



2006-2007 Annual Report

Message from the President

2007 proved to be a transition year for the Midland Development Corporation. Although we were successful in providing incentives for companies to move to Midland and expanding our existing businesses, the leadership identified that we needed to review our strategy.

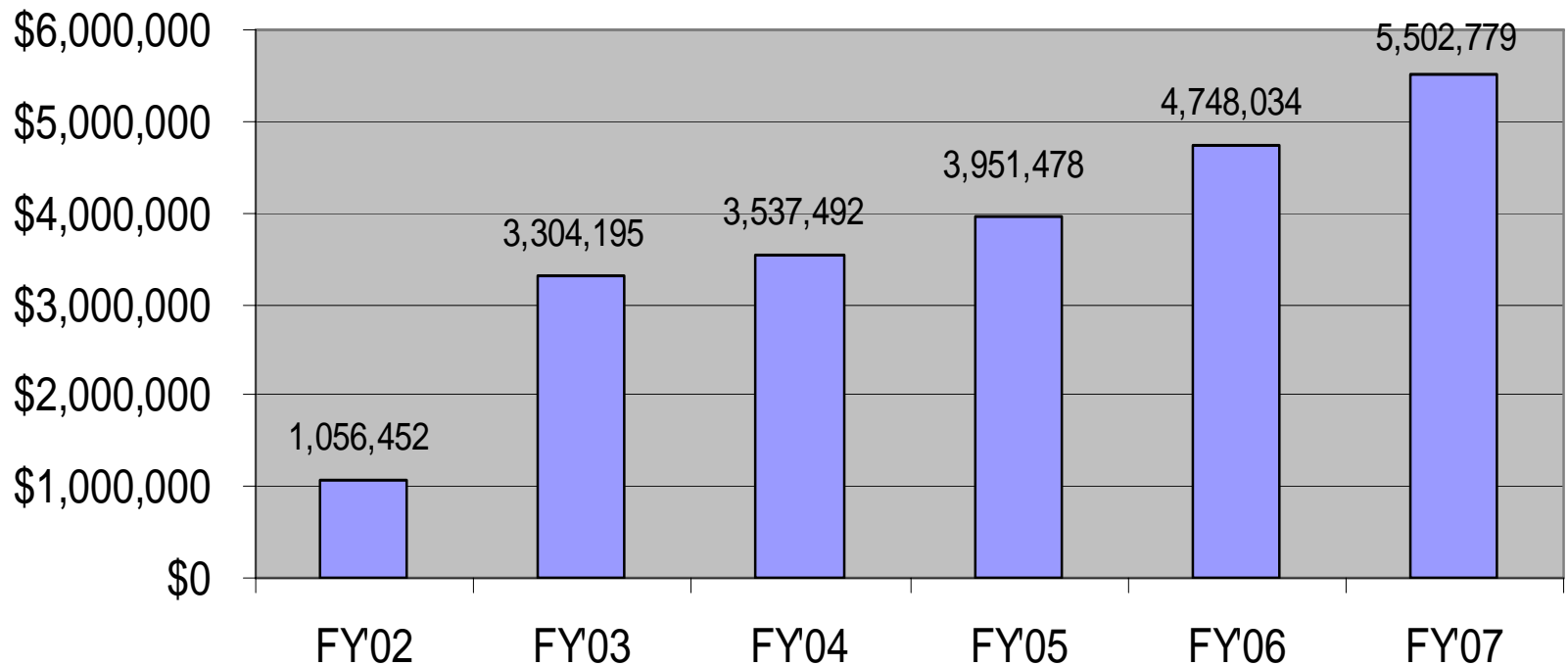
When the corporation was chartered in 2002, we began the process of getting ready to recruit and expand. In 2007, we recognized the business climate had changed and we needed a new strategy to meet the challenge of recruiting and expanding companies' in an environment of low unemployment. We spent considerable time and effort during the year with our consultant TIP Strategies in formulating our new Strategic Plan. The major tenets of the plan include three Opportunity Zones that will attract companies in five major Target Industries as well as attract talent that believes in the "Quality of Place" in Midland, Texas.

We are excited and committed to our new strategy for 2008 and beyond, the details of this will be presented at this meeting and later on our website.

