



# 2016 ANNUAL REPORT



*Paving the way for Midland's Future*

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*Paving the way*

# WELCOME

In this annual report, highlighting our fiscal year Oct. 1, 2015 – Sept. 30, 2016, we are proud to report that the Midland Development Corporation has continued to make significant contributions to the foundation and merit of our town.

As the chairman of the board of directors for the Midland Development Corporation, I have a new appreciation for the work we are doing in our community. I have seen tedious projects come to fruition and the hard work put forth by the individuals who offer their time and resources to the betterment of Midland. We are truly paving the way for a better future.

This past year, we continued to work through the reality of a recovering economy and increased competition for business relocations and jobs. We took steps to maintain fiscal responsibility while using our resources to help fund projects that diversify industry in Midland and retain a qualified workforce for current and future employers. From economic development agreements with a multi-use facility, to city infrastructure, to healthcare, we will continue to be a united force working toward a robust community.

We have created an exciting and purposeful vision for the Midland International Air & Space Port. Thinking outside of the box is challenging at times, but the foresight of our City, board and staff, is inspiring. Phase I of the Spaceport Business Park Master Plan is currently underway and will include roadway, landscaped sidewalks, utility infrastructure, and parking for existing businesses.

We are continually thankful for the support of so many as we labor to create a place that offers quality and opportunity for all ages. Paving a path takes a village but the future is bright, our course is true, and the progress we are making is tangible.

With gratitude,



Brent Hilliard  
Chairman, Board of Directors



# About MDC

The Midland Development Corporation (MDC), created in January 2002, implements an aggressive business prospect program that focuses on marketing to primary diversified industries that create high paying jobs, and supports Midland's existing industry base in the retention and creation of new jobs. Midland voters made these efforts possible when they approved a quarter-cent increase in the local sales tax rate, creating additional revenue earmarked to promote economic development and diversification.

Our mission and goals are driven by the promotion and advancement of opportunities that enhance and diversify the strength and stability of the Midland economy.



## RETAIN

The Midland Development Corporation will encourage retention and encourage expansion of existing businesses.



## DIVERSIFY

The Midland Development Corporation will attract diversified industries and businesses to Midland.



## WORKFORCE

The Midland Development Corporation will market, recruit and strengthen Midland's workforce for current and future employers.



## DEVELOP

The Midland Development Corporation will provide assistance to develop areas of the City of Midland that meet the City's development objectives.

A five-member board appointed by the City Council governs the Midland Development Corporation.



MDC moved offices in 2016!  
200 N. Loraine St., Ste. 610  
Midland, TX 79701



## BOARD OF DIRECTORS

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**Brent D. Hilliard**  
Chairman



**Wesley Bownds**  
1<sup>st</sup> Vice Chair



**Robert V. Rendall**  
Secretary



**Keith Stretcher**  
Treasurer



**Gary D. Douglas**

## PROFESSIONAL STAFF

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**Pam Welch**  
Executive Director



**Tim Danielson**  
Director of  
Business  
Development



**Sara Harris**  
Accounting Clerk/  
Research Analyst



**Regan Latham**  
Marketing Coordinator

## CITY INFRASTRUCTURE

### BRIARWOOD ROAD

MDC has provided the City of Midland with \$3,179,503 for construction and \$730,000 for the design work involved in widening Briarwood Avenue from County Road 1255 to Avalon Drive. The completion date for this project is December 31, 2017.

### FAIRGROUNDS ROAD

MDC has committed \$600,000 to the City of Midland for the extension of Fairgrounds Road from Loop 250 to Arapahoe Road.

### MIDKIFF WATER LINE

MDC paid the City of Midland \$800,000 for the extension of a water main south along Midkiff Road, to enable new development and to bring this area onto the high pressure water distribution plane. This project was completed in December 2016.

### MIDLAND DRIVE WATER BORE at I-20

MDC paid the City of Midland \$300,000 for the installation of a bore and water main under Interstate 20, in the vicinity of the existing water main near Midland Drive, to provide future means of extending public utilities and encourage development. This project was completed in August 2016.



### TENARIS MIDLAND SERVICE CENTER Grand Opening

Tenaris established a Midland Service Center on the I-20 frontage road, East of town. The service center is an investment critical to the deployment of Rig Direct™, the company's new business model of working directly with oil and gas customers to synchronize pipe manufacturing with drilling operations.

