



2018 ANNUAL REPORT HIGHLIGHTS



The City of San Angelo Development Corporation (COSADC) is a non-profit economic development corporation formed under the Texas Development Corporation Act of 1979 and governed by a seven-member board of directors. As directed by this Act, the Corporation focuses its efforts on the promotion and development of business enterprises that create or retain primary jobs.



CITY OF
SAN ANGELO
TEXAS
Development Corporation

MISSION:

The City of San Angelo Development Corporation, working with economic development partners, will retain, strengthen, and diversify the job base of the community to ensure a vibrant business climate for San Angelo and the region. Our main goal is helping to create a place where people want to live and conduct business.

ECONOMIC DEVELOPMENT PARTNERS:

Tom Green County, City of San Angelo, Concho Valley Workforce Development Board / Workforce Solutions, Angelo State University, ASU-Small Business Development Center, San Angelo Chamber of Commerce, Downtown San Angelo, Howard College and others working toward improving and growing San Angelo. We embrace anyone who is pro-San Angelo.

YEAR IN SUMMARY:

The past year was a re-building year for COSADC. A new Director came onboard in June. As a result, the COSADC Staff underwent a reorganization to better define and realign every staff position, clearly delineating the assigned functions, but also emphasizing teamwork. This realignment was done collaboratively with every staff member, recognizing the strengths and talents of each, to best match individuals with assigned tasks. The result has been increased efficiency, effectiveness, and morale of the organization.

COSADC also greatly improved its relationship with the San Angelo Chamber of Commerce Economic Development efforts by negotiating a new contract that removed the burdensome administrative requirements imposed on the Chamber, recognizing the professionalism and talents of the Chamber staff, and allowing them more freedom to adapt and take advantage of economic opportunities as they arise. COSADC and Chamber staffs now work as a highly effective team with increased communication and productivity.

The COSADC staff continues to build and improve its relationships with all of its economic development partners, eliminating any barriers that might hinder San Angelo's economic and community development efforts.

BUSINESS RETENTION & EXPANSION PROGRAM

Outcomes:

- 489 new jobs and indirect jobs created
- 130 direct and indirect jobs retained
- \$129.5 million in annual economic output
- \$7 million in capital investments

Economic Development staff met with 10 companies to explain the BREP program and discuss the future growth plans of the companies. These meetings culminated in the preparation of 4 Economic Development Agreements with incentives ranging from \$5,000 to \$1.5 million.



Engine Pro Machine

Engine Pro Machine received incentives of \$5,975 in the form of an interest rate buy-down for the purchase of new equipment.

BUSINESS RETENTION & EXPANSION PROGRAM



Tom Green County Goodfellow AFB

COSADC provided Goodfellow Air Force Base with \$1.5 million in order to fund an \$8.8 million renovation of the base. The renovation allows Goodfellow to offer a class on security and cyber threats which is currently only offered in Virginia. The class will bring cohorts of over 100 students for weeklong classes throughout the year. COSADC funding is matched by a Defense Economic Adjustment Assistance Grant of \$4.5 million given to Tom Green County by the Governor's Office and \$2.8 million from the military. This is projected to have an economic output of \$73.7 million.

Construction Trades Program Howard College

COSADC provided Howard College with matching funds of \$167,769 to receive a grant of \$100,000 from the Texas Workforce Commission's High Demand Jobs Program.



US Customs and Border Protection Air and Marine Operations

US Customs and Border Protection Air and Marine Operations received an Economic Development incentive of \$46,435 to fund the design, acquisition, and installation of permanent equipment foundations and ground maneuver pavement at Mathis Field. These upgrades will support USCB-PAMO's Predator Drone unmanned aerial vehicle program. This is projected to result in an economic output of \$55.8 million.





THE BUSINESS FACTORY

The Business Factory began in 2003. It was designed for small business and entrepreneurs in San Angelo and the Concho Valley area. Whether they are a high-tech company or a small one owner operation looking for workspace our clients enjoy the networking benefits and atmosphere of a professional environment.

All office suites are equipped with a desk, office chair, bookshelf, Wi-Fi access, and colored copier. Plus, as an incubator client they also have training provided by ASU Small Business Development Center, access to common/shared break room, janitorial services, all utilities are provided, the use of 3 conferences rooms, and they have a peace of mind knowing that the building has security. Why do we provide so many services? We provide these services so that our clients can focus on creating their business and jobs for our community.

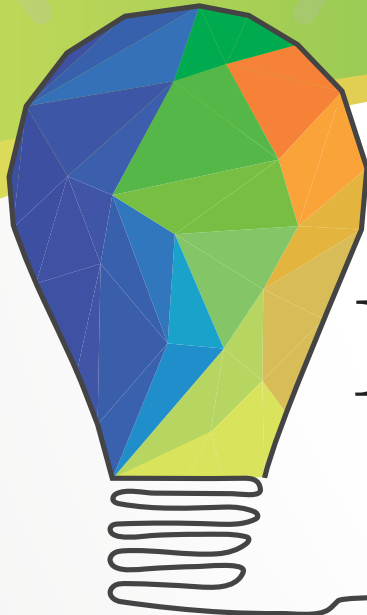
Over the last 14 years, the Business Factory has assisted over 35 businesses, creating a total of 549 jobs within our community and successfully graduating 11 of those companies. The Business Factory has helped make dreams become reality.