-Jim Nelson, President

Economic Indicators

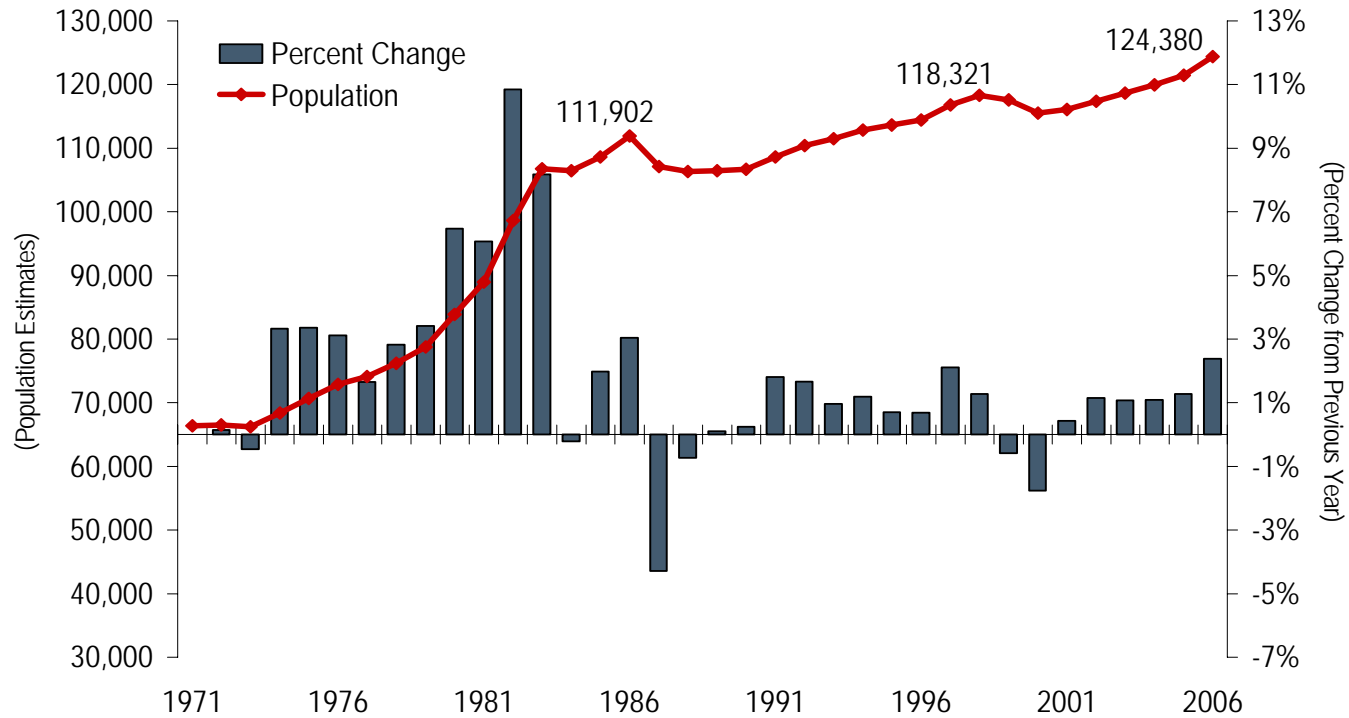
4 A Sales Tax Receipts
Fiscal Year 2002 through FY 2007 YTD



Economic Indicators

Midland County Population Estimates & Growth

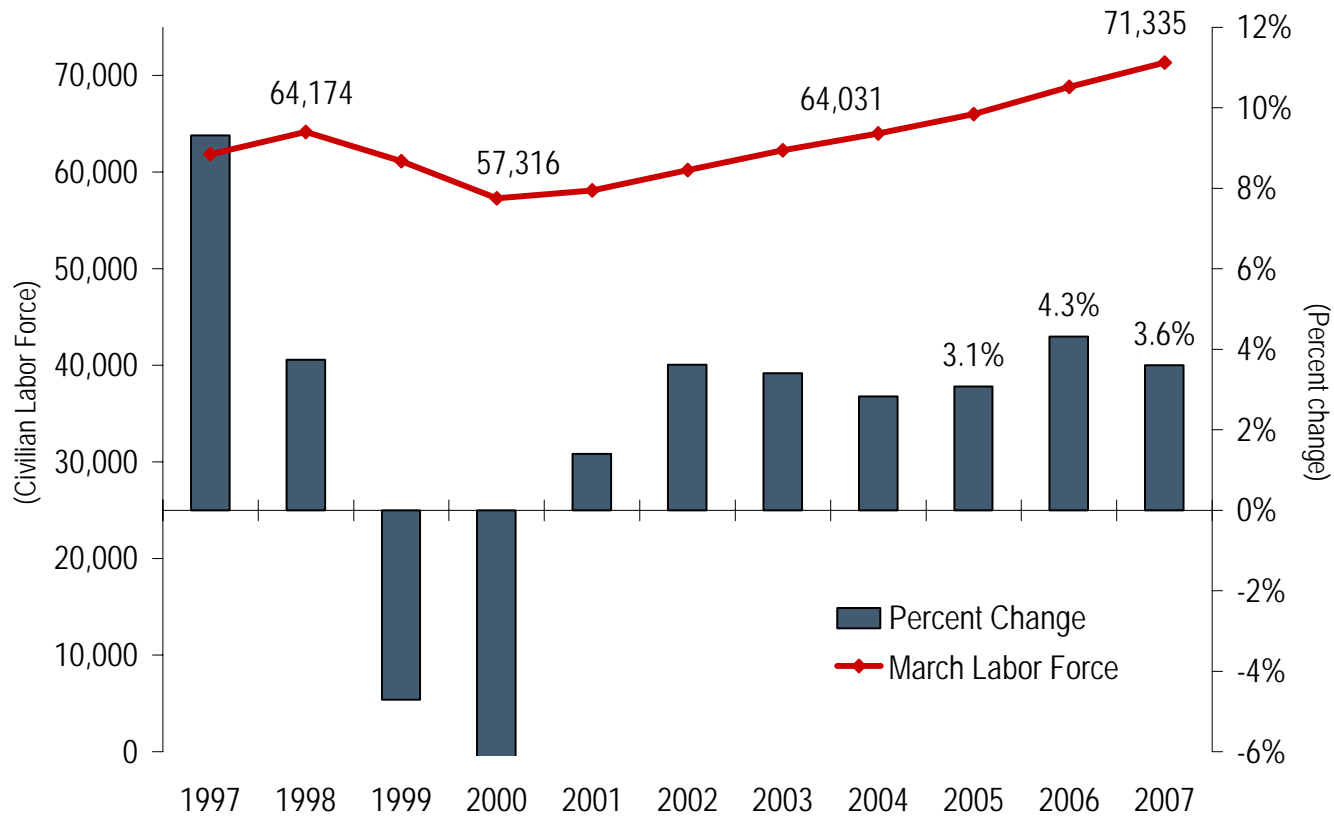
Midland County Population Estimates, 1971-2006
July 1st Estimates



