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INTRODUCTION

In September 2016, the KEDC Board of Directors approved a five-year strategic plan describing how the organization would pursue its vision and mission statements. The **FYE 2022 Mid-Year Report** describes the progress being made so far towards the goals and objectives described in that plan, and it includes the following key elements:

- Section II** Executive Summary.
- Section III** 2017-2022 Strategic Plan.
- Section IV** 2022 Program of Work.
- Section V** Challenges and Issues with relevant program of work recommendations.
- Section VI** P&L Budget Overview (Budget vs. Actual).
- Section VII** Estimated Cash Flow worksheet.

Board of Directors



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Lisa Denton
Executive Director



Stephanie Moore
Office & Property
Director

Section II - Executive Summary

Summary

At the March 31 mid-point, KEDC had closed two projects (one expansion and one attraction) and is negotiating two additional projects. Together the two projects represent projections as shown below. **New and retained investment together is about twice the total investment of most years and exceeds all of the past five years with the exception of COVID-related funds in 2019.**

Retained Investment	New Investment	Retained Jobs	New Jobs
\$34,884,000	\$82,488,432	278	226

In addition to these projects the pipeline of leads and potential projects continues to grow.

<i>Leads</i>		
<p>KEDC staff cultivated 29 leads, of which 18 were actionable. 10 of the 11 leads in which we were unable to respond were sourced from the State. The other lead was presented to KEDC from a broker.</p> <p>Leads are contacts that have required an economic development service from KEDC. The overall number of leads is consistent from last year but grew from the previous year by 21 percent.</p> <p>The number of non-oil and gas related leads remains consistent at 93 percent.</p> <p>Internal KEDC activities continue to be the leading source for actionable leads. Internal KEDC activities include both inbound and outbound marketing.</p>		
<p>Total Leads Number</p>	<p>Total Leads Non-Oil and Gas</p>	<p>Actionable Leads</p>
29	27	18

Internal lead sources include direct calls, regional marketing groups, KEDC specific outreach and referrals. Those sources represent 89% of actionable leads and 41% of all leads.

During the past five years Kilgore Economic Development Corp. has closed projects that represent more than \$254 million in new and retained capital investment and 2,849 jobs with companies such as Orgill, Camfil, Yamaha Marine (Skeeter Products) and Closure Systems International. The organization has invested almost \$20 million in asset and infrastructure development including the expansion of Synergy Park, a Class-A, campus-style industrial park.

Section III - Strategic Plan 2017-2022

The Strategic Plan for Kilgore Economic Development has three areas of focus:

1. Business Climate – Development of real estate assets for Kilgore EDC targets.
2. New and Retained Investment and Jobs –Project development and closure.
3. Sustainability – Maintenance of resources to support economic development in Kilgore.

Business Climate	Maintain a relevant inventory of property for primary employers.
New and Retained Investment and Jobs	Generate leads from non-energy related industry sectors.
Sustainability	Protect the financial integrity of the organization.

The Kilgore EDC organizational statements are as follows:

Mission: To enhance a business climate that is conducive to primary job creation and retention, improving the standard of living for Kilgore residents.

Vision: A diverse economy that attracts and retains high impact projects and quality jobs.

Value: We deliver high impact results with outstanding customer service.

Section IV – Program of work 2021-2022

Business Climate	Maintain a relevant inventory of property for primary employers.	Mid FYE 2022
Objective	To be primed to attract investment, we must evaluate gaps in inventory and infrastructure and invest as finances allow, ensuring key sites and buildings are prospect ready.	
Goal	Keep “Cannot Respond” rate to below 20%.	38%
Measurement	Commitments for: <ol style="list-style-type: none"> 1. Asset and 2. Infrastructure development to benefit primary employers. 	\$31,800

