

MIDLAND DEVELOPMENT CORPORATION
MINUTES
June 26, 2015

The Board of Directors of the Midland Development Corporation convened in regular session at Midland City Hall basement conference room, 300 North Loraine, Midland, Texas, Midland, Texas, on June 26, 2015.

Board Members present: Treasurer Tracy Bacon, Chairman Brent Hilliard, Director Cary Love, and Secretary Robert Rendall

Board Members absent: Vice Chairman Gary Douglas (arrived at 8:34 a.m.)

Staff Members present: City Manager Courtney Sharp, Assistant City Manager Robert Patrick, Assistant City Manager Frank Salvato, City Attorney John Ohnemiller, Assistant City Attorney Nicholas Toulet-Crump, Director of Airports Justine Ruff, Director of Engineering Services Jose Ortiz, and Deputy City Secretary Karla Mata.

MDC Staff Members present: Executive Director Pam Welch, and Economic Development Specialist Zach Gilbert, and Accounting Clerk/Research Analyst Sara Harris.

1. Chairman Hilliard called the meeting to order at 8:31 a.m.
2. Consider a motion approving the minutes of the June 2, 2015 regular meeting of the Midland Development Corporation.

Director Bacon moved to approve the minutes of the June 2, 2015 regular meeting of the Midland Development Corporation; seconded by Director Rendall. The motion carried by the following vote: AYE: Bacon, Hilliard, Love, and Rendall. NAY: None. ABSTAIN: None. ABSENT: Douglas.

3. Receive, discuss and consider the May monthly expenses form the Midland Development Corporation.

Executive Director Pam Welch gave an overview of the May monthly expenses from the Midland Development Corporation. The Board of Directors had concerns with the income statement that was presented. The Board asked if the Ms. Welch would please contact, and follow up with Rebecca in reference to the year-to-date budget, and obtain a more detailed report on the 'audit' fee from Director of Finance Pam Simecka.

4. Consider a resolution approving the budget for the Midland Development Corporation's 2015-2016 Fiscal Year. **(ED-251)**

Director Rendall moved to defer this item to the next Midland Development Corporation meeting; seconded by Director Love. The motion carried by the following vote: AYE: Bacon, Douglas, Hilliard, Love, and Rendall. NAY: None. ABSTAIN: None. ABSENT: None.

5. Consider a resolution authorizing the execution of an Economic Development Agreement between the Midland Development Corporation and Teraco, Inc; and authorizing payment therefor. **(ED-251)**

Executive Director Pam Welch gave an overview of the agreement between the Midland Development Corporation and Teraco, Inc. Ms. Welch stated that the funds outlined are to help Teraco, Inc. relocate the remaining part(s) of their operations to Midland from Illinois.

The board ensued in discussion in reference to the voids in the agreement as to how many job openings are available. City Attorney John Ohnemiller stated that they are still waiting are three pieces of information which are knowing what Teraco's base line is, their annual salaries and wages will be when they hit their mark, and when they are moving their operation. Mr. Ohnemiller noted that the cap is \$100,000.00 the agreement will be in a form substantially similar to the one that was presented and in no event will Midland Development Corporation commitment under this agreement be more than \$100,000.00

Director Douglas moved to adopt Resolution No. ED-250 authorizing the execution of an Economic Development Agreement between the Midland Development Corporation and Teraco, Inc; and authorizing payment therefor; seconded by Director Bacon. The motion carried by the following vote: AYE: Bacon, Douglas, Hilliard, Love, and Rendall. NAY: None. ABSTAIN: None. ABSENT: None.

6. Receive and discuss the monthly economic development activity report from the MDC staff as well as any reports on marketing and advertising activities.

Economic Development Specialist Zach Gilbert, and Executive Director Pam Welch reported on the monthly economic development activity and on marketing, provided workforce/employment stats, and advertising activities. Mr. Gilbert stated that Midland no longer has the lowest unemployment rate in the state. Midland County unemployment rate rose during the month of May to 3.1%. Ms. Welch gave an update on the suite chamber that has arrived and in the Orbital Outfitters' building, presenting pictures of delivery.

Director Love provided an update on the construction of Orbital Outfitters, everything is coming out nicely, the building is presumed to be completed sometime by the end of October.

The Board excused observers at 9:09 a.m. and recessed into executive session.

7. Pursuant to Texas Government Code §551.010, the Board of Directors will hold an

Executive Session which is closed to the public to discuss the following matters as permitted under the following Texas Government Code Sections:

a. Section 551.087 Deliberation Regarding Economic Development Negotiations

- i. Discuss business prospects that the Midland Development Corporation seeks to have, locate, stay, or expand in or near the City of Midland, Texas and discuss possible incentives, and discuss contract compliance on the part of businesses.

b. Section 551.072 Deliberation Regarding Real Property

- i. Discuss the sale, exchange, lease or value of real property described as an approximate 78.25 acre tract of land out of Section 11, Block 40, T-2-S, T&P RR Co. Survey, Midland County, Texas.
- ii. Discuss the sale, exchange, lease or value of real property described as Lot 6, Block 9, Midland International Airport Industrial Park Addition, Section 5, Midland, Midland County, Texas.

The Board reconvened into regular session at 10:15 a.m.

All of the business at hand having been completed, Chairman Hilliard adjourned the meeting at 10:16 a.m.

Respectfully submitted,

Karla Mata, Deputy City Secretary

PASSED AND APPROVED the 21st day of August, 2015.

Robert Rendall, Secretary