MIDLAND CITY COUNCIL
MINUTES
September 17, 2013

The City Council convened in a Special Session in the Council Chamber, City Hall, Midland, Texas, at ____ a.m. on September 17, 2013.

Council Members present: Mayor W. Wesley Perry, Council Member Jerry Morales (At-Large), Council Member Scott Dufford (At-Large), Mayor Pro Tem Jeff Sparks (District 1), Council Member John Love (District 2), Council Member John James (District 3), and Council Member Michael Trost (District 4).

Council Members absent: None.

ITEMS TO CONSIDER

1. Approved a motion to elect a chairman to preside. (CITY ATTORNEY'S OFFICE)

   cto 8:30

   Trost Love morales approved 5-0-2 love, Sparks

2. Approved a resolution authorizing the City Manager to execute a Term Sheet with Energy Tower, LLC, to facilitate the negotiation of final definitive agreements relating to the disposition and redevelopment of property commonly known as the proposed Energy Tower and City Center development (with an associated downtown parking garage and a proposed new Midland Center) in downtown Midland, Texas and negotiate and execute the final definitive agreements. The Term Sheet describes a property transfer in downtown Midland, an agreement under Chapter 380 of the Texas Local Government Code, and describes an agreement with the Midland Tax Increment Reinvestment Zone Number One (1) and a lease. The Term Sheet also discusses the use of hotel-motel tax funds generated solely from Energy Tower and the use of the sales and use tax generated solely from Energy Tower. (CITY ATTORNEY'S OFFICE)

   RESOLUTION NO. 2013 - 310

   RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE A TERM SHEET WITH ENERGY TOWER, LLC, TO FACILITATE THE NEGOTIATION OF FINAL DEFINITIVE AGREEMENTS RELATING TO THE DISPOSITION AND REDEVELOPMENT OF PROPERTY COMMONLY KNOWN AS THE PROPOSED ENERGY TOWER AND CITY CENTER DEVELOPMENT (WITH AN ASSOCIATED DOWNTOWN PARKING GARAGE AND A PROPOSED NEW MIDLAND CENTER) IN DOWNTOWN MIDLAND, TEXAS AND NEGOTIATE AND EXECUTE THE FINAL DEFINITIVE AGREEMENTS; THE TERM SHEET DESCRIBES A PROPERTY TRANSFER IN DOWNTOWN MIDLAND, AN AGREEMENT UNDER CHAPTER 380 OF THE TEXAS LOCAL GOVERNMENT CODE, AND DESCRIBES AN AGREEMENT WITH THE MIDLAND TAX INCREMENT REINVESTMENT ZONE NUMBER ONE (1) AND A LEASE; THE TERM SHEET ALSO DISCUSSES THE USE OF HOTEL-MOTEL TAX FUNDS GENERATED SOLELY FROM ENERGY TOWER AND THE USE OF THE SALES AND USE TAX GENERATED SOLELY FROM ENERGY TOWER

Council Member James moved to adopt Resolution No. 2013 - 310 with amendment to change cap of $10 M and paid up to $1M per year on invoice over 10 year period; seconded by Council Member Morales.

The motion carried by the following vote: AYE: Love, Morales, Trost, James. NAY: None. ABSTAIN: None. ABSENT: Perry, Dufford, Sparks.

3. Approved a resolution authorizing the City Manager to negotiate and execute an economic development agreement with the Midland Development Corporation as authorized by Chapter 380 of the Texas Local Government Code and Chapters 501 and 504 of the Texas Local Government Code regarding infrastructure, parking facilities and site development, related to the Proposed Energy Tower and City Center Development with an associated downtown parking garage and proposed new Midland Center. (CITY ATTORNEY'S OFFICE)

RESOLUTION NO. 2013 - 311

Approved a resolution authorizing the City Manager to negotiate and execute an economic development agreement with the Midland Development Corporation as authorized by Chapter 380 of the Texas Local Government Code and Chapters 501 and 504 of the Texas Local Government Code regarding infrastructure, parking facilities and site development, related to the Proposed Energy Tower and City Center Development with an associated downtown parking garage and proposed new Midland Center.

Council Member James moved to adopt Resolution No. 2013 - 311; seconded by Council Member Morales.

Trost this negotiated agreement will reflect amendment needed no amendment necessary.

The motion carried by the following vote: AYE: Love, Morales, Trost, James. NAY: None. ABSTAIN: None. ABSENT: Perry, Dufford, Sparks.

4. Approved a resolution authorizing the City Manager to negotiate and execute an amendment to the Memorandum of Understanding with the Midland Tax Increment Reinvestment Zone Number One (1) increasing the Tax Increment Reinvestment Zone property valuation cap from $260,000,000.00 to $1,000,000,000.00 and negotiating and executing an agreement with the Tax Increment Reinvestment Zone regarding Energy Tower and to develop and adopt a Project Plan. (CITY ATTORNEY'S OFFICE)

RESOLUTION NO. 2013 - 312

Approved a resolution authorizing the City Manager to negotiate and execute an amendment to the Memorandum of Understanding with the Midland Tax Increment Reinvestment Zone Number One (1) increasing the TIRZ property valuation cap from $260,000,000.00 to $1,000,000,000.00 and negotiating and executing an agreement with the TIRZ regarding Energy Tower and to develop and adopt a Project Plan.

Council Member James moved to adopt Resolution No. 2013 - 312; seconded by Council Member Trost.

James before conclude would like to strongly encourage CM to continue working with the communications office to get what they've seen in draft out to citizens in a big significant way whether in ad or utility bill. This proejct been one of worse communicated how little risk there is to the citizens of Midland because of how it's been created. Useful to long term of project. Other thing is for another council in future this is catalyst project tha tTIRZ needs to go away. After this obligation 10-15-18 years down road that downtown will have acheived everything and itmight be for future Council to consider ot end TIRZ.

The motion carried by the following vote: AYE: Love, Morales, Trost, James. NAY: None. ABSTAIN: None. ABSENT: Perry, Dufford, Sparks.

Adjourn 9:19 p.m.

EXECUTIVE SESSION

5. Pursuant to Texas Government Code §551.101, the Council 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:

   recess to executive session at 8:33 a.m.

   reconvene regular 9:10 a.m.

   a. Section 551.087 Deliberate Economic Development Negotiations

      a.1. Discuss business prospects that the City seeks to have, locate, stay, or expand in or near the City of Midland, Texas, and discuss possible incentives. The Council will discuss Energy Tower, LLC.

All of the business at hand having been completed, the meeting adjourned at _____ p.m.

PASSED AND APPROVED the __ day of _____, ____.

W. Wesley Perry, Mayor

ATTEST:

Amy M. Turner, City Secretary