INTRODUCTION

Kilgore Economic Development Corporation provides a comprehensive report on KEDC’s activities throughout the 2012-13 fiscal year that includes a review of:

- Accomplishments in the area of direct economic development
- Activities relating to direct and indirect economic development
- Policies and strategies along with any changes made during the year
- Expenditures made during the year

About this report and KEDC: This report is a snapshot of the internal workings and results of the organization over the past fiscal year. KEDC is a leading economic development organization in Texas. Since KEDC’s inception in 1990, the industrial tax value in Kilgore has experienced an annualized increase of 38%, outpacing all other categories. The organization is funded by a dedicated local sales tax approved by voters. It is directed by a five-person board and managed by a staff of four with certifications in business retention and expansion, economic and community development and economic development finance. KEDC has won international awards for excellence in economic development.

BOARD OF DIRECTORS

Bill Mishkind
President

Wilbur F. Yates
Vice President

J. Ty Sharp
Secretary - Treasurer

Pat Nault
Asst. Secretary - Treasurer

Bill Adamson
Director

OUR STAFF

Amanda Nobles
Executive Director

Lisa Denton
Assistant Director

Jana Russell
Marketing & Dev. Director

Heather Jurenka
Admin. Assistant
EXECUTIVE SUMMARY

At each year’s end, KEDC reflects on its Strategic Plan as a whole as well as the Mission and Vision Statements to determine how its activities are moving the organization forward.

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

**Short-term Accomplishments through KEDC Contracts**
- 430 jobs retained.
- 62 jobs created.

**Long-term Achievements**
After lagging the US for most of the last two decades, per capita personal income in Gregg County have improved dramatically. In 2011, the most recent year for which data are available, PCPI in Gregg County was estimated at $43,222 compared with $41,560 for the US. This represents $1.04 of income for each $1.00 of income at the national level.

**KEDC Vision Statement**
A strengthened and diverse economy that is considered to be a prime business location.

**Short-term Accomplishments through KEDC Contracts**
- KEDC signed four contracts with companies not involved in the oil & gas industry and two for companies that support the oil and gas industry.
- Companies invested $10,876,000 in Kilgore.

**Long-term Achievements**
Employment growth in Gregg County has consistently outpaced the US over the past decade. And those have been high-quality primary jobs. Like the state and the nation, healthcare and social assistance jobs comprise the largest share of the county’s employment at roughly 12 percent of the total. After that, however, the composition of the county’s employment differs sharply from the state and the US. The next largest components of employment in Gregg County are manufacturing and mining, which account for roughly 10 percent each of the county’s job base. By contrast, retail trade and local government take the number two and three positions at the state and national level.

**Metrics that Matter**
Albert Einstein was right. Not everything that counts can be counted. Such is an activity that the KEDC board of directors approved to improve the workforce pipeline available to area companies.
- KEDC asked 10 local industries what skills are hardest to find. They responded with 74 openings for advanced welders.
- In response, the KEDC board of directors approved the construction of the KEDC Advanced Technology Center to advance welding skills as well as other disciplines.

However, even amidst the data explosion that is a part of our culture, certain metrics remain significant and measureable. We now present our accomplishments for the fiscal year 2012-2013.
ACCOMPLISHMENTS

The Kilgore Economic Development Corp. board of directors approved six economic development performance agreements in fiscal year 2012-13. The impact to the local economy is projected to be more than $150 million over the next 10 years, and the average ROI for KEDC’s investment in these projects is 40% with an average payback period of three years.

