

M I D L A N D - O D E S S A  
**MOTRAN**

TRANSPORTATION ALLIANCE, INC.



**Annual Report 2017**

## NEW INTERSTATES AND NEW INFRASTRUCTURE



This has been another exciting and productive year for MOTRAN. 2017 marks the 20th anniversary of the official formation of the Midland-Odessa Transportation Alliance, or MOTRAN.

Back in 1993, during the regional discussion of the potential extension of Interstate 27, business and community leaders came together and decided that Midland and Odessa should work together. As positive as the move was, it is important to understand the decision was not based entirely on ambivalence, but rather the realization that if Midland and Odessa competed against each other, neither would be successful, and the only way for either of our communities to be able to truly compete was by working together.

Since then, MOTRAN has been a catalyst for joint efforts and partnerships for Midland and Odessa, and throughout the region. Every month when our board, comprised of civic and business members from both communities, gathers together, we do so not just as MOTRAN board members but as ambassadors for our communities and a stronger voice for the Permian Basin.

So, while MOTRAN has been very successful in obtaining additional funding and helping develop much-needed infrastructure in the area, one of the most important things we accomplish is building and strengthening relations between our two communities and throughout the entire region.

Together, we have made projects that were thought to be impossible, like the expansion of SH 349 and SH 158, possible. We built support for local and private funding to leverage projects, when others told us that no one would support those efforts.

Even with a limited budget and small staff, we have made tremendous things happen for the betterment of our cities and region, and the common thread in each of those successes has been you. We may be a long way from the I-35 Corridor and there are a lot less of us than in the major metropolitan areas, but the citizens of the Permian Basin have a lot of heart and have never been afraid to stand up for what we believe in.

When we have asked for your support, you have always been there. There is no better example of this than our FIX 349 campaign which resulted in thousands of folks coming together to support the expansion of SH 349 from 2 lanes to 4 lanes. This year, the project was finally completed, but without your support, it would never have happened. As we move forward, we will need your support, once again, for projects like brining I-14 to Midland and Odessa, and to ensure that we remain in consideration for any possible extension of I-27.

Rest assured, we will keep working hard to advance the causes of the Permian Basin, and with your continued support, we will succeed!

Eric L. West, P.E., F.NSPE

Chairman

## LEVERAGING AND ACCELERATING TRANSPORTATION INFRASTRUCTURE IN THE PERMIAN BASIN

Over the last 2 years, MOTRAN has worked diligently on a plan to leverage development and accelerate critical transportation infrastructure in the Permian Basin, and that work is now paying off.

The Unified Transportation Plan (UTP) is developed by TXDOT administration and updated twice each year. The UTP is the ten-year transportation funding blueprint or budget for Districts and Metropolitan Planning Organizations (MPO's).

Most of the funding in the UTP is designated by formula, however, some funding is allocated by the Commission to regionally and locally significant projects which address critical infrastructure issues or have an impact to growing the economy.

Our plan was to encourage the use of some local funding to help leverage projects to obtain additional funding during revisions and help accelerate some key projects that would not normally be built during the current ten-year period due to limited state funding.

The project is modeled in part, after our efforts to obtain additional funding for expansion of the State Highway 349 corridor between Midland and Lamesa. TXDOT had already scheduled significant maintenance funding for the existing roadway, but to expand the 2-lane corridor into a 4-lane undivided roadway, we had to raise additional funding from the Midland Development Corporation, Midland County, Dawson County, the City of Lamesa, and the Lamesa Development Corporation. Those additional local dollars sent a clear message to the Transportation Commission about how important those improvements were to people in the region.

In late 2016, the Midland Development Corporation and City of Midland approved allocating \$15 million towards this program, and in 2017, the Odessa Development Corporation and the City of Odessa also allocated \$15 million towards the program.

That constitutes a \$30 million investment in Midland and Ector Counties, alone, towards making significant improvements to critical infrastructure like Loop 250 and Loop 338.

Since then, we have also used this same model to encourage private investment throughout the Odessa District. Currently, 4 sand mining operations in the western portion of the Odessa District have agreed to put \$4.5 million towards improving area roadways around their plants to increase capacity and make our roads safer.