2018:

- Two tenants in Business Factory
- 102 total companies since inception
- Employees: 13 full time and 1 part time
- Return of investment
(cumulative since inception):
Total Gross Sales: \$55 Million
Total Gross Payroll: \$34 Million

2018 BUSINESS PLAN COMPETITION

Planning started in June, with the kickoff in November and winner announced in April. One winner was chosen for the 2018 competition.



SAN ANGELO Business PLAN *competition*



Winner – Rock Your World Decorative Concrete, LLC. \$50,000 cash prize – produces and manufactures decorative rock panels, made from a formula lighter than concrete but just as durable.



INFRASTRUCTURE & CAPITAL INVESTMENT

- 7 total TIRZ Agreements were executed for a total projected capital investment of \$2.4 million
- 4 TIRZ Agreements in the North Zone for a capital investment of \$1.27 million
- 3 TIRZ Agreements in the South Zone for a capital investment of \$1.15 million

NORTH



Taco Bueno/Kilcon Properties



Chicken Farm Art Center



San Angelo Insurance

SOUTH

Old Central Firehouse Bed & Brew



Skyway Motel

(NORTH - IN PROGRESS)



One East Twohig Partnership

(SOUTH - IN PROGRESS)



Casa Décor

(SOUTH - IN PROGRESS)



CAPITAL IMPROVEMENTS:

Industrial Park

- Warren Caterpillar received their final inspection on their new facility on 14.85 acres - Total Investment of approximately \$12M
- AEP Transmission Center - AEP completed construction of a new Transmission Center on approximately 52 acres - Total Investment of approximately \$20M including \$589,000 in public infrastructure
- April 2018 COSADC and the City were notified of approval of an Economic Development Administration grant in the amount of \$1.25M for infrastructure improvements to Phase 2 of the Industrial Park
- The City of San Angelo Planning Commission approved the Revised Preliminary Plat of Phase 2 of the Industrial Park at its meeting on November 14, 2018
- \$588,850 for Phase 2.1 of the Industrial Park - extension of Gateway Drive, water and sewer extensions, and construction of a temporary low water crossing.

Airport Master Plan

August 7, 2018 City Council approved the selection of Centurion Planning & Design, LLC to prepare a master plan for the airport which includes approximately \$121,000 for land use planning, feasibility and infrastructure evaluation for a Business Park to be located on airport property outside the flight line.



TARGETED MARKETING

San Angelo Chamber of Commerce Economic Development Division - Targeted Marketing Program

The San Angelo Chamber of Commerce's Economic Development Division has a unique method of targeting specific companies within desired industrial sectors that are complementary to the economic ecosystem of San Angelo and the surrounding economic area.

Whereas in the past, San Angelo, like many economic development programs, relied on strategies that instructed the economic development personnel to target specific companies within industrial sectors that "made sense" for the community, and were based on a hypothetical selection of industries that might encompass sectors such as: general manufacturing, heavy machinery manufacturing, call centers, aviation repair, aerospace manufacturing, crop production, mining, and scientific research.

The methods of attempting to recruit companies within these industries is customarily conducted by investing vast amounts of operating capital into site selectors, trade shows, online and print publishing and direct on-the-road visits of companies of interest. These methods, although common, produce very limited positive results. This practice generally does little more than invite the recruiting community into competition for possible recruitment of companies that many, perhaps even dozens, of communities are vying for. This is ineffective for the community of San Angelo.

TARGET MARKETING THE SAN ANGELO WAY



The San Angelo Chamber of Commerce has developed a cost-effective program that produces consistent, durable, low-cost, high-yield industrial recruitment. This program is called the San Angelo Regional Manufacturers Alliance (SARMA) Program.

The San Angelo Regional Manufacturers Alliance (SARMA) is a program of the San Angelo Chamber of Commerce that advocates for San Angelo-area manufacturers, fabricators, and energy companies - the core of our regional economy. The mission objective is to promote the local manufacturing, fabrication, engineering, industrial, mechanical, and energy services sectors and enhance communication among local manufacturing companies. This Alliance fosters a business environment among our regional manufacturers, which increases capital investment and grows high-quality careers.

The SARMA members, with a database of 110 companies, conduct regular monthly meetings and quarterly socials hosted at a different regional factory or facility. The SARMA members also conduct industrial education courses, manufacturing tours and special industrial-sector Roundtable meetings, in which the members meet to focus on one specific company to assist with challenge solutions.

