



Investing in Midland's future

ANNUAL REPORT 2020



432.686.3579

www.midlandtxedc.com

200 N. Loraine Street, STE 610 Midland, Texas 79701



WE ARE MIDLAND

Midland, Texas is more than high skies and open spaces. It is the place where businesses come to grow, and families put down roots. Midland is home to large national companies, high-paying jobs for both blue and white-collar workers, and a close-knit community with a strong sense of identity. We are talented, dedicated, hard-working, innovative, and thriving. We are Midland, and we invite you to join us.



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A LETTER FROM THE CHAIRMAN

During a year of unprecedented challenges, the Midland Development Corporation's mission has been at the forefront of our minds: "Promote and advance opportunities that enhance and diversify the strength and stability of the Midland economy." While the energy sector remains the cornerstone of Midland's economy, there has never been a more opportune time for diversification, as Midland utilizes its educated workforce, infrastructure, and wide-open skies to attract and develop a nascent aerospace cluster. Meanwhile, key investments made by the MDC in road infrastructure, healthcare, and education are helping to stabilize our city's essential activities. Highlights of 2020 include the following:

- Joining AST & Science, Kepler Aerospace became the second tenant of the Spaceport Business Park at Midland International Air and Space Port, developing satellite delivery systems here. While creating new jobs and investing tens of millions of dollars in property and inventory, Kepler Aerospace is eligible for lease abatement from the MDC.
- The main lanes and interchanges at Loop 250 and CR 1150 neared completion this year, accelerated by MDC's \$2M donation agreement with TxDOT.

Meanwhile, construction began on improvements at the intersection of Loop 250 and CR 1140 and the intersection of South Midkiff and I-20.

- The expansion of Tradewinds Boulevard was completed, opening a vital new westward corridor for Midland's burgeoning commercial and residential developments.
- Texas Tech Health Sciences Center's Physician Assistants program on the campus of Midland College is within months of breaking ground on a new and expanded \$30M facility, which will add capacity of at least 30% to each graduating class. The MDC has partnered with TTUHSC for \$5M of the capital cost.
- Midland College's Pre-K Academy, an in-district charter school, completed its first academic year, providing quality primary education to 160 four and five-year-olds. MDC's promotional agreement with Midland College provided facilities funding for the first phase of the Pre-K Academy.
- The Chris Davidson Opportunity Park at the Bush Tennis Center opened. With a promotional agreement, the MDC provided funds to help construct this inclusive, accessible park, where children of all abilities play together.

BOARD OF DIRECTORS



STEPHEN LOWERY
1ST VICE CHAIR



CHASE GARDAPHE
2ND VICE CHAIR



BERRY SIMPSON
SECRETARY



As we turn an optimistic eye toward recovering economic conditions and accelerating commodities demand in 2021, we see the current slowdown as an opportunity.



As we turn an optimistic eye toward recovering economic conditions and accelerating commodities demand in 2021, we see the current slowdown as an opportunity: Midland's rate of growth over the past five years strained our city's physical and social infrastructure systems. An economic deceleration gives us a chance to regroup, assess challenges, and prioritize goals for our city. When a new surge of global economic growth occurs, Midland will be equipped to tackle its next period of rapid expansion.

Throughout 2020, the MDC has nurtured its ongoing initiatives, served our community, and aggressively pursued new projects, with the guidance of MDC's board and City Council. Looking forward to 2021, the MDC will continue to strategically employ its resources to leverage returns in the form of increased private, state, and federal funds that would have been otherwise unavailable to Midland.



Wesley Bownds

Chairman of the Board



JILL PENNINGTON
TREASURER



P. LOURCEY SAMS
DIRECTOR



ELAINE BEDELL
DIRECTOR

INTRODUCTION TO THE MIDLAND DEVELOPMENT CORPORATION

The MDC promotes and advances opportunities that enhance and diversify the strength and stability of the Midland economy.

The Midland Development Corporation was created in January 2002 to promote business expansion, job creation and capital investment to diversify and strengthen the Midland, Texas, economy. We do so by offering incentives to qualified new and existing employers who create jobs for the community. Midland voters made these incentives possible when they approved a quarter-cent increase in the local sales tax rate, with additional revenues earmarked to promote economic development and diversification.

A seven-member board appointed by the City Council governs the MDC.



GOALS



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



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



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



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

PROFESSIONAL STAFF



JOHN TRISCHITTI III
EXECUTIVE DIRECTOR



SARA HARRIS
DIRECTOR OF OPERATIONS / CFO



KORI WOOTEN
MARKETING COORDINATOR



BLAIR FLANAGAN
ADMINISTRATIVE ASSISTANT

SPACEPORT BUSINESS PARK

The Midland International Air & Space Port is Open for Business & FAA Approved

The Spaceport Business Park is conveniently located in Midland, Texas - the heart of oil & gas country. The Midland International Air & Space Port is the first to be co-located with a major commercial airport. It is FAA approved as a Commercial Space Launch Site. The launch site is currently being used by AST & Science, a satellite testing and manufacturing company, which has recently raised \$128-million in investment. Satellite technology company, Kepler Aerospace, has also located in the Spaceport Business Park and is benefiting from access to affordable space and state-of-the-art equipment.

