

MIDLAND DEVELOPMENT CORPORATION
MINUTES
December 7, 2012

The Board of Directors of the Midland Development Corporation convened in regular session in the Midland City Hall Basement Conference Room, Midland, Texas, on December 7, 2012.

Board Members present: Chairman Laura Roman, First Vice Chairman Cary Love and Treasurer Michael Trost

Board Members Absent: Secretary Robert Rendall (Rendall arrived at 8:38 a.m.) and Second Vice Chairman Gary Douglas (Douglas arrived at 8:37 a.m.)

Staff Members Present: City Manager Courtney Sharp, Assistant City Manager Jim Nichols, Council Member Jeff Sparks, First Assistant City Attorney John Ohnemiller, and Deputy City Secretary Marisela Garcia

MDC staff members present: Executive Director Pam Welch, Economic Development Specialist Zach Gilbert and Office Manager/Administrative Assistant Deniese Napoliello.

1. Chairman Roman called the meeting to order at 8:34 a.m.
2. Consider a motion approving the minutes of the November 7, 2012 regular meeting of the Midland Development Corporation.

Director Love moved to approve the minutes of the November 7, 2012, regular meeting of the Midland Development Corporation; seconded by Director Trost. The motion carried by the following vote: AYE: Roman, Trost and Love. NAY: None. ABSTAIN: None. ABSENT: Rendall and Douglas.

3. Receive and discuss and consider the October and November monthly expenses from the Midland Development Corporation.

Executive Director Pam Welch gave an overview of the monthly expenses noting that the year just started so they were on target.

4. Consider a resolution appropriating funds from the Midland Development Corporation's 2011-2012 fiscal year budget to be used for promotional purposes as authorized by Chapter 504 of the Texas Local Government Code.

Director Trost moved to approve and amend Resolution No. ED-0189 appropriating funds in the amended amount of \$590,244 from the Midland Development

Corporation's 2011-2012 fiscal year budget to be used for promotional purposes as authorized by Chapter 504 of the Texas Local Government Code; seconded by Director Rendall. The motion carried by the following vote: AYE: Roman, Rendall, Trost, Love and Douglas. NAY: None. ABSTAIN: None. ABSENT: None.

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 January 2013 to January 2014.

Director Rendall moved to approve Resolution No. ED-0190 establishing the dates of the regular meetings of the Midland Development Corporation Board of Directors to be held during the period of January 2013 to January 2014; seconded by Director Trost. The motion carried by the following vote: AYE: Roman, Rendall, Trost, Love and Douglas. NAY: None. ABSTAIN: None. ABSENT: None.

6. Consider a resolution authorizing the execution of an amendment to the economic development agreement with the University of Texas of the Permian Basin for the Green Freedom Project.

First Assistant City Attorney John Ohnemiller gave a brief overview of the amendment noting that it included a firm number of \$150,000 a year, for a total commitment of \$600,000.

Director Love moved to approve Resolution No. ED-0191 authorizing the execution of an amendment to the Economic Development Agreement with the University of Texas of the Permian Basin for the Green Freedom Project; seconded by Director Rendall. The motion carried by the following vote: AYE: Roman, Rendall, Trost, Love and Douglas. NAY: None. ABSTAIN: None. ABSENT: None.

7. Consider a motion authorizing the negotiation and execution of an amendment to the promotional agreement with Permian Basin Public Telecommunications, Inc.

First Assistant City Attorney John Ohnemiller gave a brief overview the amendment that was being requested by Permian Basin PBS, which entails extending the fundraising deadline to March 31, 2013 and the MDC payment of \$300,000 to be disbursed May 1, 2013 contingent upon Basin PBS securing \$2,700,000 in total commitments from all public and private sources.

PBS Board Chair Frank Deaderick, gave a brief update on the remodel of the Ritz and equipment needed, totaling \$2.8 million. They have spent approximately \$2.1 million to date.

PBS Development Director Molly Murphy noted that there would be several donations coming in at the end of the month noting they asked for the extension to ensure they could meet their goal.

Director Douglas moved to approve a motion authorizing the negotiation and execution of an amendment to the Promotional Agreement with Permian Basin Public Telecommunications, Inc. to extend the deadline to the end of the first quarter of 2013; seconded by Director Trost. The motion carried by the following vote: AYE: Roman, Rendall, Trost, Love and Douglas. NAY: None. ABSTAIN: None. ABSENT: None

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

Executive Director Pam Welch gave an overview of the unemployment numbers noting that Midland is currently at 3.3% and the Permian Basin is at 3.9%.

Economic Development Specialist Zach Gilbert gave an overview of the Make Midland Home website noting that it is currently the same number of hits as last year on job seekers and new resumes, the new thing was an increase in job postings. He noted that he and Director Trost have been working with the Texas Veteran's Commission on the workforce issues regarding veterans and how to bring more veterans to the area.

Ms. Welch discussed the Business Facilities LiveXChange event. –and gave an overview of the site selectors and companies who were interested in what was going on in Midland.

Mr. Gilbert gave an overview of the ISPCS conference and Midland's involvement in the aerospace industry. There was brief discussion regarding marketing in areas that have a higher unemployment rate and how to advertise to them. Mr. Gilbert is working on strategies to market in those areas.

Ms. Welch briefly discussed the Griffin Communication Group who is involved with the aviation and aerospace industries and has been working with them on a strategic plan for targeting those industries. Brief discussion ensued regarding what criteria the Griffin Communication Group would abide by to measure their success.

9. 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:

Section 551.087 Deliberation Regarding Economic Development Negotiations
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.

Section 551.072 Deliberation Regarding Real Property
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.

Discuss the purchase, exchange, lease or value of real property described as Block 35, Original Town Addition, Midland, Midland County, Texas.

Discuss the purchase, exchange, lease or value of real property described as Block 55, Original Town Addition, Midland, Midland County, Texas.

Discuss the sale, exchange, lease or value of real property described as Lot 6, Block 9, and Lots 9 and 10, Block 10, Midland International Airport Industrial Park Addition, Section 5, Midland, Midland County, Texas.

Discuss the purchase, lease, exchange or value of Lots 1-8 and 13-23, Block 53, Original Town Addition, Midland, Midland County, Texas.

The Board excused observers at 9:22 a.m. and recessed to executive session.

The Board reconvened into regular session at 10:14 a.m.

As a continuation of Agenda Item #8, Andrew Nelson, Chief Operating Officer and President of Business Development for XCOR briefly updated the board on the hangar renovations and status on the spaceport licensing process. Mr. Nelson noted that XCOR is getting involved with the Texas Space Alliance specializing in commercial space. XCOR has issued three major contracts for systems and subsystems on the vehicle, which are all being built. There are three components, sale of flights, potential sales of vehicles themselves and the engine business. Brief discussion ensued regarding the engine sales market.

All of the business at hand having been completed, Chairman Roman adjourned the meeting at 10:35 a.m.

Respectfully submitted,

Marisela Garcia, Deputy City Secretary

PASSED AND APPROVED the 18th day of January, 2013.

Robert Rendall, Secretary