2021-2022 Program of Work Business Climate						
Strategy	Activity	Goal	Project	Complete	Remain	Target YE
Infrastructure						
Synergy Park	Utility installation	1	Electricity	1	0	Y
		1	Fiber/Broadband	1	0	Y
		1	Natural Gas		1	N
Inventory						
Synergy Park Phase V	Road Construction	1	Design		1	N
Industrial Park 2.0	Site Evaluation	1	Evaluate and Compare New Sites		1	N
Spec Building Program	Construction Documents	1	105,000		1	N
	Promotion	1	Various Channels	0	1	N
Property Management	Inspections	2	4005 FM 349	1	1	N
		2	CDL Facility	2	0	Y
		2	4017 Enterprise	2	0	Y
		2	Synergy Park	2	0	Y
		4	Cox Drive	2	2	N
		4	Kilgore Industrial Park	2	2	N
		4	North Kilgore Industrial Park	4	0	Y
		4	General Dynamics Property	4	0	Y
		4	North Kilgore Industrial Properties	4	0	Y
	Lease renewals	As Needed	4005 FM 349	0		Y
		In Progress	CDL Facility	1		Y
		As Needed	4017 Enterprise	0		Y
		As Needed	General Dynamics Property	0		Y
	Maintenance	As Needed	4005 FM 349	3		Y
	Maintenance	As Needed	CDL Facility	1		Y
	Maintenance	As Needed	4017 Enterprise	2		Y
	Maintenance	As Needed	General Dynamics Property	0		Y
	Maintenance	As Needed	North Kilgore Industrial Properties	2		Y
	Room Rentals	As Needed	Synergy Center	4		Y

New and Retained Investment and Jobs	Generate leads from non-energy related industry sectors.	Mid FYE 2022
Objective	To attract and retain high impact projects with quality jobs from targeted industries we must engage in both inbound and outbound marketing and BRE programs.	
Goal	Close projects with an average ROR of 10% or more and a payback period of 10 years or less.	16.8% 10.55 Years
Measurement	<p>From targeted industry sectors:</p> <ul style="list-style-type: none"> 3. Number of leads generated from targeted industry sectors. 4. Number of closed projects. 5. Number of jobs under contract. 6. Amount of investment under contract. 	<ul style="list-style-type: none"> 3. 28 of 29 4. 2 5. 226 6. \$117,372,432

2021-2022 Program of Work Jobs and Investment							
Strategy	Activity	Goal	Project	Complete	Remain	Target YE	
Lead Development							
Retained and Expanded Industries	Key Account Management	15		10	5	N	
	Contact Maintenance	72		18	54	N	
	Industry Survey	30	General				
New Industries	Geographic Recruitment	3	NETEA	1	2	N	
		1	Team Texas	0	1	N	
		1	TBIC	0	1	N	
		1	Internal	1	0	Y	
		Trade Shows	2	Right Corner	1	1	N
			1	Team Texas	0	1	N
			1	TBIC	0	1	N
			5	SLP	2	3	N
			3	Internal	1	2	N
	Lead Generating Agents	Site Selectors	1	SEDC	0	1	N
			2	I-20 Corridor	1	1	N
		2	IAMC	1	1	N	
		1	Team Texas	0	1	N	
		Office of the Governor	1	NETEA	0	1	N
			1	Go Big in Texas	1	0	Y
		Lead Nurturing	1	Pipeline Management	1	0	Y
Branding							
Collateral Materials	Videos	1	Testimonials	0	1	N	
	Photos	As Needed		1		Y	
	Profile	1	Brochure	0	1	N	
		1	Digital Presentation	0	1	N	
	Promotional Items	As Needed		0		Y	
Online Presence	Website Update	1	New	0	1	N	
	Website Marketing	12	Persona Campaign	6	6	N	
	Directories	2	Site Selection Publications	1	1	N	
	Available Properties	26	Entry and Verification	13	13	N	
Workforce Development							
HR Luncheons	Lunch & Learn	4		1	3	N	
	Survey Presentation	1	Industry Survey				
Kilgore ISD	KISD Teacher Facility Tours	1	Annually	0	1	N	
	Career Events	1	Middle School Career Fair	0	1	N	
Kilgore College	Advisory Boards	2	Representation	2	0	Y	
	WorkKeys	Testing	Students	0	75	N	
	Assessments	1	Industry	0	1	N	
Small Business Development							
Pipeline Management	Advice and Referrals	As Needed		0		Y	
	Business Information Center	1	SizeUp Tool	1	0	Y	
	Promotion	1	Website Link, Various	0	1	N	

Sustainability

Protect the financial integrity of the organization.

