§	
Phyllis Cowling, Secretary-Treasurer	§	
Darron Leiker	§	

Stephen Santellana, Mayor	§	Mayor & Council
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Paul Menzies, Assistant City Manager	§	City Administration
R. Kinley Heggland, Jr., City Attorney	§	
Russell Schreiber, Director of Public Works	§	
Jessica Williams, Chief Financial Officer	§	
John Burrus, Director of AT&T	§	
Terry Floyd, Director of Development Svcs	§	
Chris Horgen, Public Information Officer	§	
Paige Lessor, Recording Secretary	§	

Henry Florsheim, President and CEO	§	WFCCI
Katie Britt, VP of Marketing	§	
Ryan McGowan, Director of Bus Intelligence	§	

Jana Schmader, Executive Director	§	DWFD
Jeanette Charos, Marketing Director	§	
Rodney Case, Treasurer	§	

Kerry Maroney, President	§	Biggs & Matthews
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Lynn Walker, Writer	§	Times Record News
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Absent:

Brent Hillary	§	WFEDC Member
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1. Call to Order

Mr. Leo Lane called the meeting to order at 2:30 p.m.

2. Consent Agenda

a. Approval of Minutes (June 6, 2022)

b. Financial Report

Mr. Menzies stated that sales tax is up and running consistently with inflation. And the WFEDC's healthy bottom line is about \$8.6 million and is reflective of the Land O'Lakes deal ratified by council since the last meeting.

Mr. Leiker moved to approve the consent agenda. Seconded by Mr. Toogood, the motion carried 4-0.

3. Discussion and possible action related to 2023 Budget Presentations:

Mr. Barham was not present to begin the SMAC presentation, so Mr. Lane skipped to the next presentation on the agenda, i.d.e.a.WF.

b. i.d.e.a.WF

Dr. Jeff Stambaugh addressed the Board and explained that he represented Dr. Scott Manley because Dr. Manley was out of the state in Georgia. Dr. Stambaugh reminded the Board that i.d.e.a.WF had undergone several changes. One significant change brought about was to try to leverage the assets of the 4A Board to increase the amount of prizes significantly. But that has not worked as well as has been intended. In this year's budget request, i.d.e.a.WF is returning to its roots. The proposal is for a simple \$50,000 to support administrative support and advertising. i.d.e.a.WF will commit to raising an equal amount to provide prizes for the winners. And that will allow the focus to be on the traditional startups rather than the businesses ready to scale and engage in more of a cash-for-jobs arrangement. If companies enter the contest and it becomes apparent that they would be great candidates for cash-for-jobs, they would be referred to the 4A Board and The Chamber. Dr. Stambaugh asked the Board if they had any questions.

Mr. Lane noted that there is an amount of money that was allocated for last year that is being returned. The money was never used.

Ms. Cowling asked for clarification and asked if i.d.e.a. WF's plan was for the budget to have a private sector campaign, but that did not occur this past year. But that was the intention. Dr. Stambaugh answered yes, and the reason it didn't happen this year was that only one entity applied, and it didn't qualify for a cash-for-jobs type of position, which was the prize package. Ms. Cowling clarified that the funding would revert to the way it was before the past two years. Dr. Stambaugh confirmed that was correct.

Mr. Lane added that he had a couple of discussions with Dr. Manley, who stated that he had seen other organizations going through the same turmoil through COVID, which included lower participation. Still, hopefully, everyone will get past this. Dr. Stambaugh stated that this was a long-term investment, and they want a community that supports entrepreneurship, which is one of the ways to support it. He further noted that if you want a vibrant startup community, you have to have a mechanism to support it, and i.d.e.a. WF is one of the ways to do that. Sometimes it's a lumpier process than we would like it to be. But if you abandon it, your results will be horribly disappointing for the community's long-term viability.

Ms. Cowling asked what the other components of a vibrant community are. Dr. Stambaugh said that the Lalani Center also has the idea of an investment mechanism in which promising ideas can obtain funding, like an angel investment. The angel investor group became a casualty of COVID, but they are trying to resurrect it. He said that he started and ran the group for several

years, and they funded some large local deals.

Mr. Leo stated that he had a note that Glenn Barham was on his way. So the meeting would move on to Downtown Development.

c. Downtown Wichita Falls Development

Ms. Schmader addressed the Board and thanked them for creating this year's process. She said it was very beneficial to have a procedure and directive on what to present and what reporting mechanisms were needed. She described some of DWFD's key accomplishments for the year. She stated that they helped put together several 4B incentive packages, which resulted in over \$1.24 million in funding. The most notable is The Kate, the creation of 170 residential units in the downtown area. DWFD had 60 property platform information requests, which often resulted in tours of the specific properties, ten redevelopment meetings with the City of Wichita Falls, which put all of those projects into development, 20 businesses opened, and eight under construction. By DWFD's estimate, the services in the organization touched over 350,000 square feet downtown. Another significant accomplishment is the creation of the Indiana historic district, located between 9th and 10th Streets. Buildings within that particular boundary will now be eligible for federal and state historic tax credits.

