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ANNUAL REPORT

Borger Inc.,
the Borger Economic
Development Corporation.

108 E 6th St.
Borger, TX
79007

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Letter from the outgoing Executive Director

As I depart from the position of Executive Director, I want to take a moment to express my sincere appreciation to this community for the past (almost) five years. I truly cannot express what a delight it has been to serve Borger, and just how much I have thoroughly enjoyed working alongside many servant-minded volunteers who have earnestly labored towards the betterment of the community. While it's next to impossible to avoid the feelings of wishing we could have done more that are common when one faces the end of a somewhat short tenure, I do hope that the efforts put forth by the Board of Directors, myself, our talented staff, and many others for the past half-decade has made a measurable and lasting impact.

Katie Lingor

In sports, you will sometimes hear analysts, fans, and even coaches refer to times of slow progress but intentional effort as a “rebuilding year”. I’ve always chuckled at this phrase and considered it to be a little bit of a cop-out to explain poorer-than-expected performance. However, as someone who has spent the past five years in public service in a rural setting, the descriptor rings differently for me today.

In a certain kind of way, it seems like Borger has been in a season of rebuilding for the past few years. Our community leaders and many volunteers have spent countless hours planning, engaged the public, and rolling out ambitious plans, programs, and events in an effort to renew enthusiasm in the community. During that same time, we have seen breaths of new life in Downtown, a flurry of interest and store openings from national retail and food and beverage companies, and more engagement from the citizens in public events than any time in recent memory. I hope that these efforts have laid the groundwork for a new season of prosperous growth in the community, and I cannot wait to watch from the sidelines and see the victories that come from the years of rebuilding.

I know many of us live our life with a philosophy of “leaving things better than you found them”, and I can only hope that Borger, Inc. is in a better place today because of many people’s dedication and hard work – and it has been my absolute honor to be part of that effort.

With my deepest and most heartfelt appreciation,



Letter from the incoming Executive Director

Recently assuming the role of Executive Director for Borger Inc. (the Economic Development Corporation), I have heard many people have expressed the inherent challenges of following a leader that was adored and respected. While this may be true in some circumstances or communities, my experience is different. A strong leader facilitates collaborative and industrial relationships, principles, and guidance for their successor that becomes the foundation for future success. Katie Lingor accomplished this.

In Borger, TX, the EDC, the City of Borger, Hutchinson county, Panhandle communities, businesses, volunteers, and various organizations enjoy an environment of collaboration and collective respect. This is a rare advantage among the communities I have encountered. It is a testament to the efforts of the City of Borger leadership, BEDC Board Members, businesses, organizations, and community and contributes to Borger's revitalization and economic success.

My family and I relocated to Borger about four years ago. It was immediately evident that Borger is unique. We felt instantly at home due to the innate culture of hospitality, diversity, and inclusion.

I am excited about the opportunity to serve this community in economic development. Whether it is the enterprise park, assisting businesses with grants or education, collaborating on workforce development, developing attainable housing, revitalizing, or attracting new businesses with our current cohesive environment, the possibilities are limitless. While working together towards our goals, we can make every year, season, month, etc., Borger, TX, the best yet.

Thank you for the opportunity; the *best is yet to come*,



Amy Fesser

Built To Last
BUILD IT IN BORGER
BORGER STRONG



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.