Mid FYE 2022

Objective

To impact economic outcomes in Kilgore we must seek and provide opportunities to collaborate with economic development partners.

Goal

Maintain Kilgore Economic Development Corp. as a relevant and financially viable organization.

Measurement

- 7. Meet budget.
- 8. Maintain positive cash flow.

- 7. Expenses at 33.5 percent of budget.
- 8. Cash flow is projected to be positive over the next 10 years.

2021-2022 Program of Work Sustainability							
Strategy	Activity	Goal	Project	Complete	Remain	Target YE	Proposed
Partner Collaboration							
Chamber of Commerce	Membership	1		1	0	Y	Team
	E4	1	Participation	1	0	Y	Team
& Other	Joint Training Opportunities	As Needed	Sponsorship	1		Y	BRE
Existing Industry	Special Projects	As Needed	Research, Retention and Promotion	2		Y	BRE
	Management Roundtable	2	Annually	0	2	N	BRE
	Industry Appreciation	1	Reception	1	0	Y	BRE
	Workforce Appreciation	6	TBD	1	5	N	BRE
Governmental	Collaboration	As Needed	City	3		Y	Directors
		As Needed	County	1		Y	Directors
		1	State	1	0	Y	Directors
		As Needed	Federal	0		Y	Directors
Organizational Proficiency							
Employee Performance	Meetings	3		2	1	N	Executive Director
Continuing education	BRE, ED, Gov., Property, Reg	12		4	8	N	Team
	Webinars	As Needed		0		N	Team
Awards	Economic Excellence	1	Designation	1	0	Y	Assistant Director
Program of Work	2023	1		0	1	N	Executive Director
Communications							
Advisory Board Meetings	Administrative	2		0	2	N	Executive Director
Board Meetings	Administrative	11		6	5	N	Executive Director
SPPOA	Administrative	1		1	0	Y	Property Manager
News	Various activities and information	6		2	4	N	Assistant Director
Financial							
Budget	Board Meetings	11		6	5	N	Executive Director
Cash flow	Board Meetings	11		6	5	N	Executive Director

Section V - Challenges and Issues

The three areas of the current KEDC Strategic Plan and corresponding Program of Work are focused on project related goals: preparing for primary employers; finding, developing and closing projects from existing and new primary employers; and sustaining our financial ability to accomplish both.

Threats of inflation and ongoing global supply chain issues continue to slow economic recovery from the COVID-19 pandemic. As KEDC adjusts to the departure of long-term staff members, we are operating without a full staff, which slows response times and creates workflow challenges. As we open applications to fill these positions, we anticipate a return to normalcy and increased productivity from the KEDC office.

Short Term Challenges

Challenge: Rebuilding the KEDC project pipeline.

Recommended Response: While the number of leads is impressive, actionable leads and lead closure has suffered without access to full staffing and marketing methods that have proved successful for the organization.

Opportunities from the KEDC Marketing Plan are beginning to become part of the calendar as California and Chicago begin to “open.” We recommend a continued progressive response to lead generation activities.

Long Term Issues

Issue: Budget Volatility.

Recommended Response: Because local sales tax is being impacted in a variety of ways, the KEDC budget is in the forefront of KEDC conversations. Our recommendation is to continue expansion of the “virtual” and real building program to develop alternative income for the organization. If effective, the program over time will require additional property development and management expertise.

In addition, the Strategic Plan for Kilgore EDC is due for renewal in 2022. Given the nature of recent budget developments, our recommendation is to pursue a new plan where development is directed by a third-party strategic planning firm.

Section VII - Cash Flow Worksheet

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