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# Annual Report

2020-21



**Midlothian Economic Development**  
Make great things with us.

# About

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Midlothian Economic Development (MED) is a non-profit industrial development corporation created in accordance with Section 501-504 of the Texas Local Government Code. The MED was established in 1999 by Midlothian voter approval. **MED is a Type A corporation tasked to grow the Midlothian economy by undertaking qualified projects** outlined by state statute. Projects are limited to the creation or retention of primary jobs, certain job training, certain infrastructure improvements needed for new or expanded enterprises, and career centers.

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. Board members can serve for two-year terms at the pleasure of the Council.

## **Board of Directors**

- David Hurst, Chair
- Alex Hendrickson, Vice-Chair
- Jacob Wallace, Secretary
- Bobby Frizzell, Treasurer
- Wayne Shuffield
- Bill Burdett
- Lisa Lemon

## **Staff**

- Kyle Kinatader, President/CEO
- Belinda Wadsworth, Office Manager



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Select sites that can accommodate your immediate development needs. Each site is owned by the MED.

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Overview of Midlothian's workforce that can be relied on for your proposed operation.



# Highlights

- We saw several of our projects from 2019-20 progress. The Ellis Solar/Gerdau solar project broke ground on their farm that will generate 80 megawatts of electricity. Ellis Solar is hopeful that the supply chain delays are behind them, and they will complete their project by December 2022. Logistics Property Company broke ground on their 550,000 square foot speculative building at RailPort. This will be the first speculative building of this size in all of Ellis County. Sunrider Manufacturing is moving forward with their 600,000 square foot manufacturing facility and 500,000 square foot warehouse. The recently changed general contractors but are hopeful to get the project back online and begin manufacturing products in Midlothian by early next year.
- In December 2020, the MED entered a long-term purchase contract with Desert Willow Energy Storage for a battery storage facility. The company continues to work through their due diligence as they will require approvals locally and through the public utility commission





**Midlothian Business Park**



**SunOpta Grains & Foods**



**CCMA Funding**

- The MED is close to selling the remaining parcels in the Midlothian Business Park. McIver Properties and Provident Realty Advisors are both within inches of the finish line to close on their purchases at the Midlothian Business Park. Between these two developers, Midlothian will have existing spaces for lease for companies looking for 20,000 square feet all the way up to 184,400 square feet. The versatility of these products will allow for companies of all sizes to locate to Midlothian.
- In January the Methodist Midlothian Medical Center opened its doors and began treating patients. The hospital and medical office building will become an anchor in our community
- The MED updated its strategic plan through the adoption of the Five-Year Focus on Projects. This plan will create a framework whereby the MED will allocate time and money to projects that will grow our local economy.
- In August SunOpta Grains & Foods announced that it will construct a 275,000 square foot manufacturing facility that can expand to 400,000 square feet. SunOpta brings great jobs to our community. The Midlothian facility will create plant-based products that will be sold across the country.
- The MED closed out the year with the approval of a grant to Navarro College. The funds will be used for equipment for the Certified Clinical Medical Assistant (CCMA) program. This program will allow student an opportunity to enter the medical field. This program will also act as a feeder for the future Navarro nursing program.



# 2020-21 Workplan



In October 2020, staff presented its workplan for the 2020-21 fiscal year. The plan covers the period from October 1, 2020 through September 30, 2021. The workplan outlines items that will be pursued that are above and beyond our daily activities such as responding to prospect inquiries, working projects, and negotiating incentives. The 2020-21 workplan outlined four focus areas including: **Administrative Policy & Efficiency, 5-Year Focus on Projects, Target Primary Job Employers, and Intentional Promotion.** This plan was reviewed by both the MED Board and City Council.

The following information is a breakdown on what was accomplished over the previous year and how that helped to grow the Midlothian economy through our efforts.



# Administrative & Policy

The MED is committed to being a high performing organization and as such we strive to ensure procedural compliance, improve organizational efficiency, and further our organization for the betterment of our community.

As a standalone entity governed by the Texas Local Government Code, the MED strives to maintain our organization in full compliance with government regulations. As such, we identified six action items that aim to improve our organizational governance and efficiency. The six actions were selected to build upon our progress during the 2019-20 year.

**Action 1** – MED Subcommittees; the MED established a Finance, Education, and Policy subcommittee to help distribute the workload and seek input from all board members. Each board member served on at least one committee except the Board Chair, so he was able to participate in and oversee each subcommittee. Each subcommittee met throughout the year on their respective topics to oversee specific details of the item at hand to help shorten our monthly board meetings while still ensuring board oversight.

**Action 2** – MED Records; the MED is required to follow the public information act which requires that it manage public information in a specified way. Over the past year, a records retention system was put in place that allowed for the organization to dispose of unneeded documents in compliance with state statute. With a formal process in place, the MED will be better organized with respect to our public information. This was a monumental task and though it took longer than expected, the organization will be better for having gone through this process.

