

A grayscale photograph of a construction site. A large Sany crane is positioned on the right, its lattice boom extending diagonally across the frame. In the center, a multi-story building is under construction, with its concrete frame visible. Several workers are scattered across the site, some near the building and others in the background. The ground is covered with construction materials and equipment. The sky is overcast with soft clouds. A semi-transparent purple rectangular area is located at the top left of the image.

Annual Report

2021-2022 Fiscal Year



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About the Board

The MED Board is made up of 7 members who are empowered to make decisions and enter agreements for the MED. Board members are selected by the Midlothian City Council.

David Hurst – *President*
 Alexandra Hendrickson – *Vice President*
 Bill Burdett – *Secretary*
 Bobby Frizzell – *Treasurer*

Lynda Johnson – *Board Member*
 Phil Weaver – *Board Member*
 Aaron Cox – *Board Member*
 Mayor Richard Reno – *Council Liaison*

MED Staff

Kyle Kinateder – *CEO*
 Natalie Phelps – *Senior Business Manager*
 Belinda Wadsworth – *Office Manager*

FROM THE PRESIDENT

The 2021-2022 fiscal year was one of construction and building for the Midlothian Economic Development (“MED”). Our fiscal year began with several MED Projects under construction including Ellis Solar, Sunrider Manufacturing, Logistics Property Company, SunOpta, Provident, and Arco Ventures. Each of these projects has faced unique challenges as they rose from vision to reality. We end the year with the celebration of Sunrider Manufacturing’s grand opening and look in anticipation to the nearing completion of the other projects. The entire Midlothian community will benefit from each of these projects through the new jobs that are created, the wages that exceed the county average, and taxable values that create new revenue for City, County, and School District services.

The MED organization also went through a building process as we added three new board members including Lynda Johnson, Phil Weaver, and Aaron Cox. Each of these members adds a diverse perspective which is reflective of our city. The MED also added a new staff member, Natalie Phelps who oversees our primary job prospect development efforts. Natalie serves as the Senior Economic Development Business Manager and has been a great addition to our team.

Over the year, the MED has been dedicated to the implementation of our strategic plan, the Five-Year Focus on Projects and the associated annual work plan that establishes a roadmap for deploying MED resources for economic development projects that benefit each of our residents.

Despite the global and national outlook, Midlothian’s future is bright. Through the efforts of the MED, new projects like Hillwood’s Crossroads Logistic Park have begun moving dirt, Gerdau’s mill modernization project have funds allocated for significant investment, and Home Zone Furniture designing their corporate headquarters that will be relocated to Midlothian. Midlothian is grateful for the many private sector investment in our community with partners that share our vision for quality growth.

Sincerely,

David Hurst

David Hurst
President

HIGHLIGHTS



Navarro College

The MED partnered with Navarro College by providing \$8,000 of MED funds for the purchase of equipment and supplies that will be used at the Certified Clinical Medical Assistant (“CCMA”) program at the Midlothian Higher Education Center. CCMA graduates typically work in medical offices and are responsible for clinical functions. The CCMA program and equipment provided offers Navarro students hands on experience that better prepares them for their career. The CCMA program is an introductory pathway for the medical field. It is the hope of Navarro that the program will increase interest and become a feeder for their nursing program in addition to helping fill the industry need for medical assistants. (Approved September 2021 – Paid June 2022)



Hillwood

The MED entered into a performance agreement with Hillwood to provide \$5 million for infrastructure improvements at the Crossroads Logistics Park. The industrial park is located between Highway 67 and Old Fort Worth Road near Highway 287. The park is ±350-acres and will have over 3.6 million square feet of industrial space upon buildout. Hillwood will qualify to receive the MED infrastructure grant if they construct 700,000 square feet of industrial space and all the infrastructure improvements by December 31, 2024. Currently, the infrastructure improvements are being constructed along with three buildings ranging in size from 160,775 square feet to 730,356 square feet. Hillwood anticipates that the buildings will be ready to occupy by 2Q2023. (Approved December 2021)