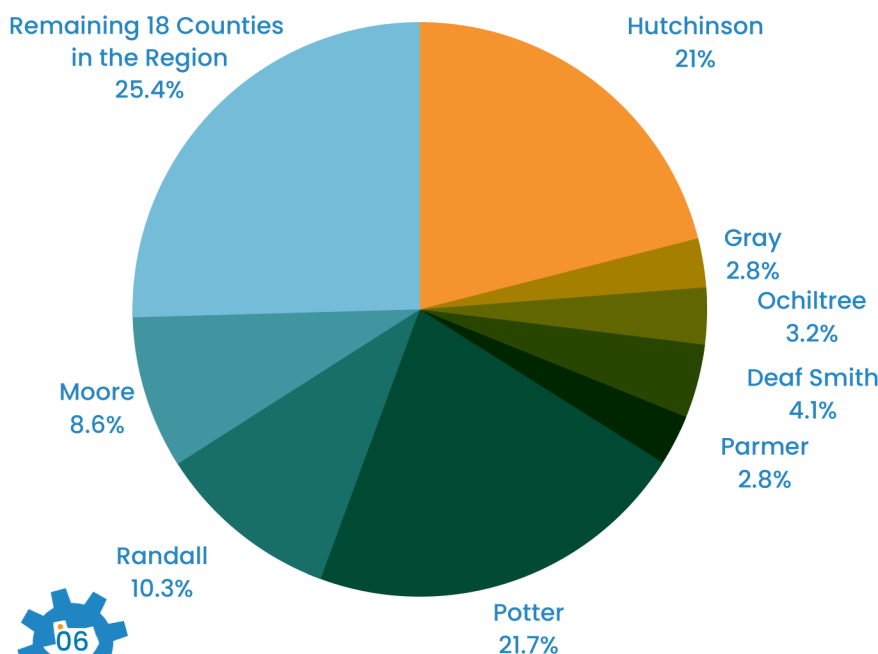
Economic Pulse

A snapshot of Borger's overall Economic condition

EVERYTHING (OR AT LEAST THE 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 GDP of \$3.05 Billion and \$979 Million.

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 Q1 2022, 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 evidenced by 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 Q1 2022 was \$1,446 which is a 118% increase over last year, second behind only Roberts County at \$1,481. The average weekly wage for the State of Texas during the same period was \$1,368 which is an increase of 113%. Of the 254 Counties in Texas Hutchinson County is ranked 12th in the state for average weekly wage.



The average weekly wage of Hutchinson County residents in 2022 was \$1,315 which is 103% greater than last year.

Hutchinson County's median household income for 2022 is \$60,911. with the average household income being \$79,290, and the per capita income being \$31,440.



As of September 2022, Hutchinson County's Labor Force included 8,087 workers, and 7,725 of those individuals were employed. Approximately 362 individuals were unemployed.

EMPLOYMENT

Hutchinson County has shown strong recovery in the area of employment since the Pandemic. Hutchinson County's lowest unemployment was 4.7% in February 2020 and its highest unemployment was 9.8% in May 2020. For the FY 2022 the average unemployment was 4.8% with a low of 4.1% in April 2022. As of October 2022, unemployment sits at 4.8%, which is similar to the State of Texas' unemployment rate which is 4.3%.



ESRI 2022 Data shows that 50% of working age adults in Hutchinson County have some college, with an additional 23% of adults possessing at least an Associates Degree.



NAR 2022 Data shows that the Housing Affordability Index measures whether or not the typical Hutchinson County family earns enough to qualify for a mortgage loan on a typical home. The HAI for Hutchinson County is 262. (An Index of 100 signifies the earning median is more than enough).

Projects

Built in Borger, Built to Last

The following summarizes the status of all new and existing projects during the FY 2022 fiscal year:

The following summarizes the status of all new and existing projects during FY 2022:

Agrium Expansion (Urea Project Completed in 2017) - \$600,000 of \$1,000,00 paid (\$100,000 paid in FY 2022 fiscal year); business is current on all obligations.

Baseren, LLC (Hampton Inn) - \$25,262 paid in FY 2022; Recipient has maintained at least 10 FTEs per their performance agreement, and the recipient is eligible to continue earning 10% quarterly payroll reimbursement for wages paid through June 30, 2026 (max. grant of \$215,000).

