



ANNUAL REPORT

2020-2021

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LETTER FROM THE EXECUTIVE DIRECTOR



It's a bit of an understatement to say that 2021 was a significant year for our organization and community. While our community was rebuilding after the economic distress caused by COVID-19, we were simultaneously experiencing the highest ever taxable sales in our town's history. While several industry sectors have yet to recover from the effects of the pandemic, retail and food & beverage sales soared - contributing to local growth, including the opening of a few new chain restaurants, as well as locally owned mom-and-pop operations.

Borger, Inc. also furthered its commitment to primary job training by starting up the Borger Works Community Internship Program, partnering with locally owned industrial service and fabrication businesses to create a pathway from attaining career and technical education certificates at Frank Phillips College to full-time employment with local industry. You can read more about this program on Page 8.



Our organization also completed a year-long remodel of our property at the corner of 6th & Main in Borger. The property now houses well-appointed offices for Borger, Inc. as well as prime Downtown lease space for start-up businesses. The strategic decision by the Board of Directors to relocate in Downtown Borger allows for closer collaboration with the City of Borger and Chamber of Commerce on a number of initiatives, including Downtown revitalization and small business growth and development.

In addition to the things we have accomplished this year, it's just as exciting to look at everything we have in the pipeline. Our City has made tremendous efforts in the remodel and expansion of the Aluminum Dome and Civic Center, and Borger, Inc. has several new business prospects working on projects at the Borger Business Park. Borger, Inc. has also acquired additional properties in Downtown Borger, which we plan to renovate as part of our commitment to partner with the City in the revitalization of our central business district.

Borger continues to build on the growth and development from recent years, and I am looking forward to working alongside members of this community as we keep up the momentum in our pursuit of greater economic resiliency.

All my best,

Katie Lingor, Executive Director



MISSION

Our mission is to be the economic growth engine for Borger, Texas. We will accomplish this through the retention and expansion of local businesses, the recruitment of outside businesses, and encouragement of community growth through tourism and cultural activities.

VISION

Our vision is to create a vibrant community through a diversified economic base. We will serve as the conduit for economic growth and development of our community.