The service center is a \$36 million, multi-year investment project which handles the storage, inspection, rig preparation and delivery of Oil Country Tubular Goods (OCTG), accessories, sucker rods and in the future, coiled tubing. The project site is expected to be fully developed by 2020.

## DOWNTOWN DEVELOPMENT

### HOTEL SANTA RITA NO. 1

MDC approved its portion of the Master Economic Development agreement for a multiuse facility to be located at the corner of Wall Street and Colorado Street, next to Centennial Plaza. The hotel portion will offer a total of 136 rooms and 277 additional downtown parking spaces.

### BASIN PBS

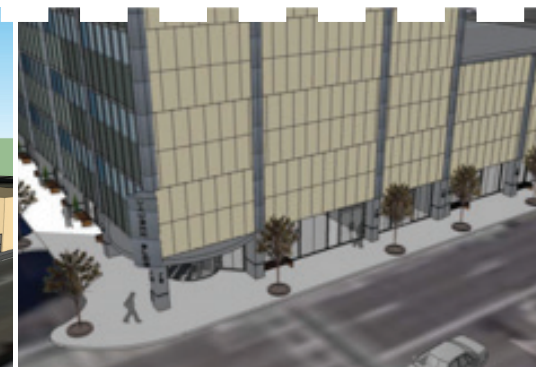
Construction of the new Basin PBS headquarters, at the former Ritz Theater, began in October 2016 and is expected to be completed by the Fall of 2017. The new studio will enable the production of public affairs, educational programming, and more. MDC has committed \$300,000 toward the renovations.

### COG REALTY LLC PARKING GARAGE

The 101 West Wall Street parking facility is a part of the a \$8,000,000 downtown revitalization effort. MDC's total investment in the project will be \$4,000,000 upon its completion in January 2017. The facility will add an estimated 346 parking spaces, 200 of which will be public parking.

### VAUGHN BUILDING

Located at 400 W. Texas Avenue, the Vaughn building was in need of much repair. The proposed plans include a multipurpose structure that will include residential, office, parking, and retail facilities. MDC made an agreement for \$420,000 to be paid over six months upon certificate of occupancy and lease commitments. Renovation of the property will promote local economic development and stimulate business in the downtown district.