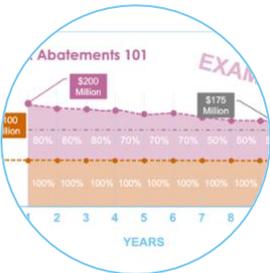
Chaparral Steel Midlothian LP aka “Gerdau”

The Gerdau Midlothian steel mill, totaling over 1,500 acres, has been an anchor to our community for almost 50 years. In February, the MED, City Council, and Ellis County formalized incentive agreements that will result in the modernization of multiple components at the mill. The mill modernization project is part of an overall plan to increase steel output, replace dated equipment with new technology, and preserve over 900 jobs that earn on average wages over \$100,000. The mill modernization project will also include a new steel finishing capabilities and product lines for the Midlothian location. The new finishing facility will be constructed on the northwest side of Highway 67 and be surrounded by the solar project. In total, the mill modernization and solar project will include capital investments of around half a billion dollars. (Approved February 2022)



TSTC North Texas

The MED partnered with Texas State Technical College (“TSTC”) and Midlothian ISD (“MISD”) to equip students enrolled in targeted dual programs with the required tool sets. The MED committed up to \$140,000 towards the required tool sets for the first 30 students in the Diesel Technology, HVAC Technology, and Industrial Systems dual credit programs. Most students will take the courses during junior and senior years and will have the opportunity to earn industry certifications and continue their education after high school to earn an Associates of Applied Science in the related field. Upon graduation, the students will be able to keep the tools and take them into the work field where each student will be trained and qualified for a career that pays above the county average. (Approved May 2022)



City Tax Abatement Policy

The MED oversees the City’s Chapter 312 Tax Abatement Program. In May, the City Council unanimously approved the new 2022 Tax Abatement Policy. The new policy includes increased requirements that are aimed to improve the overall projects in Midlothian. To receive a tax abatement from the city, at least one of the following thresholds must be met: (a) the average wage must exceed the county average wage for to the 2-digit NAICS Code that is most applicable to the company’s operation, (b) The project must have a taxable value of at least \$50 million, or (c) the project must contribute to one of the catalyst projects identified in the City’s downtown plan. (Approved May 2022)



Old Fort Worth Road LLC aka “Home Zone”

In June, the MED, City Council and Ellis County Commissioners Court approved incentive agreements for the construction of a 700,000 square foot headquarters and distribution facility for Home Zone Furniture. As part of the overall project, Home Zone will be required to contribute to infrastructure improvements, construct the facility, and create at least 131 full-time jobs that will all pay over the county average wage. Home Zone is locating near the 350-acre Hillwood development. Their commitment to locate to the area will strengthen the development outlook for adjacent development. (Approved June 2022)



Downtown Catalyst Grant

Throughout the MED’s strategic planning process, downtown has remained a constant priority for our organization and the community. After the evaluation of multiple incentive options, the MED developed the MED Downtown Catalyst Grant. The grant seeks to increase activity in Downtown by providing funding for the catalyst projects that were outlined in the City’s Downtown Plan. Through the MED’s grant, the public and private sector will have access to the funds to implement any of the seven catalyst projects. The MED will promote the grant to increase development interest in downtown. (Approved June 2022)



STRATEGIC PLAN UPDATE

In April 2021, the MED approved a new strategic plan, the [Five-Year Focus on Projects](#). Day One Experts facilitated the plan’s creation by seeking input from the MED Board of Directors, City Council, MED & City Staff, and the Midlothian Chamber. The plan formalized the following items: (a) a community baseline that would be used to evaluate future MED projects, (b) a framework wherein authorized projects will be pursued, and (c) the prioritization of MED projects and how they will be implemented. The plan is intended to be a working roadmap that identifies the key economic development objectives of the MED. Each year, the MED will reevaluate the strategy and develop a work plan that will outline the implementation for the given year.