AST & SCIENCE

Headquartered in Midland at the Spaceport Business Park since 2019, AST & Science announced exciting new developments in 2020, including plans to launch SpaceMobile, a low-Earth-orbit, low-latency satellite network that will be the first in the world to connect directly to standard smartphones. New investors in AST & Science's SpaceMobile include Rakuten and Vodafone, bringing the total capital raised by the company to \$128 million.

AST & Science leases the MDC's 85,000 square foot facility at the Spaceport Business Park as part of an economic development agreement. The Midland International Air & Space Port's license to launch horizontal craft is essential to the manufacturing, testing and implementation of the satellites. AST & Science has committed to making capital, personal property, and inventory investments of up to \$30 million in the Midland facility over the next three years. As investment and employment thresholds are met, lease abatement is provided by the MDC.

KEPLER AEROSPACE

With a bold vision in the fields of aviation and aerospace, Kepler Aerospace has joined the Spaceport Business Park as a tenant, leasing the MDC's Midland Altitude Chamber Complex facility. Kepler Aerospace and the MDC have committed to an economic development agreement and sublease agreement. Under the terms of those agreements, Kepler Aerospace will bring its satellite delivery development to MDC's facility at the Spaceport Business Park. While creating new jobs and investing tens of millions of dollars in property and inventory, Kepler Aerospace will become eligible for lease abatement from the MDC. Along with AST & Science, Kepler Aerospace will deliver high-tech job opportunities and exciting new industrial diversification to Midland.