Source: US Census Bureau

Economic Indicators

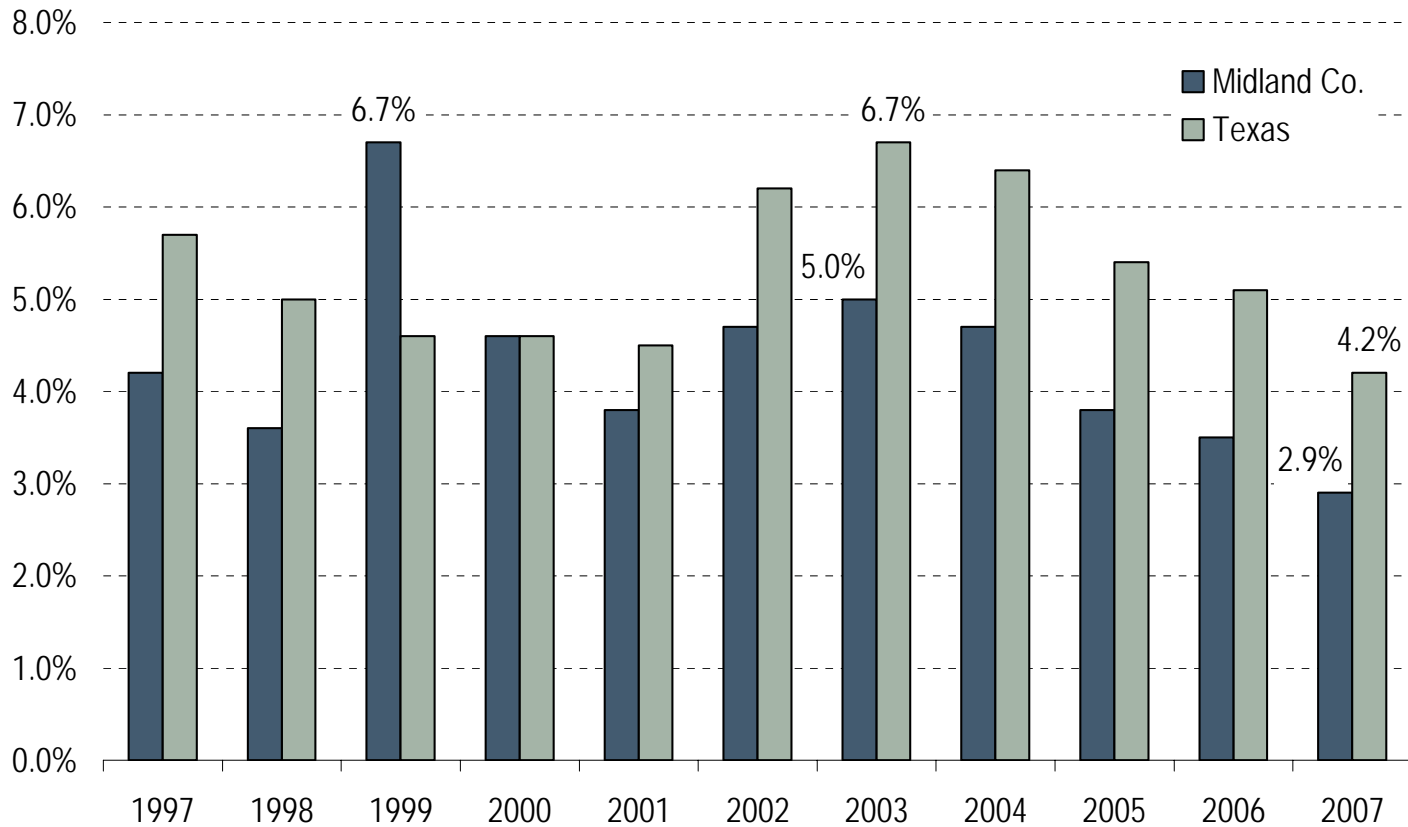
Midland County Labor Force, 1997-2007



Source: Texas Workforce Commission

Economic Indicators

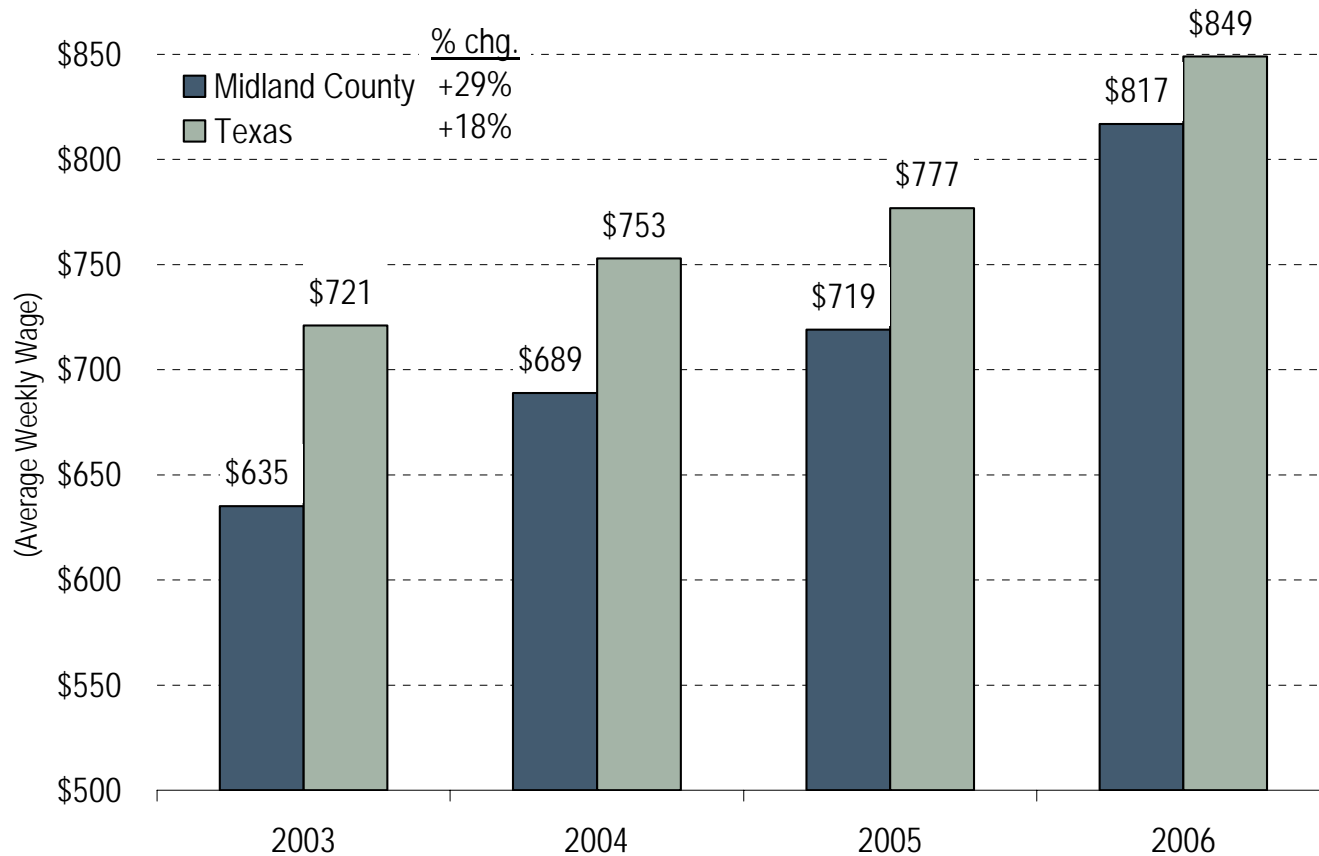
March Unemployment Rate Comparison, 1997-2007