On February 8, 2022, the MED and City Council held a joint workshop to reinforce the collective support of the strategic plan and to prioritize the “Next Opportunities”. Following the meeting, the MED continued its work by further evaluating each opportunity specifically, establishing funding and creating a plan to accomplish each project type. The following is a prioritized list and overview of each item:

1. **Primary Jobs:** The primary objective of the MED is to attract companies that export products or services outside our region (“Primary Jobs”). The MED leverages extensive resources to seek out these opportunities. The MED will **maintain \$3 million** each year for incentives and other expenses related to this objective.
2. **Workforce:** Education has long been a priority for the MED and our community. Through this objective, the MED will work with Midlothian Independent School District (“MISD”) and our higher education partners to develop training facilities and provide equipment as we seek to train our local workers for jobs that pay above the county average wage. The MED has allocated **13% of its funds** towards workforce initiatives.
3. **Downtown Revitalization:** The reinvestment of downtown Midlothian has become one of the community’s primary objectives and was formalized in the [Downtown Plan](#). The MED has elected to support the City through its creation of the [Downtown Catalyst Grant](#). The MED has allocated **\$3.75 million over the next five years** that will be used to implement the seven catalyst projects and to spur further economic activity in downtown Midlothian.
4. **Airport:** The Midway Regional Airport is an underutilized economic asset in our community that is joint owned between the cities of Midlothian and Waxahachie. Currently the airport has limited commercial applications; however, the MED, City Council, and airport board are hopeful it can become an economic engine for the entire region. Over the coming years, the airport’s plan will be updated and the economic development offices for each city will work to promote the land at the airport for maintenance, repair and overhaul, and fixed base operation facilities. The MED has allocated **\$2 million over the next five years** for qualifying projects at the airport.

CORI

Through the leadership of Mayor Richard Reno, Google has offered to fund a study on developing a local digital ecosystem. The proposed study, which is part of the MED’s long-term strategy to diversify our economic base, will be conducted by the Center on Rural Innovation (“CORI”) who will provide technical assistance in launching or scaling local innovation hubs. The study is planned to be completed by the end of 2022 and will produce a comprehensive digital economy ecosystem development strategy.

MED Bylaws & Policies

The MED updated its Bylaws with the following changes: (a) changing its registered agent, (b) aligning officer titles with the Local Government Code, (c) aligning board attendance with City’s governance process, (d) changing dates MED presents its budget and annual plan to the City Council, and (e) creating an approval process for specific MED policies.

The MED created a Policy Manual which includes a travel and purchasing policy. Both policies set expectations for the MED employees and provide protection for MED organization.

5. **Office Development:** Midlothian has long strived to have a diversified economic base. As our community grows so do our ability to attract new office users that create Primary Jobs. The MED will leverage its resources to seek out qualifying office users and office development to attract new office development along the Highway 287 corridor. Under this project type, the MED has allocated **\$1.5 million over the next five years** that will be used.
6. **Commercial Curb Appeal:** For several years, Midlothian has pushed for increased quality in new developments. As result, we now have areas of new development that abuts old development that do not meet our current standards. Though no specific financial allocation has been made for this objective, the MED will work with property owners and businesses to address the overall visual appeal of our community.

Five-Year Funding Model

As a Type A economic development corporation, the MED is authorized to allocate its funding for three purposes: (a) MED operations, (b) projects authorized under Chapter 501 of the Texas Local Government Code, and (c) promotional expenditures. The MED's primary objective is to maximize its resources towards authorized projects as outlined in the strategic plan and annual work plan. The MED has created a Five-Year Funding Model that accompanies its strategic plan and annual work plan. The model projects annual revenue collections and recognizes project payouts/allocations. Using this model, the MED proactively direct funds to authorized projects that the MED believes will promote economic development and benefit Midlothian residents.

In the Five-Year Funding Model below, the MED has selected the projections and allocations that are outlined in blue. All the numbers in black text are carried over from the budget or align with MED commitments that have been authorized through Performance Agreements. The information in purple text are future allocations of the MED for future projects that the MED desires to pursue. The model is reviewed regularly by the MED and can be adjusted as new opportunities arise.

