





 MIDLAND  
DEVELOPMENT CORPORATION



## INVESTING IN OUR FUTURE

During 2010, Midland Development Corporation (MDC), with its board of directors, staff and many other partners, worked to strengthen Midland's position as the premier business center of West Texas. We worked collaboratively to aggressively pursue business opportunities that would maximize the return on local tax dollars invested in growth of our community.

Even in a down economy, we achieved positive results on a number of fronts in promoting the economic well-being of Midland. In this report, you will see how MDC's initiatives in our primary industry sectors, or Opportunity Zones, supported business growth, spurred innovation, promoted redevelopment, and stimulated job creation and capital investment in the Central Business District, La Entrada/Midland International Airport, and the Innovation and Commercialization of Energy – formerly the ClayDesta/Midland College “O-Zone.”

Through our focus on these “O-Zones,” MDC has more tightly identified and pursued industries that are a natural fit for Midland, the Permian Basin, and West Texas. And these industries are based on what we already know and know that we do well. Wind and Renewable Energy. Aviation and Aerospace. Healthcare. Education. Commercial Real Estate Development.

These industries – both national and international – represent our best opportunity for Midland's ongoing success in business; industry sectors in which we, as a community, are invested, and ultimately businesses that are worthy of continued investment to produce results for future generations.

We strongly believe that whatever economic challenges we face, the MDC has helped position Midland to capitalize on even greater opportunities in our future. And we offer as proof the honoring of our collaborative work on the revitalization of the Central Business District for which we received Texas' top Community Economic Development award from the Texas Economic Development Council in 2009. It's a compelling example of our community's success when we combine our strengths to invest in our future.

**J. David Mims**

*Chairman of the Board, Midland Development Corporation*

**Mike Hatley**

*President, Midland Development Corporation*



# MIDLAND AS A MOVER



As a Texas Type A development corporation authorized to utilize the quarter-cent city sales tax to create or retain primary jobs, our mission is the retention of existing Midland businesses and the recruitment of new business to our community.

Based on the evolving long-term strategic plan developed in 2007, our goals are to:

- Keep existing jobs and businesses in Midland
- Foster the expansion of existing Midland businesses
- Attract target industries and businesses to Midland
- Provide long-term employment opportunities for Midlanders
- Promote and develop industrial and manufacturing enterprises in order to reduce unemployment and underemployment
- Promote and encourage employment and the public welfare of, for, and on behalf of the City of Midland
- Develop areas of the City of Midland that meet the City's development objectives

We worked to achieve these goals by continuing to work with professional site selectors who identify communities that are the right fit for businesses seeking relocation; through personal networking with key decision-makers and decision-influencers in targeted industry sectors; and ultimately providing compelling information and economic assistance to those companies considering Midland as its new headquarters. While not immune to the economic downturn, we believe that we have collaboratively moved Midland forward through the successful cultivation of the right business relationships.



*“We anticipated the Permian Basin becoming a significant player of Apache’s overall growth for this year.”*

*John J. Christmann IV  
Vice President of the Permian Region for Apache*





## *Six Site Selector Visits to Midland*

*United Express Sky West Airlines 2010  
average load factor was over 70%*

*24 Physicians Recruited via partnership with  
Midland Memorial Hospital since inception*

## POSITIVE TRENDS

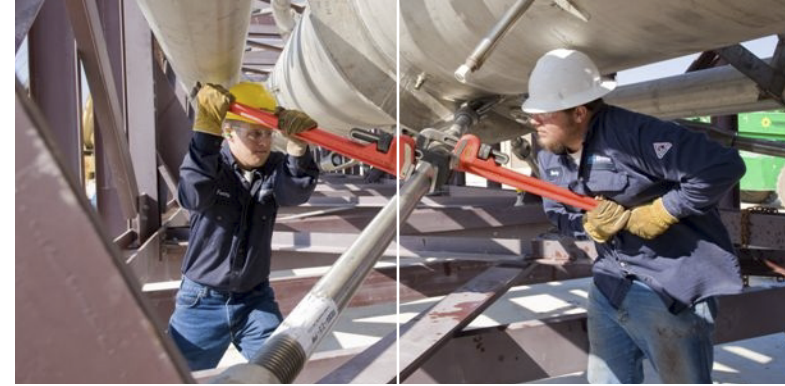
2010 was a year of fine-tuning MDC's business recruitment actions as we continued to strengthen our business development relationships. Midland and the Permian Basin hosted numerous site selector visits during the year. As a result, Midland earned a spot on the "short list of top locations" in more than half of those visits. Making the "short list," even during the national economic downturn, is proof that the key decision-makers and decision-influencers understand the benefits of doing business in Midland.