Ms. Schmader further explained that the services of DWFD are broken down into two parts. She is in charge of real estate, from property listings to property tours. She also helps to create the WF4BSTC proposals. She also is in charge of project facilitation, customer relationship management, and retention programs. The marketing director, Jeanette, is in charge of all grand openings, sneak peeks, photography, and website and social media content. She presented a list of all the stakeholders they represent.

She stated that DWFD furthers WFEDC's strategy by continuing to establish relationships with the private sector to leverage primarily Type B funding. They convene resources and identify strategies with the vacant structure registry to update storefronts to make them more marketable. They continue to advocate and educate the downtown property owners about the benefits of the public improvement district and support the implementation of the Downtown Master Plan. They support and endorse opportunities for state and federal resources. For example, they just endorsed the \$2 million worth of ARPA funds approved by Council for Downtown Streetscapes improvement. And they continue to research other grants to complete the downtown master plan.

Ms. Schmader went on to list the goals of DWFD for the upcoming year. They aim to have 40% of all available properties for sale or lease go into development status, meaning they have capital and adequate funding. She stated that even through rough times, Downtown has maintained a high retention rate, having very few businesses move out of the area or shut down, and they believe they can keep the retention rate static. They are adapting some promotional programs with new technology and algorithms over their platforms. They are working with Crane West on different ideas to project into other regional areas to attract investors. She stated that 95% of downtown real estate is not listed with a real estate agency. It is for sale by the owner. So this is when contacts become important because DWFD might know the building owner personally and can start working towards a deal.

Ms. Schmader stated that DWFD's request is for \$125,000, which encompasses operations, salaries, and liabilities for her and Janette and all of the economic development activities that have been done for the last couple of years. She asked the Board if they had any questions.

Mr. Lane asked about DWFD's program for making contacts outside Wichita Falls. She

stated that they did a lot of search engine optimization marketing. However, sometimes it does go back to relationships. For example, someone may know someone in Metroplex or Abilene that is looking to invest in property in Wichita Falls. Mr. Lane asked if they were making cold calls to developers outside the community. She said no, that it was all digital.

Ms. Cowling stated that she appreciated the metrics provided by DWFD and the goal of reducing the number of available properties by 40%. She asked about the starting point. She wondered if they were going by the number of available properties or square footage and the starting number. Ms. Schmader said they measure off what properties they know people are willing to sell right now. Ms. Cowling asked how many precisely that was. Ms. Schmader stated that DWFD has 25 properties currently on its website.

Ms. Cowling commented that she thought the history of their three-year metrics accomplished was very admirable but tended to be pretty process oriented. She suggested providing outcome measures in the future. For example, what is the percentage of non-vacancy or the amount of square footage that gets renovated or expanded in a year? She asked if there was a way to quantify the sales tax or ad lorem that comes straight out of Downtown. That would be another way to show the impact of Downtown and DWFD. Mr. Leiker explained that sales tax gets difficult because the comptroller keeps that confidential. Then, Ms. Schmader explained that DWFD posted a graphic on their website showing the Central Business District property values over the last twenty years. Ms. Cowling said she would use that as a metric because she thinks it will continue to grow. Ms. Schmader noted the creation of the vacant structure registry would help them track the vacancy rate closer.

Finally, Ms. Cowling clarified that the \$18,000 increase in salaries was not for additional people but an increase in salary structure. Ms. Schmader confirmed that clarification.

d. Chamber of Commerce

Mr. Florsheim addressed the Board and explained that the Chamber's proposal was for \$981,500, a decrease from last year. He stated that they have decided not to fund a downtown development position, which causes a reduction in salaries and related expenses. As with the past couple of years, he asked that WFEDC include \$24,000 in its own budget for the relocation assistance program for existing businesses to recruit people from out of town. Mr. Florsheim stated that he would walk the Board through activities projected for this next year and give a staffing update.

The executive committee is in the process of negotiating with the candidate for interim CEO at the Chamber. At the next chamber board meeting, that should be finalized within a couple of weeks. So the Chamber will have an experienced that cannot developer on Board for the next 3 to 4 months while they conduct a national search for Mr. Florsheim's replacement. The Board has already hired Todd Jorgensen's firm to perform the CEO search. The Chamber will pause the search for the business attraction position until a CEO is hired. Some duties have been transitioned internally to ensure none of the current activities stop.

Summaries

Business Attraction

- Site selector outreach – the Chamber had an excellent database of site selectors and good relationships with them. They will continue to conduct outreach in person, by phone calls, zoom

calls, and email campaigns.

- Continue to participate in Team Texas mission trips. Katie Britt participated in one last month in Washington, DC.
- Katie also manages a complete email and digital marketing campaign aimed at all of the site selectors and corporate executives that are prospects.
- Ryan McGowan handles research and will be managing the Chamber site and building database.

Business Retention and Expansion

- Taylor Davis transitioned into this position. She is conducting a regular visitation program and all the expansion assistance.
- The Chamber also assists local businesses to help them get their story out and identify more potential customers and employees.