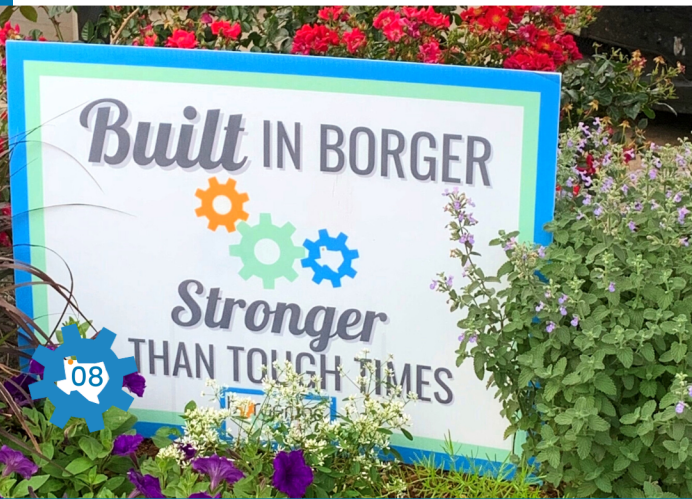
Borger Works Community Internship Program - \$9,031 paid in FY 2022; partial reimbursement for

wages paid to three (3) FPC college students who worked as interns with two (2) local industrial service businesses during the Summer of 2022.

Commercial Building Improvement Program (111 W 9th St -Hannon Property Holdings, LLC) - Final 1/3 of grant paid \$5,833 in FY 2022 (bringing the total grant amount to \$17,500) for the renovation and occupancy of a vacant property.

DISCO Business Retention & Expansion Project - \$63,327 balance remaining on \$150,000 loan (\$15,000 forgiven to date and \$71,673 repaid to date); business is current on all obligations.

Robert Archer dba Morton Lumber Company - \$70,000 remaining on a \$350,000 forgivable loan (\$70,000 was forgiven in FY 2022); business is current on all obligations and employs over 43 FTEs per their most recent report.



...96 years and Borger, TX is still BOOMING!

Small Business Growth Program

- \$69,370 paid in FY FY 2022 to four (4) new or expanded businesses:

\$20,000 paid to Tee'd Off Golf for new business major equipment purchase.

\$18,491 paid to The Water Store for façade improvements for an expanding business.

\$17,379 paid to Brooks Training and Testing Services for the renovation of a vacant property to be used for an expanding business, including interior improvements, HVAC and roof repairs, parking lot repairs, and signage.

\$13,500 paid to Hey Baby Ultrasound Studio for new business major equipment purchase.



Paige Watson Owner of Hey Baby

TANJACO, LLC (Texas Rose) Job Creation Incentive -

\$28,238 paid in FY 2022; Total paid over the term of the agreement was \$210,000 (Incentive now paid in full).



Brooks Training & Testing Ribbon Cutting



Featured Project: Slater Controls Groundbreaking

September 21, 2022 – Borger Enterprise Park

Over ten years ago, Borger, Inc. (the Borger Economic Development Corporation) began taking steps to acquire the property that is now known as Borger Enterprise Park. The development of the property has taken place gradually since then. First, there was planning for the overall site, then engineers were engaged to design infrastructure for the first phase of construction – about 40 acres. After the installation of water and sewer were complete in 2018, the Borger Inc. Board of Directors and staff made the prudent decision to pause any further investment of the property until viable businesses were identified for occupancy in the development.

For the past several years, Borger, Inc. staff have worked to identify new businesses to relocate to or expand in Borger. During the FY 2022 fiscal year, two industrial services

businesses were engaged as prospects, and with the assistance of Borger Inc. both businesses ultimately determined that Borger Enterprise Park would be an ideal location for their expansion. Borger, Inc. staff and Board members then developed a plan to incrementally expand the infrastructure of the development to meet the needs of the new prospects. The steps taken by the Board to prepare the development for the sale of lots included platting and zoning the property as Light Industrial,





