

Primary recruiting activities are growing at a steady pace. The number of proposals being requested by prospects is increasing, and an increasing number of companies are making site visits in the community. With increased exposure as a result of a comprehensive marketing and advertising campaign, and as the economy continues to recover, prospect activity is expected to increase significantly.

Primary Industry Recruitment					
	# Proposals	# Direct Co. Visits	# Community Site Visits	# New Business Locations	# New Jobs
2003 - 2004 Goals	75	25	15	3	75-300
2003 - 2004 Actuals	58	54	34	1	168
+/-	-17	+29	+19	-2	+93/-132

Some estimates suggest that 70-80 percent of all new jobs are created by existing companies. As the following table indicates, Midland's existing business base continues to provide new employment opportunities for Midland and the surrounding area. The number of good quality applicants for MDC assistance continues to grow, and as is the case in our primary industry recruitment, continued economic recovery and an active oil and gas industry signals continued positive performance from our existing business base..

Retention & Expansion of Existing Businesses					
	# Business Visits	# Contact Jobs	# Volunteers (members/avg. attendance)	# Business Expansions	# New Jobs
2003-2004 Goals	200	10,000	30/15	5	100
2003-2004 Actuals	208	9,664	31/15	3	173
+/-	+8	-336	+1/0	-2	+73

As globalization continues to impact our local economy, it is vitally important to continue to build a strong presence in the international community. The fierce competition for reverse investment will continue to grow necessitating greater emphasis on international development recruitment programs in our efforts to attract foreign investment and jobs.

International Economic Development					
	# Proposals	# Direct Co. Visits	# Community Site Visits	# New Business Locations	# New Jobs
2003-2004 Goals	5	20	4	2	50-200
2003-2004 Actuals	1	50	23	0	0
+/-	-4	+30	+19	-2	-50/-200

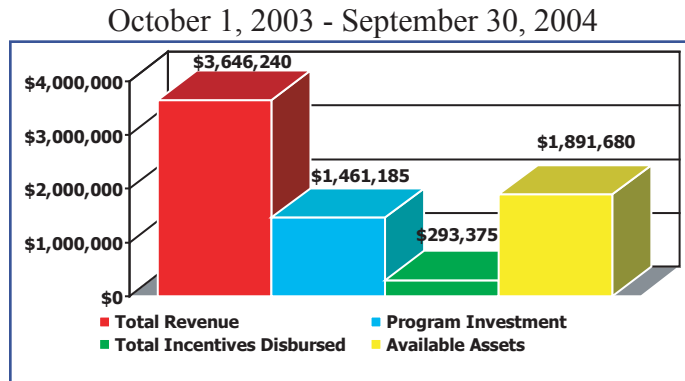
Midland Development Corporation, 109 N Main, Midland, Texas 79701
 (P) 432-683-3381 (F) 432-682-9025
www.midlandtexasdc.org

MIDLANDTM
 DEVELOPMENT CORPORATION
 FISCAL YEAR 2003-2004 ANNUAL REPORT

This report outlines the Midland Development Corporation's stewardship of Midland's 4A Sales Tax dollars for the fiscal year 2003-2004 (October 1, 2003-September 30, 2004) and from the inception of the tax to September 30, 2004. The Midland Development Corporation's Board of Directors expresses its sincere gratitude to the citizens of Midland for their support of our community's economic development efforts.



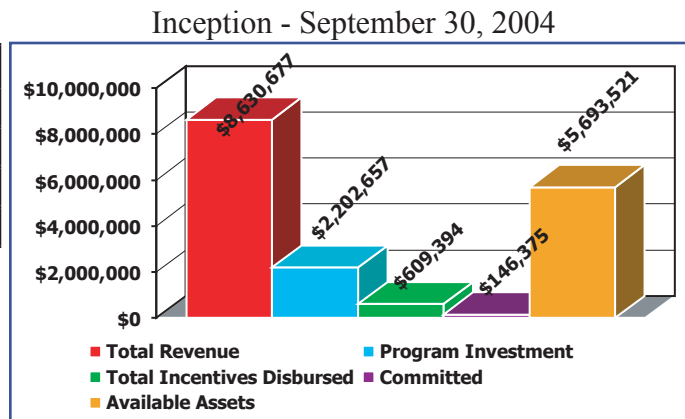
MDC Board of Directors (left to right) Grant Billingsley, Barry Horseman, Jim Nelson, Jerry Morales and John James.