Talent Development

- A new director of the Chamber's talent initiative will start in two weeks. Taylor will be able to provide training to get the new person up to speed quickly.
- The Chamber will continue to assist companies, helping them figure out how to recruit better, train, screen, and retain their employees.
- The Chamber will continue to add to the catalog of military programs, work on the young professionals program, and rollout an internships campaign.
- The Chamber will continue to package and augment its existing relocation support efforts.

Mr. Floresheim also mentioned Karen Bivona, the Chamber's office manager, handles project oversight and reconciliation for all the contracts between EDC and companies.

Falls Future Strategy

They just wrapped up the new strategy's development and will be speaking with Matt Deveau tomorrow to discuss an implementation plan. Discussion about international talent arose. There is a large group of international students at MSU and a large group of people at Sheppard AFB that would like to stay in Wichita Falls, but they have VISA issues. They plan to develop a program to assist companies in understanding the process of helping someone through the sponsorship process. They have plans to develop better pathways into the industrial trades that are hurting to find labor right now. The Chamber will be working to develop more public-private partnerships with Sheppard Air Force Base. It is another ambitious strategy; they accomplished about 85 to 90% of the last.

Ms. Cowling asked how many expansion and attraction programs were done this past year. Mr. Florsheim did not have a number. Ms. Cowling stated that this was a critical metric and how the number of jobs is tracked. Mr. Florsheim and Ms. Cowling discussed compiling workforce data to calculate the number of people working in Wichita Falls. Ms. Cowling said a goal of where Wichita Falls is headed needs to be set.

Ms. Cowling then asked about the budget and how the net decrease adds up to around \$25,000. Mr. Florsheim explained that the key programming changes are \$10,000. Additionally, for Lead Generation, that's our business attraction efforts, \$5000 added to the military

programming and \$2500 to the talent partnership. The \$20,000 for relocation is not what was mentioned earlier. This is to provide the Chamber with more tools to develop a marketing campaign aimed at companies and to provide other resources, relocation guide, and other things that can be done internally to help those companies. Then an additional \$5,000 for Intern Wichita Falls. Ms. Cowling clarified that these increases are tied to the economic development strategy that is in development. Mr. Florsheim agreed.

Mr. Lane made a final comment about the jobs metric that unless the average pay of the job is known and how it matches up with the cost of living, no progress is being made. Many very low-paying jobs are just the opposite of what is needed.

a. SMAC

Mr. Barham addressed the Board and apologized for being late. He said he inadvertently left off two columns on the budget request spreadsheet. He handed the Board the additional information that had been omitted. He stated that SMAC was again asking for \$150,000, which is the same level the Board has funded for the last five years. The investment will be used to support the Shepherd Military Affairs Committee's mission of protecting the future of Sheppard Air Force Base.

One of the issues SMAC has worked on this past year is acquiring funding to construct a new child development center at Sheppard Air Force Base. He stated that Sheppard would receive approximately \$27 million to build that new facility.

This past December, Governor Abbott toured Sheppard and met with the installation commander, Brigadier General Lyle Drew, and the Second Air Force commander, Major General Michelle Edmondson. Mr. Barham was told it was a worthwhile discussion, and many things had been cleared up.

SMAC continues to work on low-level Military Training Routes. Mr. Barham stated that wind farms continue to be an issue. The heights of the turbines and blades reach 680 to 700 feet. The low-level MTRs are at 500 feet. It is an obvious hazard to student pilots dealing with windmills in their flight paths. Early notification from the developers to the military is key to this process. James Frank and Drew Springer will be introducing legislation next spring that will define early notification, which will force the wind farm developers to notify the military very early in the process where they want to establish a development.

SMAC will continue to focus efforts in the upcoming holiday season by assisting low-income Sheppard families. In FY2023, SMAC will host two dinners. The first one will be held in October. The guest speaker is General Charles Q Brown, the Chief of Staff of the Air Force. The second dinner will be held in the spring when the steering committee returns to Sheppard. They went to Canada for the spring meeting and return to Sheppard in March.

Mr. Barham stated that the WFEDC Investment in SMAC operations would help protect the future of Sheppard AFB's largest employer in the area. Losing Sheppard or either of its two wings would have a monumental and devastating impact on the local economy, not only Wichita Falls economy but the entire metropolitan statistical area. Mr. Barham said he looks forward to the continued partnership with the 4A Board.

Ms. Cowling asked if BRAC was a threat or an opportunity. Mr. Barham explained that it is actually both. In 2005 Sheppard lost the medical training, and it moved to San Antonio. However, Sheppard is well positioned at this point for a BRAC. The likelihood of Sheppard is low because of its unique training mission. Many international folks come through Sheppard AFB. The

majority of airmen in training come to Sheppard AFB. He stated that everyone needs to be prepared, and he always keeps his ear to the ground on whether a BRAC will happen or not.

Ms. Cowling asked if there was a way to protect Sheppard and expand it in terms of mission. She wondered if expansion only happens during a BRAC. Mr. Barham explained that it could happen outside of a BRAC.