OPEN AREAS

**FOR FLIGHT &
ENERGETIC TESTING**

COMPETITIVE

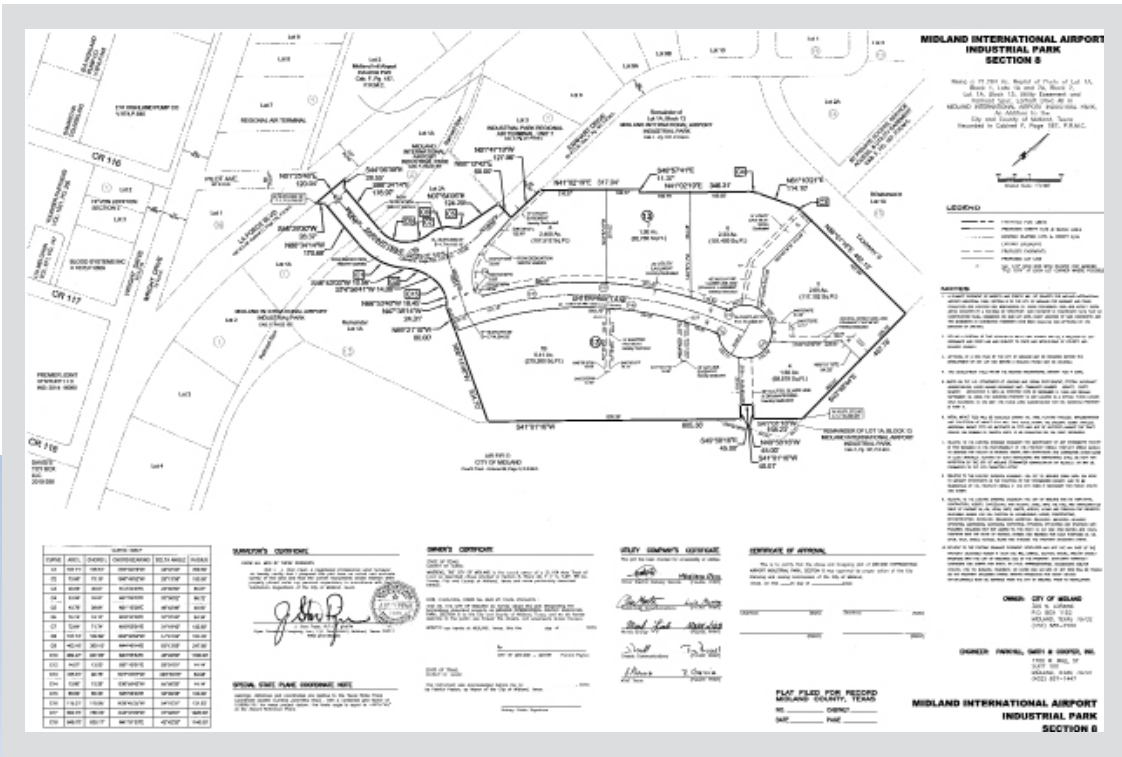
**OPERATING COST
ENVIRONMENT**

FAVORABLE

**REGULATORY
ENVIRONMENT**

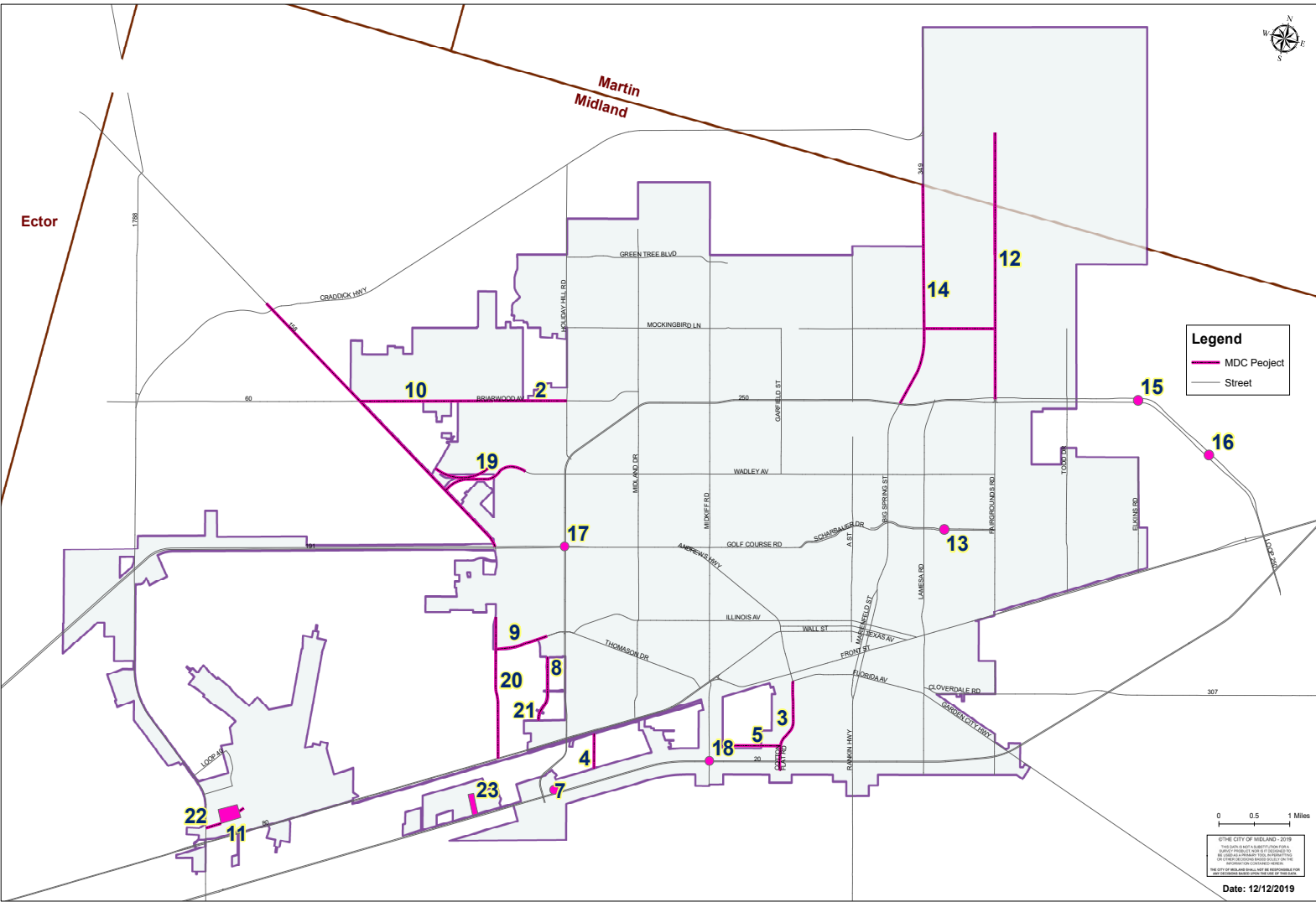
HIGHER

**EDUCATION
OPPORTUNITIES**



INFRASTRUCTURE PROJECTS

#	Project Name	Type	Initiation	MDC expenditure
1	Highway 349 improvements	construction	2011	\$27,000
2	Briarwood widening (Phase I)	construction	2012	\$4,680,000
3	Garfield Street extention	construction	2012	\$1,800,000
4	Market Street utilities	water/sewer	2012	\$30,000
5	Midkiff Drive water main	water/sewer	2012	\$800,000
6	Southwest Crossing	water/sewer	2012	\$1,500,000
7	Midland Drive water bore under I-20	construction	2013	\$25,000
8	Tradewinds Boulevard utilities	water/sewer	2013	\$2,700,000
9	Avalon Drive Extension	design	2014	\$550,000
10	Briarwood widening (Phase II and III)	design	2014	\$730,000
11A	Spaceport Business Park design/plan	design	2014	\$790,000
11B	Spaceport Business Park construction	construction	2016	\$4,460,000
12	Fairgrounds Road ROW	right-of-way	2016	\$600,000
13	Carver & Scharbauer drainage improvement project	design & construction	2017	\$2,500,000
14	Highway 349 expansion	design & construction	2017	\$1,350,000
15	TXDOT - Loop 250 & CR 1150	design & construction	2017	\$2,000,000
16	TXDOT - Loop 250 & CR 1140	design & construction	2017	\$3,000,000
17	TXDOT - Loop 250 & Highway 191	design & construction	2017	\$2,000,000
18	TXDOT - Midkiff & I-20	design & construction	2017	\$2,000,000
19	Wadley ROW	right-of-way	2017	\$200,000



Projects not displayed

Airways Drive	\$17,000	David Mims Business Park infrastructure construction	\$1,300,000
Jal Draw	\$13,000	City of Midland Communication Ring	\$1,552,000
Midland Draw	\$13,000	Parkhill, Smith & Cooper - design for City of Midland Projects	\$1,000,000
David Mims Business Park infrastructure Phase I	\$29,000	Kimley-Horn - design for City of Midland projects	\$500,000
David Mims Business Park infrastructure Phase II	\$13,000	Freese & Nichols - design for City of Midland projects	\$365,000

INFRASTRUCTURE PROJECTS

TRADEWINDS

In June, the extension of Tradewinds Boulevard opened for traffic, along with its roundabout. This expansion opens a vital new westward corridor for Midland's burgeoning commercial and residential development. The total project cost \$8.829 million, half of which was provided by the MDC as part of a joint-venture project with the City of Midland to accelerate new infrastructure projects and roadways.