**Action 3** – MED Policies; the MED has relied on the City of Midlothian for an established policies and procedures. As a separate entity from the City that is governed under different state statutes, the MED seeks to establish specific policies and procedures that will help protect the MED organization. The MED has begun this process; however, we were unable to complete it within the current year. Because of the importance of this item, it will be carried over into the 2021-22 workplan.

**Action 4** – MED Compliance; the MED is responsible for the compliance of every agreement that it enters. Currently there are over 16 active agreements with specific terms and conditions that must be followed. The MED set out and established a compliance system to help monitor each agreement. In addition to MED agreements, a schedule and system was also created for the City's tax abatements since the MED is responsible to administer those agreements too. Through this process, it was found that a few agreements needed to be addressed to ensure compliance. With an established system in place, the MED will be better positioned to ensure the compliance with each agreement.





**Action 5** – Performance Incentives; the MED has a track record of paying employee performance incentives. The MED undertook a review of these incentives to establish a uniform approach to how they are awarded. After a thorough review of other organizations and consultation with the MED attorney, it was determined to continue with our current system and that the MED Board will award incentives at their discretion.

**Action 6** – MED Bylaws; In connection with our evaluation of the policies and procedures the MED sought to review its bylaws. Because we have not completed our review of the policies and procedures this item has not yet been completed. It will be moved to the 2021-22 workplan.

## Five-Year Focus on Projects

With the expiration of the Economic Development Master Plan, the MED set out to establish a new strategic plan. Rather than taking a traditional approach that identified specific target industries and outlined individual tasks and action items, the MED sought to establish a plan that reflected more of a visioning exercise that would unify the MED and City Council on which projects would be pursued over the next five years. The central focus of the new plan is the Texas Local Government Code and the authorized projects that Type A economic development corporations are able to pursue.

The MED engaged Day One Experts to facilitate the strategic planning process. They undertook a five-step process to seek community input from the MED Board, City Council, Chamber and City Staff. One of the main components of the process was a group discussion between the MED Board and City Council. Through this meeting new voices were able to express insights into a new direction for economic development in Midlothian.

The outcome of this exercise was the Five-Year Focus on Projects. Through this effort, Day One Experts developed a list of recommendations for immediate implementation. Additionally, specific opportunities and priorities were identified for each of the authorized project types that the MED is allowed to undertake.

This plan is a working document that will be revisited each year. Specific action items will be formalized into the MED's annual workplan after buy in is received from both the MED Board of Directors and City Council. The workplan will also connect to a long-term funding model that will allocate funding to each project that is being pursued over the five-year target period.



# Target Primary Job Employers

The heart of the MED and Type A economic development corporations is the pursuit of Primary Jobs. According to the Texas Local Government Code, Section 501, Primary jobs must occur within a specified business type and that business must export a majority of its products or services outside the region. Primary Jobs help infuse new money into our local economy helping to create market demand for restaurants, retail, health care, and other services that our residents want.

In effort to attract Primary Jobs to our community, the MED participates in recruitment events, visits with our local employers, and helps projects through the site selection process. Over the previous year, MED experienced significant prospect activity. Prospects connected with the MED through referrals, recruitment events, existing relationships, and by directly reaching out to MED staff.

Covid was a disruptor to our standard operating procedure. Though we experienced some of the strongest prospect activity for our organization, we were limited in the number of recruitment events and in person local meetings we were able to have. We will continue to monitor the types of events we leverage for recruitment purposes to help ensure that our efforts continue to generate new prospect activity.

## Intentional Promotion

The MED is able to spend 10% of its revenue for promotional purposes and though we only spend about 4% our efforts are targeted and impactful. Over the past year, the MED updated our website. The new website is targeted to primary job employers seeking to relocate to Midlothian. We removed and simplified our site so that key information is easy to find. With the update of our site, we wanted to highlight Midlothian through new photos and video. We removed all stock photography so that our prospects can learn more about our community and determine if they truly are a good fit.

Armed with a new website, we strengthened our local relationships with area commercial brokers so that they were keenly aware of our local inventory. Throughout the year we met with various local agents to help them learn more about our workforce and talent pipeline. We made minor modifications to our office space to improve the experience visitors have as we meet in person. We added wayfinding signage to our building and made improvements to the how we present information using embed imagery in Google Earth.



Lastly, the MED modified our promotional funding for workforce and higher education. Rather than dictating where the money would be spent, we gave our workforce partners flexibility on how and where the money would be spent. The only direction they were given was that we wanted it to help increase enrollment in their programs. The impacts of Covid make it difficult to measure performance but each entity reports strong engagement. In our 2021-22 workplan and budget we will continue our promotional funding of \$10,000 per partner organization. Next year we will better be able to benchmark the success of each entity in attracting new students.



# Looking Forward

The MED plans to build upon our Five-Year Focus on Projects by further clarifying the projects that the MED will pursue. After looking at the input provided by the Board and Council, it is believed that Downtown, Airport, Office, and Redevelopment are the main priorities for the MED. Over the coming months, staff will work with the Board of Directors and City Council to determine the priority of these items or evaluate if a new item should be added to the list. Once a project priority is established, a specific action items will be developed to help each of those initiatives become a reality over the next five years.