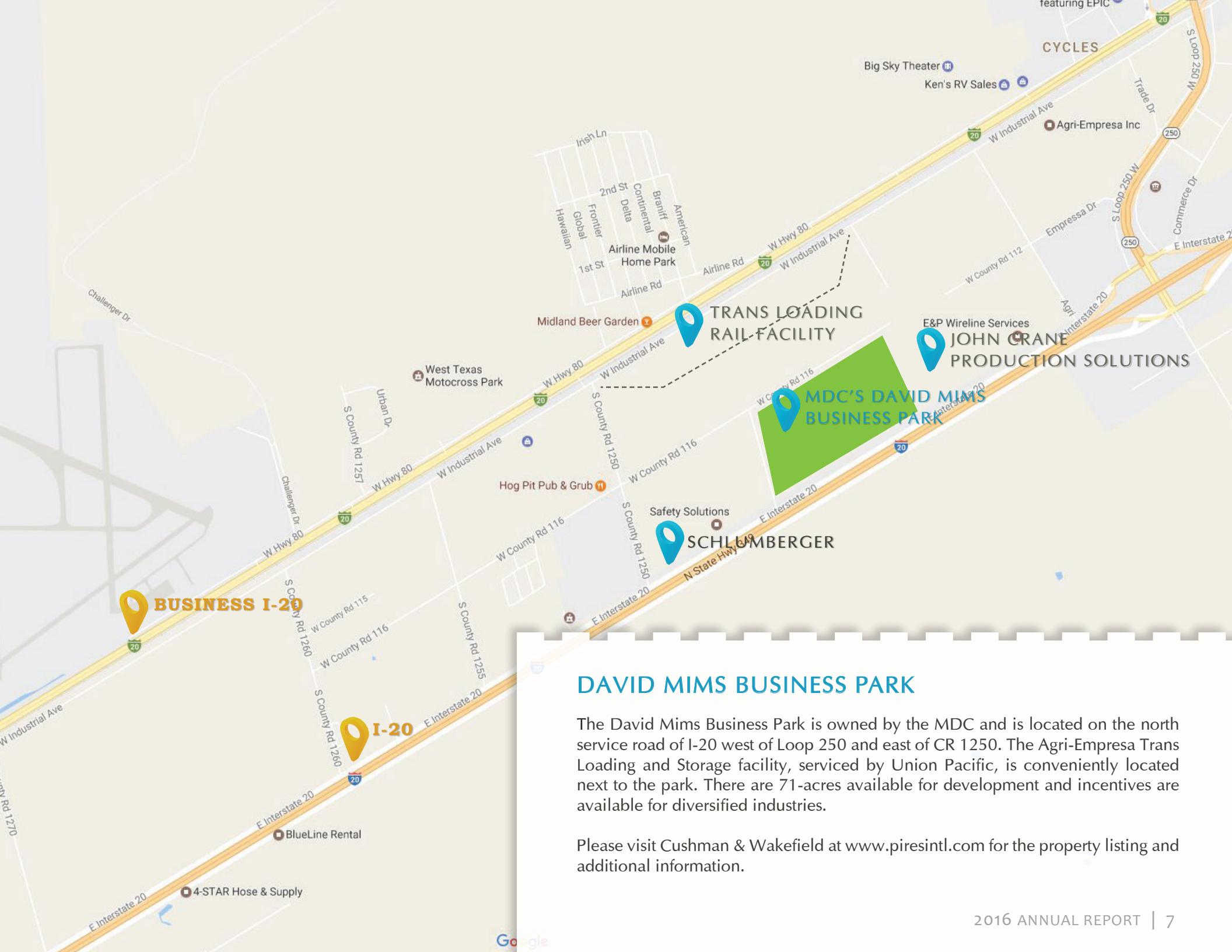
# Business Parks



## LA ENTRADA BUSINESS PARK

The La Entrada Business Park is ideally located at the Midland International Air & Space Port. It is the current home to Atmos Energy and Frito Lay Distribution Center. A 40,000 sq. ft. flex building is located within the park and is available for lease or sale from N. C. Sturgeon, LP. The only remaining greenfield site consists of 5.8 acres, is available for purchase, and is located adjacent to Atmos Energy. The La Entrada Business Park maintains a set of covenants which can be provided by the Midland Development Corporation upon request.

Please visit Cushman & Wakefield at [www.piresintl.com](http://www.piresintl.com) for the property listing and additional information.



## DAVID MIMS BUSINESS PARK

The David Mims Business Park is owned by the MDC and is located on the north service road of I-20 west of Loop 250 and east of CR 1250. The Agri-Empresa Trans Loading and Storage facility, serviced by Union Pacific, is conveniently located next to the park. There are 71-acres available for development and incentives are available for diversified industries.

Please visit Cushman & Wakefield at [www.piresintl.com](http://www.piresintl.com) for the property listing and additional information.





## Midland International Air & Space Port



### MIDLAND SPACEPORT BUSINESS PARK

MDC has made the commercial space industry a priority in an effort to successfully promote and develop the Midland Spaceport Business Park.

Phase I of the Master Plan for the Spaceport Business Park has begun and includes installing the utilities and constructing for the new Earhart Drive and Enterprise Lane. Concurrently, the parking lot and utilities for the XCOR facility, and the entrances into the Midland Altitude Chamber Complex (MACC) are underway. Completion of this work will be in the Spring of 2017.

The roadways and parking lots will receive landscaping, sidewalks and signage; both entrance signage off of La Force Blvd., as well as directional signing for the interior of the Spaceport Business Park. Completion of the landscape project will be completed in Summer 2017.



## HANGAR A

MDC has 44,208 sq. ft. of office and hangar space available for lease to prospective aviation/aerospace companies. The breakdown of the space includes 15,728 sq. ft. of office space, lounge, a large reception area and meeting rooms that overlook the airfield. The 28,480 sq. ft. of hangar space boasts a 200'x30' door span.

Please visit Cushman & Wakefield at [www.piresintl.com](http://www.piresintl.com) for the property listing and additional information.



## MIDLAND ALTITUDE CHAMBER COMPLEX (MACC)

The MACC is located in a new construction facility at the Midland Spaceport Business Park. The Advanced Human Rated Commercial Altitude Chambers provide testing of equipment and training personnel in normal and emergency flight conditions.



### 10-MAN CABIN CHAMBER

Supports user-defined flight profiles from sea level to 200,000 ft. Rapid decompression from sea level to 60,000+ ft.