**KEDC completed projects**

<table>
<thead>
<tr>
<th>Company</th>
<th>Company Investment</th>
<th>Job Base</th>
<th>New Jobs</th>
<th>KEDC Investment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cameron Technologies</td>
<td>$390,000</td>
<td>24</td>
<td>4</td>
<td>$50,000</td>
</tr>
<tr>
<td>Stream-Flo USA</td>
<td>$900,000</td>
<td>35</td>
<td></td>
<td>$40,000</td>
</tr>
<tr>
<td>Orgill, Inc.</td>
<td></td>
<td></td>
<td></td>
<td>$88,000</td>
</tr>
<tr>
<td>Temple Pro Ventures</td>
<td>$4,680,000</td>
<td></td>
<td></td>
<td>$182,000</td>
</tr>
<tr>
<td>Pallet Companies</td>
<td>$2,500,000</td>
<td>40</td>
<td></td>
<td>$438,000</td>
</tr>
<tr>
<td>CSI</td>
<td>$2,406,000</td>
<td>214</td>
<td>18</td>
<td>$135,000</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$10,876,000</strong></td>
<td><strong>430</strong></td>
<td><strong>62</strong></td>
<td><strong>$933,000</strong></td>
</tr>
</tbody>
</table>

Since KEDC’s inception in 1990, industrial property in Kilgore has grown faster than any other category of property. The top ten taxpayers in Kilgore have increased in value 504% since 1990. The per capita value of industrial property in Kilgore is $41,878 and is more than four times as large as Longview and 22 times larger than Gladewater. And when comparing current tax values on property owned and developed by KEDC since 1990, the increase in value as seen below is staggering.

**KEDC Property**

<table>
<thead>
<tr>
<th>Property</th>
<th>1990 Values</th>
<th>2013 Values</th>
<th>Increase in Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kilgore Industrial Park</td>
<td>$3,204,679</td>
<td>$60,053,680</td>
<td>$56,849,001</td>
</tr>
<tr>
<td>North Kilgore Industrial Park</td>
<td>$495,869</td>
<td>$48,372,770</td>
<td>$47,876,901</td>
</tr>
<tr>
<td>Synergy Park</td>
<td>$398,910</td>
<td>$97,852,860</td>
<td>$97,453,950</td>
</tr>
<tr>
<td>Southwest Industrial Park</td>
<td>$1,501,828</td>
<td>$17,449,650</td>
<td>$15,947,822</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$218,127,674</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

KEDC also invests in the infrastructure of the city when allowable under law to support retention and development of business enterprises when revenue allows.

**Project**

<table>
<thead>
<tr>
<th>Project</th>
<th>KEDC Investment</th>
<th>Activity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business Development</td>
<td>$200,000</td>
<td>Water and sewer infrastructure</td>
</tr>
<tr>
<td>*Transportation Improvements</td>
<td>$1,505,000</td>
<td>Highway 42 and Loop widening Loop lighting</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$1,705,000</strong></td>
<td></td>
</tr>
</tbody>
</table>

*Loop widening expenses were approved in 2011-2012 and paid this fiscal year in the amount of $1,480,000*
Asset Improvements

<table>
<thead>
<tr>
<th>Project</th>
<th>KEDC Investment</th>
<th>Activity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Synergy Park</td>
<td>$249,000</td>
<td>Lot improvement</td>
</tr>
<tr>
<td>Kilgore Ind. Park</td>
<td>$35,000</td>
<td>Park enhancement</td>
</tr>
<tr>
<td>FM 349/FM 2276</td>
<td>$17,295</td>
<td>Water line extension</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$301,295</strong></td>
<td></td>
</tr>
</tbody>
</table>
KEDC developed 114 new leads; we were unable to respond to 10, primarily due to a lack of existing buildings.

**Sources of leads**

The largest source is **direct contact**, with regional marketing groups second and Realtors third.

**Classifications of leads**

**Manufacturing** is the largest classification of leads at 55%, with distribution/warehousing second and energy third.

**Types of leads**

A full 75% of leads this fiscal year were for **new companies**.
Year End Report
KEDC
2012-2013

Accomplishments - 3-Year Comparison

Legend

<table>
<thead>
<tr>
<th>2010-2011</th>
<th>2011-2012</th>
<th>2012-2013</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

KEDC Completed Projects

Number of Leads
**Legend**

<table>
<thead>
<tr>
<th></th>
<th>2010-2011</th>
<th>2011-2012</th>
<th>2012-2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jobs Retained</td>
<td>1031</td>
<td>227</td>
<td>430</td>
</tr>
<tr>
<td>Jobs Created</td>
<td>152</td>
<td>16</td>
<td>62</td>
</tr>
</tbody>
</table>

**Jobs Retained**

**Jobs Created**
POLICIES

STRATEGIC PLAN

Business Climate
Goal: encourage investment and job growth and retention from existing primary employers

Objective A: enable existing primary employers to know and utilize the resources of KEDC and increase familiarity with the KEDC brand.