ECONOMIC PULSE

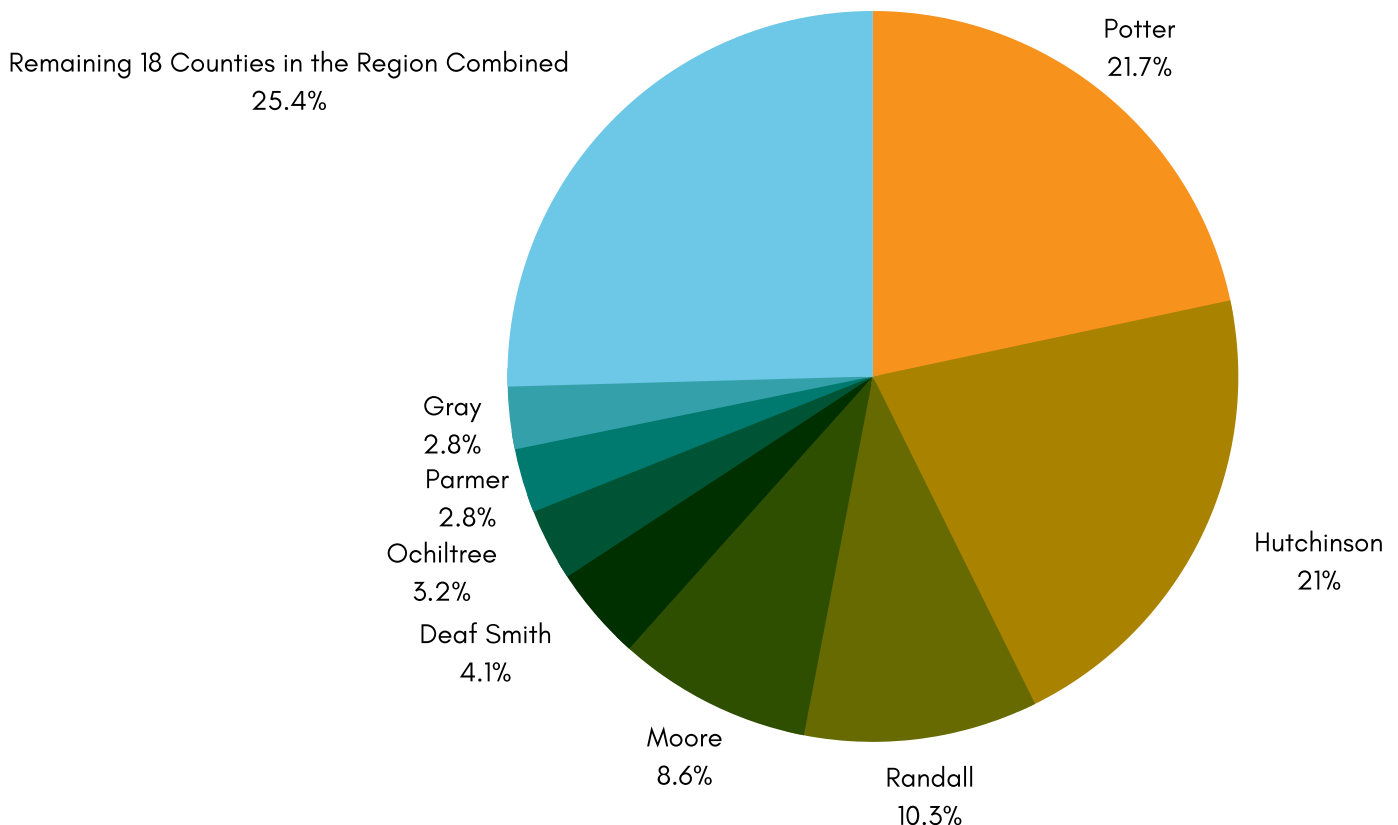
A snapshot of the Borger area's overall economic conditions

EVERYTHING (OR AT LEAST GDP) IS BIGGER IN BORGER

In its most recent data release, the Bureau of Economic Analysis reported that Hutchinson County's 2020 GDP was \$7.47 Billion, making it the 2nd largest county by GDP in the entire Texas Panhandle Region - second only to Potter County, which had a \$7.69 Billion GDP in 2020, and has nearly five times the population of Hutchinson County. By comparison, neighboring counties Moore County and Gray County had GDPs of \$3.05 Billion and \$979 Million, respectively.

GDP, or gross domestic product, is calculated as the value of all goods and services produced in a designated area. GDP measures the amount of value added in the production process of manufactured goods. When looking at the economic strength of a country, state, or community, it is important to look beyond total GDP alone. Growth of GDP is ultimately what tells us whether the economy is growing or contracting. Hutchinson County's 2020 GDP reflected a 5.3% increase over its 2019 GDP of \$7.09 Billion. The majority of Hutchinson County's GDP is generated in Borger, it's largest city and main employment center.

The industrial and manufacturing base in the Borger area makes our community an economic powerhouse in the region, and provides a stable foundation for further economic growth and development.



WAGES

The most recent Quarterly Census of Employment & Wages from the Texas Workforce Commission shows that as of Q2 2021, Hutchinson County has the 2nd highest average weekly wage of the 26 counties in the Texas Panhandle region. Hutchinson County consistently ranks as having one of the highest average weekly wages in the region, which is evidence of the high-paying jobs in the Borger area, as well as the amount of disposable income available in the community. Hutchinson County's average weekly wage for Q2 2021 was \$1,224, second behind only Carson County at \$1,571. The average weekly wage for the State of Texas during the same period was \$1,210.



The average weekly wage of Hutchinson County residents in 2020 was \$1,274.



Hutchinson County's per capita income in 2020 was \$46,860, and increase of about 6.0% from 2019.