Other notable 2010 successes include:

- The substantial growth of employees and payroll for BCCK Engineering.
- The relocation to Midland of regional offices for Apache Corporation.
- With partner Midland Memorial Hospital, the successful culmination of an extensive national physician recruitment campaign. The 2010 campaign resulted in 10 physicians' contracted to practice medicine in Midland – a critical part of improving access to healthcare, and the quality of life, for the residents of the Permian Basin.
- The recruitment of United Express Sky West Airlines providing daily nonstop jet service to its hub in Denver, CO.
- Renovation of the S-11A Hangar at Midland International Airport
- Furthering Energy Innovation and Commercialization through partnerships with University of Texas of the Permian Basin, Texas Tech University, and the West Texas Coalition for Innovation & Commercialization.
- The significant progress on the renovation and construction of Permian Plaza I & II, a mixed-used development, creating additional office space and parking in the Central Business District.
- John Crane Production Solutions – formally Fiberod – has continued to exceed payroll requirements of \$800,000 and 26 employees. Though having a distribution facility in Midland prior to their partnership with MDC, John Crane Production Solutions was able to expand their operations to include manufacturing to the Midland site.



## IN-DEPTH GROWTH VIA BUSINESS RELATIONSHIPS

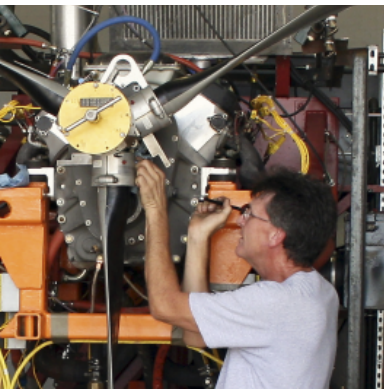


As Midland and the MDC “brand” becomes increasingly well-known within our key industry sectors – nationally and internationally – and by the Site Selection consultants who specialize in those sectors, MDC earned more face-to-face opportunities with key decision-makers and decision-influencers. As a result, MDC was invited to have a seat at the Business Facilities Magazine - Live XChange event, that hosts senior level executives actively seeking expansion opportunities.

MDC staff exhibited with the newly redesigned tradeshow materials and booth, with new marketing materials to recruit business and industry at key national and international trade shows, including the Renewable Energy World Show and the AFCOM Data Center World Conference. Once again, this allowed MDC staff additional opportunities to network with key decision-makers about business expansion in Midland and increase top-of-mind awareness of our community as a competitively viable location.

Additional major trade shows in which MDC participated were the:

- International Council of Shopping Centers. Targeted industry sector was Commercial Real Estate Development.
- Maintenance, Repair & Operations Americas. Targeted industry sector was Aviation & Aerospace.
- AWEA Wind Power. Targeted industry sector was Renewable Energy related to wind power components.
- Pack Expo Show and Fabtech Show. Targeted industry sectors were Transportation & Logistics, Manufacturing and Energy.



*“Based on our current workflow, we see more opportunities for creating additional jobs in the next few years for Midland.”*

*R. Clark Butts  
Owner and President of BCCK and NG Resources*

## LEVERAGING PARTNERSHIPS TO INSURE SUCCESS



Through various alliances, MDC has been able to enhance Midland's position in key organizations at the local, state and national level. MDC's role in these collaborations range from a participating member, to acting as the primary facilitator in bridging partnerships the community of Midland continues to build for the success of future generations.

MDC also is an active participant with Texas One, developed by Governor Perry to promote Texas Tourism & Economic Development through the TexasOne Trade Missions. The scope of the TexasOne Trade Mission offers the opportunity to target all industry sectors of interest to Midland.