4. Consider and take action to approve Change Order #1 to the contract for the Wichita Falls Business Park Fisher Road & Midwestern Parkway Improvements (Project A), in the amount of \$21,110.00, and authorizing the Board president to execute all related documents

Mr. Schreiber addressed the Board and reminded it of the improvements funded for the business park to make it more attractive for businesses to come to Wichita Falls. The current project under construction is the Phase A project (Midwestern Parkway Feature Road Expansion). The contractor has begun that work. However, the Board is well aware of the new development attempting to locate in the business park on lot six. This lot does not have a roadway in front of it, so the contractor has been asked to reschedule his phasing of the project and begin on the Midwestern Parkway portion because Land O'Lakes needs that roadway in front of their lot by October. This has resulted in a change order. Realignment and adjustment of some storm sewer also resulted in about \$3,600 added to the project.

5. Discussion and possible action related to Incentive Policy Development proposal from Boyette Strategic Advisors

Mr. Florsheim explained that this had been discussed multiple times. He wondered if they were doing things competitively and using their incentive dollars appropriately. Are there other best practices they can impose, and how do they standardize a policy? Mr. Floresheim spoke to Alicia Cook, who referred him to Boyette Strategic Advisors. They forwarded a proposal to him that would help develop a true incentive policy. They said they could start in late August or early September if the Board chooses to move forward. It would be a three-month process, and the fee would be \$22,850. Section four of the proposal states that the potential expense is capped at 15% of the fee.

Mr. Toogood asked if their work for their representative client list was similar or a different type of economic development consulting. Mr. Florsheim said the work did include some look at incentives. Mr. Florsheim said that Alisha Cook told him that this company was the best in the business for this task.

Mr. Lane asked if they represent both manufacturers and chambers. Mr. Florsheim did not believe they did that sort of thing. For all the communities listed in their proposal, they have done strategic planning, incentive review, and assembling incentive packages. Ms. Cowling clarified that they have negotiated on both sides.

6. Executive Session

Mr. Lane adjourned the meeting into executive session at 3:25 p.m. pursuant to Texas Government Code §§ 551.087 and 551.071. He announced the meeting back into regular session at 4:46 p.m. The subjects posted in the Notice of Meeting were deliberated, and no votes or further actions were taken on the items in executive session.

7. Motions

2023 Budget Presentations

Ms. Cowling moved to approve the 2023 budget funding as follows: SMAC - \$150,000; i.d.e.a. Wichita Falls - \$50,000; Downtown Development - \$115,000; Chamber of Commerce - \$981,500. Seconded by Mr. Toogood, the motion carried 4-0.

Change Order #1 to the contract for the Wichita Falls Business Park Fisher Road & Midwestern Parkway Improvements Project A), in the amount of \$21,110.00

Mr. Leiker moved to approve the change order as presented in the amount of \$21,110. Seconded by Mr. Toogood, the motion carried 4-0.

Incentive Policy Development proposal from Boyette Strategic Advisors

Ms. Cowling moved to approve the incentive policy development proposal for Boyette Strategic Advisors in an amount not to exceed \$28,000. Seconded by Mr. Toogood, the motion carried 4-0.

On behalf of the Board, Mr. Toogood thanked Mr. Florsheim for his service to Wichita Falls and wished him good luck.

7. Adjourned.

The meeting adjourned at 4:50 p.m.

Leo Lane, President

**Wichita Falls Economic Development Corporation
August 18, 2022**

ITEM/SUBJECT: Aug 2022 Financial Report & Proposed FY 2023 WFEDC Budget

ATTACHMENTS: (1) August 2022 Sales Tax Revenue
(2) FY 2022 Budget Summary/Proposed FY 2023 Budget

Staff Summary:

Sales Tax

The August 2022 sales tax payment, reflective of June 2022 receipts, was up 8.3% from the same month last year. For the year, sales tax revenue is running about 20% ahead of budget (\$4.3M) This trend line would result in sales tax revenue of about \$5.2M at the end of the fiscal year.

Financial Update

The updated financials are attached, and indicate an estimated unreserved fund balance of **\$11.85M**. This “bottom line” number has increased about \$3.2M since the last report due to the following:

- August Sales Tax revenue (~\$508,000);
- DuPlooy Trucking Project (\$1.334M) – Expired, unspent funds
- Pratt and Whitney Project (\$915,235) – Expired, unspent funds
- SAFB Front Gate Project (\$44,500) – Completed, unspent funds
- Sharp Iron (\$15,000) - Expired, unspent funds
- USA800 (\$487,863) - Expired, unspent funds

The Howmet, Ph.1, Filtration Project (\$72,750) agreement expires at the end of this month; however, Chamber staff indicates it will be paid shortly pending verification documents.

Proposed FY 2023 Budget

For ease of comparison, City staff has drafted the proposed budget for the next fiscal year on the same document used for the monthly financial report (see far right column). Some general notes on the proposed FY 2023 budget:

- Sales tax revenue is budgeted at approximately \$5.1M which is “flat” compared to where the trend line is current year, and which is consistent with sales tax revenue in the City’s proposed FY 2023 budget. For comparison, the Corporation was budgeting about \$3.9M in sales tax revenue just two years ago.
- Budgeted interest earnings have increased significantly based on recent actions of the Federal Reserve.

