

MIDLAND DEVELOPMENT CORPORATION
MINUTES
August 21, 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 August 21, 2015.

Board Members present: Chairman Brent Hilliard, Vice Chairman Gary Douglas, Director Wesley Bownds and Secretary Robert Rendall

Board Members absent: Director Cary Love

Staff Members present: City Manager Courtney Sharp, Assistant City Manager, 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, Director of Finance, Pam Simecka, Deputy City Secretary SueAnn Reyes and Deputy City Secretary Karla Mata.

Council Member(s) present: Mayor Jerry Morales and Jeff Sparks (District 1).

MDC Staff Members present: Executive Director Pam Welch, Marketing Coordinator Regan Latham and Accounting Clerk/Research Analyst Sara Harris.

1. Chairman Hilliard called the meeting to order at 8:31 a.m.
2. Presentation to outgoing Board Member, Tracy Bacon.

Ms. Bacon was unable to attend.

3. Welcome new Board Member, Wesley Bownds.

Chairman Hilliard welcomed new Board Member Wesley Bownds.

4. Consider a Motion for the election of Treasurer.

Director Rendall moved to elect Director Wesley Bownds as Treasurer of Midland Development Corporation Board; seconded by Director Douglas. The motion carried by the following vote: AYE: Douglas, Hilliard and Rendall. NAY: None. ABSTAIN: Bownds. ABSENT: Love.

5. Consider a Motion approving the minutes of the June 26, 2015 regular meeting of the Midland Development Corporation.

Director moved to approve the minutes of the June 26, 2015 regular meeting of the Midland Development Corporation; seconded by Director. The motion carried by the following vote: AYE: Bownds, Douglas, Hilliard and Rendall. NAY: None. ABSTAIN: None. ABSENT: Love.

6. Receive and discuss and consider the June and July monthly expenses from the Midland Development Corporation.

Executive Director Pam Welch gave an overview of the June monthly expenses from the Midland Development Corporation. Chairman Hilliard inquired if the July statement was ready. Mrs. Welch stated it was ready and that after she reviewed it with Ms. Harris she would email it to the board. Mrs. Welch stated that they are within budget in all the items at the time.

7. Consider a Resolution for First Capital Bank of Texas authorizing signatories on Midland Development Corporation Bank Account. (ED-253)

Director Rendall moved to adopt Resolution No. ED-253 authorizing signatories, Pamela Welch, Robert V. Rendall, Jr., Cary J. Love, Gary D. Douglas, Brent D. Hilliard and Wesley Bownds to withdraw funds from all bank accounts held by the Midland Development Corporation; seconded by Director Douglas. The motion carried by the following vote: AYE: Bownds, Douglas, Hilliard, and Rendall. NAY: None. ABSTAIN: None. ABSENT: Love.

8. Consider a Resolution authorizing Prosperity Bank to issue credit cards to designated employees of the Midland Development Corporation; authorizing the delivery of a certified copy of this resolution to Prosperity Bank; and authorizing the execution and delivery of a certificate of corporate resolution to Prosperity Bank. (ED-254)

Director Rendall moved to adopt Resolution No. ED-254 authorizing Prosperity Bank to issue credit cards to Pam Welch, Executive Director and Sara Harris, Accounting Clerk of the Midland Development Corporation; seconded by Director Douglas. The motion carried by the following vote: AYE: Bownds, Douglas, Hilliard, and Rendall. NAY: None. ABSTAIN: None. ABSENT: Love.

9. Consider a Resolution authorizing the changing of the Midland Development Corporation's registered agent. (ED-255)

Director Rendall moved to adopt Resolution No. ED-255 authorizing the changing of the Midland Development Corporation's registered agent from Keith Stretcher to John Ohnemiller, City Attorney; seconded by Director Douglas. The motion carried by the following vote: AYE: Bownds, Douglas, Hilliard, and Rendall. NAY: None. ABSTAIN: None. ABSENT: Love.

10. Receive and discuss a presentation from James Beauchamp of the Midland Odessa Transportation Alliance concerning transportation issues.

Mr. James Beauchamp of the Midland Odessa Transportation Alliance gave a presentation concerning transportation issues which included improving roads and time spent on routes to and from Mexico, the plan to convert electricity to natural gas, and the expansion of the railway bridge from two lanes to four lanes. Mr. Beauchamp also reported the website was being updated to show the rails that were currently being worked on and the increasing population in Midland/Odessa along with current road projects that were still being worked on.

11. Consider a Resolution authorizing the execution of an Economic Development Contract between the Midland Development Corporation and MOTRAN Alliance, Incorporated for fiscal year 2015-2016.

Director Douglas moved to adopt Resolution No. ED-256 authorizing the execution of an Economic Development Contract with MOTRAN; seconded by Director Rendall. The motion carried by the following vote: AYE: Bownds, Douglas, Hilliard, and Rendall. NAY: None. ABSTAIN: None. ABSENT: Love.

12. Consider a Resolution authorizing the Chairman to negotiate and execute a Change Order to the Design Build Contract between the Midland Development Corporation and, NC Sturgeon LP for the construction of the parking lot for the Orbital Outfitters facility; and authorizing payment not to exceed \$364,000.00.