One company has even offered to look at additional funding to help leverage expansion of State Highway 302 in Winkler County.

The current 2016-2026 UTP for the Midland-Odessa area programmed \$168 million in funding for the 10-year period. During the initial 18 months of the program, our area has seen an addition \$53.3 million programmed in total funding or just over a 30% increase. During that same time, our area received an additional \$24 million in Category 12 (discretionary funding) or an increase of nearly 15%.

MOTRAN President James Beauchamp stated, "Our original goal was to bring about a 42% increase in funding for the area, but based on our results so far, we expect to see a much higher return. Recently, a lot of folks have been talking about improving relations in Midland and Odessa, but while they were talking about it, we implemented a plan that will greatly improve our infrastructure. People around the state are looking at Midland-Odessa in awe, wondering how we could get this done. We appreciate the leadership at MDC and ODC, as well as, both cities, they stepped up to the plate in a far more significant fashion than we anticipated or imagined, and area residents are going to benefit greatly from that investment.

**1993**

TXDOT studies extension of I-27 to I-20 and I-10 and community and business leaders in the Permian Basin unite to promote a Permian Basin Route.

**1997**

MOTRAN is officially created as a 501(c)6 non-profit and the La Entrada al Pacifico Corridor is designated by the Texas Legislature.

**2003**

MOTRAN transitions from volunteer organization to hire a full-time staff member. Construction is completed on new road from Chihuahua to Ojinaga.

**2005**

La Entrada al Pacifico receives federal designation as a National High Priority Corridor.

**2007**

Port of Topolobampo Improvements begin.

**2009**

SH349/Craddick Reliever Route completed.

**2010**

MOTRAN launches FIX349.com.

**2011**

SH 349 expansion to 4 lane between Midland and Lamesa is approved.

**2012**

SH 158 is approved for expansion to 4 lane.

**2013**

\$58 million in Energy Impacted Funding awarded.

**2014**

\$150 million in additional energy sector road funding for Permian Basin.

**2015**

Completion of Aldama Bypass and Governor Greg Abbott appoints Tryon Lewis from Odessa as Chairman of the Texas Transportation Commission.

**2016**

TXDOT approves expansion of the Presidio International Bridge and expansion of US 385 between Crane and McCamey.

**2017**

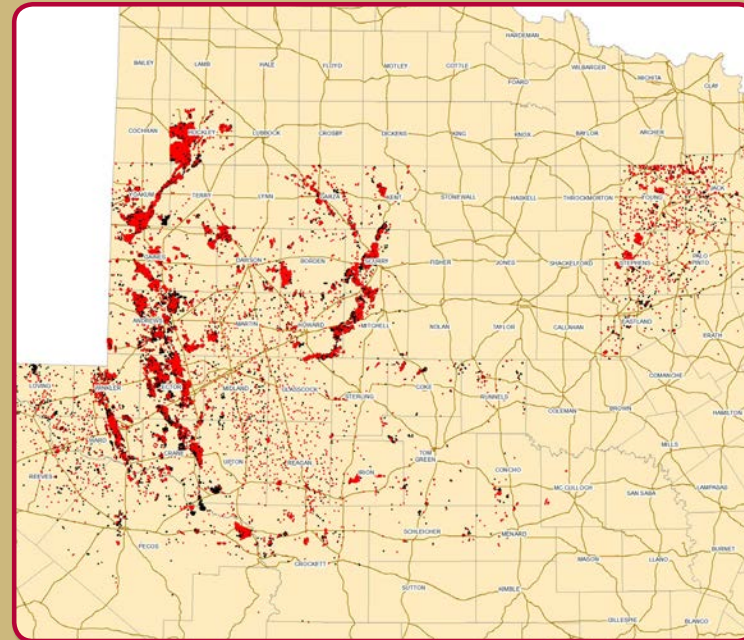
MOTRAN kicks off effort to bring Interstate 14 to Midland-Odessa.