TXDOT INFRASTRUCTURE PROJECTS

Spurring economic growth, the MDC has leveraged commitments to crucial infrastructure projects that will have the greatest impact on transportation in Midland. The MDC has coordinated with TxDOT to accelerate the completion of projects including mainlanes and interchanges at Loop 250 and CR 1150, Loop 250 and CR 1140, Loop 250 and SH 191, South Midkiff and I-20, and the widening of SH 349 north of town.



“

TxDOT values MDC and its input, both financial and informational.

”

— Gene Powell,
Public Information Officer
TxDOT's Odessa District

LOOP 250
& CR 1140-1

LOOP 250
& CR 1140-2



MIDLAND HEALTH

PHYSICIAN RECRUITMENT

A partnership bettering Midland's healthcare,
one physician at a time

Since 2015, the MDC has supported Midland Health through our collaborative reimbursable physician recruitment agreement, the terms of which provide for up to \$450,000 per year in reimbursements to Midland Health for expenses associated with recruiting new physicians to provide healthcare for Midlanders. Over the course of the agreement, MDC has reimbursed \$2.45 million, enabling Midland Health to recruit more than sixty doctors with crucial specialties that Midland previously lacked, such as orthopedists, pediatric specialists, and emergency practitioners. The cumulative retention rate for recruited physicians is 79% over the last six years.

In fiscal year 2020, eleven new physicians were recruited to start practice in Midland, including a hospitalist, radiologist, and specialists in infectious diseases.

Quality healthcare being readily available in Midland has become more crucial in 2020 than ever before. Aside from prolonging life and alleviating hardship, the healthcare industry also directly impacts Midland's economy. On average, each physician supports 17 jobs, \$1.4 million in wages and benefits, and \$126,000 in local and state tax revenues.* The average per capita economic output of each patient care physician in Texas is \$2,296,768.**



*We sincerely appreciate all
you do to support us. It's
tremendously beneficial.*

— Russell Meyers
President & CEO, Midland Health



Using that data, the 2020 economic impact to Midland of the physician recruitment program sponsored by MDC resulted in the eight new physicians supporting 187 jobs, \$15,400,000 in wages and benefits, and \$1,387,419 in local and state tax revenues. In summation, eleven physicians are supporting \$25,264,488 per capita economic output of patient care. This helps to achieve the MDC's mission of enhancing the strength and stability of Midland's economy.

**"The Impact of One Physician: A Note on National Doctor's Day,"
2018, from 2014 survey*

***The Economic Impact of Physicians, Merritt Hawkins, 2018, based
on 2016 survey*



11 NEW PHYSICIANS



79%

RETENTION RATE



EACH PHYSICIAN SUPPORTS:

- 17 JOBS
- 1.4 MILLION IN WAGES & BENEFITS
- \$126,000 IN LOCAL & STATE TAX REVENUES



TTUHSC

PHYSICIAN ASSISTANT PROGRAM

2020 saw acceleration for the Physician Assistant (PA) Program expansion operated by Texas Tech Health Sciences Center on the Midland College campus, with financial commitments from Permian Basin foundations and industry donors combining with \$5 million committed by the MDC, and \$20 million in state funding procured by Representative Tom Craddick during the 2019 legislative session.

With approval from Texas Tech's Board of Regents coming in December 2020, ground will be broken in February 2021 for the new \$30 million, 32,500 square-foot PA Program facility. Completion is anticipated for summer 2022, as the program adds capacity of at least 30% to each graduating cohort. Many PAs who graduate from the Midland-based program will go on to practice in Midland, strengthening the pipeline of healthcare providers in the Permian Basin.

"Midland Development Corporation's support for the expansion of the physician assistant program emphasizes the value of TTUHSC in the Midland community," said Tedd L. Mitchell, M.D., Texas Tech University System chancellor. "This gift is critical to the expansion project, which in turn is critical to helping address the health care needs in this area. We are extremely grateful for MDC's generous investment, bringing us one step closer to our goal."



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TTUHSC

CHILD & ADOLESCENT PSYCHIATRY

In 2018, Texas Tech Health Sciences Center (TTUHSC), a leader in healthcare in Texas, presented an excellent opportunity for collaboration with the MDC, resulting in an \$8.4 million dollar commitment over eight years for staffing and operations of a new Child & Adolescent Psychiatry Fellowship Program in Midland. Additional funding was provided by the Texas Higher Education Coordinating Board and the Scharbauer Foundation, indicating broad-based state and local support.

Prior to the program's initiation, a dearth of quality mental health care in Midland for children and teens had been a long-term challenge. Patients and their parents were faced with long wait times for appointments, as well as financial hardship for those who were required to travel long distances for care. The Midland facility opened its doors in November 2018, and after two years of operations, has far exceeded projections by providing care at over 26,000 patient appointments. Two licensed psychiatrists participate in the program, along with four fellows. This program ensures a pipeline of mental health care providers in Midland.