Accommodates vehicle cabin or 10-personnel in pressure suits.

8 ft. diameter chamber with 680 cu. ft. internal volume.

Modular/removable floor carrier.

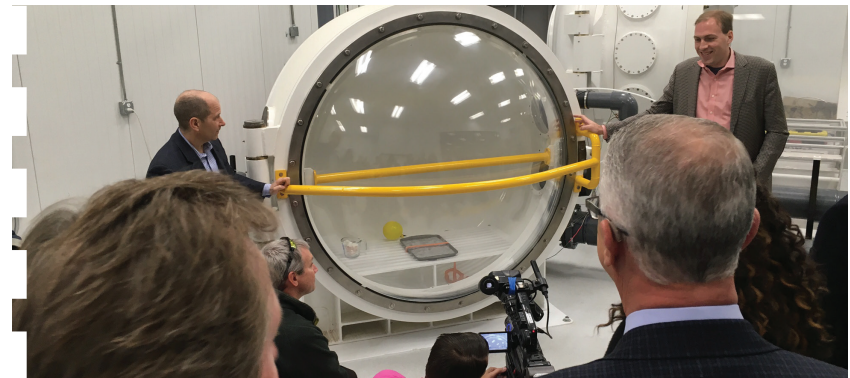
### 2-MAN SUIT CHAMBER

Supports user-defined flight profiles from sea level to 200,000 ft. Rapid decompression from sea level to 100,000+ ft.

Accommodates two personnel in pressure suits.

6 ft. diameter chamber with 95 cu. ft. internal volume.

Cabin and suit chambers are certified to ASME/PVHO standards.



### EQUIPMENT CHAMBER

Sea level to 200,000 ft. operating altitude.

Maintains and/or adjusts altitude indefinitely.

Accommodates up to 500 lbs, 8U test article.

11.8 cu. ft. internal volume.

Adjustable work height.

Can be controlled manually or via computer.





“Midland is already an FAA-licensed spaceport, making pursuit of Dream Chaser landing opportunities a logical next step.”

**JOHN ROTH, VICE PRESIDENT OF BUSINESS DEVELOPMENT  
AND STRATEGY FOR SNC'S SPACE SYSTEMS**



Midland International Air & Space Port was the first in the country to have successfully completed phase one of the Dream Chaser® Spacecraft Compatible Landing Site Designation.

Owned and operated by SNC, the Dream Chaser spacecraft is a reusable, multi-mission space utility vehicle (SUV). It is capable of transportation services to low-Earth orbit, where the International Space Station (ISS) resides, and is the only commercial, lifting-body vehicle capable of a runway landing. The Dream Chaser Cargo System was selected by NASA to provide cargo delivery and disposal services to the ISS under the Commercial Resupply Services 2 (CRS2) contract.

The logo for LeoLabs, featuring the text 'LEO LABS' in a bold, black, uppercase font, with several small blue dots scattered around the text.

**LEO LABS**

In September 2016, The Midland City Council and the MDC approved two agreements with LeoLabs, Inc., a company offering space debris tracking services. Space traffic congestion is a significant issue that will become more pressing as more satellites are launched and the amount of space debris grows due to collisions and satellite breakups.

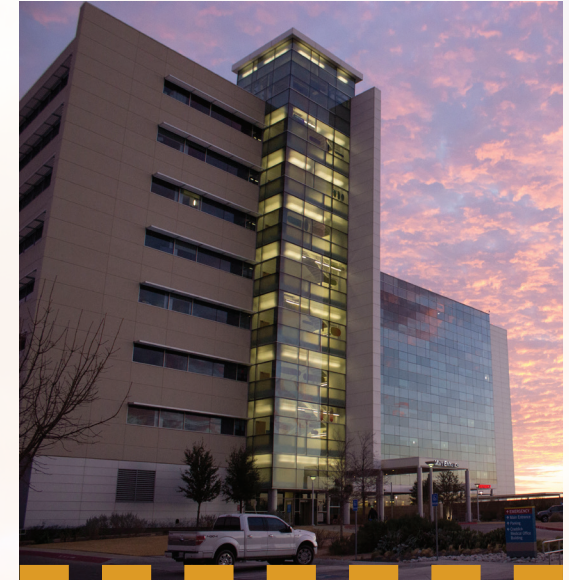
LeoLabs, Inc. will advertise and publicize the City of Midland for the purpose of developing new and expanded business enterprises, with a focus on the Midland Spaceport Business Park.

