

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

MOTRAN

TRANSPORTATION ALLIANCE, INC.



Annual Report 2018

OUTGOING CHAIR



The last two years have been an exciting time to lead the Midland-Odessa Transportation Alliance.

Last year, we celebrated the 20th anniversary of MOTRAN and over \$1.5 billion in additional investment and resources for our roads and highways. We have seen legislation drafted and filed to bring Interstate 14 to Midland and Odessa. We worked with local leaders from both communities to invest our own limited resources to help leverage additional state investment in the Permian Basin, and have subsequently seen several private companies follow suit. Finally, we recognized issues with the lack of freight traffic estimated for our area and the tremendous shortfalls it creates for our region in formula funding and helped devise a plan to gather and collect better data for use by TXDOT to predict and plan for the present and future of the Permian Basin.

Long before a lot of other groups got interested in infrastructure here in the Permian Basin, there was a group of local civic and business leaders, who came together and volunteered their time to create MOTRAN because they understood that infrastructure development was critical to the future of the Permian Basin.

For me, to be able to lead our board of directors and staff, to work with communities throughout our region, and to have the opportunity to follow in the footsteps of so many visionary leaders has been an honor and privilege.

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

INCOMING CHAIR



It is my pleasure to serve as your new MOTRAN Chair. 2018 has been a great year and I am committed to making 2019 an even better one.

This year we will continue our efforts to bring I-14 to Midland and Odessa. MOTRAN has been busy working to collect and assemble data to provide to the Texas Transportation Institute and TXDOT to provide a more accurate reflection of freight activity in the region, and we will continue those efforts in 2019 as part of our ongoing mission to bring additional highway and infrastructure funding to the area.

The projections for record increases in population, workforce, and activity in the Permian Basin make our work more important than ever before. MOTRAN will work harder than ever to carry out the work needed to ensure we meet our full economic potential and improve the quality of life for all of us who call the Permian Basin home.

When it comes to growth and economic opportunity, the Permian Basin has a great story to tell. We need leaders to understand the significance and impact we have on our state and nation, and we need them to see the commitment and investment so many of us in the community have made and ask that they participate as well.

Our past efforts have proven very successful, but in order to meet the challenges ahead, we will need everyone working together in this effort. I hope we can count on your support and participation in 2019. I look forward to working with all of you!

Sondra Eoff



COLLECTING BETTER DATA TO GET MORE FUNDING

In 2018, MOTRAN began a partnership with the Texas Department of Transportation (TxDOT) and Texas A&M Transportation Institute (TTI) to develop a study that accurately accounts for truck traffic derived from oil and gas well development and production activity in the Permian Basin.

MOTRAN has been reaching out to exploration and production companies, oilfield service providers, and commercial trucking companies to collect data regarding trucking numbers associated with the development of a well from drilling to completion, and long-range production activities.

MOTRAN is also working to aggregate the data so that TTI and TxDOT can use it to develop a final product that paints a more accurate picture of the trucking impact the energy sector has in the Permian Basin.

Two years ago, MOTRAN detailed hundreds of millions of truck miles associated with disposal of produced water and other regional freight miles that had been overlooked by current models used to develop daily truck miles and daily vehicle miles.

More recently, in 2017, TxDOT programmed a 2.78 million mile per day reduction in daily vehicle miles in the Odessa District. "This highlights the need, more than ever before, to get these numbers corrected," said MOTRAN President James Beauchamp. "From 2016 to 2017, production went up, permits went up, our population, workforce, and vehicle registrations went up. The mileages associated with disposal of produced water even went up by 1.45 million miles per day. So for the department to indicate a reduction of nearly three million miles per day, it just means that they are sending the dollars we desperately need somewhere else."

Better data will likely lead to a larger share of formula funding, resulting in more infrastructure dollars coming back to the region which generated those funds, and ultimately ensuring that we accomplish the most with these limited funds.

2016 to 2017 (Odessa District - TxDOT)		
Population	UP ↗	1,450
Workforce	UP ↗	8,800
Vehicle Registrations	UP ↗	10,400
Severance Taxes	UP ↗	\$570 million
Oil Production	UP ↗	89 million barrels
Gas Production	UP ↗	267 million mcf's
New Drilling Permits	UP ↗	2300 permits
All Crashes	UP ↗	2,077
All Fatalities	UP ↗	67
CMV Crashes	UP ↗	632
CMV Fatalities	UP ↗	22
DAILY VEHICLE MILES	DOWN ↘	-2.78 MILLION MILES

LEVERAGING WORKS

The Midland-Odessa area is entering the third year of a plan developed by MOTRAN in conjunction with the Midland Development Corporation and the Odessa Development Corporation to accelerate area transportation infrastructure, and the area is seeing big results.

According to MOTRAN President James Beauchamp, the plan was a collaborative effort. "We had discussions with our board about the ability to utilize some local dollars to leverage additional state funding for critical projects in the area. We began having initial discussions, but it wasn't until a meeting with the Midland Development Corporation and MDC Chairman Brent Hilliard that the program really took off."