\$8.4M

IN FUNDING

26,000

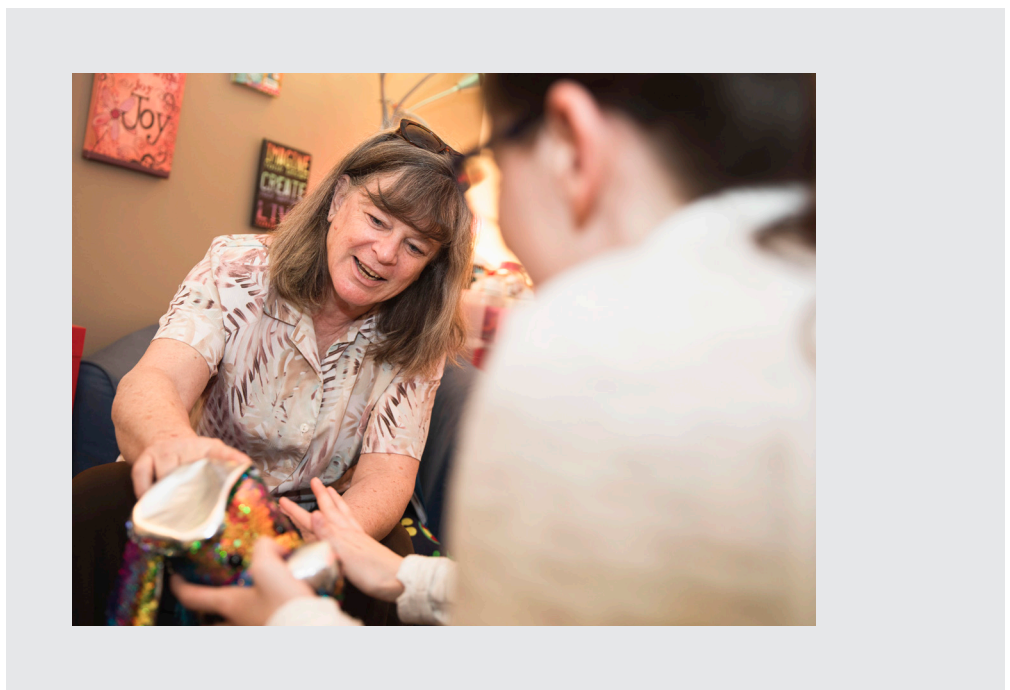
APPOINTMENTS

TWO

PSYCHIATRISTS

FOUR

FELLOWS



COMMUNITY INVESTMENTS



CHRIS DAVIDSON OPPORTUNITY PARK

In October 2020, the long-awaited Chris Davidson Opportunity Park at the Bush Tennis Center opened to welcome children of all abilities. In 2017, the MDC contributed \$316,000 to assist in the construction of the park.

The original Chris Davidson Opportunity Park was built in 1989 and was inspired by the brief and courageous life of Jan and Steve Davidson's son, Chris. At the time, it was one of three parks in the country designed to give children with disabilities the privilege of playing side-by-side with their non-disabled peers.

The park has now been relocated to a 3.31 acre tract of land on Briarwood Avenue west of the Bush Tennis Center. The land was donated by the Henry Foundation. The design of the equipment and environment fully incorporates the Seven Principles of Inclusive Playground Design developed in partnership with Utah State University and PLAYCOR. The emphasis on inclusion and usability recognizes the strengths, individuality, dignity, and abilities of all people, regardless of ability or age.



HISPANIC CULTURAL CENTER

Founded in 1996, the Hispanic Cultural Center of Midland has established itself as a nexus of arts education that enriches the lives of hundreds of students through its programs in art, dance, drama, music and speech. Educational assistance and tutoring are also provided.

The Hispanic Cultural Center actively promotes and celebrates Midland and its vibrant Hispanic community, offering the MDC an excellent opportunity for collaboration. The MDC's promotional agreement with the Hispanic Cultural Center will provide for \$15,000 per year in support from 2018 through 2023, which will enable program expansion, facilities maintenance, and greater outreach throughout Midland.

INCUBATOR & MAKERSPACE AT UTPB

The MDC cemented a long-term partnership with University of Texas Permian Basin (UTPB) in 2017, committing \$3M to complete the build-out of the third floor of UTPB's College of Engineering in Midland, \$2M to remodel the Center for Energy and Economic Diversification (CEED) building into an incubator and makerspace, and \$5M over twenty-five years to provide for staffing and program needs for the incubator program.

In 2020, the incubator and makerspace program approached completion, with a collaborative environment created to promote entrepreneurship and technology transfer. The program is informed by experts at UTPB's Colleges of Business, Engineering, and Sciences, with financing available onsite through the UTPB Small Business Development Center. Programming, events, and academic resources will be present, as well as workforce training, workspaces, and advanced laboratory capabilities.