## DISPOSAL OF PRODUCED WATER DRIVING DAILY MILES TRAVELED

During the development of the Texas Freight Plan, MOTRAN officials noted a lack of focus on freight in the Permian Basin. Over the last year, through research and data collection, it was discovered that much of the data used in development of the state freight plan does not incorporate the high degree of regionally generated freight that we see in the energy sector and Permian Basin.

MOTRAN began looking for ways to document local and regionally generated freight. While much of the energy sector funding has historically been directed towards short-term drilling activity, MOTRAN has always encouraged looking at the long-term transportation impacts of actual production.

While so much of the emphasis on energy sector activity focuses on what it takes to produce a barrel of oil, long-time Permian insiders understand that the real impact to roads and highways is the disposal of produced/brine water that goes with it. In fact, for every barrel of oil produced, there are generally 3 to 5 barrels of produced water, and the bulk of that produced water is disposed of by trucks that move this freight from battery locations to disposal wells throughout the Permian Basin.



With the generous assistance of Railroad Commission Chairman Christi Craddick, MOTRAN worked to break down documented volumes of disposed water, converting that volume to truck trips, and daily truck miles. The conservative methodology produced astonishing results. When comparing the daily truck miles TXDOT estimates on roads and highways with the miles needed to dispose of produced water, we found a deficit of nearly half a billion miles.

In other words, our area sees more truck miles from disposal of brine water, not including any other freight activity, than TXDOT has estimated in total.

Since these miles are a major factor in state funding formulas, the impact is tremendous.

"We are grateful for the opportunity these freight hearings have provided us to learn more about how TXDOT views freight in the state and to find well-documented data to make the case that this model needs to include factors to add regionally generated freight," said MOTRAN President James Beauchamp.

"While this factor is important to us in the energy sector, it is just as important to those involved in agriculture, and those manufacturing goods to be exported abroad who are not right on the border. These are significant economic drivers, but they really are not considered in the current freight model."

MOTRAN Chairman Eric West added, "We also understand the importance of this data to formula funding by the department. Being able to correct and provide better data means more funding for our area, and not just for today, but for years to come. We have tremendous funding challenges in the Permian Basin and Midland-Odessa area. While MOTRAN has been very successful at obtaining additional funding for key projects, we also believe our efforts in this endeavor will help develop the infrastructure necessary to make our community and region a better place for the next generation."

COUNTY	0	150m	300m	
<b>ANDREWS</b>	279,511,731.88	53,188,765.88		(226,322,966.00) / Difference (226,322,966.00) / Undercount
<b>CRANE</b>	59,808,111.88	29,166,959.07		(30,641,152.80) / Difference (30,641,152.80) / Undercount
<b>ECTOR</b>	282,631,395.00	218,134,309.65		(64,497,085.35) / Difference (64,497,085.35) / Undercount
<b>LOVING</b>	48,172,144.38	11,930,267.57		(36,241,876.80) / Difference (36,241,876.80) / Undercount
<b>MARTIN</b>	76,864,640.00	83,029,867.25		6,165,227.25 / Difference - / Undercount
<b>MIDLAND</b>	90,996,765.63	260,768,397.53		169,771,631.90 / Difference - / Undercount
<b>PECOS</b>	55,034,130.63	142,333,441.77		87,299,311.15 / Difference - / Undercount
<b>REEVES</b>	83,336,997.50	168,134,208.74		84,797,211.24 / Difference - / Undercount
<b>TERRELL</b>	187,363.13	11,366,763.02		11,179,399.90 / Difference - / Undercount
<b>UPTON</b>	79,759,271.88	34,035,312.58		(45,723,959.29) / Difference (45,723,959.29) / Undercount
<b>WARD</b>	59,754,076.25	45,845,076.83		(13,908,999.42) / Difference (13,908,999.42) / Undercount
<b>WINKLER</b>	37,303,501.25	40,642,676.54		3,339,175.29 / Difference - / Undercount
<b>ODESSA DISTRICT</b>	<b>1,153,360,129.38</b>	<b>1,098,576,046.43</b>		(54,784,082.94) / Difference (417,336,039.67) / Undercount

2016 WATER DISPOSAL MILES

TXDOT ANNUAL TRUCK MILES



## WE FIXED SH 349

In 2010, we launched our FIX349.com campaign to build public support for the expansion of State Highway 349 between Midland and Lamesa.