With the help of MDC and Mayor David Turner in Odessa, both MDC and ODC agreed to provide \$15 million each in funding to begin advancing the development and planning of projects that otherwise would not have occurred.

Since 2017, roughly half of the initial \$30 million in local leverage funds have been fully committed. Those commitments have helped bring about an additional \$121.2 million in state funding for Midland-Odessa roadway infrastructure. To put that in perspective, the Midland-Odessa area was only programmed to receive around \$173 million in funding for new projects during the 2017-2026 Unified Transportation Plan.

"That's a 70% increase," said Beauchamp. "With the growth we have seen in the region, and particularly Midland and Odessa, I don't know that we will catch up with our growing needs anytime soon, but without the support of MDC and ODC, I can tell you we would be a lot further behind."

MIDLAND-ODESSA METROPOLITAN AREA

\$173 Million	Original Programmed Funding (2017-2026)
\$121.2 Million	Additional Funding Approved (2017-2019)

Since 2017, MOTRAN has helped lead the way in bringing a total of over \$181 million to the Central Permian Basin. "Leveraging works," said Beauchamp. "As we look at over \$15 million in funding for improvements directly from sand mining companies that are coming to the area, I think our leveraging model has been very appealing and has spanned both public and private entities that want to see projects get done and sooner rather than later."

ODESSA DISTRICT

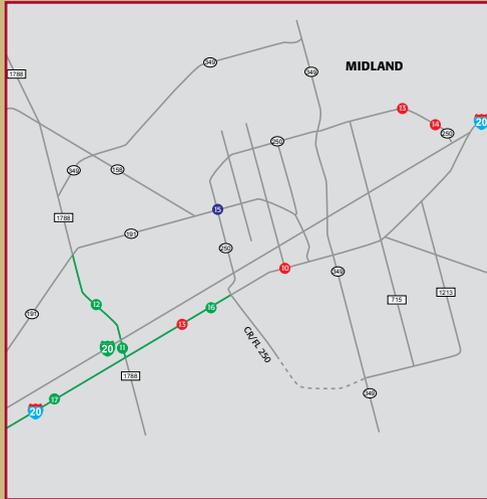
\$166.2 Million	Additional Funding Approved (2017-2026)
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In the Midland-Odessa area, leveraged projects are allowing for upgrades to Loop 338 in Odessa to facilitate truck traffic around the city and the expansion of Yukon across town to provide relief from congestion on 42nd Street. In Midland, leveraged projects have accelerated the completion of Loop 250 by nearly 20 years.



\$45 MILLION IN ADDITIONAL FUNDING FOR THIS \$60 MILLION PROJECT





ROAD	PROJECT	LOCATION	LOCAL	STATE	TOTAL	CAT 12	
Odessa/Ector County							
LP 338	Intersection Improvements-Signals/Lighting at 52nd/56th	Ector	\$200,000.00	\$1,700,000.00	\$1,900,000.00		
LP 338	Signals at W Yukon	Ector		\$2,480,000.00	\$2,480,000.00		
LP 338	Construct New Interchange at E Yukon	Ector		\$19,200,000.00	\$19,200,000.00		
SH 302	Construct Interchange at W 8th Street	Ector	\$2,000,000.00	\$19,760,000.00	\$21,760,000.00		
SH 191	Construct New Interchange at Yukon	Odessa		\$18,560,000.00	\$18,560,000.00		
BI 20	Construct New Interchange at Faudree	Odessa	\$2,000,000.00	\$19,120,000.00	\$21,120,000.00		
US 385	Construct New Interchange at S LP 338	Ector		\$23,000,000.00	\$23,000,000.00		
US 385	Construct New Interchange at N LP 338	Ector		\$17,700,000.00	\$17,700,000.00	\$8,500,000.00	
Midland/Midland County							
I-20	Construct New Interchange at CR 1250	Midland		\$19,840,000.00	\$19,840,000.00		
I-20	Replace Midkiff Interchange	Midland	\$2,000,000.00	\$26,160,000.00	\$28,160,000.00		
SH 349	Upgrade from I-20 to BI 20 (FM 1788)	Midland		\$1,433,040.00	\$1,433,040.00		
SH 349	Upgrade from BI 20 to SH 191 (FM 1788)	Midland		\$6,966,960.00	\$6,966,960.00		
LP 250	Construct New Interchange at CR 1150/CR 60	Midland	\$2,000,000.00	\$19,500,000.00	\$21,500,000.00	\$13,800,000.00	
LP 250	Construct New Interchange at CR 1140	Midland	\$3,000,000.00	\$17,015,000.00	\$20,015,000.00		
LP 250	Interchange and Connections at SH 191	Midland	\$2,000,000.00	\$23,260,000.00	\$25,260,000.00		
Interstate 20 Corridor							
I 20	Reconstruct and convert frontage roads (W LP 250 to FM 1788)	Midland		\$51,600,000.00	\$51,600,000.00	\$48,600,000.00	
I 20	Reconstruct and convert frontage roads (FM 1788 to Ector CL)	Midland		\$44,700,000.00	\$44,700,000.00	\$42,700,000.00	
I 20	Reconstruct and convert frontage roads (JBS Pkwy to Midland CL)	Ector		\$8,600,000.00	\$8,600,000.00	\$7,600,000.00	
TOTALS				\$13,200,000.00	\$340,595,000.00	\$353,795,000.00	\$121,200,000.00

ECTOR COUNTY JUDGE DEBI HAYS JOINS MOTRAN BOARD



Ector County resident and business woman Debi Hays was appointed as Ector County Judge earlier this year to replace Ron Eckert who resigned from office in June. As the new Ector County Judge, Hays became the new Ector County delegate to the MOTRAN board.