OPEN
FOR BUSINESS



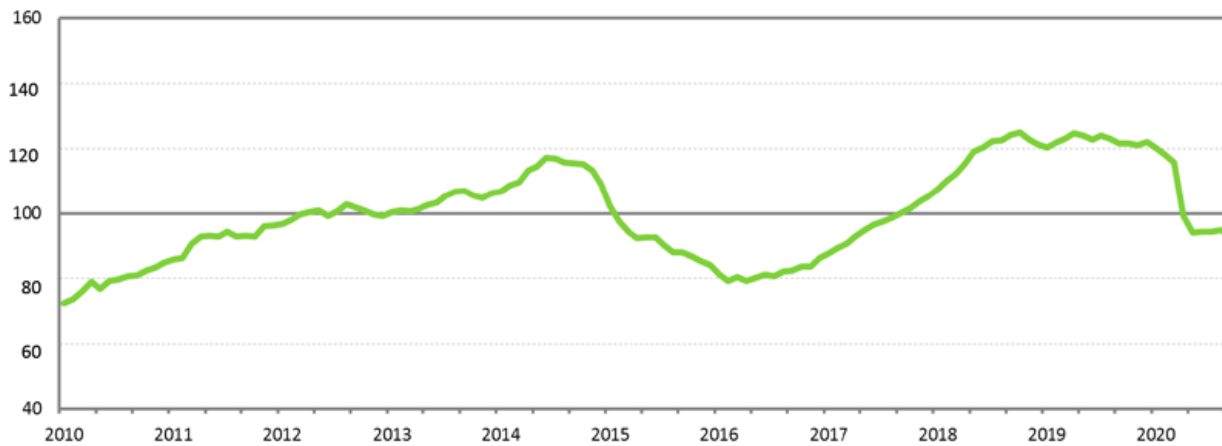
BUY THE BASIN

The MDC joined the Buy the Basin campaign to promote local spending within the Permian Basin region. Through this campaign, the Midland community rallied together to support small businesses and our local economy.

ECONOMIC INDICATORS

MIDLAND ECONOMIC INDEX 1996-2019

(Index adjusted such that 100 represents economic status in 2012)



Source: The Perryman Group

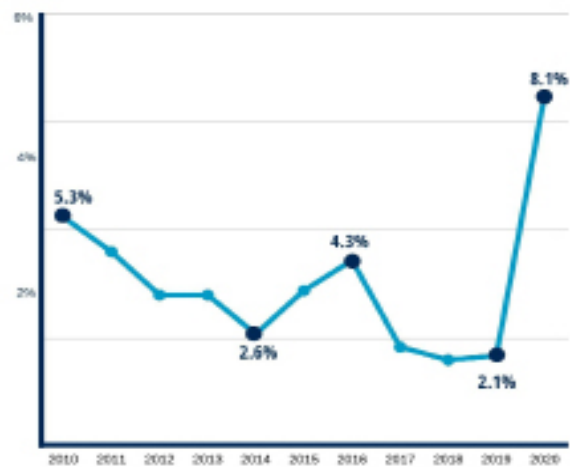
MIDLAND CIVILIAN LABOR FORCE

Over the past year, the Midland Civilian Labor Force dropped from 111,009 to 105,011.



MIDLAND UNEMPLOYMENT RATE

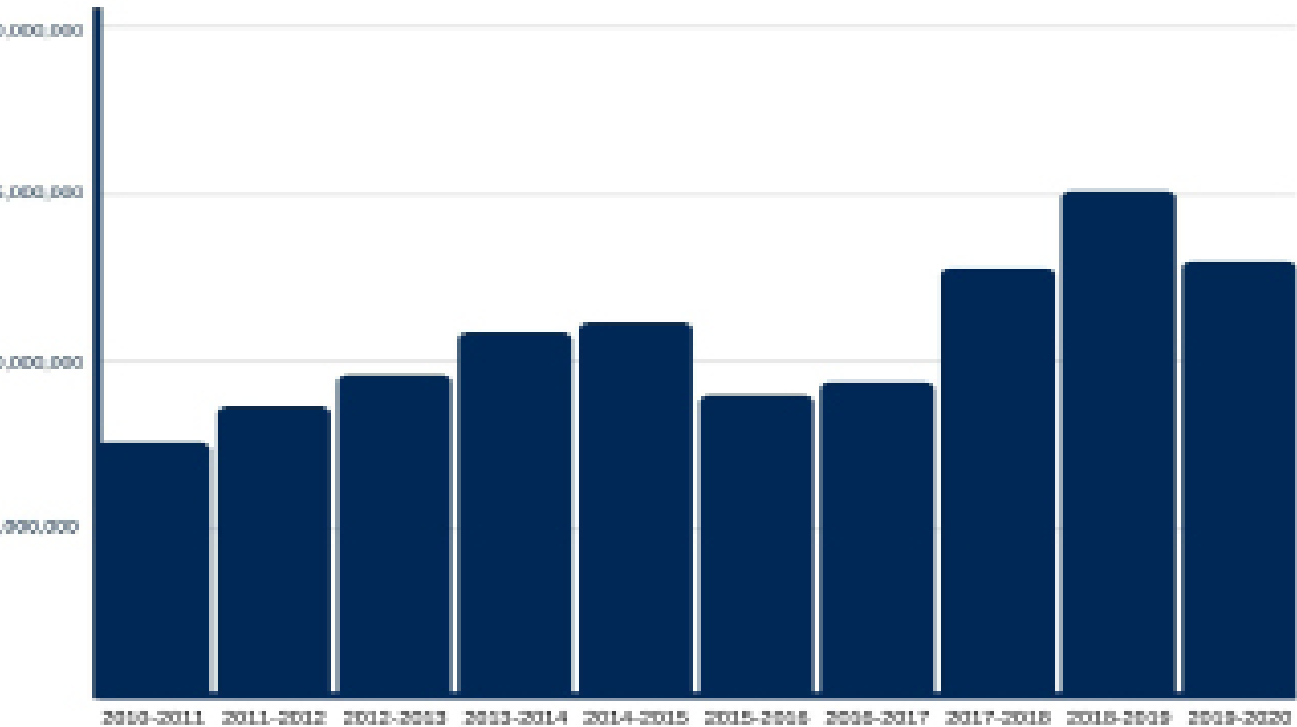
The unemployment rate has reached 8.1% in 2020, the highest Midland has seen it in at least 10 years.