Information based on Unaudited Statement of Revenue and Expense Preliminary September 30, 2004 as provided by the City of Midland.

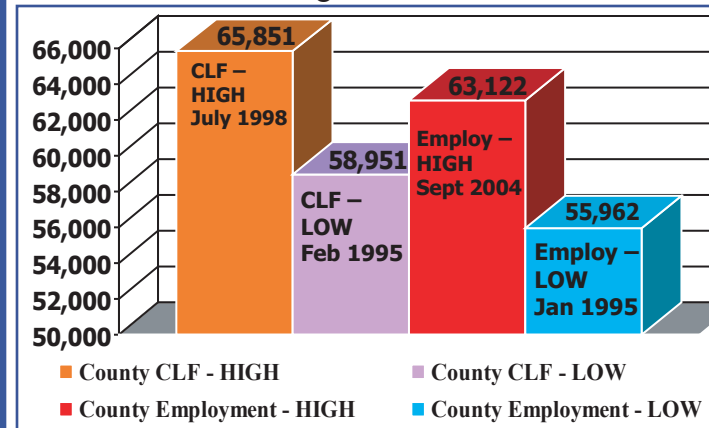
MDC Investment Results		
	FY 2003-2004	Inception-9/30/2004
Direct Jobs	277	470
Payroll	\$4,825,956	\$6,925,530
Capital Investment	\$3,080,450	\$6,120,450

As can be seen in the table above, the Midland Development Corporation had another solid year of revenue generation and investment results. For FY 2003-2004, MDC projects attracted \$5.41 for every \$1.00 invested. From inception to September 30, 2004, MDC projects have attracted \$4.64 for every dollar invested.



Information based on Audited Basic Financial Statement for year ended September 30, 2003 and Unaudited Statement of Revenue and Expense Preliminary September 30, 2004 as provided by City of Midland. \$146,375 - obligations against current available resources

Midland County Civilian Labor Force & Employment High & Low



A New High for Employment!

Midland County set a new high for the number of persons employed in September 2004 with 63,122 persons employed. The old mark was 62,863 set in October 2003.

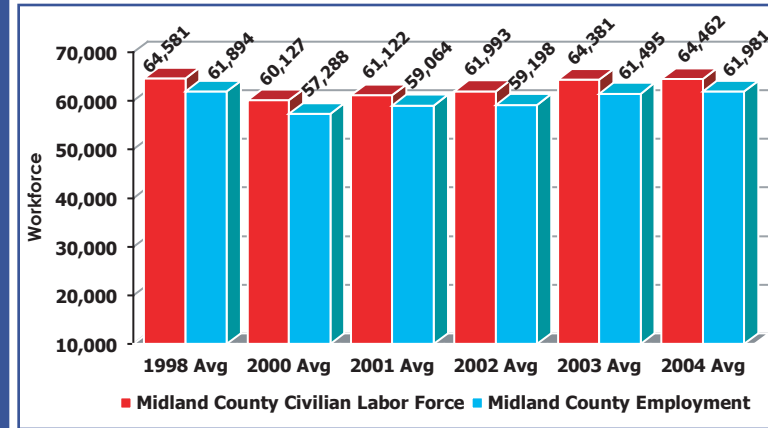
MDC Activities Summary

The MDC completed several activities that will positively affect our community's future economic development efforts. They include, but are not limited to:

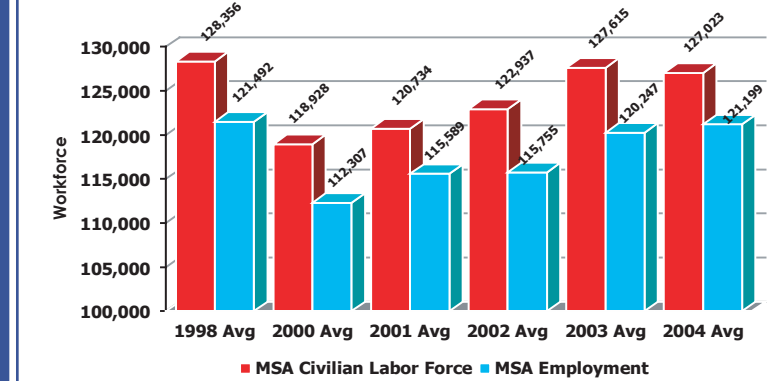
- Investing \$50,000.00 in the Midland Community Development Foundation for small business lending.
- Welcomed Blake Wallace, Vice President of Economic Development and Larry Dunaway, Business Development Director as new staff members.
- Completed a significant technology upgrade that will increase office efficiency and productivity.
- Adopted MDC's first annual development plan.
- Funded and supported the efforts of the Midland-Odessa Transportation Alliance in its effort to develop and shape the inland port concept and improve traffic counts at the Ojinaga/Presidio border crossing.
- Designed and implemented www.midlandtexasedc.org