MED Five-Year Funding Model (2021-22)

		Year 1	Year 2	Year 3	Year 4	Year 5
		2021-22	2022-23	2023-24	2024-25	2025-26
	Estimated Reserves (beginning balance)	9,230,029	15,144,837	10,127,401	6,817,447	7,098,720
3.0%	Estimated Sales Tax Revenue	3,400,000	3,502,000	3,607,060	3,715,272	3,826,730
0.2%	Estimated Investment Revenue	15,000	15,562	25,534	17,075	11,494
	Estimated Other Revenue	1,250	-	-	-	-
	Sale of land	5,326,954	-	-	-	-
3.0%	Estimated Operating Expenses	1,053,396	1,084,998	1,117,548	1,151,074	1,185,606
0.0%	Estimated Debt Service (P&I)	-	-	-	-	-
	Estimated New Money	7,689,808	2,432,564	2,515,046	2,581,272	2,652,618
\$ 3,000,000	Primary Jobs (LGC 501.101)	Incentive Amount	3,000,000	3,000,000	3,000,000	3,000,000
	Old Fort Worth Road LLC (2022)	750,000	-	-	750,000	-
	Chaparral Steel Midlothian LP (2022)	2,800,000	-	1,300,000	-	-
	SunOpta (2021)	200,000	200,000	-	-	-
	Vision Engineering (2020)	-	-	-	-	-
	Earth Root Holdings/Sunrider (2020)	3,122,573	-	-	-	-
	Ellis Solar (2020)	1,500,000	275,000	250,000	225,000	200,000
	Project Holder 1	750,000	-	750,000	-	-
	Annual Expenditures	-	475,000	2,300,000	975,000	200,000
	Remaining Reserves	13,919,837	2,432,564	2,040,046	281,272	1,677,618
80%	Infrastructure Improvements (LGC 501.103)	11,135,870	11,306,921	5,963,958	2,663,976	2,681,070
	Hillwood (2021)	5,000,000	5,000,000	-	-	-
	LPC RailPort Speculative Development (2020)	800,000	-	-	-	-
	Methodist Health System - 1A Hospital (2018)	1,000,000	125,000	125,000	125,000	125,000
	Methodist Health System - MOB1 (2018)	500,000	100,000	100,000	100,000	100,000
	Methodist Health System - 1B Hospital (2018)	350,000	-	50,000	50,000	50,000
	Methodist Health System - MOB2 (2018)	600,000	-	-	100,000	100,000
	Methodist Health System - Outpatient or Corner (2018)	900,000	-	-	200,000	180,000
	Midlothian Towne Center (2015)	1,575,000	-	-	-	-
	Gatehouse/Marriott Hotel (2014)	10,569	-	-	-	-
	Downtown (Catalyst Projects, Infrastructure Grant)	3,750,000	750,000	750,000	750,000	750,000
	Airport (Hangers, Land and infrastructure)	2,000,000	1,000,000	1,000,000	-	-
	Office (land and infrastructure)	1,500,000	-	1,500,000	-	-
	Commercial Curb Appeal (visual improvements)	-	-	-	-	-
	Entertainment	-	-	-	-	-
	Other	-	-	-	-	-
	Annual Expenditures	1,775,000	6,975,000	3,525,000	1,325,000	1,080,000
13%	Workforce (LGC 501.102, 501.105)	1,809,579	2,125,812	2,391,018	2,427,584	2,645,674
	TSTC - Equipment (2022)	420,000	140,000	140,000	-	-
	Navarro College (2021)	7,643	7,643	-	-	-
	Navarro College (2009)	1,500,000	-	-	-	-
	MISD - CTE	-	-	-	-	-
	MHEC Update/Addition	-	-	-	-	-
	Other	-	-	-	-	-
	Annual Expenditures	-	-	-	-	-
7%	Other	974,389	1,144,668	1,287,471	1,307,160	1,424,594
	MED Office	-	-	-	-	-
	Annual Expenditures	-	-	-	-	-
	Total Annual Expenditures	1,775,000	7,450,000	5,825,000	2,300,000	1,280,000
0%	Unrestricted	-	-	-	-	-
	Estimated Reserves (ending balance)	15,144,837	10,127,401	6,817,447	7,098,720	8,471,337

*Presented and directed by MED Board
March 21, 2022*



INDUSTRIAL GROWTH

Midlothian is experiencing the largest growth spurt for industrial development in its history. As of September 2022, there is 3.2 million square feet of industrial space under construction plus the 750-acre solar farm. Notable projects include Sunrider Manufacturing’s two buildings totaling 1.1 million square feet, Logistics Property Company’s 550,000 square feet which was the first large scale speculative building in Ellis County, Provident Realty Advisors and Arco Venture’s speculative buildings at the Midlothian Business Park, SunOpta’s 275,000 square foot manufacturing facility, and Hillwood’s first three buildings at the new Crossroads Logistics Park.