EMPLOYMENT

Since the peak of the pandemic in 2020, Hutchinson County has shown strong recovery in the area of employment. Hutchinson County's lowest unemployment in recent years was 4.7% in February 2020, and its highest unemployment was 9.8% in May 2020. As of October 2021, unemployment sits at 5.4%, which is equal to the State of Texas' unemployment rate for the same period.



As of October 2021, Hutchinson County's Labor Force included 8,120 workers, and 7,680 of those individuals were employed. Approximately 440 individuals were unemployed as of October 2021.



ESRI 2021 Data shows that 53% of working age adults in Hutchinson County have some college, with an estimated 24% of adults possessing at least an Associates Degree.

Sources: Texas Workforce Commission, Bureau of Economic Analysis, United States Census Bureau, ESRI

this year's

PROJECTS

The following summarizes the status of all new and existing projects during the 2020-2021 fiscal year:

Agrium Expansion - \$500,000 of \$1,000,00 paid (\$100,000 paid in 2020-2021 fiscal year); business is current on all obligations

Baseren, LLC (Hampton Inn) - \$215,000 obligated (\$0 paid in 2020-2021 fiscal year); as of September 30, 2021, required renovations were complete, FTE requirements had been met, and recipient is eligible to start earning 10% payroll reimbursement over the next 5 years (max. \$215,000)

BoomTown Scholarship - \$100,000 of \$100,000 paid (\$50,000 paid in 2020-2021 fiscal year); Borger, Inc. Board to determine, with City Council approval, whether it will continue to fund this workforce development program in future years

Borger Works Community

Internship Program - \$16,677 paid in 2020-2021 fiscal year; partial reimbursement for wages paid to five (5) interns placed with three (3) local industrial service businesses over a ten (10) week period in Summer 2021

Commercial Building

Improvement Program (618 S. Main Street - Customs by Steve) - Partial reimbursement for renovation of vacant property. Total grant \$50,000 paid in 2020-2021 fiscal year

Commercial Building

Improvement Program (700 W. Wilson - Gowdy Properties LLC/Bulldog Motor) - Partial reimbursement for renovation of vacant property. Total grant \$171,000 paid in 2020-2021 fiscal year

Corridor Revitalization Grant

Program - \$8,625 paid in 2020-2021 fiscal year to Audgroup, LLC for exterior/façade improvements of 1059 Coronado Circle (Main Street Corridor)

COVID-19 Small Business Recovery

Program - \$25,107 paid in 2020-2021 fiscal year to three (3) businesses as a business and job retention grant. All businesses are still open and operating, as required.

DISCO Business Retention & Expansion Project - \$90,626

balance remaining on \$150,000 loan (\$15,000 forgiven to-date and \$44,374 repaid to-date); business is current on all obligations

GPCH/RNEC - \$50,000 one-time payment paid in 2020-2021 fiscal year for the creation and implementation of an LVN-to-RN program (Associate Degree in Nursing) through the Rural Nursing Education Consortium (RNEC)

High Demand Jobs Training/FPC - \$46,620 paid in 2020-2021 fiscal year to obtain equipment for Pump & Engine/Industrial Maintenance program. The grant was matched dollar-for-dollar by the Texas Workforce Commission.

Robert Archer dba Morton Lumber Company - \$140,000 remaining on \$350,000 forgivable loan (\$70,000 was forgiven in 2020-2021 fiscal year); business is current on all obligations

RNN Hotels (Wildcatter's) -

\$36,000 paid in 2020-2021 fiscal year; Incentive agreement terminated August 2021. Yucca Estates property received in lieu of possible repayment of any incentives.

