

MIDLAND DEVELOPMENT CORPORATION

MINUTES

November 5, 2018

The Board of Directors of the Midland Development Corporation convened in regular session at the Midland City Hall basement conference room, 300 North Loraine Street, Midland, Texas, on November 05, 2018.

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

Board Members absent: None

Staff Members present: Assistant City Manager Frank Salvato, Finance Director Pam Simecka, Assistant City Attorney Nicholas Toulet-Crump, Assistant City Manager Morris Williams and Deputy City Secretary Misty Cryer

Council Member(s) present: Sharla Hotchkiss (District 3) and Jeff Sparks (District 1) John B. Love III (District 2)

MDC Staff Members present: Interim Administrator Sara Harris, Director of Project Development Gary Law, Director of Business Development Tim Danielson 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 October 01, 2018 meeting of the Midland Development Corporation.

Director Stretcher moved to approve the minutes of October 01, 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 and discuss a presentation from Fasken Oil and Ranch, Ltd., regarding the transportation of high level nuclear waste through Midland.

Tommy Taylor, Fasken Oil and Ranch, Ltd., gave a presentation on the dangers of transporting high level nuclear waste through Midland and proposed the City Council pass a resolution opposing the transportation of nuclear waste through Midland.

4. Consider a resolution authorizing the execution of a promotional agreement with Hispanic Cultural Center of Midland, Inc., to advertise or publicize the City of Midland for the purpose of developing new and expanded business enterprises.

Director Stretcher moved to approve Resolution ED-388 authorizing the execution of a promotional agreement with Hispanic Cultural Center of Midland, Inc., to advertise or publicize the City of Midland for the purpose of developing new and expanded business enterprises; seconded by Director Douglas. The motion carried by the following vote: AYE: Hilliard, Bownds, Douglas, Lowery and Stretcher. NAY: None. ABSTAIN: None. ABSENT: None.

5. Consider a resolution authorizing the execution of a promotional agreement with City of Midland Aquatics, Inc., to advertise or publicize the City of Midland for the purpose of developing new and expanded business enterprises.

Director Stretcher moved to approve Resolution ED-389 authorizing the execution of a promotional agreement with City of Midland Aquatics, Inc., to advertise or publicize the City of Midland for the purpose of developing new and expanded business enterprises; seconded by Director Douglas. The motion carried by the following vote: AYE: Hilliard, Bownds, Douglas, Lowery and Stretcher. NAY: None. ABSTAIN: None. ABSENT: None.

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 Edmonson, Midland Memorial Hospital, gave an update on the progress and challenges of recruitment of physicians noting they had recruited a total of eleven physicians to start practicing in FY 2018, and four physicians to start in FY 2019.

7. Consider a resolution authorizing payment in the amount of \$244,949.94 to the Midland County Hospital District pursuant to the Midland Development Corporation's Reimbursable Physician Recruitment Agreement with the Midland County Hospital District.

Director Bownds moved to approve Resolution ED-390 authorizing payment in the amount of \$244,949.94 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 Lowery. The motion carried by

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

8. Consider a resolution authorizing the execution of a third amendment to the reimbursable physician recruitment agreement between the Midland Development Corporation and the Midland County Hospital District D/B/A Midland Memorial Hospital.

Director Bownds moved to approve Resolution ED-391 authorizing the execution of a third amendment to the reimbursable physician recruitment agreement between the Midland Development Corporation and the Midland County Hospital District D/B/A Midland Memorial Hospital; seconded by Director Lowery. The motion carried by the following vote: AYE: Hilliard, Bownds and Lowery. NAY: None. ABSTAIN: Stretcher and Douglas. ABSENT: None.

9. Receive and discuss and consider the October 2018 monthly expenses from the Midland Development Corporation.

Sara Harris stated all expenses were up to date noting there was an increase in sales tax.

The Board excused observers at 11:25 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 551.071 Consultation With Attorney

- i. Discuss pending or contemplated litigation involving the Midland Development Corporation.

- b. Section 551.072 Deliberation Regarding Real Property

- i. Discuss the sale, exchange, lease or value of real property described as an approximate 374 acre tract of land out of Section 33, Block 40, T-1-S, T&P RR Co. Survey, Midland County, Texas.
- ii. Discuss the sale, exchange, lease or value of real property described as an approximate 53.62 acre tract of land out of Section 11, Block 40, T-2-S, T&P RR Co. Survey, Midland County, Texas.
- iii. Discuss the purchase, exchange, lease or value of real property described as Lots Five (5), Six (6), Seven (7), and Eight (8), Block Thirty-Five (35), Original Town of Midland, an addition to the City of Midland, Midland County, Texas.

- iv. 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 551.087 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.

The Board reconvened into regular session at 11:46 am.

10. Consider a resolution delegating signature authority to the Director of Project Development for the submission of SWPPP NOI forms, NOT forms, NOC forms and construction site notices, in accordance with 30 Tex. Admin. Code § 305.44 and TPDES General Permit TXRI50000, Construction General Permit, and the submission of TDLR owner agent designation and other related documents in accordance with 16 Tex. Admin. Code Chapter 68.