- Monthly expenses for the now former WFEDC-owned ATCO facility are no longer needed for FY 2023.
- Budgets for 3rd party contracts that were approved by the Board last month are included:
 - Chamber/Economic Development Services - (\$988,315) which is a blend of the remaining calendar 2022 contract (25%) and the new calendar 2023 contract (75%);
 - Sheppard Military Affairs Committee (SMAC) - \$150,000;
 - Downtown WF Development - \$115,000;
 - I.D.E.A. WF Admin Expenses - \$50,000;
- City Administrative expense is budgeted at \$80,000, same as the current year, to support the services provided by the City to the WFEDC (legal services/Board Counsel, fiscal agent, City/Council liaison);
- Bottom line shows a projected \$15.5M in unreserved cash at the beginning of FY 2023 for new project/initiatives. Pending new projects that may occur throughout the year, this cash balance will increase monthly as sales tax revenue is realized.
- If the Board approves a budget for FY 2023 at the meeting, City Council will consider such September 6 in advance of the new fiscal year that begins Oct 1.

SALES TAX HISTORY (Fiscal Year)													
1 and 1/2 Cent General Fund Allocation						1/4 Cent Sales Tax Board Allocation							
	FY 2022	FY 2021	FY 2020	FY 2019	3 Prior Year 1 1/2 Cent Avg (2019-2021)		3 Prior Year 1/4 Cent Avg (2019-2021)	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	% Var (FY21/FY20)
	Actual	Actual	Actual	Actual			Actual	Actual	Actual	Actual	Actual		
Dec	2,240,691	1,989,917	1,996,822	1,915,890	1,967,543	*	327,924	280,845	319,315	332,804	331,653	373,448	12.60%
Jan	2,400,650	1,971,270	1,895,281	1,881,684	1,916,078	*	319,346	301,023	313,614	315,880	328,545	400,108	21.78%
Feb	3,192,531	2,814,256	2,799,099	2,591,546	2,734,967	*	455,828	431,655	431,924	466,517	469,043	532,089	13.44%
Mar	2,181,613	2,018,609	1,659,931	1,727,589	1,802,043	*	300,341	277,137	287,931	276,655	336,435	363,602	8.08%
Apr	1,968,586	1,501,225	1,756,780	1,755,927	1,671,311	*	278,552	270,256	292,655	292,797	250,204	328,098	31.13%
May	3,069,049	3,356,949	2,241,503	2,437,105	2,678,519	*	446,420	405,981	406,184	373,584	559,492	511,508	-8.58%
Jun	2,427,055	2,291,864	1,716,207	1,939,266	1,982,445	*	330,408	303,795	323,211	286,034	381,977	404,509	5.90%
Jul	2,489,043	2,236,894	2,035,304	1,940,230	2,070,810	*	345,135	322,751	323,372	339,217	372,816	414,840	11.27%
Aug	3,048,756	2,815,188	2,533,600	2,358,186	2,568,991	*	428,165	383,811	393,031	422,267	469,198	508,126	8.30%
Sep		2,301,880	2,007,049	2,061,917	2,123,615	*	353,936	307,535	343,653	334,508	383,647		
Oct		2,281,866	2,050,789	1,978,472	2,103,709	*	350,618	315,856	329,745	341,798	380,311		
Nov		2,784,207	2,513,760	2,324,053	2,540,673	*	423,446	376,190	387,342	418,960	464,034		
	23,017,974	28,364,124	25,206,125	24,911,866	26,160,705	*	4,360,118	3,976,836	4,151,978	4,201,021	4,727,354	3,836,329	
				Historical Comparison	% Change								9.63%
1999				14,534,592		*							
2000				15,897,398	9.38%	*							
2001				16,323,752	2.68%	*							
2002				16,222,570	-0.62%	*							
2003				16,598,732	2.32%	*							
2004				17,192,703	3.58%	*							
2005				17,845,502	3.80%	*							
2006				19,272,204	7.99%	*							
2007				20,068,529	4.13%	*							
2008				21,353,895	6.40%	*							
2009				20,451,906	-4.22%	*							
2010				20,034,914	-2.04%	*							
2011				21,082,994	5.23%	*							
2012				21,406,823	1.54%	*							
2013				22,062,365	3.06%	*							
2014				22,397,535	1.52%	*							
2015				22,403,406	0.03%	*							
2016				22,373,768	-0.13%	*							5,182,569
2017				22,413,397	0.18%	*							
2018				23,861,014	6.46%	*							
2019				24,911,866	4.40%	*							
2020				25,206,125	1.18%	*							
2021				28,364,124	12.53%	*							
2022				31,095,415	9.63%	*	2,731,290						

Note: These figures may not tie exactly to the City's Financial Reports due to adjustments in accounting methodologies.