Partnerships include:

- World Economic Development Alliance (WEDA)
- City of Midland
- Young Professionals of Midland
- Texas Economic Development Council (TEDC)
- High Ground of Texas
- Business Facilities - Live XChange Event
- Oncor Electric Provider
- Midland-Odessa Transportation Alliance (MORTRAN)
- Team Texas - CoreNet Global & Industrial Asset Management Council Forums

## THE FUTURE

MDC's effective stewardship of sales tax revenue to efficiently grow Midland's economic stability and the quality of life is the cornerstone of all our actions. While not an "overnight" process, this model of economic development is more similar to a marathon rather than a sprint. We will continue to grow Midland, and the MDC brand, through the cultivation of key business relationships. This investment in our future requires deliberate action, a steady hand, consistency, planning and execution, all possible through the common-sense utilization of Midland's many



# FINANCIALS & ROI REPORT - PROJECTS INCENTIVIZED SINCE INCEPTION

## FYE 09.30.10 BALANCE SHEET

(UNAUDITED)

<b>Assets:</b>	FUND 235 Operating Account	FUND 235A Operating Acct. Assets	FUND 236 Construction Account
Pooled Cash	\$(713,329)	\$-	\$-
Texpool	\$1,002,032	\$-	\$-
Texstar	\$1,699	\$-	\$-
Logic	\$4	\$-	\$-
Miscellaneous Prepays	\$64,200	\$-	\$-
Less: Accumulated Depreciation on Fixed Assets	\$-	\$(70,585)	\$-
<b>Total Assets</b>	<b>\$354,606</b>	<b>\$(70,585)</b>	<b>\$-</b>
<b>Liabilities, Reserves, and Fund Balance:</b>			
Accounts Payable	\$92,347	\$-	\$301,324
Reserve for Economic Development Incentives	\$(750,000)	\$-	\$-
Unappropriated Fund Balance	\$1,012,258	\$-	\$(301,324)
<b>Total Liabilities, Reserves and Fund Balance:</b>	<b>\$354,606</b>	<b>\$23,239,979</b>	<b>\$(301,324)</b>



*Since 2002, when the Midland Development Corporation was created, the corporation has incentivized seventeen companies to relocate or expand in Midland. Over the last eight years the MDC provided incentives totaling \$3,197,500 to these companies and has seen a return on investment of \$14.83 per \$1.00 incentivized. The ROI is calculated by adding total capital expenditures and total payroll of incentivized companies and dividing by MDC incentives. The Midland Development Corporation has assisted in bringing over \$44 Million dollars into Midland's economy over the last eight years. In addition to these projects, the Midland Development Corporation has assisted ten organizations in bringing development, new physicians, innovation and commercialization, and training to the community of Midland.*

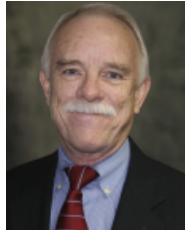
## FYE 09.30.10 STATEMENT OF REVENUES

(UNAUDITED)

Revenues:	FUND 235 Operating Account	FUND 236 Construction Account
Sales Tax	\$5,678,244	\$-
Transfer from MDC Operating (235)		\$2,766,258
Interest Income	\$40,184	\$-
Non-operating Income	\$2,633	\$-
<b>Total Revenues</b>	<b>\$5,721,061</b>	<b>\$2,766,258</b>
<b>Expenses:</b>		
Personnel Services	\$349,550	\$-
Commodities	\$10,280	\$-
Contractual Services	\$1,650,826	\$-
Maintenance of Equipment	\$20,528	\$-
Miscellaneous	\$509,740	\$926,156
Capital Expenditures	\$-	\$700,839
<b>Total Expenses:</b>	<b>\$2,540,925</b>	<b>\$1,626,995</b>
<b>Net Income:</b>	<b>\$3,180,136</b>	<b>\$1,139,263</b>

# MIDLAND DEVELOPMENT CORPORATION BOARD & STAFF

## BOARD OF DIRECTORS



David Mims  
*Chairman*



Robert V. Rendall, Jr.  
*1st Vice Chairman*



Doug Henson  
*2nd Vice Chairman*



Laura Roman  
*Treasurer*



Cary Love  
*Secretary*

## STAFF



Mike Hatley  
*President*



Don "Woody"  
Woodward  
*Business Development  
Director*



Pam Welch  
*Business Retention  
and Expansion  
Director*



Tracy Dau  
*Workforce  
Development  
Coordinator*



Natalie Shelton  
*Real Estate/  
Marketing  
Coordinator*



Kristin Robbins  
*Administrative  
Assistant*



*"Our future with Midland is crucial; we're very optimistic about  
Trace's viability and business development opportunities."*

*David Czamecki,  
Chief Operating Officer for Trace Engines, LP*





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