

MIDLAND DEVELOPMENT CORPORATION

MINUTES

June 1, 2020

The Board of Directors of the Midland Development Corporation convened in regular session at the Midland City Hall Council Chambers, 300 North Loraine Street, Midland, Texas, at 10:00 a.m. on June 01, 2020.

Board Members present: Chairman Wesley Bownds, Director Stephen Lowery, Director Berry Simpson, Director Jill Pennington, Director Elaine Bedell and Director P. Lourcey Sams.

Board Members absent: Director Chase Gardaphe

Staff Members present: Assistant City Manager Morris Williams, Assistant City Attorney Nicholas Toulet-Crump, Interim Finance Director Jennifer Fung, Finance Director Mark Mason, and City Secretary Amy Turner

Council Member(s) present: Council Member Lori Blong, and Council Member Michael Trost

MDC Staff Members present: Executive Director John Trischitti, Director of Operations Sara Harris, Director of Project Development Gary Law, Director of Business Development Timothy Danielson, Marketing Coordinator Kori Wooten, and Administrative Assistant Blair Flanagan

1. Call meeting to order.

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

2. Consider a motion approving the minutes of the May 4, 2020, meeting of the Midland Development Corporation.

Director Sams moved to approve the minutes of the May 4, 2020 meeting of the Midland Development Corporation; seconded by Director Pennington. The motion carried by the following vote: AYE: Bownds, Lowery, Simpson, Pennington, Bedell and Sams. NAY: None. ABSTAIN: None. ABSENT: Gardaphe.

3. Consider a resolution authorizing signatories on Midland Development Corporation bank accounts.

Director Pennington moved to approve Resolution ED-350 authorizing signatories on Midland Development Corporation bank accounts; seconded by Director Simpson. The motion carried by the following vote: AYE: Bownds, Lowery, Simpson, Pennington, Bedell and Sams. NAY: None. ABSTAIN: None. ABSENT: Gardaphe.

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

Director Lowery moved to approve Resolution ED-351 amending the personnel policies of the Midland Development Corporation; seconded by Director Bedell. The motion carried by the following vote: AYE: Bownds, Lowery, Simpson, Pennington, Bedell and Sams. NAY: None. ABSTAIN: None. ABSENT: Gardaphe.

5. Consider a resolution authorizing the execution of a consultant services agreement with InterFlight Global Corporation in an amount not to exceed \$94,590.00 for services related to the procurement of new tenants for facilities located at the Spaceport Business Park.

Director Simpson moved to approve Resolution ED-352 authorizing the execution of a consultant services agreement with InterFlight Global Corporation in an amount not to exceed \$94,590.00 for services related to the procurement of new tenants for facilities located at the Spaceport Business Park; seconded by Director Pennington. The motion carried by the following vote: AYE: Bownds, Lowery, Simpson, Pennington, Bedell and Sams. NAY: None. ABSTAIN: None. ABSENT: Gardaphe.

6. Consider a resolution authorizing the execution of a third amendment to that certain Commercial Hangar Lease Agreement with the City of Midland regarding certain real property located at Midland International Air & Space Port and described as Lots 1B and 8, Block 13, Midland International Airport Industrial Park, City and County of Midland, Texas.

Director Bedell moved to approve Resolution ED-353 authorizing the execution of a third amendment to that certain Commercial Hangar Lease Agreement with the City of Midland regarding certain real property located at Midland International Air & Space Port and described as Lots 1B and 8, Block 13, Midland International Airport Industrial Park, City and County of Midland, Texas; seconded by Director Simpson. The motion carried by the following vote: AYE: Bownds, Lowery, Simpson, Pennington, Bedell and Sams. NAY: None. ABSTAIN: None. ABSENT: Gardaphe.

7. Consider a resolution authorizing an amendment to that certain Sublease Agreement between the Midland Development Corporation and AST & Science, LLC.

Director Pennington moved to approve Resolution ED-354 authorizing an amendment to that certain Sublease Agreement between the Midland Development Corporation and AST & Science, LLC; seconded by Director Simpson. The motion carried by the following vote: AYE: Bownds, Lowery, Simpson, Pennington, Bedell and Sams. NAY: None. ABSTAIN: None. ABSENT: Gardaphe.

8. Consider a resolution authorizing the execution of a second amendment to that certain Lease Agreement with the City of Midland regarding certain real property located at Midland International Air & Space Port and described as Lot 7, Block 13, Midland International Airport Industrial Park, City and County of Midland, Texas.