**City of Wichita Falls, TX
Economic Development Corporation
Financial Summary**

Current as of 08.11.22

	Original Award	FY 2021		FY 2022		FY 2023
		Revised Budget	Year End Actual	Adopted Budget	YTD Actual	Proposed Budget
Beginning Fund Balance (10/1)		\$ 14,826,218	\$ 14,826,218	\$ 13,921,574	\$ 18,662,110	\$ 19,764,202
REVENUES						
Sales Taxes		\$ 3,891,649	\$ 4,727,354	\$ 4,268,361	\$ 3,836,372	\$ 5,110,000
Other Rents (ATCO Lease)		-	-	-	720	-
Reimbursements		200,000	177,211	200,000	247,109	200,000
Capital Gain/Loss		-	4,663	-	-	-
Interest		102,711	10,875	25,000	55,354	390,000
Total Revenues		\$ 4,194,360	\$ 4,920,103	\$ 4,493,361	\$ 4,139,556	\$ 5,700,000
EXPENDITURES						
Annual Programs						
Ad Valorem Tax		\$ 100,000	\$ 58,963	\$ 100,000	-	\$ 100,000
ATCO Structures Operating Expenses		60,000	81,566	60,000	18,528	-
Professional Fees		30,000	24,567	30,000	13,159	30,000
Chamber: Employee Recruitment		50,000	16,000	50,000	20,000	50,000
Chamber: Economic Development		1,004,871	981,353	1,031,527	915,569	988,315
Economic Development Marketing		92,500	34,750	-	-	-
Sheppard Military Affairs Committee		150,000	150,000	150,000	75,000	150,000
Downtown WF Development		110,000	110,000	106,500	106,500	115,000
Business Park Maintenance		105,696	95,641	110,000	68,762	110,000
Business Park Water/Sewer Sanitation		5,500	4,927	5,500	4,645	5,500
Business Park Electricity		7,000	148	7,000	140	7,000
City Administrative Expense		60,000	60,000	80,000	60,000	80,000
WF Regional Airport Facilities (2033)		140,000	140,000	140,000	-	140,000
Business Park Bond Payment Enc. (2050)		516,200	-	516,200	-	519,800
Choose Wichita Falls Program		2,500	4,250	-	-	-
Directors and Officers Insurance		7,419	14,410	7,500	6,950	7,500
Travel Expenses/Education Registration		240	240	240	-	250
Depreciation Expense		-	54,537	-	-	-
Annual Programs Total		\$ 2,441,926	\$ 1,831,351	\$ 2,394,467	\$ 1,289,253	\$ 2,303,365
Open Projects⁽¹⁾						
Business Park Project (2023)	\$ 1,050,000	\$ 1,050,000	\$ 21,632.10	\$ 1,028,368	\$ 405,525	\$ 622,843
MPEC/Hotel Parking Lot (Ongoing)	497,500	497,500	-	1,025,000	447,564	577,436
Panda Biotech (12/23)	2,800,000	2,800,000	1,000,000	1,800,000	-	1,800,000
Tryer Processing (3/25)	150,000	150,000	-	150,000	-	150,000
Pamlico Air (10/22)	2,278,200	772,200	-	772,200	-	772,200
Clayton Homes (12/24)	1,734,700	1,734,700	-	1,734,700	-	1,734,700
i.d.e.a Wichita Falls (FY 2021 Award)	-	-	-	16,000	-	16,000
i.d.e.a Wichita Falls (2023 Admin)	50,000	50,000	50,000	50,000	50,000	50,000
Broad Ripple Strategies (2022)	106,500	106,500	9,000	97,500	81,713	15,787
Howmet Phase 1 (8/22)	72,750	72,750	-	72,750	-	72,750
Delta T Thermal (9/25)	-	-	-	435,000	-	435,000
Howmet Phase 2 (6/25)	57,463	-	-	57,463	-	57,463
Airport Business Park (2022)	-	-	-	75,000	12,000	63,000
Land O'Lakes (2023)	-	-	-	1,248,000	-	1,248,000
Open Projects Total	8,797,113	7,233,650	1,080,632	8,561,981	996,803	7,615,178
Closed Projects						
Stanley ATCO Marketing Plan	\$ -	\$ 22,859	\$ 22,859	\$ -	\$ -	\$ -
Cryovac (UPS and Printer Labeling)	1,250,000	1,167,749	1,167,749	-	-	-
Opportunities Strategies	20,000	-	-	-	-	-
Braun Intertec Environmental Study	345,000	6,675	6,675	-	-	-
SAFB Gate Project (Phase II)	1,867,787	389,684	320,491	44,500	-	-
DuPlooy Trucking (8/22)	1,334,000	1,334,000	-	1,334,000	-	-
Pratt & Whitney Technology (6/22)	1,815,000	915,235	-	915,235	-	-
Sharp Iron Recruitment (7/21)	24,000	15,000	-	15,000	-	-
USA800 (7/19)	3,359,200	487,863	-	487,863	-	-
Closed Projects Total	10,014,987	4,339,065	1,517,774	2,796,598	-	-
Total Expenditures		\$ 14,014,641	\$ 4,429,757	\$ 13,753,046	\$ 2,286,056	\$ 9,918,543