Source: Texas Workforce Commission

Economic Indicators

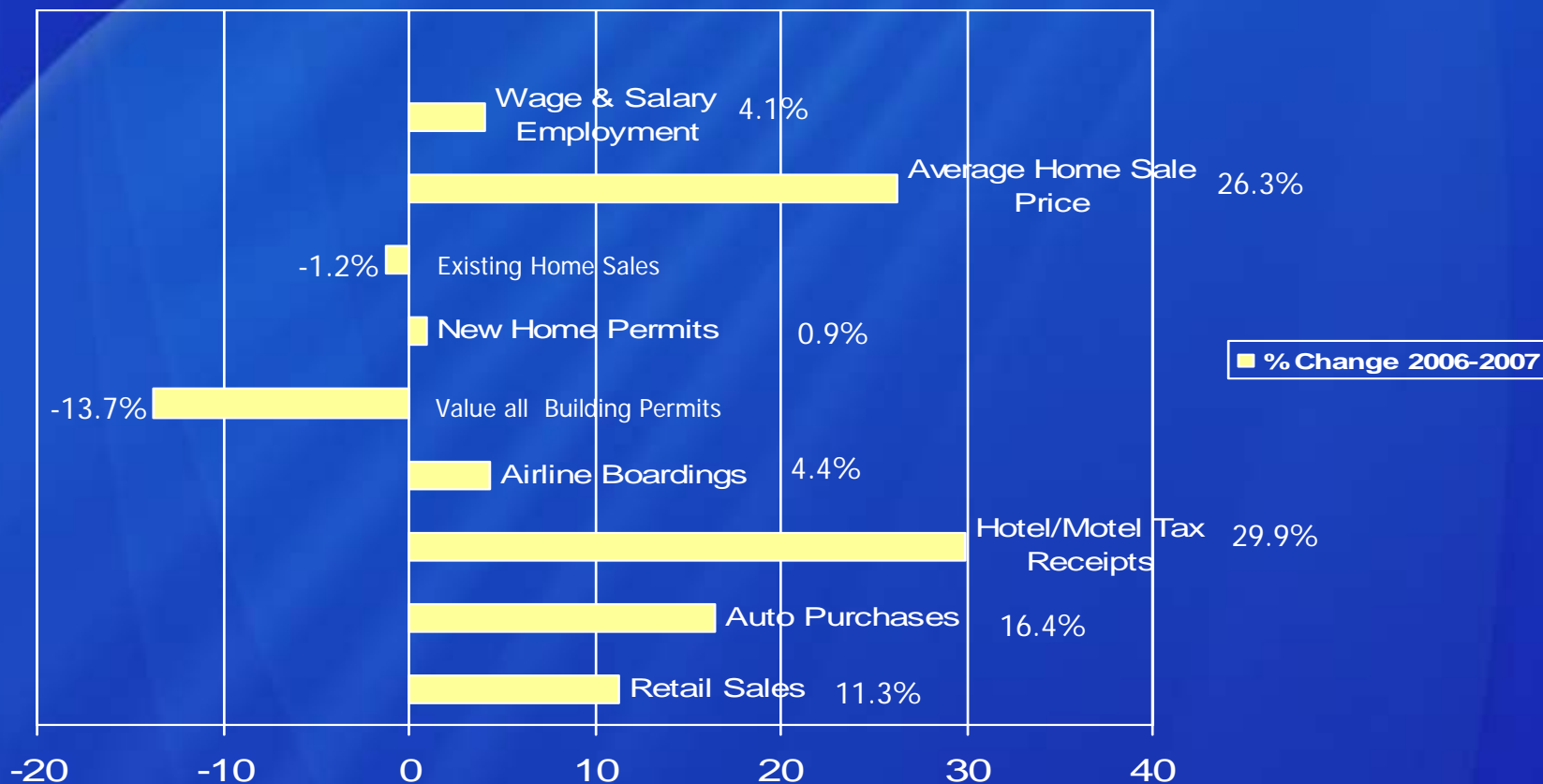
Private Sector Wages, 2003-2006



Source: Texas Workforce Commission

Economic Indicators

% CHANGE 2006-3rd Qtr 2007



• Base = 100 January 1996

Source: Karr Ingham Report

2006-2007 Goals - 2006-2007 Actuals

Primary Industry Recruitment

Goals VS Actuals:

