

MIDLAND DEVELOPMENT CORPORATION

MINUTES

December 12, 2017

The Board of Directors of the Midland Development Corporation convened in special session at Midland Development Corporation conference room, 200 North Loraine, Suite 610, Midland, Texas, on December 12, 2017.

Board Members present: Chairman Brent Hilliard, Director Wesley Bownds, Director Gary Douglas (arrived at 2:00 p.m.), Director Stephen Lowery and Director Keith Stretcher

Board Members absent: None

Staff Members present: Finance Director Pam Simecka, Director of Engineering Jose Ortiz, Assistant City Attorney Nicholas Toulet-Crump and Deputy City Secretary SueAnn Lopez

Council Member(s) present: Jeff Sparks (District 1) and J. Ross Lacy (District 4)

MDC Staff Members present: Business Development Director Timothy Danielson and Accounting Clerk/Research Analyst Sara Harris

1. Call meeting to order.

Chairman Hilliard called the meeting to order at 1:00 p.m.

2. Consider a motion approving the minutes of the October 2, 2017, meeting of the Midland Development Corporation.

Director Stretcher moved to approve the minutes of October 02, 2017 with an amendment showing Director Bownds as present; seconded by Director Bownds. The motion carried by the following vote: AYE: Hilliard, Bownds, Lowery, and Stretcher. NAY: None. ABSTAIN: None. ABSENT: Douglas.

3. Consider a motion approving the minutes of the October 9, 2017, meeting of the Midland Development Corporation.

Director Stretcher moved to approve the minutes of October 09, 2017 with an amendment stating Chairman Hilliard turned the meeting over to the First Chair, Director Stretcher and left the room without any participation or discussion regarding item number eight on the October 09, 2017 agenda; seconded by Director Bownds.

The motion carried by the following vote: AYE: Hilliard, Bownds, Lowery, and Stretcher. NAY: None. ABSTAIN: None. ABSENT: Douglas.

4. Receive and discuss and consider the November 2017 monthly expenses from the Midland Development Corporation.

Sara Harris reported sales tax continued to accelerate in a positive manner.

5. Consider a resolution establishing the dates of the Regular Meetings of the Midland Development Corporation Board of Directors to be held during the period of February 2018 to January 2019.

Director Lowery stated he would not be available for the May 7, 2018 Meeting.

Director Stretcher moved to approve Resolution ED-342 establishing the dates of the Regular Meetings of the Midland Development Corporation Board of Directors to be held during the period of February 2018 to January 2019; seconded by Director Bownds. The motion carried by the following vote: AYE: Hilliard, Bownds, Lowery, and Stretcher. NAY: None. ABSTAIN: None. ABSENT: Douglas.

6. Receive and discuss a presentation from the Midland Memorial Hospital on the Hospital's progress, accomplishments, and any ongoing projects or programs related to physician recruitment.

Cory Edmondson, SR. Vice president of strategic development at Midland Memorial gave an update on the recruiting reports for 2017, including a presentation on the hospital's progress and accomplishments, noting they were on their third year of success in recruiting physicians with 14 starting practice in fiscal year 2017.

7. Consider a resolution authorizing payment in the amount of \$88,339.42 to the Midland County Hospital District pursuant to the Midland Development Corporation's Reimbursable Physician Recruitment Agreement with the Midland County Hospital District.

Director Lowery moved to approve Resolution ED-343 authorizing payment in the amount of \$88,339.42 to the Midland County Hospital District pursuant to the Midland Development Corporation's Reimbursable Physician Recruitment Agreement with the Midland County Hospital District; seconded by Director Bownds. The motion carried by the following vote: AYE: Hilliard, Bownds, Lowery. NAY: None. ABSTAIN: Stretcher. ABSENT: Douglas.

8. Consider a motion ratifying a month-to-month contract with Cirro Energy to provide power to Hangar A/B located at 2901 Enterprise Lane, Suite 400, Midland, Texas; and authorizing the Chairman to negotiate and execute a long-term contract with Cirro Energy to provide power to Hangar A/B located at 2901 Enterprise Lane, Suite 400, Midland, Texas

Director Stretcher moved to approve the motion ratifying a month-to-month contract with Cirro Energy to provide power to Hangar A/B located at 2901 Enterprise Lane, Suite 400, Midland, Texas; and authorizing the Chairman to negotiate and execute a long-term contract Cirro Energy to provide power to Hangar A/B located at 2901 Enterprise Lane, Suite 400, Midland, Texas ; seconded by Director Bownds. The motion carried by the following vote: AYE: Bownds, Lowery, Stretcher. NAY: None. ABSTAIN: Hilliard. ABSENT: Douglas.

9. Consider a motion authorizing the negotiation and execution of one or more agreements to provide the Midland Development Corporation with consulting services regarding the hiring of an executive director and various staff positions.

Director Stretcher moved to approve the motion authorizing the negotiation and execution of one or more agreements to provide the Midland Development Corporation with consulting services regarding the hiring of an executive director and various staff positions; seconded by Director Lowery. The motion carried by the following vote: AYE: Bownds, Hilliard, Lowery, Stretcher. NAY: None. ABSTAIN: None. ABSENT: Douglas.

10. Consider a motion to ratify the execution of a third amendment to the Economic Development Agreement between the Midland Development Corporation and XCOR Aerospace, Inc.; said amendment providing for the execution of a Security Agreement between the Midland Development Corporation and XCOR Aerospace, Inc.