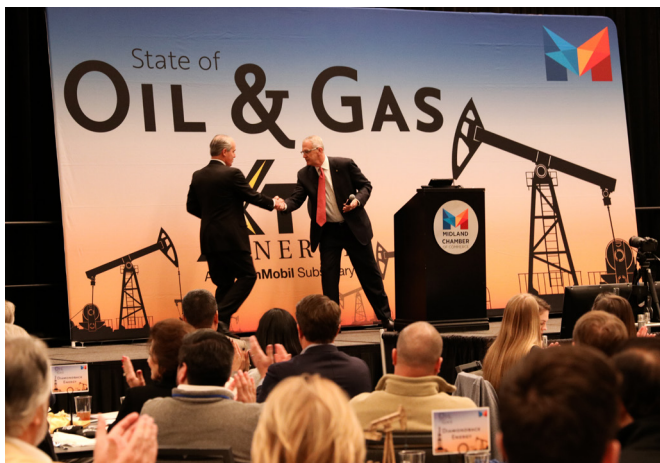
MDC ROI 2015-2020

MDC Commitment	Annual Wages for New Jobs Created	Capital investment, Personal Property, Inventory	Investment from Other Entities Directly Induced by MDC Commitment
\$54,653,139	\$24,290,00	\$179,995,000	\$131,298,972
Total added value	\$335,583,972		
ROI	514%		

TYPE A SALES TAX REVENUE



SPECIAL EVENTS



TxEDC Regional Business Summit

The MDC hosted the Texas Economic Development Corporation's Regional Business Summit. We heard from Gov. Greg Abbott; Tracee Bentley, President & CEO of Permian Strategic Partnership; Vicki Hollub, president & CEO of Occidental Petroleum; and Bryan Sheffield, Executive Chairman of Parsley Energy. The panel discussed Texas's economy and the importance of the Permian Basin.

State of Oil & Gas

Midland came together for the Midland Chamber's State of Oil & Gas, where keynote speaker Travis Stice, Diamondback Energy CEO & Director, briefed the community on the energy sector's current outlook and long-term prospects. "Being informed is the key to understanding the challenges that we face," Stice said. We are proud to sponsor an event that helps emphasize the global significance of the Permian Basin.



The Midland Development Corporation had the opportunity to sponsor and host a variety of events this year. Our community gathered together throughout the year to learn more about the current state of our local, state, and national economy and workforce.



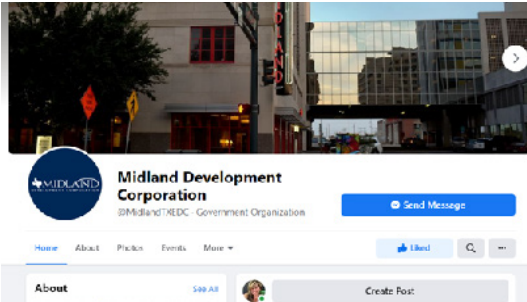
○ Midland Chamber of Commerce Annual Meeting

The MDC had the honor of co-hosting the Midland Chamber's Annual Meeting. After former Midland Chamber Chair Wesley Bownds passed the reins to the new chair, Chad McAllaster, we heard from Mayor Patrick Payton, who gave his State of the City address. We're grateful for the opportunity to help bring our city together and support community through this event.



MARKETING & COMMUNICATIONS

Through the MDC website, social media platforms, and email marketing, the MDC shares updates on current and ongoing projects, local and state data, and relevant information. These online platforms help the MDC to better connect with the community.



WEBSITE UPDATES

- The MDC has launched a series of pages on our website with extensive information on the Spaceport Business Park. This includes details on the airport and business park, leasing information, existing tenants, and more.
- The MDC has published 71 news articles on our “News and Resources” page, including 13 original , featured articles on topics such as infrastructure, local businesses, onshoring, the aerospace industry, and more.
- A new “Organizational Resources” page provides access to MDC’s audited financial statements and annual reports since inception in 2002.

SOCIAL MEDIA

PLATFORM	2019 FOLLOWING	2020 FOLLOWING	% INCREASE
LinkedIn	420	1064	153%
Facebook	882	1182	34%
Twitter	1750	1840	5%
Instagram	805	1316	63.5%



The MDC launched a monthly newsletter this year to connect with our audience via email and provide updates to our community. Each newsletter opens with a featured article, and topics include infrastructure, education, local businesses and workforce, aerospace, and more.

THIS YEAR'S FEATURED ARTICLES



The Micro Market:
A Vision for Downtown
Entrepreneurs



Why the Aerospace
Industry has its Eyes on
Midland, Texas



Midland Downtown
Farmers Market is Open
and Supporting Local
Businesses



Midland TX is Growing
in a Sustainable Way

To subscribe, visit our website at
midlandtxedc.com, then go to
the News & Resources page.