Small Business Growth Program -

\$24,816 paid in 2020-2021 fiscal year; \$20,000 paid to Mesa Roofing for the expansion of the business into industrial construction/industrial roofing projects (purchase of equipment) and \$4,816 paid to Robbins Holdings, LLC as partial reimbursement for renovations of 100 N. Bryant Street to re-open as an assisted living facility

TANJACO, LLC (Texas Rose) -

\$28,238 remaining out of \$210,000 obligated (\$70,795 paid in 2020-2021 fiscal year); business is current on all obligations

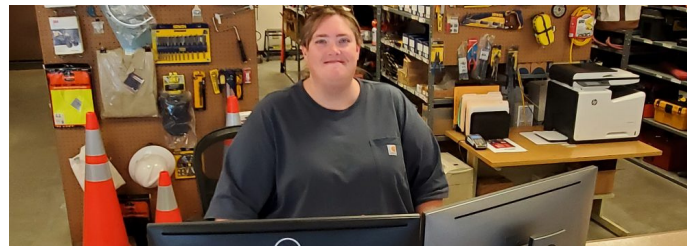
Project Due Diligence - \$195 spent on reports and project due diligence during the 2020-2021 fiscal year

FEATURED PROJECT



BORGER WORKS

COMMUNITY INTERNSHIP PROGRAM



In December 2020, the Borger, Inc. Board of Directors approved the creation of a workforce development internship program in which Borger, Inc. would incentivize local industrial service and fabrication businesses to host Frank Phillips College CTE students for a 10-week work experience program over the Summer of 2021. Following this approval, Borger, Inc. staff and Frank Phillips staff began meeting