City of Wichita Falls, TX
Economic Development Corporation
Financial Summary

Current as of 08.11.22

Current as of 08.11.22	FY 2021			FY 2022		FY 2023
	Original Award	Revised Budget	Year End Actual	Adopted Budget	YTD Actual	Proposed Budget
Beginning Fund Balance (10/1)		\$ 14,826,218	\$ 14,826,218	\$ 13,921,574	\$ 18,662,110	\$ 19,764,202
Revenues Less Expenditures		\$ (9,820,281)	\$ 490,346	\$ (9,259,685)	\$ 1,853,499	\$ (4,218,543)
Less Encumbrance for Open Projects			\$ 9,584,884		\$ 8,670,391	
Unrestricted Fund Balance		\$ 5,005,937	\$ 5,731,680	\$ 4,661,889	\$ 11,845,218	\$ 15,545,659

⁽¹⁾ Date financial commitment ends. Performance end date may vary.

**WICHITA FALLS ECONOMIC DEVELOPMENT CORPORATION
PROJECT SUMMARY
AUGUST 18, 2022**

SUBJECT: Panda Biotech Extension Request

INITIATED BY: Taylor Davis, Richard Gordon

Commentary:

The Wichita Falls Economic Development Corporation (WFEDC) initiated a performance agreement with Panda Biotech, LLC (Company) on February 12, 2021 to incentivize Company for the creation of primary jobs at a new state-of-the-art hemp processing facility to be located at 8600 Central Freeway North. This agreement reflected the company's commitment to capital investment totaling \$100 million, 50 net new full-time positions and an anticipated completion date of August 1, 2022.

Company is continuing to make progress at their aforementioned facility, including capital improvements to real estate, purchase of equipment and contract procurement to interested consumers. Coupling the large scale of the project, volatility in the financial market and challenges with supply chain, the development of their facility and therefore workforce engagement has moved forward more slowly than originally predicted.

With this slow growth, they have previously requested an extension on their original term date of August 6, 2021, which is now September 1, 2022. This extension was granted with the understanding that repayment of the loan would begin in April 2022. Company is currently in compliance and is meeting their obligation of repayment in the amount of \$50,000 on the 15th of each month, as agreed upon.

For the current request we are bringing forth, Company would like to extend their current maturity date of September 1, 2022 by one month to October 1, 2022. This request would be granted under the condition of continued repayment in the amount of \$50,000 on the 15th of each month, as well as frequent check ins regarding the status of their progress, of which the Company agrees.

Recommendation:

The Wichita Falls Chamber recommends that the one-month extension request changing the agreement term changes from September 1, 2022 to (a) October 1, 2022, or (b) 7 days following the Borrowers receipt of proceeds from the Bond Issuance so long as Company continues to issue repayment of the loan on the 15th of each month in the amount of \$50,000 and provides regular updates regarding the status of the progress, as outlined above.

Proposed Motion Language:

Move to allow President Leo Lane to engage, sign and ratify regarding a one-month maturity date extension between Panda Biotech, LLC and WFEDC.

Wichita Falls Economic Development Corporation
August 18, 2022

ITEM/SUBJECT: Discussion and possible action on a request by the City of Wichita Falls related to hangar modifications at Wichita Falls Regional Airport

ATTACHMENTS: Illustration of Hangar Door Modifications

Staff Summary:

The City of Wichita Falls has been working for the last eight months with the Wichita Falls Chamber of Commerce to recruit various aviation businesses to the Community. One of the compatible aviation business types identified are aircraft repair and maintenance companies. In order to attract regional jet repair and maintenance companies to Wichita Falls Regional Airport, modifications will need to be made to one of the hangars on the airfield. City of Wichita Falls Airport staff has selected Hangar #2 on the airfield and is requesting \$118,220 to make these alterations. This scope of work includes:

- Structural engineering to modify the sliding hangar door system for higher T-tailed aircraft, such as the Embraer 145.
- Actual modification of the hangar door to account for the higher T-tail assemblies
- 480-volt modifications to accommodate an aircraft auxiliary power unit
- Electrical and plumbing installation for a 120 gallon air compressor to support pneumatic tools

Once completed, this project will help the City and the Chamber recruit aircraft maintenance and repair companies to Wichita Falls. When completed, the hangar modifications will accommodate one regional-sized aircraft.

Finally, this project also supports the Chamber's strategic goal of attracting aviation related businesses. These businesses have a history of supporting higher paid jobs, which is also a goal of both the Chamber and 4A Economic Development Corporation.

Hangar #2 Project Budget

Engineering for Door Modification:	\$7,500
Modification of Hangar #2 Door for Regional Aircraft:	\$98,300
Electrical Modification for 480-volt power unit:	\$5,420
120 Gallon Air Compressor (Installed):	<u>\$7,000</u>
Total:	\$118,220

Wichita Falls Economic Development Corporation
August 18, 2022

ITEM/SUBJECT: Discussion and possible action on a request by the City of Wichita Falls for local match funding related to various airfield projects and equipment for use by Sheppard Air Force Base.