The outlook for continued industrial development is extremely strong. The MED estimates that Midlothian will have an additional 5.8 million square feet under construction within the next 5 years and an additional 7.5 million square feet, five to ten years from today.

The major drivers for industrial development are (a) the availability of development ready land, (b) access to a workforce of 1 million people within a 30-minute drive, and (c) Midlothian’s logistical position to the DFW Metroplex.

RECRUITMENT EFFORTS

The MED's recruitment efforts are focused on creating Primary Jobs. Primary Jobs are created at companies that export products and services. Primary Jobs create new wealth for our community as new money enters our economy through the company's payment of wages, taxes, and local supplies.

Central to the MED's recruitment efforts is having product that is available for new or expanding businesses. For the past several years, the MED has worked to have existing industrial space and sites that are development ready. The MED works extensively to understand each site and our utility availability so we can streamline the site selection process. The MED works hard to maintain relationships with the industrial real estate brokers and site selectors that work projects that align with our recruitment efforts.



Image 1: local broker event at TexPlex

The MED receives passive and active leads. Passive leads are generated through our economic development partners and active leads are generated through our proactive recruitment efforts. Most of our passive leads are generated through local brokers, the Governor's Office of Economic Development, and the Dallas and Fort Worth Chambers. Most of our active leads are generated through recruitment events, trade shows, meeting with site selectors, and networking events.

During the past year, the MED participated in nine recruitment events. The most successful was a local event hosted by the MED at TexPlex just outside the Midlothian City Limits. The event included thirty industrial brokers from around the metroplex. During the event, the MED promoted Midlothian by sharing information on our workforce and information on the five new industrial developments.

Four of the 10 events were trade shows. The MED attended MD&M West/Plastec, PowerGen, MRO, and IMTS. Each trade show focuses on specific industries that the MED proactively recruits including manufacturing, aerospace, medical device, and large utility components and products. The MED leveraged our economic development partners at each of these shows to maximize our efforts and help increase the number of leads. These partners included Team Texas, Site Location Partnership, and Oncor.



Image 2: IAMC Team Texas trade show booth



The remaining recruitment events were centered around meeting with site consultants and companies at networking events. Two of the events were with the Industrial Asset Management Council (“IAMC”). IAMC is a limited membership organization that the MED has participated with for several years. IAMC events are made up of one-third companies, real estate service providers, and economic developers. Though IAMC has been beneficial for other organizations, after attending the two events this year, the MED has elected to forgo our membership and future events. For another recruitment event, the MED traveled with the DFW Marketing Team to Southern California to meet with site selectors. The last recruitment event was in Conroe with Team Texas. During this event, six site selectors were brought in to meet with economic development professionals from across Texas to network and promote our local communities.

Overall recruitment efforts exceeded expectations. The MED was more selective in our inquiry and prospect selection, yet we were still able to generate more inquiries and prospects than planned. Additionally, the overall interest and quality of prospects surpassed previous years as result of having more available product for companies seeking to expand or relocate.

It is important for the MED to continue its recruitment efforts and be diligent in maintaining a steady recruitment program. As we consistently allocate time and resources to attend recruitment events, we are more likely to maintain a healthy prospect pipeline. Through these efforts we can help mitigate economic dips in prospect activity that naturally occurs in our market.

MIDLOTHIAN BUSINESS PARK

From History to Completion

Then ...

In April 2014, the MED purchased 212 acres for \$2,060,000 along Hwy 67 and Miller Road to develop the Midlothian Business Park. The purpose of the park was to increase the amount of development ready sites for small/medium size industrial users and improve the quality of industrial development in Midlothian. It was believed that sights would range from 5-15 acre with buildings ranging in size from 20,000 to 150,000 square feet.