with local companies to encourage their participation. Three locally owned businesses ultimately agreed to participate in the Borger Works Community Internship Program - Conner Industries, Payton Machine & Supply, and SERCO. Beginning in March 2021, FPC students were invited to apply for an internship with one of the three participating local businesses.

Most applicants were then invited to an in-person interview, conducted by FPC and Borger, Inc. staff. Out of approximately 15 applicants, five interns were ultimately placed in an internship.

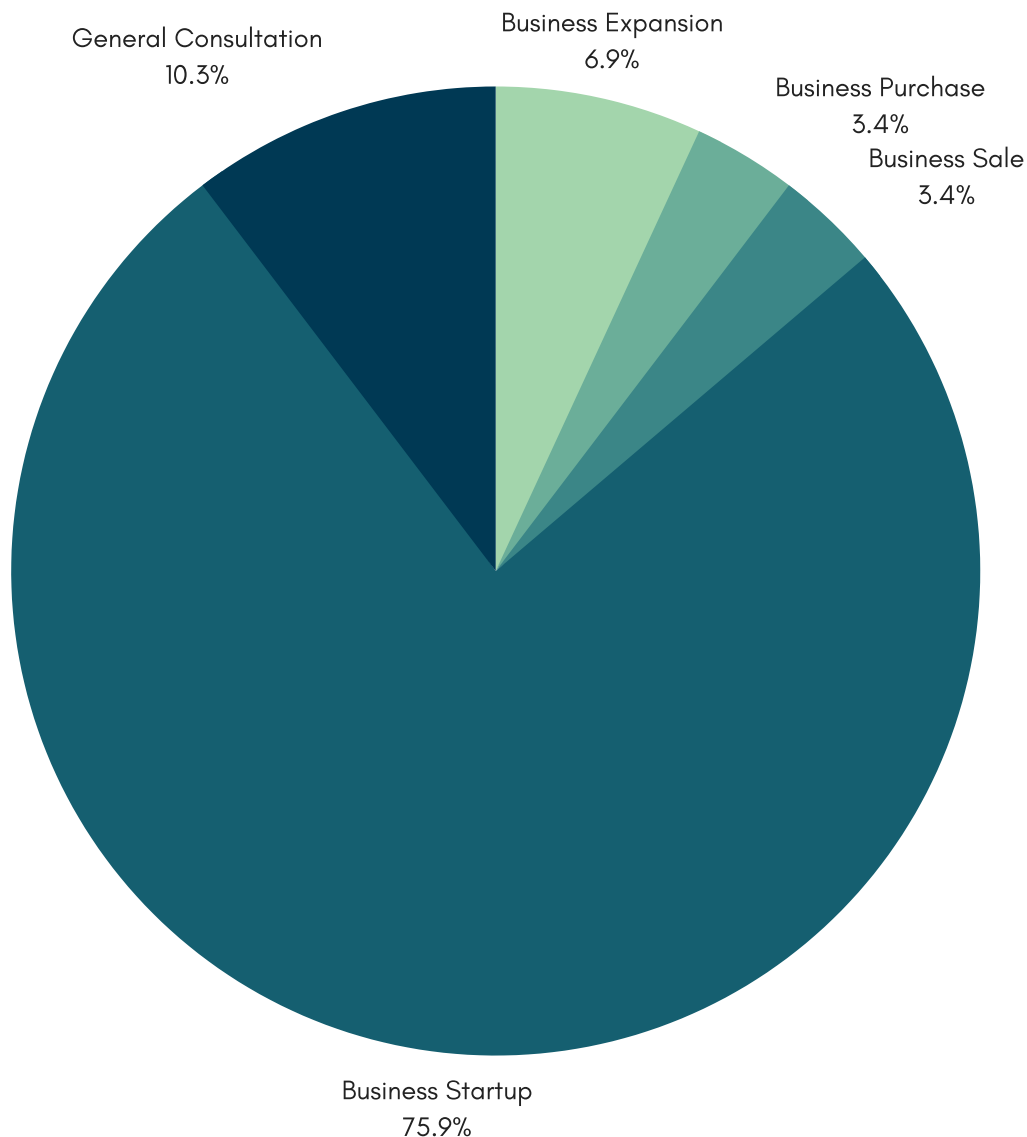
After completing an orientation, interns began reporting to their host sites the first week of June. Intern's assignments ranged from working customer service in the heavy equipment rental division of SERCO, known as STARR Rentals, to assisting a maintenance team working to clean and repair a large urea conveyor at Nutrien under Payton Machine & Supply. Interns received a stipend of \$15 per hour for their work throughout the summer, and participating businesses were reimbursed 50% of this expense through an incentive agreement with Borger, Inc.