ATTACHMENTS: Photos

Staff Summary:

Sheppard Air Force Base has approached the City of Wichita Falls to assist with the following airfield projects:

- Snow Removal Equipment
- Channel Banks Communication Equipment
- Air Traffic Control Light Guns
- Tally Counters
- TC-COMM Media Converters

These projects will greatly improve airfield safety at Sheppard for Military, Commercial, and General Aviation aircraft. These projects also align with the long-term goals of the FAA to improve airfield safety across the United States. In addition, these projects support the City's Strategic Goal of supporting Sheppard AFB, as well as improving the long-term viability of Sheppard in conducting their training missions.

The Federal Aviation Administration (FAA) has indicated that they will participate in the snow removal and channel bank communication equipment. As part of this agreement, the FAA will pay 90% of those project costs. In addition, the FAA has already approved their portion of the project. Subsequently, the City requires \$133,979 to assist Sheppard's needs and provide the local match requirements for the FAA grant funds.

Snow Removal

Sheppard has no capability to remove snow. The last two winters have negatively impacted Sheppard's ability to conduct flight training due to snow on aircraft movement areas. From a City perspective, 20+ commercial flights were also cancelled in the last two years due to snow. As a joint-use airfield, new equipment would contribute to the rapid removal and continued use of all runways and aircraft movement areas. This will minimize the disruption to Sheppard's training mission, greatly improving their ability to train military pilots year round. In addition, it will allow for commercial aircraft to resume operations.

Channel Banks

Currently, Air Traffic Control and Landing Systems (ATCALS) is utilizing degraded copper connectivity and/or using legacy fiber optic transport equipment, commonly called “channel banks,” within Sheppard AFB. This communication equipment consistently fails, is well beyond its life cycle, and is no longer logistically supported. The ATCALS improvements will upgrade Air Traffic Control (ATC) radar-approach control facilities to ensure compatibility with the FAA's ATC facilities. Due to the repeated interruptions to ATC operations, upgrading this infrastructure will help address these disruptions and improve airfield safety.

Air Traffic Control Light Guns

In the event of radio failure, light guns are used to safely land/depart aircraft from the Air Traffic Control Tower.

Tally Counters

Accurately counts air traffic control operations in the tower as specified by the FAA.

TC-COMM Media Converters

Converts analog to digital signal to provide a more reliable signal to the wind sensors.

Project Budget

<u>Projects</u>	<u>Total Cost</u>	<u>FAA Assistance</u>	<u>City Local Match</u>
Snow Removal	\$825,000	\$742,500	\$82,500
Channel Banks	\$175,000	\$157,500	\$17,500
Control Light Gun	\$11,540		\$11,540
Tally Counter	\$424		\$424
Media Converters	<u>\$22,015</u>	<u> </u>	<u>\$22,015</u>
Total:	\$1,033,979	\$900,000	133,979



Identified Snow Plow System



Channel Bank Representation



Air Traffic Control Light Gun

WICHITA FALLS ECONOMIC DEVELOPMENT CORPORATION
PROJECT SUMMARY
AUGUST 18, 2022

SUBJECT: Compass Container Works Business Attraction Project

INITIATED BY: Taylor Davis, Richard Gordon

Overview:

Compass Container Works Corporation dba Proforma is a metal container manufacturing start-up looking to emerge into our market under the guidance of their parent company, Thielmann. Thielmann is one of the world's leading manufacturers of stainless steel containers and delivers unsurpassed container expertise that customers from a broad range of industries trust and depend on. Compass Container Works would be bringing their UK-based production to the US with the development of a plant in Wichita Falls.

The Project:

Compass Container Works has performed a competitive site search for a location within our region and is considering Wichita Falls, TX and Lawton, OK for their operations. Should they choose Wichita Falls, they will hire an initial 35 Full-Time Employees (FTEs) with an expansion to 70 FTEs estimated to take place within the first year of operation after receiving their ASME certification for the site. Average annual payroll for this company should total around \$3,150,000 per year at full capacity.

The company is seeking an existing industrial building that is at least 30,000-50,000 square feet with a possible expansion of another 30,000 square feet. The company expects operations to begin by the 1st Quarter of 2024 after the purchase of the facility and equipment. Total capital investment is expected at \$6,050,000 for this project.

Local Incentive Proposal:

- Forgivable loan offered in the amount of \$1,500,000, equivalent to 25% of the total project cost.
 - Loan will be offered in two equal installments in which the first is immediately payable upon execution of the performance agreement and promissory note, and the second after gaining ASME certification and expansion of the second industrial line, estimated to take place by the end of 2023.
 - The balance of the loan will be forgiven at an annual rate of 20% of the total cost of payroll generated each calendar year, estimated to take approximately five years.

Total Estimated Value of Local Incentives - \$1,500,000

Proposed Motion Language:

Move to provide a forgivable loan not to exceed and for a total maximum obligation of \$1,500,000 to Compass Container Works Corporation dba Proforma Corporation, as presented. The loan funds will be distributed in two equal installments with the first immediately payable upon execution of the performance agreement and promissory note, and the second after gaining ASME certification and expansion of the second industrial line, estimated to take place by the end of 2023. Loan would be forgiven at a rate of 20% of the annual payroll per year not to exceed six years.