

MIDLAND DEVELOPMENT CORPORATION

MINUTES

July 09, 2018

The Board of Directors of the Midland Development Corporation convened in regular session at the Midland Development Corporation conference room, 200 North Loraine Street, Suite 610, Midland, Texas, on July 9, 2018.

Board Members present: Chairman Brent Hilliard, Director Wesley Bownds, Director Gary Douglas (Arrived at 10:07 a.m.), Director Keith Stretcher, and Director Stephen Lowery (arrived at 10:02 a.m.)

Board Members absent: None

Staff Members present: Seth Boles, Comptroller, SueAnn Reyes, Deputy City Secretary

Council Member(s) present: Sharla Hotchkiss (District 3) (Arrived at 11:01 a.m.)
J.Ross Lacy (District 4) (Arrived at 11:01 a.m.)

MDC Staff Members present: Interim Administrator Sara Harris, Director of Project Development Gary Law, and Administrative Assistant Blair Flanagan

1. Call meeting to order.

Chairman Hilliard called the meeting to order at 10:00 a.m.

2. Consider a motion approving the minutes of the June 5, 2018, meeting of the Midland Development Corporation.

Director Stretcher moved to approve the minutes of June 05, 2018; seconded by Director Bownds. The motion carried by the following vote: AYE: Hilliard, Bownds, Lowery and Stretcher. NAY: None. ABSTAIN: None. ABSENT: Douglas.

3. Receive, discuss, and consider the June 2018 monthly expenses from the Midland Development Corporation.

Interim Administrator Sara Harris noted the \$1.552 million dollars for the communication ring project was transferred from the MDC's funds to the City in June and that a note receivable was set up for that amount which would be forgiven when the project was complete.

4. Receive and discuss the Independent Auditors' Report and the Basic Financial Statements for the Fiscal Year 2016-2017 presented by Pam Simecka, Director of Finance for the City of Midland.

Seth Boles, City of Midland Comptroller gave an overview of the basic financial statement which included an independent auditor's report, Management Discussion and Analysis, Basic Financial Statements, Fund Financial Statement and supplementary information. He noted that the assets exceeded liabilities and that sales tax revenue had increased.

Director Stretcher inquired as to how much cash on hand the Midland Development Corporation had and Mr. Boles stated at the end of the audit it was \$26.9 million. Mr. Boles thanked the MDC staff for their hard work and help during the audit.

5. Consider a resolution authorizing the execution of a change order to the agreement with Jones Brothers Dirt and Paving Contractors, Inc., in an amount not to exceed \$13,725.25 regarding certain paving improvements to the Midland Development Corporation's leased premises at the Midland International Air & Space Port; and appropriating funds therefor.

Director of Project Development Gary Law explained this change order was due to sidewalks that needed to be added at the Midland International Air & Space Port.

Director Douglas moved to approve Resolution ED-370 authorizing the execution of a change order to the agreement with Jones Brothers Dirt and Paving Contractors, Inc., in an amount not to exceed \$13,725.25 regarding certain paving improvements to the Midland Development Corporation's leased premises at the Midland International Air & Space Port; and appropriating funds therefor; seconded by Director Stretcher. The motion carried by the following vote: AYE: Hilliard, Bownds, Douglas, Lowery and Stretcher. NAY: None. ABSTAIN: None. ABSENT: None.

6. Consider a resolution authorizing the execution of a change order to the agreement with Boler Equipment Services, Inc., in an amount not to exceed \$25,300.00 regarding certain utility improvements to the Midland Development Corporation's leased premises at the Midland International Air & Space Port; an appropriating funds therefor.

Director Douglas moved to approve Resolution ED-371 authorizing the execution of a change order to the agreement with Boler Equipment Services, Inc., in an amount not to exceed \$25,300.00 regarding certain utility improvements to the Midland Development Corporation's leased premises at the Midland International Air & Space Port; an appropriating funds therefor; seconded by Director Lowery. The motion carried by the following vote: AYE: Hilliard, Bownds, Douglas, Lowery and Stretcher. NAY: None. ABSTAIN: None. ABSENT: None.