## MIDLAND MEMORIAL HOSPITAL Physician Recruitment

According to the Association of American Medical College (AAMC), the U.S. faces an estimated shortage of more than 9,400 physicians by 2025. The Midland Memorial Hospital (MMH) and MDC are determined to stay in front of this challenge and will continue to keep healthcare in our community a top priority.

This collaborative partnership, formed in 2013, allows the hospital to proactively recruit and retain physicians. These steps are crucial, not only because this is a highly competitive field of work, but because our community is continuing to grow at a steady rate. The results of this combined effort will help to ensure that Midland citizens are well-served by excellent physicians for many years to come.

The 2016 community/physician needs assessment determined that the following physician types would be a top priority: ENT, internal medicine/hospitalists, neurology, cardiology, gastroenterology, and pulmonary/critical care.



**\$450,000**

MDC reimbursed MMH for physician recruitment expenses in the amount of \$450,000

**154**

In FY16, 11 physicians supported 154 jobs

**\$90,449**

On average, each physician supports \$90,449 in local and state tax revenues\*

## UTPB Mechanical Engineering - Aerospace Track

MDC has been a committed partner to ensuring the mutually-beneficial success of The University of Texas of the Permian Basin (UTPB) Aeronautical Program. The economic agreement has fostered the imminent engineering building in addition to the launch of an aeronautical engineering program.

Dr. Redha Wahidi joined UTPB as an assistant professor of aerospace engineering and coordinator of the new Engineering program. Students pursuing the Mechanical Engineering - Aerospace Track earn a Bachelor of Science in Mechanical Engineering and take courses in aerospace engineering. The Aerospace Track students obtain unique skills that expand employment opportunities within the aerospace, automotive, and transportation industries.

Enrollment for Fall 2016 was at its highest ever. With the support of our local higher education programs, we are also sustaining a strong workforce in our region - both of which are contributing to the standards set within MDC's mission.



*UTPB Midland Campus*

## MOTRAN

In 2012, MDC, MOTRAN, Midland County, The City of Lamesa, and Lamesa Development Corporation entered into a joint agreement with TXDOT to reconstruct the existing 2 lanes of SH 349 as well as adding 2 additional lanes, to expand the roadway from 2-lanes to 4-lanes between Midland and Lamesa.

Construction has been completed on the majority of the route with the remaining 13 miles to be completed by mid-2017. Work will also begin in early 2017 on an interchange of SH 349 and SH 137, just south of the Lamesa city limits, and will provide an extension of the 4-lane roadway via FM 2052, giving direct access to US 87.

The initial investment of \$230,000 by MDC and the additional \$70,000 from those partnering entities has resulted in more than \$50 million in state/federal highway funds along the SH 349 corridor north of Midland.

In 2014, MDC committed an additional \$300,000 to leverage the construction of an on-off ramp at Interstate 20 and County Road 1250. MDC's investment was used to match a County Road Grant to Midland County of \$1.3 million. The project will have a significant impact on reducing congestion and improving safety at Interstate 20 at West Loop 250 and FM 1788.

## RED, WHITE & YOU! HIRING FAIR

The Texas Workforce Commission (TWC), in partnership with 28 local workforce development boards and the Texas Veterans Commission, hosted hiring fairs in 30 cities throughout Texas in November 2016. The fifth annual Hiring Red, White & You! event was held in the Midland area where 38 employers from the Permian Basin participated. 210 veteran and non-veteran job seekers were in attendance. The MDC is an on-going supporter of the Red, White & You! hiring fair.



“The Wolfcamp shale in the Midland Basin portion of Texas’ Permian Basin province contains an estimated mean of 20 billion barrels of oil, 16 trillion cubic feet of associated natural gas, and 1.6 billion barrels of natural gas liquids, according to an assessment by the U.S. Geological Survey.”

**U.S. GEOLOGICAL SURVEY**

“At 20 billion barrels it’s said to be the largest continuous field ever discovered.”

**FORBES MAGAZINE**

“Asset manager Blackstone Group LP will invest \$1.5 billion in the oil-rich Permian Basin.”

**REUTERS**

“Through the first two weeks of November, upstream oil and gas deal-making hit \$56.7 billion, compared with \$26.8 billion seen in the same period last year.”

