

**MIDLAND DEVELOPMENT CORPORATION
MINUTES
January 29, 2016**

The Board of Directors of the Midland Development Corporation convened in regular session at Midland Development Corporation's Hangar A Facility, 2901 Enterprise Lane, Midland Spaceport Business Park, Midland International Air & Space Port, Midland, Texas, on January 19, 2016.

Board Members present: Chairman Brent Hilliard, Director Wesley Bownds, Director Keith Stretcher and Secretary Robert Rendall

Board Members absent: Director Gary Douglas (arrived at 9:35 a.m.)

Staff Members present: Assistant City Manager Robert Patrick; 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 SueAnn Lopez.

Council Member(s) present: Jerry Morales, Mayor (arrived at 9:27 a.m.), J Ross Lacy (District 4) and Jeff Sparks (District 1)

MDC Staff Members present: Executive Director Pam Welch, MDC Economic Development Director Timothy Danielson, 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. Introduction of new Board Member, Keith Stretcher.

Chairman Hilliard welcomed and introduced new Board Member Keith Stretcher.

3. Presentation to Chuck Sturgeon of NC Sturgeon, L.P.

Director Hilliard presented Chuck Sturgeon with a leather portfolio and thanked him on behalf of the Midland Development Corporation for his services.

4. Consider a Motion approving the minutes of the December 18, 2015 regular meeting of the Midland Development Corporation.

Director Rendall moved to approve the minutes of the December 18, 2015 regular meeting of the Midland Development Corporation; seconded by Director Bownds. The

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

5. Consider a motion electing officers to serve through January 2017.

Director Rendall moved to approve the following election officers for the Midland Development Corporation Board; seconded by Director Stretcher. The motion carried by the following vote: AYE: Bownds, Hilliard, Rendall and Stretcher. NAY: None. ABSTAIN: None. ABSENT: Douglas

- Chairman – Brent Hilliard
- Vice Chair – Wesley Bownds
- Secretary – Robert Rendall
- Treasurer – Keith Stretcher

Chairman Hilliard also announced he asked the following Board Members to be responsible for the tasks listed below:

- Downtown Projects – Keith Stretcher
- MDC Properties – Gary Douglas
- Media Relations – Robert Rendall
- Audit Committee for 2014-15 – Brent Hilliard & Wesley Bownds
- Audit Committee for 2015-16 – Wesley Bownds & Keith Stretcher

6. 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 2016 to January 2017.

Director Stretcher suggested the meetings be held on Monday, as per Exhibit A, but in the afternoon instead of the morning.

Director Rendall suggested a start time of 11 a.m. on the first Monday of each month as the established meeting dates with further modifications of dates to be made later if necessary.

Director Rendall moved to approve Resolution ED-268 for the Monday meeting dates per Exhibit A; seconded by Director Stretcher. The motion carried by the following vote: AYE: Bownds, Hilliard, Rendall and Stretcher. NAY: None. ABSTAIN: None. ABSENT: Douglas.

7. Receive and discuss and consider the December monthly expenses from the Midland Development Corporation.

Executive Director Pam Welch gave an overview of the December monthly expenses from the Midland Development Corporation and stated that they were still within budget for all the items at this time.

8. Consider a Resolution for First Capital Bank of Texas authorizing signatories on Midland Development Corporation Bank Account.

Director Rendall moved to approve Resolution ED-269 authorizing signatories on the Midland Development Corporation Bank Account with First Capital Bank of Texas; seconded by Director Bownds. The motion carried by the following vote: AYE: Bownds, Hilliard, Rendall and Stretcher. NAY: None. ABSTAIN: None. ABSENT: Douglas

9. Receive a presentation from Jose Ortiz on City of Midland infrastructure projects.

Mr. Ortriz presented an update regarding the City of Midland Infrastructure Project which included the Market Street Extension Paving and Drainage Improvement Project, the Briarwood Avenue Project and the South West Baptist Church Fasken Waterline Easement Project.

10. Consider a Resolution authorizing payment to the City of Midland in an amount not to exceed \$100,000 in order for the City to enter into an agreement for spaceport support services at Midland International Air and Space Port; providing that said expenditure is an administrative expense as authorized by Chapter 501 of the Texas Local Government Code; and amending the Midland Development Corporation's fiscal year 2015-2016 budget.

Director Rendall moved to approve Resolution ED-270 authorizing payment to the City of Midland in an amount not to exceed \$100,000 in order for the City to enter into an agreement for spaceport support services at Midland International Air and Space Port; providing that said expenditure is an administrative expense as authorized by Chapter 501 of the Texas Local Government Code; and amending the Midland Development Corporation's fiscal year 2015-2016 budget.; seconded by Director Bownds. The motion carried by the following vote: AYE: Bownds, Hilliard, Rendall and Stretcher. NAY: None. ABSTAIN: None. ABSENT: Douglas

11. Consider a Resolution authorizing the execution of a second amendment to the Agreement between the Midland Development Corporation and Basin Public Telecommunications, Inc.

Director Stretcher moved to approve Resolution ED-271 authorizing the execution of a second amendment to the Agreement between the Midland Development Corporation and Basin Public Telecommunications, Inc.; seconded by Director Bownds. The motion carried by the following vote: AYE: Bownds, Hilliard and Stretcher. NAY: Rendall. ABSTAIN: None. ABSENT: Douglas

12. Consider a motion authorizing the chairman to negotiate and execute a lease agreement with the City of Midland regarding a 22,500 square foot space at the Midland International Air and Space Port for the purpose of a common use engine test site and authorizing payment from funds available.

Director Rendall moved to approve a motion to negotiate and execute a lease agreement with the City of Midland regarding a 22,500 square foot space at the Midland International Air and Space Port for the purpose of a common use engine test site and authorizing payment from funds available; seconded by Director Stretcher. The motion carried by the following vote: AYE: Bownds, Hilliard, Rendall and Stretcher. NAY: None. ABSTAIN: None. ABSENT: Douglas

13. Receive and discuss the Annual Report for 2014-2015 from the Midland Development Corporation.

Chairman Hilliard referred to the Annual Report for 2015 that was distributed and thanked the Midland City Council and the City of Midland Staff for their support and the collective efforts with the Midland Development Corporation.

14. Receive and discuss the Plan of Work for 2015-2016 from the Midland Development Corporation.

Executive Director Pam Welch referred to the Plan of Work that was distributed in the Midland Development Packet touching on the main focus of the Spaceport Business Park and additional recruitment missions.

Chairman Hilliard moved to item 19 on the Agenda and the Board and visitors toured the remodeled Hangar A facility and the new Orbital Outfitters Building.

The Board excused observers at 10:37 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.
- iii. Discuss the purchase, exchange, lease or value of real property described as Block 55, Original Town Addition, Midland, Midland County, Texas.

The Board reconvened into regular session at 11:47 a.m.

16. Consider a Motion authorizing the Chairman to execute an amendment to the Master Development Agreement between the Midland Development Corporation, the City of Midland and Hotel Santa Rita No. 1 Midland Partners, LLC.

Director Stretcher moved to rescind the authorization to execute an amendment to the Master Development Agreement between the Midland Development Corporation, the City of Midland and Hotel Santa Rita No. 1 Midland Partners, LLC and to defer any other action on until the first meeting in March; seconded by Director Rendall. The motion carried by the following vote: AYE: Bownds, Douglas, Hilliard, Rendall and Stretcher. NAY: None. ABSTAIN: None. ABSENT: None

Robert Rendall, Secretary