Director Bedell moved to approve Resolution ED-355 authorizing the execution of a second amendment to that certain Lease Agreement with the City of Midland regarding certain real property located at Midland International Air & Space Port and described as Lot 7, Block 13, Midland International Airport Industrial Park, City and County of

Midland, Texas; seconded by Director Lowery. The motion carried by the following vote: AYE: Bownds, Lowery, Simpson, Pennington, Bedell and Sams. NAY: None. ABSTAIN: None. ABSENT: Gardaphe.

9. Consider a resolution authorizing an amendment to that certain Sublease Agreement between the Midland Development Corporation and Kepler Aerospace, LTD.

Director Simpson moved to approve Resolution ED-356 authorizing an amendment to that certain Sublease Agreement between the Midland Development Corporation and Kepler Aerospace, LTD; seconded by Director Pennington. The motion carried by the following vote: AYE: Bownds, Lowery, Simpson, Pennington, Bedell and Sams. NAY: None. ABSTAIN: None. ABSENT: Gardaphe.

10. Discuss and consider a presentation from Midland Development Corporation staff regarding the proposed Midland Development Corporation Small Business Assistance Program.

Director of Operations Sara Harris stated that similar small business programs were being implemented by development corporations across the state of Texas.

Executive Director John Trischitti stated that Mayor Payton's desire was to do something to assist small businesses, and there were dollars in the promotions fund that could be used. He explained that Sara Harris had a plan in place and that Second Vice Chair Lowery helped work out parameters to help small business during trying items. Businesses would have to meet requirements to keep funding. Reviewed eligibility requirements would include businesses located in the City limits, and headquartered in Midland or franchise wholly owned here. Executive Director Trischitti stated they were really trying to help our true small local businesses. Discussion ensued regarding the application process and requirements.

Director Lowery stated he had spoken with a local bank to see how they would feel about administering. If the MDC put up their own money it would be purely administrative, and the bank should be local and large enough to handle and ensure as many people know as possible.

11. Consider a resolution authorizing the adoption of the Midland Development Corporation Small Business Assistance Program; authorizing the Chairman and the Executive Director to take all action necessary for the implementation of the Program; and authorizing the Executive Director to execute all associated documents and agreements.

Director Pennington stated she would like a report of the details. Chairman Bownds added the caveats that the board would like to reconsider if additional funding is needed after the first one million dollars is expended, and that MDC staff should report ongoing progress to the MDC board.

Director Lowery moved to approve Resolution ED-357 authorizing the adoption of the Midland Development Corporation Small Business Assistance Program; authorizing the Chairman and the Executive Director to take all action necessary for the implementation of the Program; and authorizing the Executive Director to execute all associated documents and agreements; seconded by Director Simpson. The motion

carried by the following vote: AYE: Bownds, Lowery, Simpson, Pennington, Bedell and Sams. NAY: None. ABSTAIN: None. ABSENT: Gardaphe.

12. Receive and discuss a presentation regarding ongoing infrastructure partnerships between the City of Midland and the Midland Development Corporation.

Mr. Law gave an update on project updates and the procedures for new board members.

Mr. Law presented a slide show of the moving pieces and infrastructure of the City and time frames of projects and stated a lot had changed with the COVID-19 pandemic and the downturn in the price of oil.

He spoke on the limitations the City staff has and how the MDC helps with bringing in quicker answers. They are doing work to give the City Engineer the capacity so that when money becomes available the plans are there.

Director of Engineering Jose Ortiz stated that by having these conversations in advance and being proactive, they have been able to get projects done sooner. Having shelf ready plans helps collaboration between the City, County, TXDOT, and developers.

13. Receive and discuss the May 2020 monthly expenses from the Midland Development Corporation.

Sara Harris stated expenditures were down because of no staff travel and curtailed marketing due to the COVID-19 pandemic.

14. Receive and discuss the monthly economic development activity report from the Midland Development Corporation staff.

Gary Law stated the Spaceport Business Park was in the maintenance period, since the landscaping project had been completed. He added that the Avalon Drive extension plans were about 30% complete.

Sara Harris stated that the unemployment rate in the Midland MSA has reached a record high.

**The Board excused observers at 11:25 a.m. and recessed into executive session.**

### **EXECUTIVE SESSION**

15. Pursuant to Texas Government Code §551.101, the Board of Directors will hold an executive session that 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.

**The Board reconvened into regular session at 11:54 a.m.**

All the business at hand having been completed, Chairman Bownds adjourned the meeting at 11:54 a.m.

Respectfully submitted,

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SueAnn Reyes, Deputy City Secretary

PASSED AND APPROVED the 3<sup>rd</sup> Day of August 2020.

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Berry Simpson, Secretary