Strategies
Improve CEO perception of Kilgore and KEDC
Develop regular communication with primary employers

Objective B: advance perception that Kilgore is a prime business location.

Strategies
Complement traditional economic development models with sustainability methods
Collaborate with partners to influence economic outcomes and perceptions

Objective C: contribute to a highly skilled and productive workforce.

Strategies
Evaluate workforce characteristics and compare to the needs of targeted industry sectors
Develop workforce training plan

New Investment
Goal: attract jobs & investment that diversify the economy & improve the standard of living for Kilgore residents

Objective A: plan for relevant property availability

Strategies
Maintain a relevant inventory of available properties with suitable infrastructure
Consider bringing rail into Synergy Park

Objective B: affect small town perceptions

Strategies
Pursue indicators that verify quality location services

Objective C: build brand recognition

Strategies
Maintain leading presence in marketing initiatives
Communicate organizational successes with targets and constituencies
Craft consistent marketing campaigns to support regional, state and internal initiatives

Objective D: develop internal leads

Strategies
Engage in activities offering quality opportunities with lead generating agents and targets

Administration
Goal: organize staff and resources, directing activities toward goals and objectives

Objective A: establish goals for the organization

Strategies
Create and implement an active strategic plan

Objective B: coordinate efforts among all elements of the organization.

Strategies
Assess organizational functions
Determine staffing needs and professional development needed to progress brand and productivity
Communicate activities and engage input from constituents

Objective C: protect the financial integrity of KEDC

Strategies
Operate KEDC efficiently and effectively
Work with legislators to maintain the scope of the dedicated sales tax to fund economic development
ACTIVITY HIGHLIGHTS

Administration

Continuing Education

- Business Retention
- Workforce Development
- Quickbooks
- Social Media & Content Marketing
- Data Sources
- Online Marketing
- Sales Tax Training
- Proposal Development
- State of the Economy
- New Market Tax Credits

Local Communication

- Advisory Board Meeting
- Seven Newsletter and Invitations
- Website Updates

Memberships

- NETEDR
- TEDC
- IEDC
- SEDC
- IAWP

Media Interviews

- KETK
- KYTX
- Longview News Journal
- Kilgore News Herald

Organizational Functions

- New Administrative Assistant
- New Property Superintendent

News Releases

- Check presentations
- Pak-Sher recycling
- Stream Flo donation
- Surface Equipment project
- Health Care Reform
- Synergy Park amenities
- Industry appreciation
- E & R Industrial
- Composite Fluid Transfer
Year End Report
KEDC
2012-2013

New Investment

Relevant Property Development
Purchase of 45 acres on FM 349
Purchase of 15 acres on Cox Rd.
Planning phase of 3rd KEDC building

Quality Location Services

Certifications
Economic Development Finance Professional
Certified Economic Developer
Professional Community & Economic Developer
IACM Fellow
Business Retention & Expansion Professional

Documented Sites
Leadership in establishing a statewide program through Texas Economic Development Council

Leadership
TEDC Mentor
Course teacher at CDI
Author and presenter at Area Development's Women Site Selector Forum
Presenter at TEDC
Team Texas Chair
NETEDR Marketing Chair