Discussion ensued regarding naming Gary Law specifically as the Director of Project Development.

Director Douglas moved to amend and approve Resolution ED-392 delegating signature authority to Gary Law, the Director of Project Development for the submission of SWPPP NOI forms, NOT forms, NOC forms and construction site notices, in accordance with 30 Tex. Admin. Code § 305.44 and TPDES General Permit TXRI50000, Construction General Permit, and the submission of TDLR owner agent designation and other related documents in accordance with 16 Tex. Admin. Code Chapter 68; seconded by Director Stretcher. The motion carried by the following vote: AYE: Hilliard, Bownds, Douglas, Lowery and Stretcher. NAY: None. ABSTAIN: None. ABSENT: None.

11. Consider a resolution delegating signature authority to the Director of Project Development for the purpose of executing necessary task orders for board-approved agreements and projects related to the development, improvement, or maintenance of property owned by the Midland Development Corporation.

Director Douglas moved to amend and approve Resolution ED-393 delegating signature authority to Gary Law, the Director of Project Development for the purpose of executing necessary task orders for board-approved agreements and projects related to the development, improvement, or maintenance of property owned by the Midland Development Corporation; seconded by Director Stretcher. The motion carried by the following vote: AYE: Hilliard, Bownds, Douglas, Lowery and Stretcher. NAY: None. ABSTAIN: None. ABSENT: None.

12. Consider a resolution delegating signature authority to the Director of Project Development for the purpose of executing necessary project development and construction related documents, including coordination documents with regulatory agencies, governmental entities, and construction contract change orders.

Director Douglas moved to amend and approve Resolution ED-394 delegating signature authority to Gary Law, the Director of Project Development for the purpose of executing necessary project development and construction related documents, including coordination documents with regulatory agencies, governmental entities, and construction contract change orders; seconded by Director Stretcher. The motion carried by the following vote: AYE: Hilliard, Bownds, Douglas, Lowery and Stretcher. NAY: None. ABSTAIN: None. ABSENT: None.

13. Consider a motion authorizing the Chairman to grant a cure period to S.P.M. Flow Control, Inc. and Seaboard International, Inc., as permitted by their economic development agreement with the Midland Development Corporation.

Director Stretcher moved to approve the motion authorizing the Chairman to grant a cure period to S.P.M. Flow Control, Inc. and Seaboard International, Inc., as permitted by their economic development agreement with the Midland Development Corporation; seconded by Director Lowery. The motion carried by the following vote: AYE: Hilliard, Bownds and Lowery. NAY: None. ABSTAIN: Stretcher and Douglas. ABSENT: None.

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

Gary Law and Sara Harris both gave updates on the current projects, monthly economic development activity and marketing and advertising activities noting an increase in workforce.

16. Consider a resolution ratifying the employment of (i) the law firm of Cotton, Bledsoe, Tighe & Dawson, P.C., as outside legal counsel to represent the Midland Development Corporation, its directors, officers and employees acting in their official capacities and (ii) the law firm of Lynch, Chappell & Alsup, P.C., as outside legal counsel to represent the directors, officers and employees of the Midland Development Corporation acting in their individual capacities in the case styled Schwob Building Company, Ltd., V. S.P.M. Flow Control, Inc., Weir Group PLC, Team Con, Ltd., NCS Holdings, Inc., and Newton Charles Sturgeon (48th Judicial District Court of Tarrant County, Texas; Case No. 048-295957-17); approving the indemnification of the Midland Development Corporation's directors, officers, and employees against any liability or expense incurred by reason of any action or omissions that may arise out of the functions and activities of the Midland Development Corporation with regard to the case styled herein; and authorizing the payment of all costs.

Director Stretcher moved to approve Resolution 2018-395 ratifying the employment of (i) the law firm of Cotton, Bledsoe, Tighe & Dawson, P.C., as outside legal counsel to represent the Midland Development Corporation, its directors, officers and employees acting in their official capacities and (ii) the law firm of Lynch, Chappell & Alsup, P.C., as outside legal counsel to represent the directors, officers and employees of the Midland Development Corporation acting in their individual capacities in the case styled Schwob Building Company, Ltd., V. S.P.M. Flow Control, Inc., Weir Group PLC, Team Con, Ltd., NCS Holdings, Inc., and Newton Charles Sturgeon (48th Judicial District Court of Tarrant County, Texas; Case No. 048-295957-17); approving the indemnification of the Midland Development Corporation's directors, officers, and employees against any liability or expense incurred by reason of any action or omissions that may arise out of the functions and activities of the Midland Development Corporation with regard to the case styled herein; and authorizing the payment of all costs; seconded by Director Bownds. The motion carried by the following vote: AYE: Hilliard, Bownds and Lowery. NAY: None. ABSTAIN: Stretcher and Douglas. ABSENT: None.

All the business at hand having been completed, Chairman Hilliard adjourned the meeting at 12:11 p.m.

Respectfully submitted,

SueAnn Reyes, Deputy City Secretary

PASSED AND APPROVED the 3rd day of December 2018.

Wesley Bownds, Secretary