**CNBC**

“Midland MSA ranked #2 in the U.S. for per capita personal income at \$104,741 in 2015.”

**BUREAU OF ECONOMIC ANALYSIS**

**560,794,000**

Barrels of oil produced in  
the Permian Basin from  
Sept. 2015-Sept. 2016\*



# Sales Tax



## BUSINESS RECRUITMENT

The American Institute of Aeronautics and Astronautics (AIAA) - Space Forum  
Commercial Spaceflight Federation Meeting  
COMSTAC  
FAA Commercial Space Conference  
Hannover Messe  
International Symposium for Personal and Commercial Spaceflight (ISPCS)  
MRO Aero Engines Americas Conference  
National Business Aviation Association (NBAA)  
NewSpace Global Investment Conference  
Select USA - Foreign Direct Investment Forum  
Small Satellite Conference  
Space Symposium  
Space Tech Expo  
SpaceCom

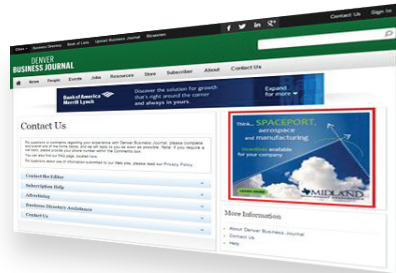
Direct visits to companies and site selectors: Chicago, Los Angeles, Memphis, New Jersey, Ohio, and Seattle.

## SPONSORSHIPS

Commercial Space Federation Meeting  
Industrial Asset Management Council (IAMC) Fall Forum  
Industrial Asset Management Council (IAMC) Texas Event  
Industrial Asset Management Council (IAMC) Spring Forum  
International Symposium for Personal and Commercial Spaceflight (ISPCS)  
Midland Chamber of Commerce Annual Meeting  
Midland Chamber of Commerce State of Education  
Midland Chamber of Commerce State of the Economy  
SpaceCom 2016  
Space Foundation  
Texas Economic Development Council (TEDC) Annual Conference  
Texas Great Investment Summit  
Texas Women in Economic Development Conference

## ADVERTISING & PUBLICATION

2017 Midland Guide  
 Business Journals  
 Business Xpansion Magazine  
 Checkpoints Magazine  
 Global Trade Magazine  
 Google Ad Words  
 Midland Chamber of Commerce  
 Midland Reporter Telegram  
 Parabolic Arc  
 Site Selection Magazine  
 Space Time Magazine  
 SpaceDaily  
 Texas Wide Open for Business  
 Trade & Industry Magazine  
 USA Today

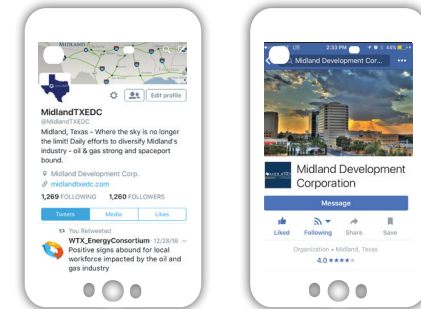


## WEBSITE

MDC's website is a wealth of information that is made available to all citizens, companies and site selectors. The Midland economic indicators are a useful and interactive tool that offers monthly figures and statistics. The "Quality of Place" and "News & Press" pages are updated frequently with pertinent information regarding the happenings in the Midland community.

## SOCIAL MEDIA OUTREACH

Facebook | @MidlandTXEDC  
 LinkedIn | Midland Development Corporation  
 Twitter | #MidlandTXEDC  
 YouTube | Midland Development Corporation Channel



## REGIONAL TEAMWORK

High Ground of Texas Marketing Coalition  
 Midland 101  
 Midland Chamber of Commerce Member  
 Midland College Career Advisory Committee  
 Midland First Education Task Force  
 Midland-Odessa Transportation Alliance (MOTRAN)  
 Permian Basin Petroleum Association (PBPA)  
 Permian Basin Regional Planning Commission  
 Permian Basin Workforce Development Board  
 Spaceport Development Board  
 SPAG & Texas Tech Oil & Gas Task Force  
 Team Texas Marketing Coalition  
 Texas Economic Development Council (TEDC)  
 Texas Space Coalition  
 TexasOne  
 West Texas Energy Consortium



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