	# Proposals	# Direct Co. Visits	# Community Site Visits	# New Business Locations	# New Jobs
2006 - 2007 Goals	30	55	25	3	100
2006 - 2007 Actuals	25	206	15	1	203
+ / -	-5	+151	-10	-2	+103

Industry Recruitment Highlights



- Orenda/Trace is an aircraft engine manufacturer. The company relocated to Midland. The firm has invested \$1.85 million in buildings and improvements and \$3 million in furniture, fixtures and equipment. In addition, the firm will have taxable inventories of \$3 million. The firm will have up to 100 workers with average annual salaries of \$51,504. MDC shall grant incentives of \$400,000
- 886 total leads for 2006-07 – Of these, 481 are qualified active leads.
- These leads are in the following industries: Aviation, Automotive, Manufacturing, Warehouse and Distribution, Chemical and Allied products, Data Center, Oil and Gas, Ethanol, Nuclear, Solar, Wind, Plastics, Food and Kindred products and Call Centers.
- 80 total site consultant relationships obtained during 2006-07
- Leads are obtained through 12 sources. They are Area Development, Business Facilities, Expansion Management, High Ground of Texas, Internet, State of Texas, TexasOne, Trade Missions, ONCOR, Walk-ins, Trade shows, and word of mouth.

2006-2007 Goals - 2006-2007 Actuals

Retention & Expansion of Existing Businesses

	# Business Visits	# Contact Jobs	# Business Expansions	# New Jobs
2006 - 2007 Goals	100	4,300	3	200
2006- 2007 Actuals	105	8,514	1	7
+ / -	+5	+4,214	-2	-193

Business Retention & Expansion

- A pro-active action-oriented Business Retention & Expansion Program is essential in providing the MDC and local industry the opportunity to assess the local economy and its best strategies for successful development.
- Assisted 23 industries with:
 - Expanding their markets
 - Infrastructure issues
 - Referrals to other local, state and federal resources
 - Workforce recruitment & training in conjunction with Workforce Coordinator
- Development of a new program designed to deliver value short-term and long-term and to provide the advanced tools to monitor an evolving business environment and maintain a competitive edge in retention and recruitment efforts.

Business Expansion Project



- BCCK Engineering has been in business in Midland since 1986 and provides project management, engineering services and products to the oil and gas industry. As an international natural gas engineering company they specialize in nitrogen rejection, NGL recovery, carbon dioxide removal, helium extraction and oxygen removal.
- 15 new jobs
- Increase in annual payroll of \$770,000
- Capital investment of 2.4 Million Dollars
- Incentives from MDC- \$225,000

Workforce

	2006-2007 YTD
Job Fairs	14
Media Exposure	23
Individual Company Visits or Contacts	197
Number of Companies Receiving Resumes	143
Number of Resumes Submitted to Staffing Agencies	216
Universities/School Visits	22
Possible Midland Talent	127,215
Research Corporate Layoffs/Closures	10

Local, State & Regional Partnerships

- Future Gen
 - Co-sponsored Texas Business Forum
 - Member of Future Gen Task Force
 - Committed \$200,000 in assistance
- MOTRAN
 - Continue to support La Entrada al Pacifico Trade Corridor
 - Committed \$65,000 annually
- HT³R Project
 - \$500,000 for partnership with UTPB on the pre-conception design of a proposed state-of-the-art nuclear reactor research facility known as the High-Temperature Teaching & Test Reactor

Local, State & Regional Partnerships

- Texas Tech University HUB Operations
 - Co-Sponsored Economic Opportunity Forum
- State of Texas Comptroller
 - Co-Sponsored Revised Franchise Tax Seminar
- Midland Downtown Municipal Management District
 - Facilitated a meeting with Developers, Midland Development Corporation and City of Midland to discuss downtown development efforts
 - Assisting City with formation of Steering Committee to oversee implementation process for Downtown Smart Plan
- Partner of West Texas Coalition for Innovation and Commercialization
 - Selected two people from Midland to serve on this Board
 - \$33,164 Committed
- Joined the High Ground of Texas, a coalition of communities and organizations marketing West Texas

2006-2007 Goals - 2006-2007 Actuals

International Economic Development Program

Goals VS Actuals:

	# Proposals	# Direct Co. Visits	# Community Site Visits	# New Business Locations	# New Jobs
2006-2007 Goals	3	8	3	2	25-50
2006-2007 Actuals	0	82	3	0	0
+ / -	-3	+74	0	-2	

International Highlights



- Texas Trade Mission to Mexico 2007 – Energy Sector
- Midland Presentation at Invest in Texas Seminar
 - Companies in Mexico looking to do business in Texas
- Preparation of certificates of origin for existing businesses



2006-2007 Goals - 2006-2007 Actuals

Incentives and Capital Investment

Goals VS Actuals:

2006-2007 Goals	Complete negotiations with client for Building A, begin developing new property in inventory, and add another tenant to Entrada Industrial Park
2006-2007 Actuals	Worked with multiple viable prospects for Building A, added one tenant in Entrada Park through sale of a site to Atmos Energy.

Advertising, Marketing & Promotion

- Continually updating and improving www.midlandtexasedc.org
- Published Resource Guide for Existing Industry
- Presentation on Midland to Companies in Mexico at Invest at Texas Seminar
- Launched www.makemidlandhome.com
- website with an extensive job bank including links directing visitors to over 20 companies website recruiting page. The website has become a viable source of assistance to both employers and job seekers.
- Workforce Recruitment marketing appears monthly in GI Jobs.
- Workforce marketing included advertisement and editorials in the Killeen Daily Herald and Fort Bliss Monitor.
- Workforce Marketing locally included press releases issued in the events of workforce opportunities for local employers, highlights in the Chamber's Friday Facts, features in the Chamber's My Business, Midland Reporter Telegram, KMID, as well as utilizing the Membership database to distribute information.
- Developments began on a billboard to direct traffic to the www.makemidlandhome.com website. The billboard will be located off of I-35 between Hillsboro and Dallas.