Despite all our previous efforts to improve this two-lane, poor quality roadway, transportation officials did not deem the project worthy. Despite traffic increases, crashes and fatalities, and previous promises made to improve this roadway, the answer we got back, time after time, was simply, no.

That is, until they heard from you. Thousands of folks from the Permian Basin and Texas registered online with your comments and support for this project.

Today, State Highway 349 from Midland to Lamesa looks very different. As a four-lane roadway with improved shoulders and rumble strips, it has more capacity and is far safer to travel.

Work still continues on the southern cross or direct connector between SH 349 and US 87, just south of Lamesa via an expanded FM 2052. This project provides a better connection between the two roads, prevents traffic from having to connect by driving through residential and school neighborhoods to get to US 87, and improves safety at the intersection of SH 349 and SH 137.



When this project began, we never imagined we would have a real-life angel on our side. Jami and her children lost their husband and father, Mark Owen, in a tragic crash on SH 349, and our community lost a treasured soul. Jami turned the pain and grief she and her children suffered into determination and resolved to make this road safer and ensure that others would never have to experience the terrible loss she and her family did.

Her heart, determination, and leadership made this project a reality, and has taught us all how to persevere and be positive even in the most painful situations. Thank you, Jami!

### THIS PROJECT WAS MADE POSSIBLE DUE TO THE SUPPORT AND FINANCIAL ASSISTANCE OF:

- Midland Economic Development Corporation
- Lamesa Economic Development Corporation
- Midland County
- Dawson County
- City of Lamesa
- MOTRAN Alliance
- Texas Department of Transportation
- Permian Basin MPO



## THANK YOU

### NOTEABLE LEVERAGE PROJECTS

New Interchange at Loop 250 and Fairgrounds  
**(2017 Midland)**

New Interchange at N Loop 338 and US 385  
**(2018 Ector)**

New Interchange at Loop 250 and CR 1150/CR 60  
**(2019 Midland)**

New Interchange at I-20 and CR 1250  
**(2019 Midland)**

New Interchange at E Loop 338 and Yukon  
**(2020 Ector)**

New Interchange at Loop 250 and CR 1140  
**(2022 Midland)**

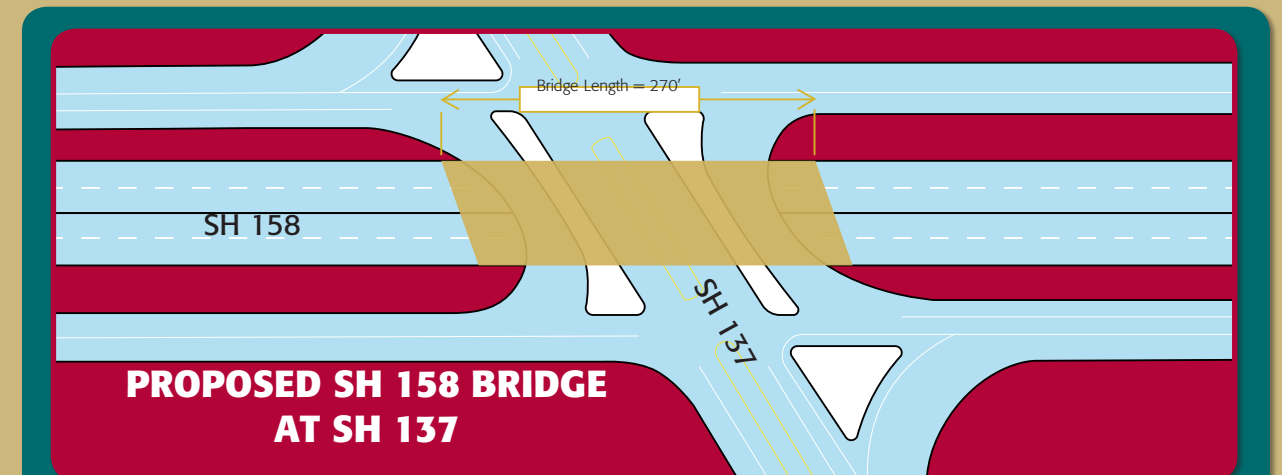
New Interchange at I-20 and Faudree  
**(2022 Ector)**

New Interchange at S Loop 338 and US 385  
**(2024 Ector)**



A very special thank you to Railroad Commission Chairman and Midlander Christi Craddick.