Image 3 MED Board Members & Staff at the park's groundbreaking

Breaking ground in July 2015, construction began on infrastructure improvements. The improvements included widening Miller Road, adding Challenger Drive, Discovery Street and Endeavor Lane along with water, sewer, storm drainage, electricity, natural gas, street lighting and two large monument signs. The MED funded the improvements through bonds and MED funds, costing approximately \$9,350,000.

The final construction punch list, minus the lift station pumps and electrical components which would be added with the first tenant, was completed in October 2017. With the infrastructure improvements in place, the MED had 138 acres of development ready property that was available for industrial users.

Larry Barnett, the President and CEO at the time of the project's completion said, "the MED considered this a "Gateway" project into Midlothian and intends to make this park one that all of Midlothian will be proud of and, as a City project, seeks to make this a financially successful project while responding to market demands throughout the life of this project."

Now ...

In September 2020, Sunrider Manufacturing secured a building permit and closed on 87 acres at the park. Sunrider built a 600,000 square foot manufacturing facility and 500,000 square foot distribution center and plans to employ 210 employees at the site. On September 21, 2022, Sunrider celebrated its grand opening and became the first company to locate at the Midlothian Business Park.

In January 2021, Arco Ventures closed on 6.5 acres and is currently constructing 100,149 square foot speculative industrial building. In October 2021, Provident Realty Advisors closed on 58 acres. Provident has just finishing the construction of two



Image 4 Facade being installed on the Sunrider Manufacturing building



Image 5 rendering showing Provident Realty Advisors first two buildings with Sunrider building massing behind

buildings (184,406 and 159,543 square feet). Provident has leased 45,360 square feet and is finalizing two leases on an additional 184,406 square feet. Provident will submit building plans for their third building soon.

Going forward ...

Desert Willow Energy Storage entered a 3-year Real Estate Option Agreement with the MED in December 2020 for a battery storage facility on the remaining 34 acres that is located off VV Jones Road.

Looking back ...

The MED Board and City Council were ambitious in their undertaking of the Midlothian Business Park. It is noted by some that the project took longer than it should have or didn't play out exactly as planned, to others it will be seen as one of the greatest economic plays for Midlothian helping to welcome new manufacturers to our community and helping to set a quality of development that will continue to define Midlothian for decades.



Image 6 Provident Realty Advisors 184,406 square foot building

MED PROJECT TIMELINE

The MED's first year of operation was 1999. During that year they had sales tax collections of \$290,026. In 2022 the MED's sales tax collections have increased to over \$4.3 million per year. Below is a list of each MED Performance Agreements.

Historical MED Projects

<i>Year</i>	<i>Company</i>	<i>Performance Agreement</i>	<i>Committed Incentive</i>	<i>Actual Payout</i>	<i>Tax Abatement</i>
Aug-2000	Toys R Us	Primary Job	\$500,000	\$500,000	Y
Oct-2002	Ennis, Inc.	Primary Job	\$317,688	\$317,688	Y
Jun-2003	Target Corp	Primary Job	\$1,000,000	\$1,000,000	Y
Jul-2009	Navarro College	Career Center	\$1,500,000	\$1,500,000	
Oct-2009	SWFA	Infrastructure	\$125,000	\$125,000	N
Sep-2011	QuikTrip	Primary Job	\$209,280	\$209,280	Y
Oct-2012	Ash Grove	Primary Job	\$300,000	\$95,098	Y
Jun-2013	Midlothian Healthcare Center	Infrastructure	\$150,000	\$150,000	N
Nov-2013	Buckley Oil Co.	Primary Job	\$200,000	\$200,000	Y
Mar-2014	Midlothian LNG	Primary Job	\$500,000	\$300,000	Y
Oct-2014	Courtyard by Marriott	Infrastructure	\$10,570	\$10,570	N
Nov-2014	Beef O'Brady's	Infrastructure	\$15,000	\$15,000	N
Oct-2015	Midlothian Towne Crossing	Infrastructure	\$1,575,000	\$1,575,000	N
Aug-2018	Methodist Midlothian Medical Center	Infrastructure	\$2,650,000	\$825,000	N
Jun-2020	Ellis Solar	Primary Job	\$1,000,000		N
Aug-2020	SunOpta	Primary Job	\$200,000		Y
Sep-2020	Sunrider Manufacturing	Primary Job	\$3,122,573	\$390,322	Y
Nov-2020	Logistic Property Company	Infrastructure	\$800,000	\$800,000	N
Aug-2021	Navarro College	Career Center	\$8,000	\$7,643	
Dec-2021	Hillwood	Infrastructure	\$5,000,000		N
Mar-2022	Gerdau	Primary Job	\$2,450,000		Y
May-2022	Texas State Technical College	Career Center	\$140,000	\$96,000	
Jun-2022	Home Zone	Primary Job	\$750,000		Y
		Totals	\$22,523,111	\$8,116,601	