Ms. Welch stated there was an agreement with Parkhill, Smith and Cooper to put in the parking lot for the Orbital Outfitters facility but there were some delays. The facility is scheduled to be completed by the end of October and they will need a Certificate of Occupancy. She stated they were asking for a Change Order to have NC Sturgeon Construct the parking lot and that at first they thought it was going to be a much higher number. There was some miscommunication on what would be on Parkhill Smith and Cooper's contract but it has been resolved and Mr. Sturgeon gave an estimate of \$276,000.00 for the parking lot.

Mr. Rendall explained there was more than just a parking lot included in the estimate that included curb and gutter, etc.

Director Rendall moved to adopt Resolution No. ED-257 authorizing the execution of a Change Order to the Design Build Contract amending the payment amount not to exceed \$300,000.00; seconded by Director Douglas. The motion carried by the following vote: AYE: Bownds, Douglas, Hilliard, and Rendall. NAY: None. ABSTAIN: None. ABSENT: Love.

13. Consider a Resolution approving the budget for the Midland Development Corporation's 2015-2016 Fiscal Year.

Ms. Welch explained there were some changes in personnel and consulting due to new hires and consulting with the airport projects.

Pam Simecka gave an overview of the budget that was presented to the City Council including the sales tax numbers and sales tax analysis. She stated the recommended sales tax revenue for next year was \$9 Million which gives the Corporation a cushion of \$1.2 million.

Director Douglas moved to adopt Resolution No. ED-251 approving the budget amending the sales tax revenue from \$9 Million to \$7.5 Million; seconded by Director Rendall. The motion carried by the following vote: AYE: Bownds, Douglas, Hilliard, and Rendall. NAY: None. ABSTAIN: None. ABSENT: Love.

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

Marketing Coordinator Reagan Latham, Accounting Clerk/Research Analyst Sara Harris and Executive Director Pam Welch reported on the monthly economic development activity and on marketing, provided workforce/employment stats, and advertising activities.

The Board took session out of order and excused observers at 9:45 a.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 551.072 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.

c. Section 551.071, Consultation with Attorney

- i. Discuss with the City Attorney litigation styled Big B Crane LLC v. Midland Development Corporation, Henshall Parking Structures, and Carleton Construction Ltd.; 142nd Judicial District Court in Midland County, Texas; Cause No. CV-51,524.

16. Consider a Resolution Authorizing the employment of the law firm of Cotton, Bledsoe, Tighe & Dawson, P.C. to represent the Midland Development Corporation in the lawsuit styled Big B Crane LLC v. Midland Development Corporation, Henshall Parking Structures, and Carleton Construction Ltd (142nd Judicial District Court, Midland County, Texas, Cause No. CV-51-524). (ED-258)

Director Douglas moved to adopt Resolution No. ED-258 authorizing the employment of Cotton, Bledsoe, Tighe & Dawson, P.C. for representation on Cause No. CV-51-524 in the 142nd; seconded by Director Bownds. The motion carried by the following vote: AYE: Bownds, Douglas, Hilliard, and Rendall. NAY: None. ABSTAIN: None. ABSENT: Love.

17. Consider a motion authorizing the Chairman to negotiate and execute all documents necessary to terminate or amend the City of Midland Market Street Project. The Board may terminate or amend the contract with the City of Midland for said project, or authorize other actions related to said project.

Director Rendall made a motion authorizing the Chairman to negotiate and execute all documents necessary to terminate or amend the City of Midland Market Street Project.; seconded by Director Douglas. The motion carried by the following vote: AYE: Bownds, Douglas, Hilliard, and Rendall. NAY: None. ABSTAIN: None. ABSENT: Love.

18. Consider a motion authorizing the Chairman to negotiate and execute all documents necessary to terminate or amend the City of Midland Tradewinds Boulevard Project. The Board may terminate or amend the contract with the City of Midland for said project, or authorize other actions related to said project.

Director Douglas made a motion authorizing the Chairman to negotiate and execute all documents necessary to terminate or amend the City of Midland Tradewinds Boulevard Project; seconded by Director Rendall. The motion carried by the following vote: AYE: Bownds, Douglas, Hilliard, and Rendall. NAY: None. ABSTAIN: None. ABSENT: Love.

19. Consider a motion authorizing the Chairman to negotiate and execute all documents necessary to amend the City of Midland Briarwood Avenue Project. The Board may amend the contract with the City of Midland for said project, or authorize other actions related to said project.

Director Rendall made a motion authorizing the Chairman to negotiate and execute all documents necessary to terminate or amend the City of Midland Briarwood Avenue Project

and to move the unused funds from the Tradewinds Project in the amount of \$1,178,503.00 to the Briarwood Project Phase One; seconded by Director Douglas. The motion carried by the following vote: AYE: Bownds, Douglas, Hilliard, and Rendall. NAY: None. ABSTAIN: None. ABSENT: Love.

20. Consider a Resolution authorizing the execution of an Economic Development Contract between the Midland Development Corporation and COG Realty LLC; and authorizing payment therefore.

Director Douglas made a motion the execution of an Economic Development Contract between the Midland Development Corporation and COG Realty LLC; and authorizing payment; seconded by Director Bownds. The motion carried by the following vote: AYE: Bownds, and Douglas. NAY: None. ABSTAIN: Hilliard and Rendall. ABSENT: Love.

All of the business at hand having been completed, Chairman Hilliard adjourned the meeting at 11:23 a.m.

Respectfully submitted,

Karla Mata, Deputy City Secretary

PASSED AND APPROVED the ___th day of May, 2015.

Robert Rendall, Secretary