Her gracious assistance made it possible for us to finally prove the real freight volume that we see daily on our roads, but have previously not been able to quantify to folks in Austin.



MOTRAN recently participated in a public hearing held by the Texas Department of Transportation in Garden City. Over 80 were in attendance for the hearing regarding the proposed construction of an overpass at the intersection of SH 158 and SH 137, midway between Midland and Garden City. Area drivers already knew the intersection was dangerous, but Glasscock County Emergency Coordinator Christi Dyer helped bring that reality into focus, noting that 24% of all EMS calls in Glasscock County relate to incidents at this intersection.

## **MOTRAN ALLIANCE, INC. BOARD OF DIRECTORS**

### **FOUNDING DIRECTORS**

Renee Henderson Earls  
Odessa Chamber of Commerce

Filiberto Gonzales  
City of Odessa

Courtney Sharp  
City of Midland

Judge Ron Eckert  
Ector County

Brent Hilliard  
Midland Chamber of Commerce

Robert R. Donnelly  
Midland County

### **FOUNDING ORGANIZATIONS**

Mayor David Turner  
City of Odessa

Mayor Jerry Morales  
City of Midland

Renee Henderson Earls  
Odessa Chamber of Commerce

Judge Ron Eckert  
Ector County

Bobby Burns  
Midland Chamber of Commerce

Judge Mike Bradford  
Midland County

### **DIRECTORS AT LARGE**

Eric West • J.D. Faircloth • Tom McMinn • Trey Crutcher • Sondra Eoff • Stephen Robertson

### **ECONOMIC DEVELOPMENT PARTNERS**

Pam Welch, Midland Development Corporation • Wesley Burnett, Odessa Development Corporation

### **PAST CHAIRS**

Charles R. Perry • Bob Barnes • Betsy Triplett-Hurt • Buddy Sipes • Don Wood • Kyle Womack • Danny Jones • Steve Castle  
Trey Crutcher • Robert R. Donnelly • Drew Crutcher • Leldon Hensley • Susie Hitchcock-Hall • David Boutin

## **MOTRAN ALLIANCE, INC. 2017 BUSINESS CONTRIBUTORS**

*A Special Thank You to Our 2017 MOTRAN Business Members!*

### **PLATINUM**

DEW Investments, LLC  
Jones Bros. Dirt & Paving

### **GOLD**

J.D. Faircloth, CPA  
Union Pacific Railroad  
Presidio Municipal Development District  
RCS, Inc.  
Community National Bank  
Shell Exploration & Production Company  
Parkhill, Smith & Cooper, Inc.

### **SILVER**

Navigator Oil & Minerals  
Frost Bank  
Odessa Pumps & Equipment, Inc.  
Fasken Oil and Ranch, Ltd.  
First Capital Bank  
Reece Albert, Inc.  
Younger Properties  
Gulf Coast Authority  
Southwest 66 Credit Union  
Maverick Engineering  
Republic Services

### **SUPPORTING**

Cowboys Resources  
Trey Crutcher, Attorney  
The Eastland Oil Company  
Weaver and Tidwell, LLP  
Latigo Petroleum, LLC  
SBC, LP  
Oncor  
City of Lamesa  
Rush Truck Center  
Medical Center Health System  
Weidner Properties  
LCA, Inc.  
The Havens Group  
CVA Advertising and Marketing

### **STANDARD**

SouthWest Bank  
James B Goates, DDS, Inc.  
Purvis Oil Corporation  
Texas Pacifico Transportation, Ltd.  
Chisos Operating  
Pinkie's, Inc.  
McMinn's Furniture  
Permian Basin Board of Realtors  
Odessa Board of Realtors