In addition to reporting to the job site 3-5 days per week, interns were asked to complete several blogs detailing their experience throughout the summer, as well as 10 hours of community service.

Once interns completed at least 300 hours of work at their assigned job site, each intern developed a presentation summarizing their experience and information learned about local community assets. In late July, managers and owners of the local companies gathered with FPC staff, and Borger, Inc. Board Members at the FPC Borger campus to eat lunch and listen as interns made their final presentations. All three participating businesses were surveyed for feedback that will be used to shape the program in future years. All three businesses also indicated a desire to participate in the program again. We look forward to bringing this program back in 2022!

LEADINGEDG

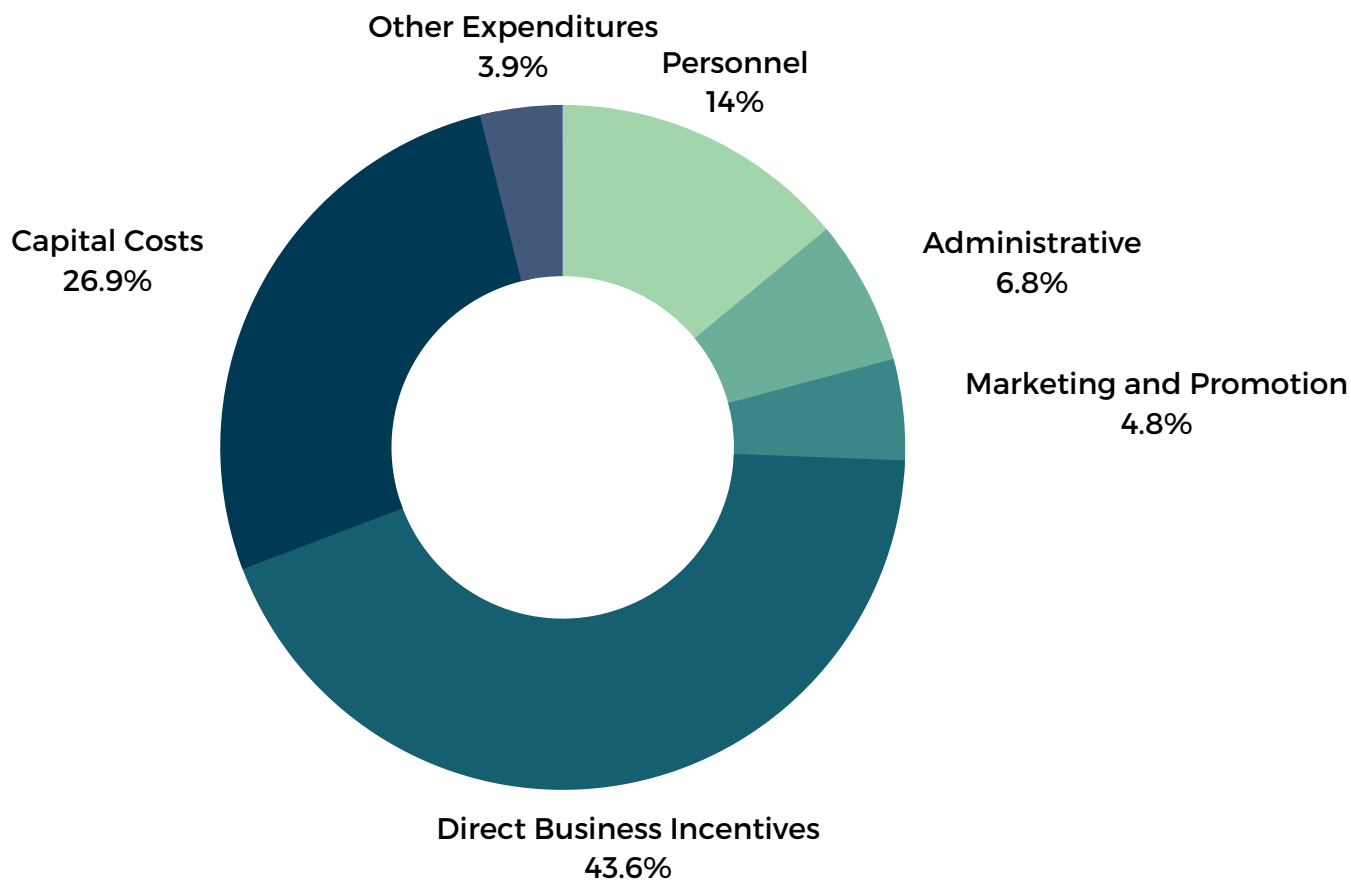
Borger, Inc. engages Spencer McElhannon of LeadingEDG for business facilitation services in the community. Individuals can meet with Spencer at Borger, Inc.'s offices and receive consultation services at no cost. Facilitation services include assistance with planning when starting a new business, purchasing or selling an existing business, expanding a business, or seeking general business advice. During the 2020-2021 fiscal year, Spencer met with 29 individuals seeking business facilitation services.



Over 75% of individuals who sought assistance from LeadingEDG during the fiscal year were seeking help with starting a new business, including assistance developing a business plan and creating projected financials.

FINANCIAL SUMMARY

This graph shows how revenue was spent during the fiscal year.



FINANCIAL HIGHLIGHTS

- A total of \$593,834 was spent on Direct Business Incentives for 16 separate projects during the fiscal year
- Actual revenue for the fiscal year was about 22% more than the amount budgeted
- Actual expenses for the fiscal year were about 15% less than the amount budgeted
- Personnel and Administrative Expenses were about 20.2% of total revenue for the year