Continued on next page.

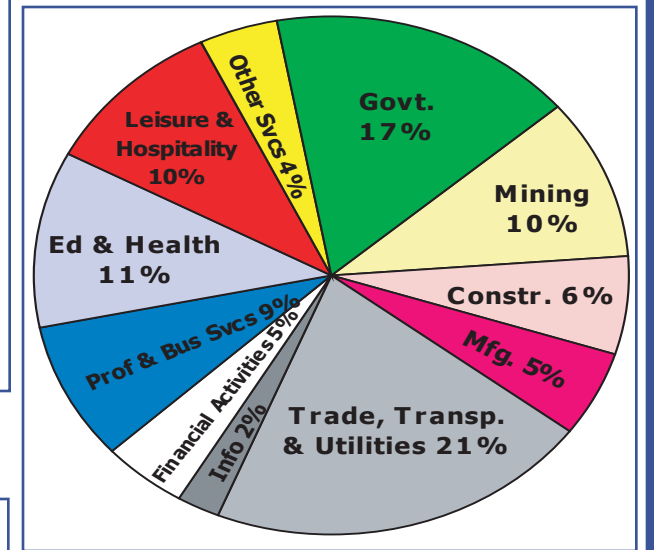
Midland County Civilian Labor Force Historical Employment



Midland/Odessa Civilian Labor Force Historical Employment

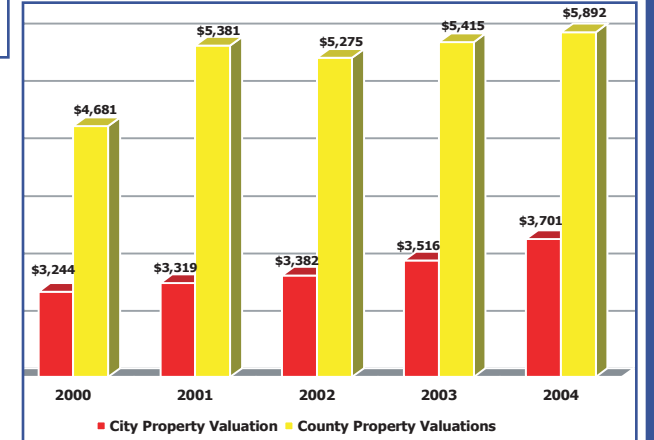


Midland/Odessa MSA Industry Sector Employment September 2004



Left: Historical data indicate an upward trend for employment in the Midland/Odessa labor shed starting in the year 2000. Below: Historical city and county property tax valuations have also trended upward starting in the year 2000.

City of Midland/Midland County Historical Property Tax Valuations



Activities Summary continued:

- Completed three targeted direct mail campaigns.
- Assisted in the expansion of three existing businesses.
- Attracted one new business to the community.
- Submitted proposals on multiple pending projects.
- Completed industrial site engineering study.
- Acquired MAF Airport site for Entrada Park.
- Completed building survey for Entrada Park site.
- Completed building concept, plan and specifications.
- Completed I-20 site acquisition investigation.



The members of the Retention/Expansion Committee had another stellar performance in 2003-2004. See a listing of their accomplishments on the following page. Front Row: Lisa Gillian, Kamie Pfannenstiel, Renee Spicer, Misty Stewart, Debi Mace, Carole Symonette, Scott Payne Back Row: Rick Bartholomee, Gary Sullenger, Carroll Thomas, Lupe Villanueva, Allen Pruitt, Shelly Brodie, Ruth Forsdick Not Pictured: Curtis Nethery, Marilyn Jo Smith, Chris Robin, Barry Horseman, Jeff Crain, Betsy Seanard, John Martinez, David Mims, Michelle Seglem