Marketing Initiatives

Activities in Regional and State Marketing Organizations
North East Texas Economic Alliance
- Three California recruitment trips
- Society of Industrial and Office Realtors Fall World Conference
- IAMC
Right Corner of Texas
- Fabtech trade show
Texas Economic Development Council
Team Texas
- Site Selectors Guild Texas meeting
- IAMC
- Showcase Event
I-20 Corridor
- Dallas CRE Dinner
- NTCAR Expo
- Dallas Industrial Real Estate Summit
Office of the Governor's Texas One
- California Site Selectors
- New York Site Selectors
CoreNet Global
- SW Chapter

Campaigns
Metal Fabrication
Gun Related Manufacturers
Dallas Industrial Realtors

Internal Leads
Site Selectors Guild.
SEDC Meet the Consultants
IACM
Firearms-Related Manufacturers
Logistics Conference
GATS Trade Show
## Kilgore Economic Development Corporation

### Profit Loss Budget vs. Actual October 2012 through September 2013

<table>
<thead>
<tr>
<th>Ordinary Income/Expense</th>
<th>2012-2013 Actual</th>
<th>Budget</th>
<th>% of Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5001 - Sales Taxes</td>
<td>3,399,587</td>
<td>2,750,000</td>
<td>123.62%</td>
</tr>
<tr>
<td>5005 - Garbage Sales Taxes</td>
<td>10,713</td>
<td>8,000</td>
<td>133.91%</td>
</tr>
<tr>
<td>5201 - Interest - Bank Operating</td>
<td>14,953</td>
<td>10,000</td>
<td>148.63%</td>
</tr>
<tr>
<td>5400 - Lease Revenue</td>
<td>196,372</td>
<td>177,570</td>
<td>92.60%</td>
</tr>
<tr>
<td>5402 - Incentive Recovery</td>
<td>83,979</td>
<td>35,000</td>
<td>239.94%</td>
</tr>
<tr>
<td><strong>Total Income</strong></td>
<td><strong>3,675,514</strong></td>
<td><strong>2,980,570</strong></td>
<td></td>
</tr>
</tbody>
</table>

| Expense                  |                 |        |            |
| 6030 - Construction Synergy Park | 143,260 | 50,000 | 285.52%    |
| 6201 - Supplies          | 5,887           | 6,650 | 85.52%     |
| 6300 - Contractual City  | 356,943         | 358,943 | 100.00%    |
| Payroll & Benefits       |                 | 356,278 | 2,665    |
| Property & General Liability Insurance | 18,042 | 20,000 | 90.21%    |
| 6314 - Contractual Economic Development | 2,416 | 3,000 | 80.54%    |
| 6319 - Contractual School/Training (Fees) | 5,325 | 6,300 | 84.52%    |
| 6320 - Contractual Travel | 16,440         | 24,450 | 67.24%     |
| Includes Board Member Travel @ SRK |                 |        |            |
| 6321, 6326, 6350 - Contractual Services - Other | 15,117 | 15,250 | 99.13%    |
| Notices, Rental Equip & Network Computers | 2,415 | 2,640 | 91.48%    |
| 6324 - Contractual Dues, Fees & Memberships | 2,444,140 | 1,362,850 | 187.90%    |
| 6315 - Contractual Special Services (Incentives & Projects) | 17,059 | 22,000 | 77.31%     |
| 6316 - Contractual Legal | 148,534        | 216,445 | 68.23%     |
| 6340 - Marketing         |                 | 56,391 | 62,900    |
| 6400 - Synergy Center Lease | 157,091 | 183,080 | 85.00%    |
| 6501 - Maintenance - Buildings & Grounds | 6,625 | 8,500 | 77.94%    |
| 6708 - Accounting & Audit Professional Fees | 300,000 | 300,000 | 100.00%    |
| 6709 - 4A(4) - Type B Projects | 21,138         | 20,000 | 105.69%    |
| 6903 - Capital Expenditures - Equipment | 377,912 | 377,912 | 100.00%    |
| Principal                | 110,000         |        |            |
| Interest                 | 87,412          |        |            |
| Fees                     | 500              |        |            |
| Bond Set-Aside           | 180,000          |        |            |
| **Total Expense**        | **3,953,876**   | **2,980,620** |          |