NEW MONTHLY NEWSLETTER



OCTOBER 2020



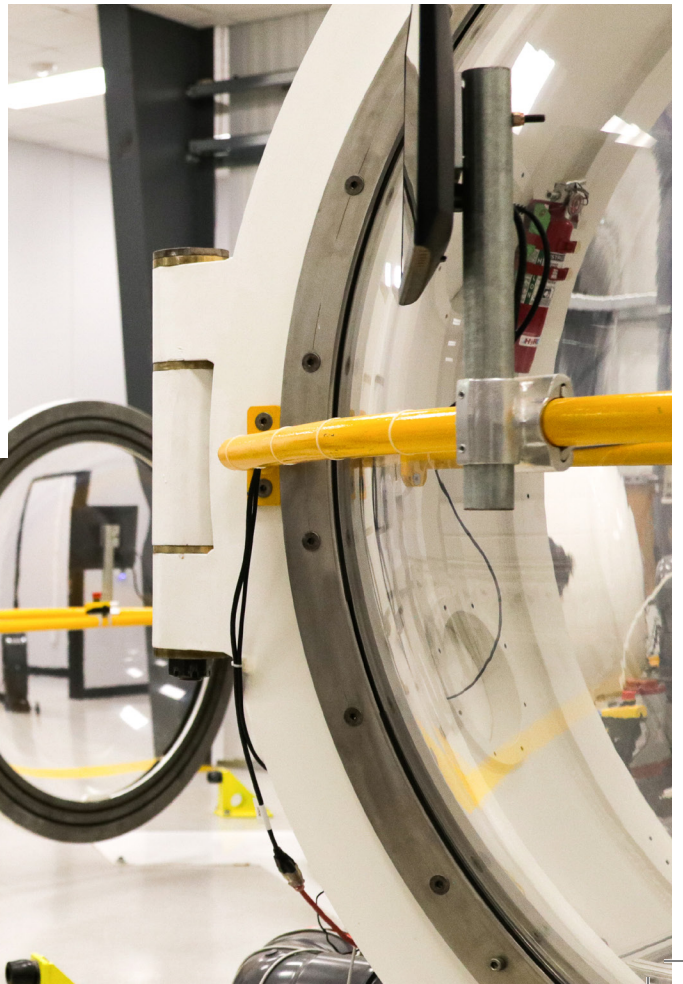
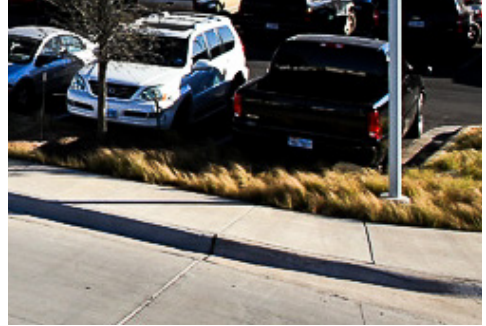
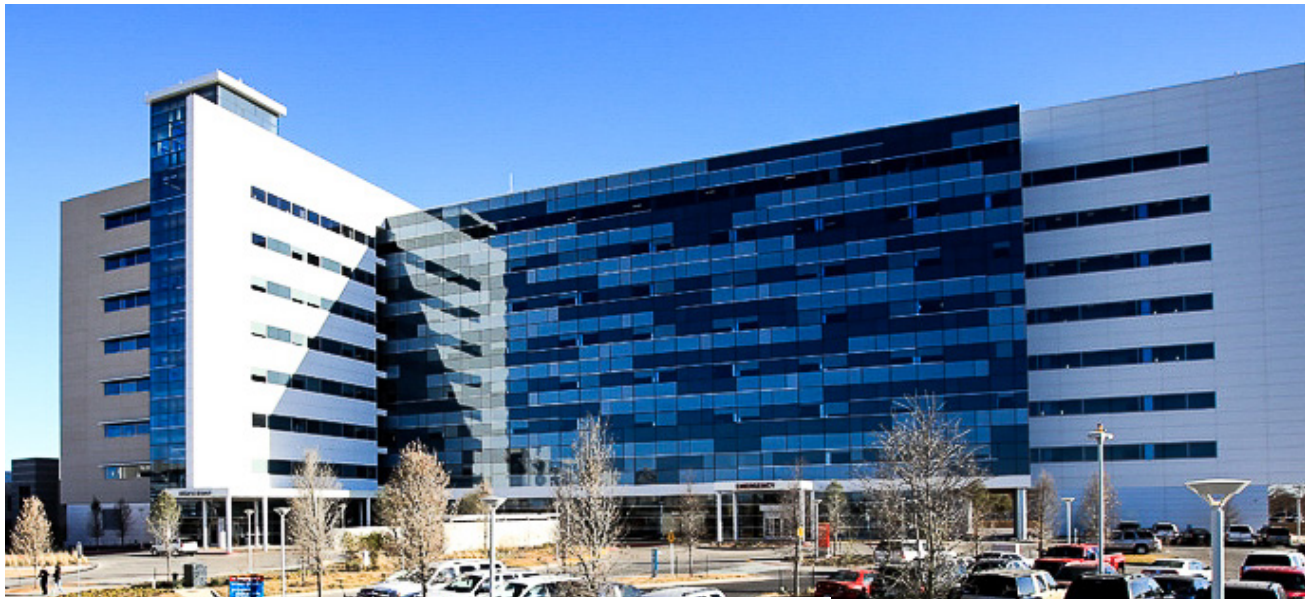
MDC invests millions in Midland infrastructure projects

The Midland Development Corporation (MDC) has played a vital role in securing millions of dollars for critical infrastructure projects in Midland. From 2010 to 2021, \$117 million of highway funding will be spent on local infrastructure projects, with the MDC contributing \$10.3 million. The remaining funding has come from the City of Midland (\$1.65 million), the Texas Department of Transportation (\$21 million), and the United States Department of Transportation (\$84 million).

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2020



432.686.3579

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