Marketing Highlights

- The High Ground of Texas is a coalition of communities and organizations in West Texas, The High Plains and the Texas Panhandle cooperatively marketing this region.
- Members of the High Ground are economic development corporations, cities, counties, chambers of commerce, and organizations who have a vested interest in the growth of the region. The High Ground is also supported by the regional councils of government for the West Texas area. Organizations include regional electric and telephone companies, electric and telephone cooperatives, and various industry associations.

Direct Mail Campaigns

1. Oct/ South East Coast - Manufacturing
2. Feb/Mexico – Warehousing/Distribution
3. Apr/Canada - Aviation
4. May/Domestic – Site Selectors
5. Aug/Domestic - Aviation
6. July/Mexico - Logistics
7. Aug/Domestic - Logistics
8. Sept/Mexico

Trade Missions/Shows

1. Process Expo Trade Show
2. San Francisco Trade Mission
3. SAE Trade Show
4. San Diego Consultant Forum
5. New York Trade Mission

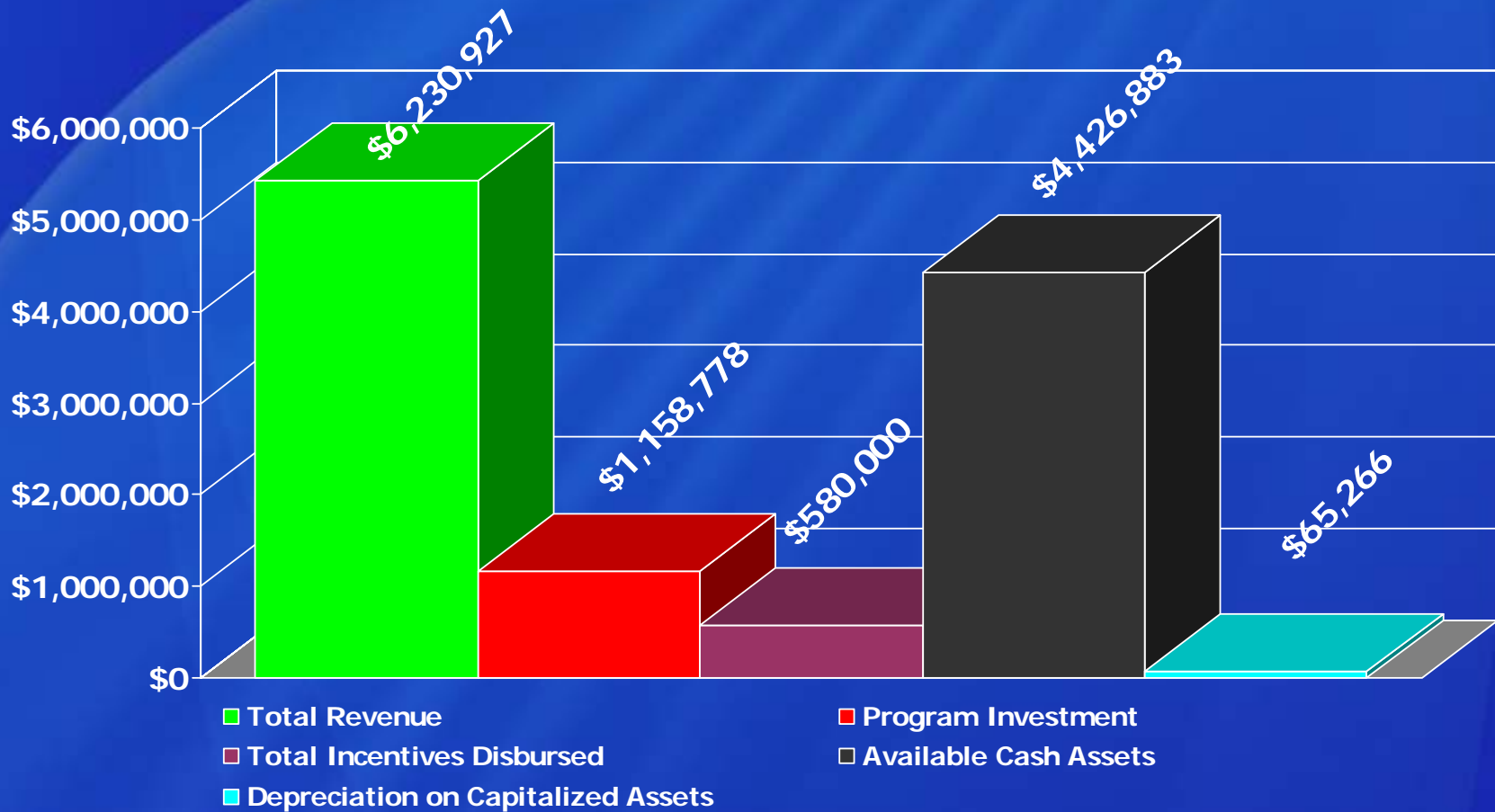
Trade Publication Advertising

1. Business Facilities Magazine
2. Area Development Magazine
3. Expansion Management Magazine

Financial Overview

FY 2006 – 2007

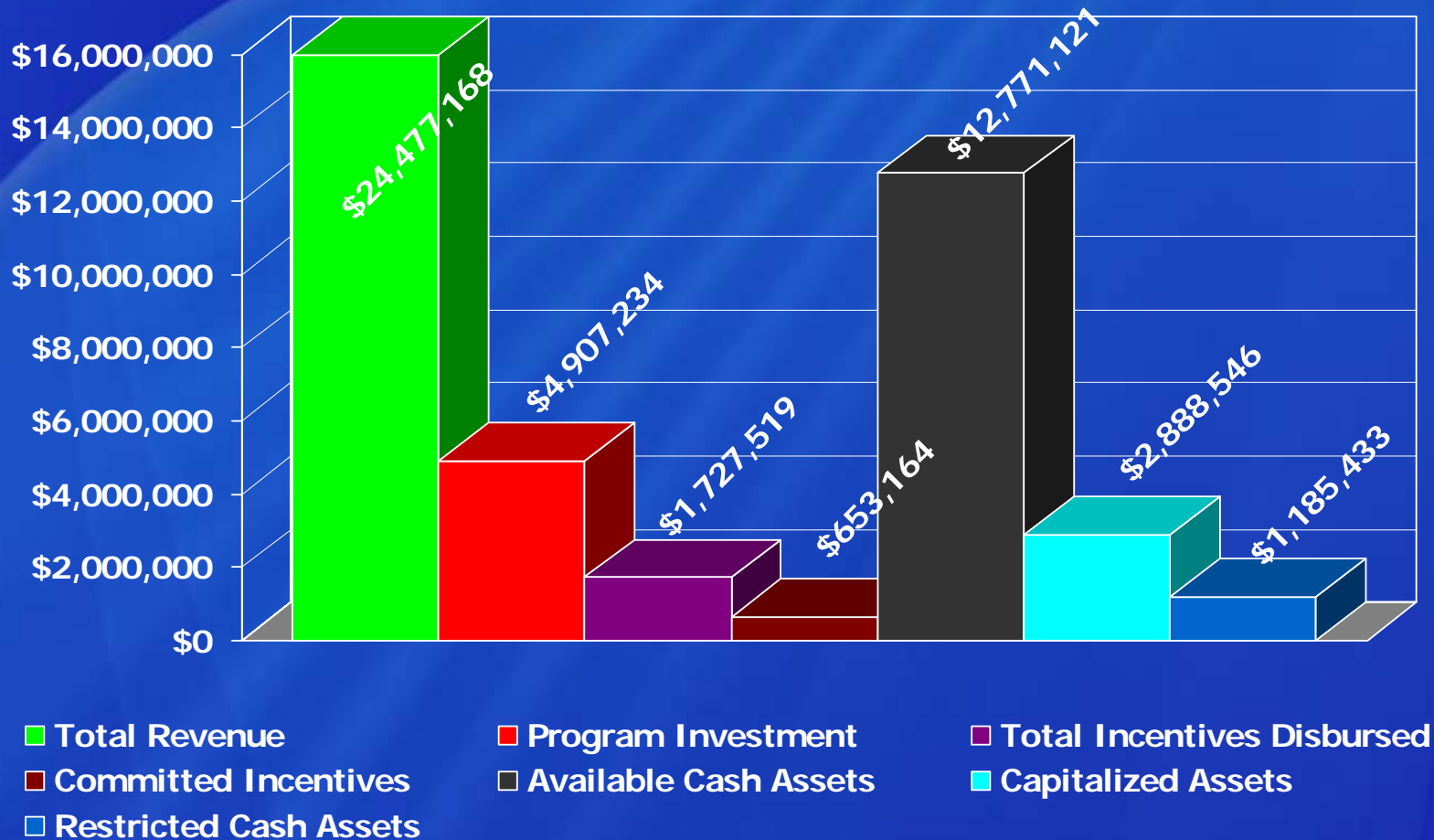
October 1, 2006 – September 30, 2007



* Information based on Unaudited Statement of Revenue and Expense Preliminary September 30, 2007 as provided by City of Midland.