The trust and unity that has been built among the SARMA member companies has created a platform for both supporting the expansion and market opportunities for existing San Angelo industrial companies, and simultaneously, created a platform for the recruitment of new industrial companies to San Angelo.

Effectively, the San Angelo Chamber's Economic Development Department's SARMA program has "deputized" the local industrial companies into recruitment agents. This has proven to be highly effective. The member companies have informed the Chamber of Commerce as to which companies are prime to target for recruitment based on their compatibility with the existing local economic ecosystem. The SARMA members assist with identification of industrial sectors they work within, identify growth sectors, companies that have established or wish to establish markets in the region, companies that are reliable and solvent, and will bring capital investment and workforce to the Concho Valley.

Our industrial manufacturers provide unmatched insight into the strength of targeted industrial companies and further inform staff on what companies are not compatible with our existing industrial workforce, facilities, and infrastructure. In 2018 the market intelligence provided by our SARMA members has resulted in the direct recruitment of primary-job and capital investing companies such as:

- US Well Services - 200 employees - \$35,800,000 in annual economic yield
- E.On Energy - \$130,000,000 in capital investment
- SMC Global - \$18,400,000 in annual economic yield
- Recurrent Energy - \$130,000,000 in capital investment

The industrial manufacturers and energy services companies that comprise the SARMA have guided the Chamber Economic Development staff to target the following industries and have directly helped to arrange meetings with these industrial sector decision-makers:

- Steel manufacturers (Coil and plate)
- Solar Power Generation Plants (Utility scale - 150-200 MWac)
- Rail port operator/Development of a first-ever San Angelo-based international multi-modal rail port
- Lifesciences - Recruitment of two life sciences/healthcare facilities
- Chemical Manufacturing - Recruitment of an international chemical production company
- Heavy Haul Transportation - Recruitment and Expansion of two international industrial trucking companies
- Contact center - Assistance with 400-person expansion/retention of an international contact center



The SARMA is a program of the San Angelo Chamber of Commerce and is organized and guided by the San Angelo Chamber of Commerce's Economic Development Advisory Board.

OBJECTIVES

- Create a unified voice that enhances the overall manufacturing community in the San Angelo area
- Proactively monitor and report on manufacturing related issues and participate in local government, ensuring city and regional officials and policy-makers understand those issues that help manufacturers succeed
- Promote manufacturing to enhance its perception by the public, schools, community, and region
- Examine workforce and economic development issues with the goal of sustaining local manufacturing companies by helping to provide solutions to barriers
- Host events that provide relevant information on key issues necessary to support growth in our manufacturing sector
- Host an annual San Angelo Regional Manufacturers Trade show and conference
- Lead the West Texas Training Center facility expansion, teaching equipment expansion, and fabrication training instructors. Additionally, we provide educational opportunities to benefit SARMA members, their employees and ensure the future labor pool will have the skills necessary to support growth in the San Angelo manufacturing sector. The SARMA will facilitate the growth, retention, and recruitment of future workforce by supporting manufacturing training and job skills enhancement
- The SARMA shall investigate private industry investment in training and education programs which can be delivered to local educational institutions - Angelo State College of Business, Angelo State College of Engineering, Howard College West Texas Training Center and the San Angelo Independent School District (SAISD)
- Promotion of the DRC - the City of San Angelo Development Review Committee meetings that are available at no charge to companies in the planning stages of facility expansion or construction



SARMA Outreach Goals

- The SARMA conducts monthly meetings for members and we will publish a monthly newsletter
- Provide Business to Business networking opportunities
- Host and arrange San Angelo Manufacturing Days in collaboration with local schools and manufacturing companies
- Organize continuing education programs
- Create and support student-to-company apprenticeship program

State and National Affiliates

- Texas Manufacturing Assistance Center (TMAC)
- National Manufacturers Association (NMA)
- Society of Manufacturing Engineers (SME)
- American Welding Society (AWS)
- Local Economic Development Affiliates
- City of San Angelo Development Corporation
- Concho Valley Workforce Board
- South-west Texas Border Small Business Development Center (SBDC)
- Howard College - West Texas Training Center
- Angelo State University - David L. Hirschfeld Department of Engineering
- San Angelo Independent School District

2018 ECONOMIC NEWS—YEAR END SUMMARY

- San Angelo's unemployment rate for 2018 was 3.2%, down from 3.7% in 2017 and below the 2018 national average of 3.8%
- The population of the San Angelo MSA, which encompasses Tom Green and Irion counties, grew to 119,711 according to the U.S. Census Bureau's July 2018 estimates
- The Civilian Labor Force of our MSA grew from a seasonally adjusted 55,460 at the end of 2017 to 55,944 at the end of 2018
- Goodfellow Air Force Base received \$8.8 million in funding for renovations in order to become one of only two sites in the nation for a class on security and cyber threats
- One local start-up company was awarded \$50,000 in prize money and thousands of dollars' worth of in-kind services as a result of the San Angelo Business Plan Competition
 - Howard College launched their commercial trades program