7. Consider a resolution authorizing the chairman of the Midland Development Corporation to negotiate and execute a professional services agreement with Parkhill, Smith & Cooper Inc., in an amount not to exceed \$35,000.00 for professional services related to infrastructure improvements for an approximate 78.25-acre tract of land out of Section 11, Block 40, T-2-S, T&P RR Co. Survey, City and County of Midland, Texas.

Director Stretcher moved to approve Resolution ED-372 authorizing the chairman of the Midland Development Corporation to negotiate and execute a professional services agreement with Parkhill, Smith & Cooper Inc., in an amount not to exceed \$35,000.00 for professional services related to infrastructure improvements for an approximate 78.25-acre tract of land out of Section 11, Block 40, T-2-S, T&P RR Co. Survey, City and County of Midland, Texas; seconded by Director Douglas. The motion carried by the following vote: AYE: Hilliard, Bownds, Douglas, Lowery and Stretcher. NAY: None. ABSTAIN: None. ABSENT: None.

8. Consider a resolution authorizing a fourth amendment to the agreement between the Midland Development Corporation and Permian Basin Public Telecommunications, Inc.

Interim Administrator Sara Harris explained the primary purpose of the amendment was to restructure the funding so that the funds could be paid from the Economic Development Incentives expense budget line instead of Promotions Project funds. She explained Promotions funds were limited to 10% of the yearly revenue and that the board indicated they would like to reserve those for other purposes. She stated a single job requirement had been added to the agreement, and that job would be located at the renovated Ritz Theatre. This would enable the funds to be reclassified as an Economic Development Incentive.

Jasmine Shotts of Basin PBS stated they were on track to obtain the Certificate of Occupancy on July 17 but due to elevator issues the project had been pushed back another week.

Jane Wolf, chair of the Basin PBS board, stated she was very proud of the MDC board for thinking outside of the box was grateful for the support of MDC. She stated Basin PBS was at the mercy of the construction crew and thanked the MDC board for their patience.

Director Stretcher moved to approve Resolution ED-373 authorizing a fourth amendment to the agreement between the Midland Development Corporation and Permian Basin Public Telecommunications, Inc; seconded by Director Bownds. The motion carried by the following vote: AYE: Hilliard, Bownds, Douglas, Lowery and Stretcher. NAY: None. ABSTAIN: None. ABSENT: None.

9. Consider a resolution authorizing the execution of an amendment to that certain economic development agreement between the Midland Development Corporation and the University of Texas of the Permian Basin for the purpose of facilitating the

construction of a new engineering building to be located within the corporate limits of the City of Midland, Texas; and authorizing payment therefor.

Director Douglas moved to approve Resolution ED-374 authorizing the execution of an amendment to that certain economic development agreement between the Midland Development Corporation and the University of Texas of the Permian Basin for the purpose of facilitating the construction of a new engineering building to be located within the corporate limits of the City of Midland, Texas; and authorizing payment therefor; seconded by Director Bownds. The motion carried by the following vote: AYE: Hilliard, Bownds, Douglas, Lowery and Stretcher. NAY: None. ABSTAIN: None. ABSENT: None.

10. 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.

Chairman Hilliard explained his authority would negotiate or execute any documents pertaining to this property would expire if this motion were not approved.

Interim Administrator Sara Harris stated this motion was exactly the same as the previous one, which had been approved at MDC's December 2017 board meeting with a six month expiration.

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

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

Sara Harris reported the civilian labor force and employment levels as of May 2018 had exceeded their previous December 2015 highs and that the numbers from the Texas Workforce Commission and the Bureau of Labor Statistics concurred. She also reported the MDC's website redesign was almost complete and showed slides of the new website which would go live on Monday, July 17, 2018.

Gary Law reported the Spaceport Business Park Stage One and Stage Two were complete and they were in the process of working with Grande Communications to relocate a communication line out of the Hangar A/B parking lot so that they could continue with Stage Three, which was landscaping. He stated the David Mims Business Park infrastructure was continuing and that the sewer stub-outs were now complete. He said there was no change to MDC's property on SH191.

All the business at hand having been completed, Chairman Hilliard adjourned the meeting at 11:04 a.m.

Respectfully submitted,

SueAnn Reyes, Deputy City Secretary

PASSED AND APPROVED the 6th day of August 2018.

Wesley Bownds, Secretary