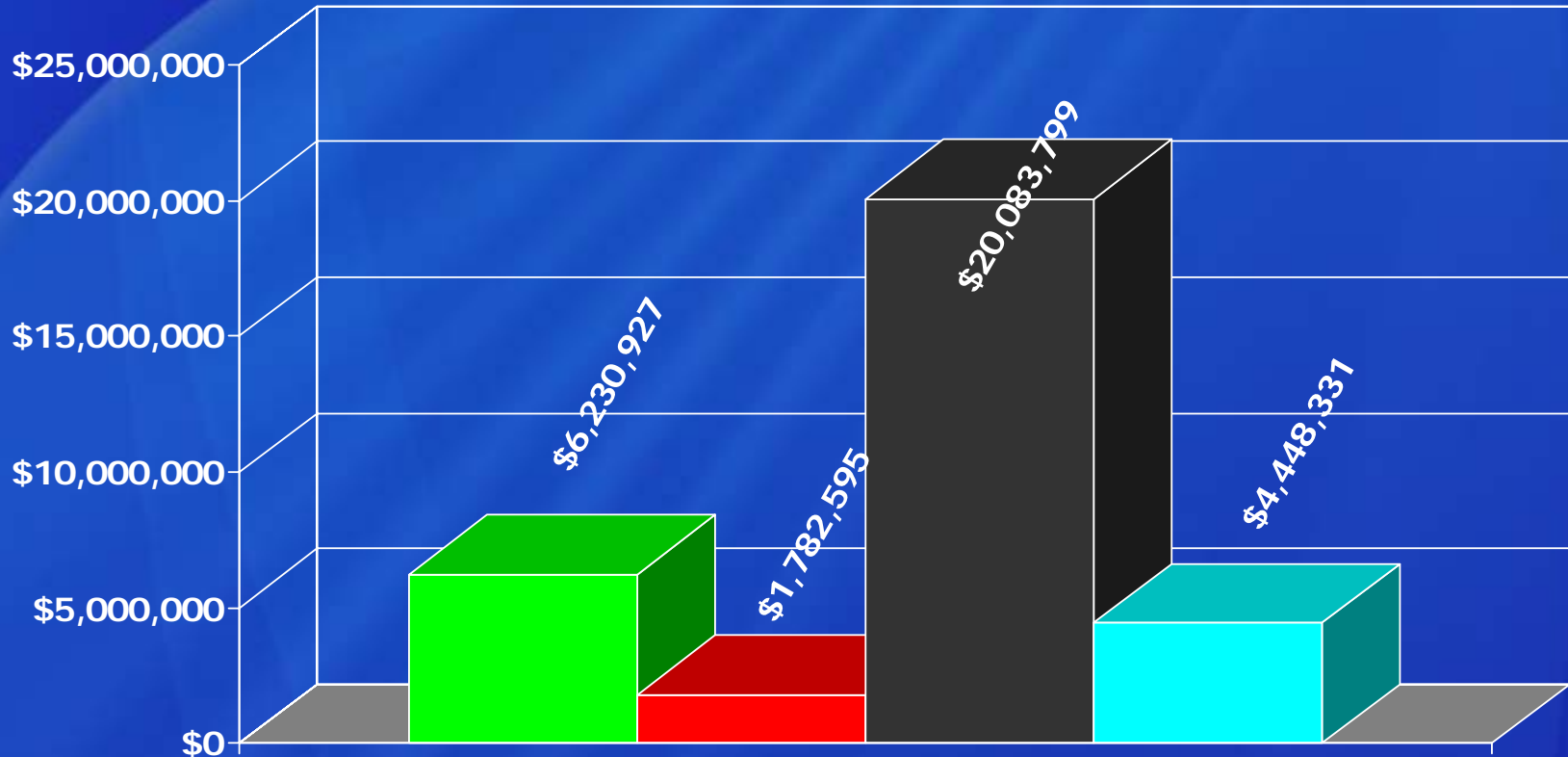
Financial Overview

Inception to September 2007



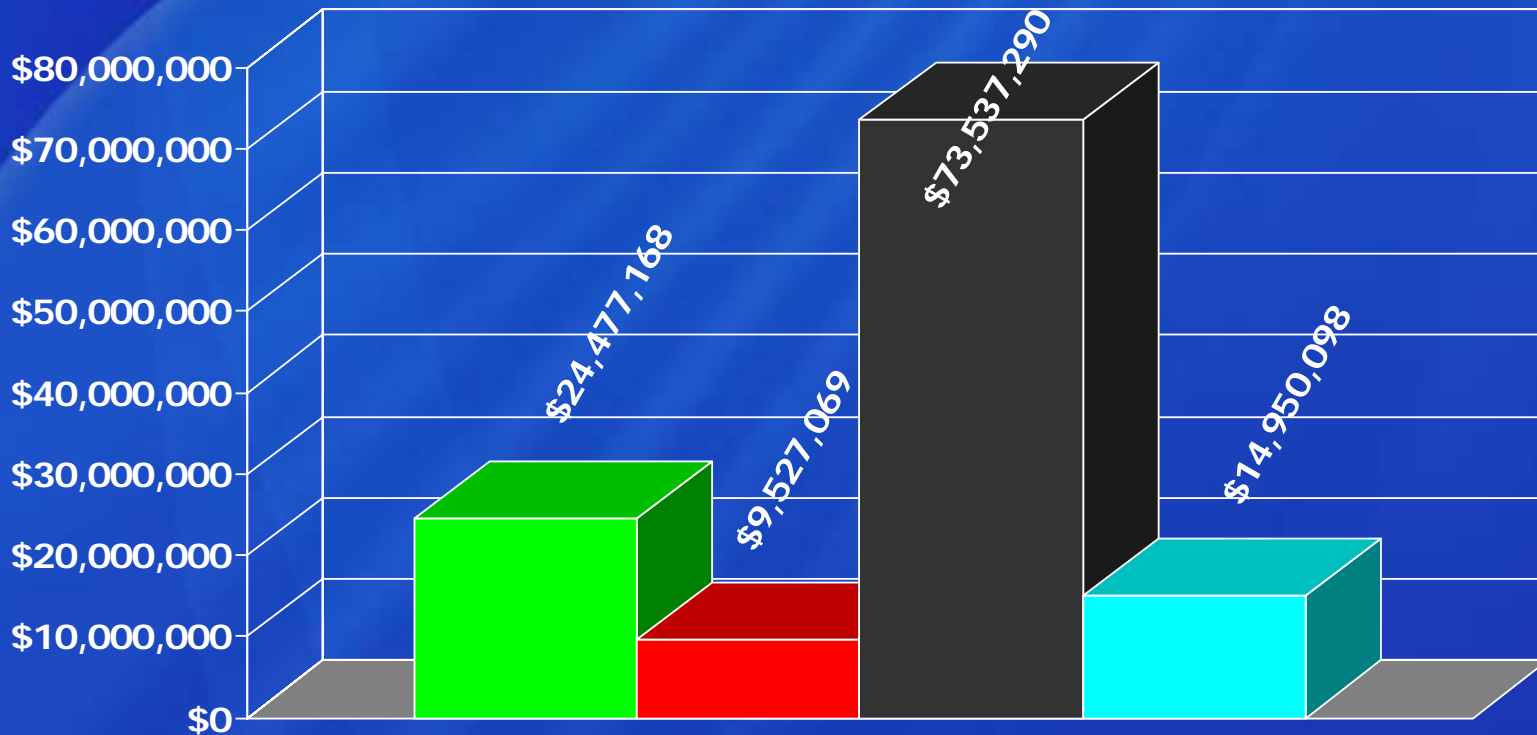
*Information based on Audited Basic Financial Statement for year ended September 30, 2007 and Unaudited Statement of Revenue and Expense Preliminary September 30, 2007 as provided by City of Midland.

Investing In Midland FY 2006-2007



■ Total Revenue ■ Total Expenses ■ Annual Payroll/Capital Investment ■ Available Assets

Investing In Midland Inception to September 2007



■ Total Revenue ■ Total Expenditure ■ Total Payroll/Cap Investments ■ Available Assets

Current Total Jobs since inception – 1,747
YTD total jobs - 203