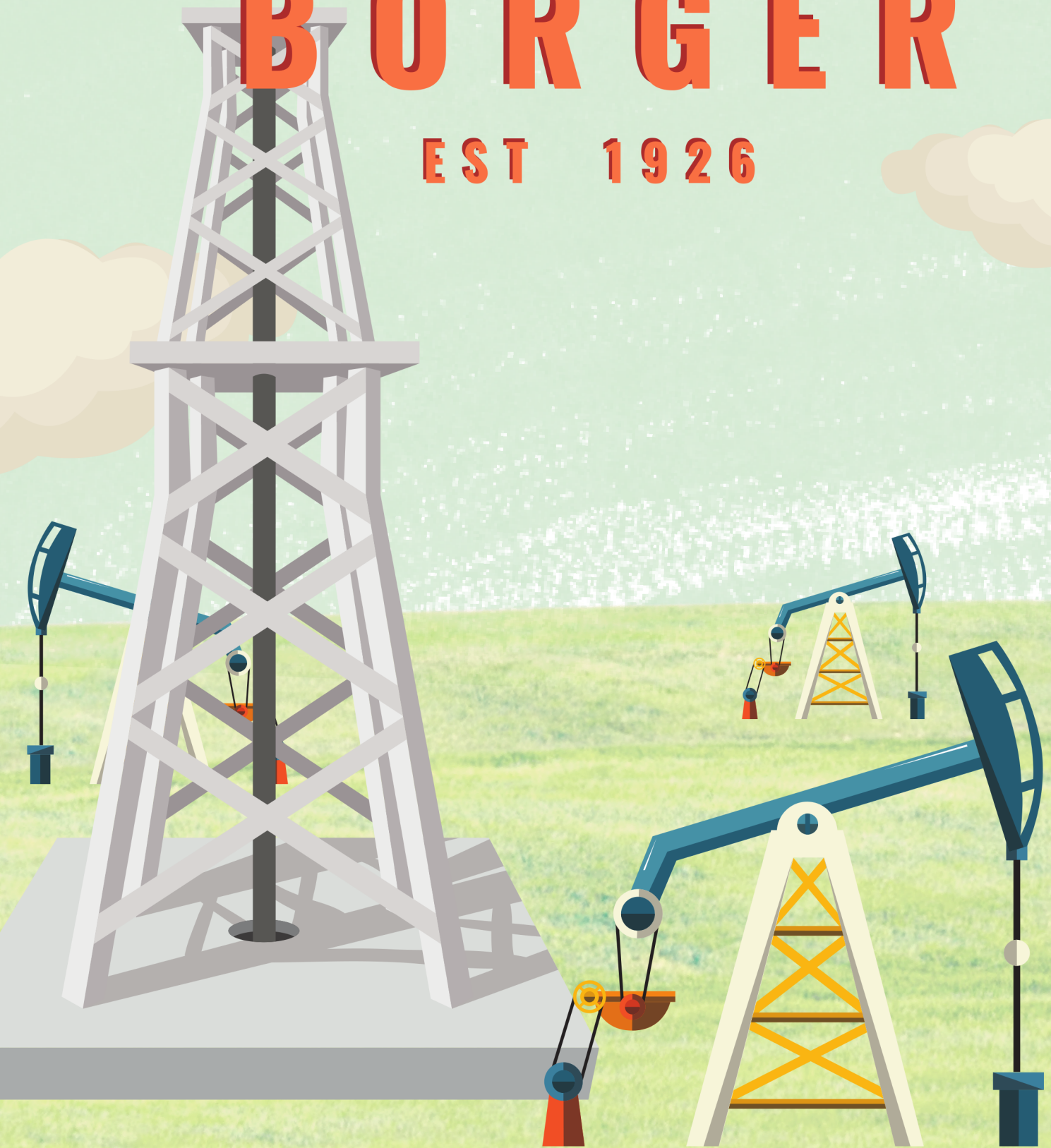
extending electrical service to the northern boundary of the development, and constructing about 700 linear feet of Prospect Drive as public roadway. This strategic investment solidified the sale of two lots in early Spring 2022, and in September the first business, Slater Controls, broke ground.

The groundbreaking of Slater Controls represents the first fruits of a lengthy process of ensuring that Borger possesses viable sites for businesses that seek to expand their footprint in this industrially diverse community. With ten additional lots available for sale, this company will be the first of many new businesses to call Borger home over the next several years.