Director Lowery moved to ratify the execution of a third amendment to the Economic Development Agreement between the Midland Development Corporation and XCOR Aerospace, Inc.; said amendment providing for the execution of a Security Agreement between the Midland Development Corporation and XCOR Aerospace, Inc.; seconded by Director Bownds. The motion carried by the following vote: AYE: Bownds, Hilliard, Lowery, Stretcher. NAY: None. ABSTAIN: None. ABSENT: Douglas.

11. Consider a resolution authorizing the negotiation and execution of employment agreements with one or more law firms for legal services necessary and appropriate for certain present or future proceedings, transactions, or other legal matters regarding the Midland Development Corporation; and authorizing payment of all costs.

Chairman Hilliard exited the room.

Director Lowery moved to approve and amend Resolution-344 authorizing the negotiation and execution of employment agreements with one or more law firms for legal services necessary and appropriate for certain present or future proceedings, transactions, or other legal matters regarding the Midland Development Corporation; and authorizing payment of all costs restricting it to the XCOR bankruptcy; seconded by Director Bownds. The motion carried by the following vote: AYE: Bownds, Lowery, Stretcher. NAY: None. ABSTAIN: Hilliard. ABSENT: Douglas.

12. Consider a resolution authorizing the employment of the law firm of Cotton, Bledsoe, Tighe & Dawson, P.C., as outside legal counsel to file amicus curiae briefs in the cases styled *Rosenberg Development Corporation v. Imperial Performing Arts, Inc.* (Supreme Court of Texas; Cause No. 17-0660) and *Larry Little v. City of Leon Valley Economic Development Corp.* (Supreme Court of Texas; Cause No. 17-0337); authorizing the payment of all costs; and authorizing the First Vice Chairman to participate in the writing and execution of said amicus curiae briefs.

Director Stretcher gave a brief overview of what said amicus curiae brief entailed.

Director Lowery moved to approve Resolution ED-345 authorizing the employment of the law firm of Cotton, Bledsoe, Tighe & Dawson, P.C., as outside legal counsel to file amicus curiae briefs in the cases styled *Rosenberg Development Corporation v. Imperial Performing Arts, Inc.* (Supreme Court of Texas; Cause No. 17-0660) and *Larry Little v. City of Leon Valley Economic Development Corp.* (Supreme Court of Texas; Cause No. 17-0337); authorizing the payment of all costs; and authorizing the First Vice Chairman to participate in the writing and execution of said amicus curiae briefs; seconded by Director Bownds. The motion carried by the following vote: AYE: Hilliard, Bownds, Lowery. NAY: None. ABSTAIN: Stretcher. ABSENT: Douglas.

13. Consider a resolution ratifying an amendment to the economic development agreement with the City of Midland regarding improvements to the intersection of Carver Street and Scharbauer Drive.

Director of Engineering Jose Ortiz gave a brief update on the improvements to the intersection of Carver Street and Scharbauer Drive noting they were four line items over budget with concrete and excavating being the biggest. He noted the project was coming along well.

Director Stretcher moved to approve Resolution ED-346 ratifying an amendment to the economic development agreement with the City of Midland regarding improvements to the intersection of Carver Street and Scharbauer Drive; seconded by Director Bownds. The motion carried by the following vote: AYE: Hilliard, Bownds, Stretcher. NAY: None. ABSTAIN: Lowery. ABSENT: Douglas.

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

Business Development Director Timothy Danielson, and Accounting Clerk/Research Analyst Sara Harris gave a brief report on the monthly economic development activity, provided workforce/employment stats, and discussed marketing and advertising activities.

Director Douglas joined the meeting at 2:00 p.m.

The Board excused observers at 2:09 p.m. and recessed into executive session.

15. Pursuant to Texas Government Code §551.101, 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 551.071, Consultation with Attorney

- i. Discuss a matter in which the duty of the attorney to the Midland Development Corporation under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with Chapter 551 of the Texas Government Code.

The Board reconvened into regular session at 4:13 p.m.

16. Consider a motion authorizing the Chairman to enter into agreements for the purchase of property located in downtown Midland, Texas, (generally located north of Front Street, south of Cuthbert Avenue, east of A Street, and west of North Lamesa Road); and authorizing the Chairman to negotiate and execute economic development agreements, including agreements authorized by Chapter 380 of the Texas Local Government Code, for the development of said property.

Director Douglas moved to amend and approve the motion to read as follows: Consider a motion authorizing the Chairman to enter into agreements for the purchase of property located in downtown Midland, Texas, (generally located north of Front Street, south of Cuthbert Avenue, east of A Street, and west of North Lamesa Road); providing that said authorization shall expire in six (6) months; and authorizing the Chairman to negotiate and execute economic development agreements, including agreements authorized by Chapter 380 of the Texas Local Government Code, for the development of said property;; seconded by Director Lowery. The motion carried by the following vote: AYE: Bownds, Douglas, Hilliard, Lowery, Stretcher. NAY: None. ABSTAIN: None. ABSENT: None.

All of the business at hand having been completed, Chairman Hilliard adjourned the meeting at 4:15 p.m.

Respectfully submitted,

SueAnn Lopez, Deputy City Secretary

PASSED AND APPROVED the 6th day of October 2017.

Gary Douglas, Secretary