BUDGET VS. ACTUAL

A recap of how funds were planned for and spent during the fiscal year

Draft Financial Summary

Prepared for 2021 Annual Report

December 13, 2021

	2020-2021 Original Adopted Budget	2020-2021 Final Adopted Budget	Actual Oct. 1, 2020 - Sept. 30, 2021	Variance
Operating revenues				
Sales taxes	\$ 1,106,667	\$ 1,106,667	\$ 1,243,770	\$ 137,104
Rental income	17,700	17,700	14,138	(3,563)
Refunded grants	-	-	110,000	110,000
Interest from economic development loans	1,500	1,500	3,569	2,069
Miscellaneous Income	-	-	350	350
Total operating revenues	1,125,867	1,125,867	1,371,827	245,960
Operating expenses				
Salaries and employee benefits	196,508	189,666	190,654	988
Business retention	16,992	16,992	16,992	-
Contract services	39,000	39,000	39,000	-
Depreciation	9,000	9,000	9,333	333
Dues and subscriptions	4,250	4,250	4,128	(123)
Insurance	6,500	10,390	11,243	853
Meetings and events	3,000	1,500	1,828	328
Occupancy	7,200	7,400	6,635	(765)
Other expense	5,800	5,815	4,667	(1,148)
Postage and printing	1,660	1,660	1,436	(224)
Professional fees	26,500	31,660	30,397	(1,263)
Projects, grants and loan incentives	743,807	743,807	593,834	(149,972)
Prospect development and advertising	20,000	58,500	47,957	(10,543)
Property taxes	3,050	4,850	4,581	(269)
Repairs and maintenance	22,000	19,100	9,847	(9,253)
Supplies	6,000	6,000	7,891	1,891
Telephone	3,850	4,040	4,096	56
Trade shows and training	6,350	3,520	2,050	(1,470)
Travel	8,900	6,400	3,587	(2,813)
Bad debt expense	-	-	-	-
Total operating expenses	1,130,367	1,163,550	990,155	(173,395)
Operating income	(4,500)	(37,683)	381,672	419,355
Nonoperating revenues (expenses)				
Investment Income	7,000	7,000	11,899	4,899
Gain (loss) on sale of property	-	-	-	-
Contributed capital	-	-	-	-
Total nonoperating revenues (expenses)	7,000	7,000	11,899	4,899
Change in net position	2,500	(30,683)	393,572	424,254
Capital Budget Summary				
Business Park	-	-	-	-
6th & Main	204,072	405,190	366,307	(38,883)
Furniture, Fixtures & Equipment	2,500	2,500	5,209	2,709
Total Capital Expenditures	206,572	407,690	371,516	(36,173)

6TH & MAIN RENOVATION

Borger, Inc.'s new office and small business incubation space is an important step toward Downtown Revitalization efforts

Borger, Inc. purchased 108 E. 6th Street, also known as the 6th & Main property, during the 2019-2020 fiscal year. Borger, Inc. planned to renovate part of the property for its new office and to use the spaces on Main Street for small business incubation.

Engineering, asbestos abatement, roof replacement, HVAC repairs, and bids for planned renovations took place during the 2019-2020 fiscal year. Plumbing, electrical, and carpentry work were all completed during the 2020-2021 fiscal year. Façade improvements, including exterior paint, awnings, and lighting, are planned for the 2021-2022 fiscal year.

Borger, Inc. now occupies its new offices Downtown and is working with local entrepreneurs to grow their new businesses in the Main Street incubation spaces. By facilitating small business growth and entrepreneurship in the Downtown district, Borger, Inc. is able to play an important role in the City of Borger's Downtown Revitalization efforts.

Borger, Inc. has acquired additional property on Main Street that it plans to renovate to continue the revitalization of Downtown.



BOARD OF DIRECTORS & STAFF

2020 - 2021



Board Members (L-R): Scott Mills, Nick Vinson, Lisa A. Jones, Michelle Griffin, Jesse Shuffield

Board of Directors:

Jesse Shuffield, President

Scott Mills, Vice-President

Nick Vinson, Secretary-Treasurer

Lisa A. Jones, Board Member

Michelle Griffin, Board Member

Professional Staff:

Katie Lingor, Executive Director

Michelle Gray, Economic Development Assistant



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