BORGER

EST 1926



BUILT IN BORGER, BUILT TO LAST



LeadingEDG

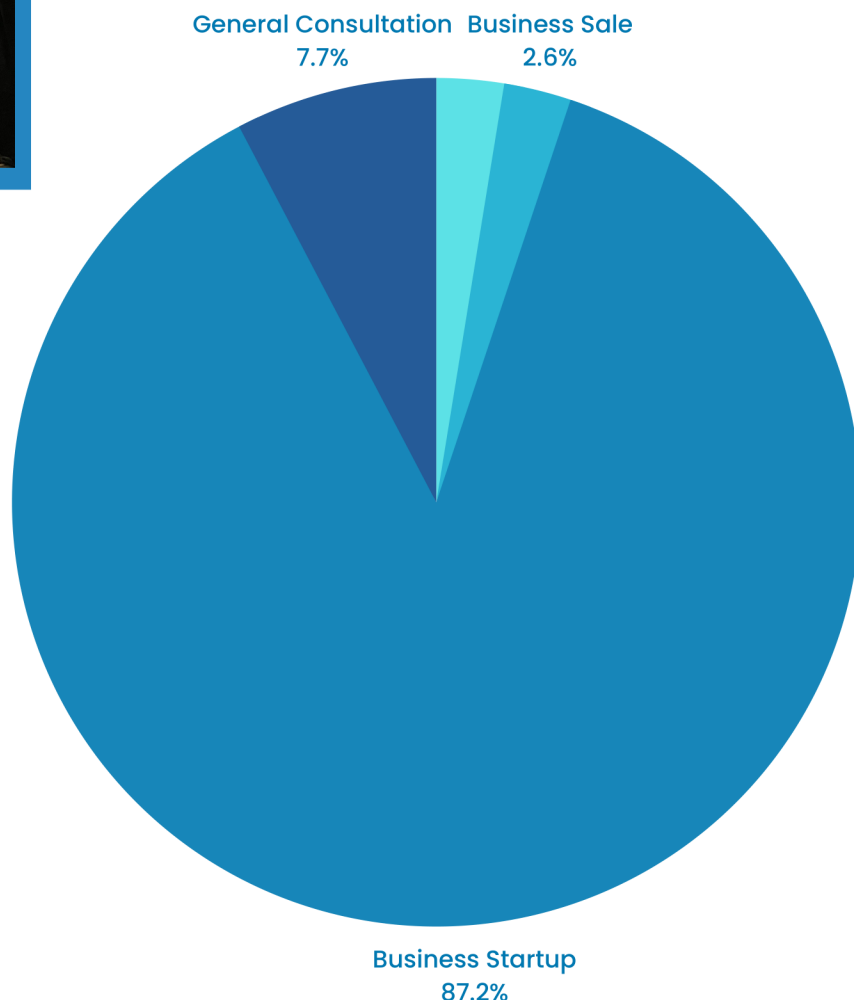
Borger, Inc. engages Spencer McElhannon of LeadingEDG for business facilitation services in the community. Individuals can meet with Spencer at Borger, Inc.'s offices and receive consultation services at no cost. Facilitation services include assistance with planning when starting a new business, purchasing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

business advice. During the FY 2022 fiscal year, Spencer met with 39 individuals seeking business facilitation services. LeadingEDG services were utilized 29% more than the previous year.