Hays previously served as a Vice President of ICA and later started and managed small business ventures of her own. Shortly after becoming Ector County Judge, Hays was also appointed by Texas Governor Greg Abbott to the State Commission on Emergency Communications.

She and her husband, Dwayne, have been married for over 38 years and have lived in Ector County for over 35 years.

Ector County Judge Debi Hays during a trip to Austin with MOTRAN to educate state officials about growth in the Permian Basin.

NEW FACE IN THE MOTRAN OFFICE

In April, Dustin Fawcett joined the MOTRAN team. Dustin is a familiar face to many in the area, having worked with State Representative Brooks Landgraf during the last legislative session. Prior to politics, Dustin worked in the transportation industry, working his way from a “swamper” during summers off from college, to eventually running Permian Basin operations for a mid-sized energy transportation firm.

“For the last 15 years there has been one full-time employee and one part-time employee in the MOTRAN office,” said MOTRAN President James Beauchamp. “We have prided ourselves on being a lean operation that gets a lot done, but with the type of growth that has occurred and projections for the future, we had to have additional help, and Dustin was the perfect fit.”

Dustin’s family has strong ties to Odessa, where his mother currently works for Ector County ISD. Dustin was a four-year letterman playing collegiate football at Millsaps College in Jackson, Mississippi where he studied Political Science.



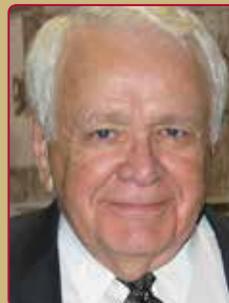
*Dustin Fawcett,
MOTRAN Vice President*

SAYING GOODBYE TO FRIENDS

This year, we said goodbye to two great friends of the Permian Basin, who both had integral roles in shaping transportation outcomes in the Permian Basin.

Charles Perry, a founding member of MOTRAN and Texas Road Hand Award winner, passed away earlier this year. In addition to being one of the driving forces behind forming MOTRAN, he was vital in helping bring the region together during the feasibility study for the proposed extension of I-27 (1993-1997).

Ray Stoker, Jr., also passed away this year. In addition to his local law practice, Stoker served as a member of the Texas Transportation Commission from 1985 to 1993, and as Chairman of the Commission from 1991-1993.





Over the years, MOTRAN has taken on some big projects, like Fixin SH 349, SH 158, and US 385. But MOTRAN is always looking forward and not back. This year with your support, we hope to add a new project to that list: SH 302 running from Ector County to US 285 in Reeves County.

WITH SINCERE APPRECIATION

Earlier this year, Tryon Lewis announced his retirement from the Texas Transportation Commission. He was initially appointed by Governor Greg Abbott in 2015. Lewis had previously served as State Representative (2009-14) and as a District Judge in Odessa.

“We owe a profound debt of gratitude to Chairman Lewis,” said MOTRAN President James Beauchamp. “He brought a lot of focus to energy-impacted areas by TxDOT that will benefit us for years to come and as a former legislator, was able to do a lot to mend some fences between TxDOT and the legislature. Those efforts literally paved the way for much needed additional transportation funding, which is critical for our region and the entire state.”



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 Debi Hays
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 Debi Hays
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

Brent Hilliard, 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. 2018 BUSINESS CONTRIBUTORS

A Special Thank You to Our 2018 MOTRAN Business Members!

PLATINUM

DEW Investments, LLC
Jones Bros. Dirt & Paving Contractors, Inc.

GOLD

Community National Bank
JD Faircloth
OP Partner, Inc.
Parkhill, Smith & Cooper, Inc.
Presidio Municipal Development District
RCS, Inc.
Shell Oil Company
Union Pacific Railroad

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Fasken Oil and Ranch, Ltd.
First Capital Bank
Frost Bank
Gulf Coast Waste Disposal Authority
Jack E. Blake Jr.
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Odessa Pumps & Equipment, Inc.
Rosa's Café
Southwest 66 Credit Union
Terracon Consultants, Inc.

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Eastland Oil Company
Heikkinen Energy Advisors
LCA, Inc.
Oncor Electric Delivery Co.
Permian Basin Board of Realtors
Pinkies, Inc.
Rush Truck Center
SBC, LP
Texas Pacific Transportation, LTD
The Havens Group, Inc.
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