FINANCIALS

Each year, Type A and Type B economic development corporation are required to file an Economic Development Corporation (“EDC”) Report with the Texas Comptroller. The report provides information on the corporation’s total revenues and expenditures for the fiscal year. Previous reports are available on the [comptrollers’ website](#). The MED will submit its FY 2021-2022 EDC report in April 2023 after the financial audit is completed.

The following report is based on year-end projections.

MED Financials

	2020-21 Actual	2021-22 Budget	2021-22 YE Projection
<i>Beginning Fund Balance</i>	\$9,327,759	\$9,868,988	\$9,868,988
<u>REVENUES</u>			
<i>Sales Tax</i>	\$3,416,425	\$3,000,000	\$4,321,929
<i>Interest/Misc Revenues</i>	\$31,731	\$16,250	\$147,659
<i>Sale of Asset</i>	\$801,466	\$0	\$5,326,940
Total Fiscal Year Revenues	\$4,249,622	\$3,016,250	\$9,796,527
<u>EXPENSES</u>			
<i>Personnel</i>	\$357,786	\$506,251	\$465,958
<i>Administration</i>	\$192,651	\$725,495	\$444,661
<i>Marketing and Promotion</i>	\$43,272	\$70,000	\$60,372
<i>Direct Business Incentives</i>	\$600,000	\$1,350,000	\$1,128,643
<i>Debt Service</i>	\$2,514,684	\$0	\$0
Total Fiscal Year Expenditures	\$3,708,393	\$2,651,746	\$2,099,634
<i>End of Year Fund Balance</i>	\$ 9,868,988	\$ 10,233,492	\$ 17,565,881

The expenditures are categorized as followed:

**Personnel - Include expenses for salaries, wages, and related employee benefits provided for all persons employed by the corporation. Employee benefits include employer contributions to the retirement system, insurance, sick leave, severance pay and similar benefits.*

** Administration - Include expenditures by the corporation including contracts for services, car expenses, rent, supplies, employee training and utilities.*

** Marketing and Promotion - Include any costs used to promote and market the community for economic development purposes. (i.e., brochures, advertising, direct mail, printing expenses, trade show expenses.)*

** Direct Business Incentives - Include grants, cash, land, sales tax rebates, loans, job training, infrastructure development, loan guarantees, rent subsidies and other incentives.*

** Debt Service - Include interest and principal payments on debts of the corporation.*

LOOKING FORWARD

The focus for the upcoming 2022-23 fiscal year will include:

Project Benchmarks – The MED continues to actively monitor each Performance Agreement and other active agreements for continued compliance.

Primary Job Recruitment – The MED enters the year with more available product than has ever been available in Midlothian which creates significant opportunity to recruit Primary Job Employers. The MED will use a combination of local events, targeted recruitment events, and sponsorships to proactively seek out Primary Job Employers that pay above the county average wage for their industry group.

Promotion of MED Programs – The MED created the Downtown Catalyst Grant and will formalize other funding opportunities for airport, office, and destination development. The MED will develop specific promotion opportunities for each of these programs to generate interest and economic development through the implementation of these MED funds.

Career Center – Education is an important objective of the MED, City of Midlothian, and our community. The MED has allocated current and future revenue for a career center. The MED will develop specific plans for career center funding that provides immediate impact to our local school district then leverages our higher education partners.

Community Engagement – The MED will engage our residents and businesses on the MED’s economic development efforts. Through these meetings, the public will have an opportunity to become better informed and provide feedback on where MED resources could be spent.

Process Improvement – The MED seeks to improve its organization. The MED will review and implement new internal processes and policies that strength our organization.