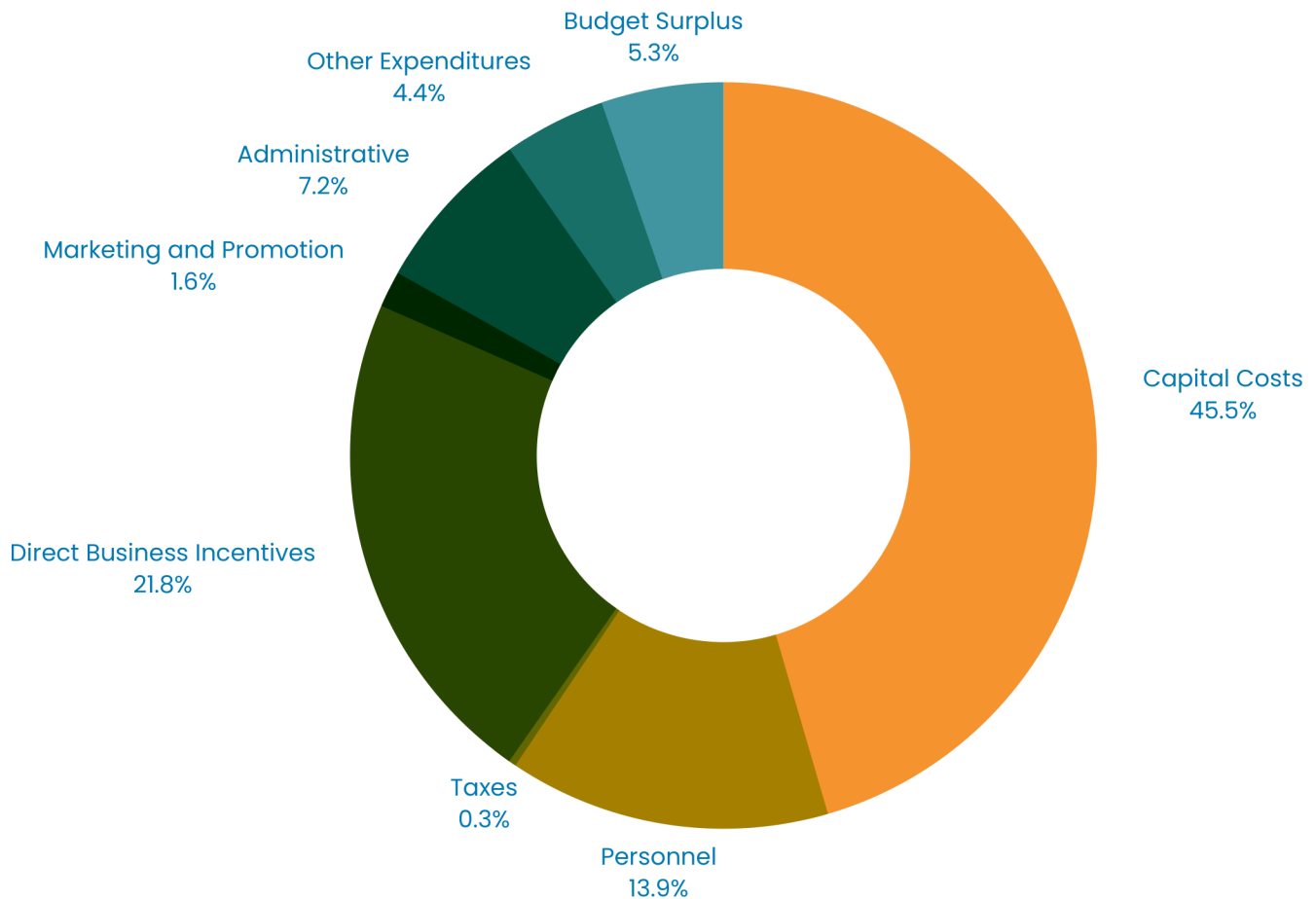
Adam Claus, owner of Tee'd Off Golf & Spencer McElhannon &

Over 87% 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.



- Total revenue for the year was \$1,410,563, about 5% over the budgeted amount.
- Total expenses (Included Capital Expenditures) were \$1,335,927, about 14% less than the budgeted amount.
- Capital Expenditures for the year totaled \$641,608, which includes \$555,712 that was spent on infrastructure expansion in the Borger Enterprise Park.
- A total of \$307,980 was allocated to Direct Business Incentives during the fiscal year.
- Personnel and Administrative Expenses were about 21% of total revenue for the year.

