

# MIDLAND DEVELOPMENT CORPORATION

## MINUTES

September 09, 2019

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, at 10:00 a.m. on September 09, 2019.

Board Members present: Director Wesley Bownds, Director Stephen Lowery, Director Chase Gardaphe and Director Berry Simpson

Board Members absent: Chairman Brent Hilliard

Staff Members present: Assistant City Manager Morris Williams, Assistant City Attorney Nicholas Toulet-Crump, Finance Director Pam Simecka and Deputy City Secretary SueAnn Reyes

Council Member(s) present: J.Ross Lacy (District 4), Sharla Hotchkiss (District 3) and John B. Love III (District 2)

MDC Staff Members present: Executive Director John Trischitti, Director of Operations Sara Harris, Director of Business Development Tim Danielson, Director of Project Development Gary Law, Administrative Assistant Blair Flanagan

### 1. Call meeting to order.

Director Bownds called the meeting to order at 10:00 a.m.

## **PRESENTATIONS**

### 2. Receive a presentation from the Midland Community Development Corporation regarding the Hillcrest Village housing development.

David Diaz introduced his board members. Mr. Diaz gave an overview of the history of the Midland Community Development Corporation. Sub Committee Member Brad Bullock gave an overview of a new development called Hillcrest Village Housing Development Project which is to provide affordable housing to target groups such as MISD, Midland Memorial Hospital and first responders. The board stated they acquired 19.8 acres on which they can build a 200-unit complex, 10 units per two story buildings consisting of 1, 2 and 3 bedrooms with many amenities and affordable rent. They stated total development cost is estimated at \$41.7 Million with an equity need of \$14 Million. The plan is to lock in a rate at \$1.20 per square foot to \$1.50 per square

foot rental rate. Mr. Bullock talked about leasing strategies and acquiring master leases. Discussion ensued regarding rental rates.

3. Receive a presentation from John James regarding the SimpliModular housing development.

John James gave a presentation on SimpliModular homes which are affordable housing consisting of a 24-unit apartment community built from shipping containers. Seth Rollins gave an overview of modular construction and its speed, quality and affordability. He explained this type of housing would cut 50% from construction time and uses construction methods that reduce waste. In his opinion, the modular design is of the highest quality, and intended to be Class A studio apartments designed for young professionals. Justin Rolland stated they could build 24 units within 9 months. Each unit is 300 square feet, with Class A furnishings and amenities. He also explained a 2 1/2-acre lot has been designated by Midland Health on their west campus for their employees. He stated that \$1 million dollars would finish out 24 units with construction complete within 9 months. Rental rate per unit would be a minimum of \$750 per unit. Mr. James showed examples of similar modular container homes throughout the country.

4. Receive a presentation from Councilman John Love regarding a proposed study by The Perryman Group of the prospects for Mexico as a potential export destination for Permian Basin energy.

Councilman John Love gave a presentation regarding a proposed study by the Perryman Group regarding prospects for Mexico as a potential export destination for the Permian Basin energy. Councilman Love explained the proposed study would give a perspective on economic issues related to exporting oil and gas from the Permian Basin to Mexico and beyond. He would like to get Mr. Perryman to conduct this study for the benefit of the energy industry in Midland. He stated it made more sense to consider the feasibility of a pipeline, since that would be the shortest and most efficient route. He stated he hoped the MDC would consider paying for the study and felt there were many entities that would benefit. He felt the study would help to understand regional economic issues and how to exploit them to our advantage. The scope of the work would explore the demand of pattern, supply, and infrastructure. He stated this give not only the city but the stakeholders a good forecast.

## **CONSENT AGENDA**

Director Gardaphe moved to approve Consent Agenda items 5, 6, 7 and 9; seconded by Director Simpson. The motion carried by the following vote: AYE: Bownds, Gardaphe, Lowery, Simpson. NAY: None. ABSTAIN: None. ABSENT: Hilliard

5. Consider a motion approving the minutes of the August 5, 2019, meeting of the Midland Development Corporation.

6. Consider a resolution authorizing the execution of a fourth amendment to the reimbursable physician recruitment agreement between the Midland Development Corporation and the Midland County Hospital District D/B/A Midland Memorial Hospital.
7. Consider a resolution authorizing the execution of a promotional agreement with the Midland Community Development Corporation to advertise or publicize the City of Midland for the purpose of developing new and expanded business enterprises.
8. Consider a resolution authorizing the execution of a consultant services agreement with The Perryman Group in an amount not to exceed \$250,000.00 for the purpose of assessing the prospect of Mexico as a potential export destination for Permian Basin energy products.

Director Gardaphe moved to defer this item to the next meeting; seconded by Director Lowery. The motion carried by the following vote: AYE: Bownds, Gardaphe, Lowery, Simpson. NAY: None. ABSTAIN: None. ABSENT: Hilliard

9. Consider a resolution amending the personnel policies of the Midland Development Corporation.

### **MISCELLANEOUS**

10. Receive and discuss the August 2019 monthly expenses from the Midland Development Corporation.

Sara Harris stated sales tax continued to increase when compared to the same period in the previous year.

11. Receive and discuss a presentation regarding the Priority Midland initiative.

Director of Project Development Gary Law gave an update of the progress of the Priority Midland initiative. He said there had been two major public events, along with a public meeting of all taxing entities. About 70 people attended the first Priority Midland forum, either in person or remotely using video conferencing. He stated in the next month they would be focusing on three initiatives: developing the details supporting paths, working on what a decision space, and horizontal and vertical integration.

12. Receive and discuss a presentation regarding the Midland Development Corporation and City of Midland's ongoing matching funds infrastructure projects.

Director of Engineering Jose Ortiz gave an update on infrastructure projects. He gave an update on the three projects the City of Midland has been working on. He stated that the MDC's engineering team functions as an extension of the City's staff. He gave updates on acquisitions and stated they were now able to move onto design. He stated they have one project that was shelf ready. The goal was to have shelf ready plans

because a lot of these projects do interface with state highways. Gary Law stated that the MDC engineering team was providing assistance on contracts which was a great help to the City so they may focus on other problems. They are amplifying one another's efforts.

13. Receive and discuss the monthly economic development activity report from the Midland Development Corporation staff as well as any reports on marketing and advertising activities.

Sara Harris stated that Midland's unemployment rates continued to be very low, along with those of the larger Permian Basin region.

Director of Project Development Gary Law gave an update on project development. He stated they did a walkthrough of the Spaceport landscape project, and it is nearly completed. The Davis Mims Parkway plans are in the City for final review. The MDC is also managing the State Highway 158 concept for the city.

All the business at hand having been completed, Director Bownds adjourned the meeting at 11:45 a.m.

Respectfully submitted,

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SueAnn Reyes, Deputy City Secretary

PASSED AND APPROVED the 4<sup>th</sup> Day of November 2019.

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Chase Gardaphe, Secretary