Budget vs. Actual

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

	2021-2022 Original Adopted Budget	2021-2022 Final Adopted Budget	Actual Oct. 1, 2021 - Sept. 30, 2022	Variance
Operating revenues				
Sales taxes	\$ 1,141,667	\$ 1,308,333	\$ 1,373,133	\$ 64,800
Rental income	21,780	21,780	23,748	1,968
Refunded grants	-	-	-	-
Interest from economic development loans	2,700	2,700	2,325	(375)
Miscellaneous Income	-	320	370	50
Total operating revenues	1,166,147	1,333,133	1,399,576	66,443
Operating expenses				
Salaries and employee benefits	193,937	201,426	196,410	(5,016)
Business retention	8,500	8,500	16,992	8,492
Contract services	39,000	39,000	40,813	1,813
Depreciation	9,000	9,000	21,293	12,293
Dues and subscriptions	4,250	4,250	5,465	1,215
Insurance	18,000	18,000	14,772	(3,228)
Meetings and events	2,400	2,400	2,313	(87)
Occupancy	6,300	6,300	8,894	2,594
Other expense	6,015	6,015	5,566	(449)
Postage and printing	1,310	1,310	1,012	(298)
Professional fees	31,750	31,750	31,646	(104)
Projects, grants and loan incentives	530,785	425,000	307,980	(117,020)
Prospect development and advertising	11,000	11,000	5,127	(5,873)
Property taxes	4,850	4,850	4,507	(343)
Repairs and maintenance	18,300	18,300	17,877	(423)
Supplies	6,500	6,500	5,677	(823)
Telephone	4,100	4,100	3,070	(1,030)
Trade shows and training	2,000	2,000	1,687	(313)
Travel	6,400	6,400	3,219	(3,181)
Bad debt expense	-	-	-	-
Total operating expenses	904,397	806,101	694,319	(111,782)
Operating income	261,750	527,032	705,257	178,225
Nonoperating revenues (expenses)				
Investment Income	5,000	5,000	10,987	5,987
Gain (loss) on sale of property	-	-	-	-
Contributed capital	-	-	(531,631)	(531,631)
Total nonoperating revenues (expenses)	5,000	5,000	(520,645)	(525,645)
Change in net position	266,750	532,032	184,613	(347,420)
Capital Budget Summary				
Business Park	-	584,631	24,081	(560,551)
6th & Main	-	120,918	67,369	(53,549)
Furniture, Fixtures & Equipment	16,000	16,000	13,027	(2,973)
Construction in Progress - 507 N Main	200,000	30,000	5,500	(24,500)
Total Capital Expenditures	216,000	751,549	109,977	(641,573)



Borger Welcomes New Businesses



Tractor Supply

The BEDC assisted TSC with site selection. Opened for business on October 22, 2022.

HTeaO

The BEDC assisted HTeaO with site selection. Any day now they will be open & ready for business.



Starbucks

The BEDC helped Starbucks Coffee with site selection. They have started the construction process.

* Slater Controls

The BEDC assisted Slater Controls with the purchase of their lot and utility extension. SC broke ground in Sept 2022.



* Hey Baby Ultrasound

The BEDC assisted Hey Baby with their Small Business Growth Program & initial rental discounts. Hey Baby is open and taking appointments.



* Tee'd Off Golf

Tee'd Off Golf was assisted by the BEDC Small Business Growth Program. TOG is open and ready to serve as your indoor golf entertainment destination.



Board of Directors and Staff

FY 2022



Board Members (L-R): Michelle Griffin, Lisa A. Jones, Tex Milum, Jesse Shuffield, and Scott Mills,

Board of Directors

Jesse Shuffield,
President

Scott Mills,
Vice-President

Lisa A. Jones,
Secretary-Treasurer

Michelle Griffin,
Board Member

Terry "Tex" Milum,
Board Member

Professional Staff

Amy Fesser, Executive Director

Michelle Gray, Economic Development Specialist



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Build it in Borger
FY 2022 Annual Report
