



Killeen Economic Development Corporation

## MEMORANDUM

**Date:** August 14, 2017

**To:** Mayor, City Council Members, City Manager

**From:** Charlie Watts, President & John Crutchfield, Executive Director

**Subject:** KEDC Economic Development Report

This report contains a detailed listing of the activities and accomplishments in which KEDC has engaged over the period October 1, 2017 to July 31, 2017, a partial year.

It should be noted that KEDC has entered into four new agreements with companies, so far this year, which will result in an additional \$40,200,000 capital investment in the city. One of those is an international, high tech manufacturing company. Two are family entertainment venues which have been a priority target for the city.

Additionally, it should be noted that KEDC provided: a guarantee of \$525,000 in matching funds for a city-sponsored Defense Economic Adjustment Assistance Grant; \$340,000 for the Killeen-Fort Hood Regional Airport in two projects; \$50,000 to fund Façade Grants in downtown; and, at the Interim City Manager's request, \$8,000 to pay for appraisals of three parcels of city-owned property.

It has been an extremely busy year for KEDC. We are happy to share more details in this report.

**KILLEEN ECONOMIC DEVELOPMENT CORPORATION**  
**ECONOMIC DEVELOPMENT REPORT**  
**OCTOBER, 2017 – JULY, 2017**

**Performance Agreements executed in 2017**

- MGC Pure Chemicals America: Will build a custom, chemical plant on 12.4 acres of the Killeen Business Park with an option on 15.758 additional acres.
  - Economic Impact Analysis
    - Capital Investment: \$30,000,000.
    - Jobs: 28 direct at \$66,600 each.
    - Net benefits to the city over ten years: \$2,234,191.
- Bell Glass: Will build a regional supply center and warehouse on six acres in the Killeen Business Park.
  - Economic Impact Analysis
    - Capital Investment: \$1,200,000.
    - Jobs: 26 direct.
    - Net benefit to the city over ten years: \$103,971.
- Urban Air Trampoline. Will construct a new 35,000 square foot facility
  - Economic Impact Analysis
    - Capital Investment: \$6,000,000.
    - Jobs: 35 direct @ \$24,000 each.
    - Net benefits to the city over ten years: \$870,061.
- Gattitown Killeen. Will occupy 20,000 square feet in a new development to be built next to Regal Cinemas.
  - Economic Impact Analysis
    - Capital Investment: \$3,000,000.
    - Jobs: 50 direct @ \$17,600 each.
    - Net benefits to the city over ten years: \$913,378.
- Total Economic Impact Analysis
  - Capital Investment: \$40,200,000.
  - Jobs: 139.
  - Net benefits to the city over ten years: \$4,121,601.

**KEDC-owned buildings under lease.**

- 4501 Roy J. Smith Drive. 50,000 square feet. Lease renegotiated in late 2016. Occupied by Blackboard Student Services with 240 employees.
  - KEDC just completed a project to reseal and strip the parking lot serving the facility at a cost of \$29,000.
- 703A Swanner Loop. 22,000 square feet. Lease renegotiated and extended three years in 2016. Occupied by First National Bank Texas with 100 employees.
- 703B Swanner Loop. 18,000 square feet. Lease renegotiated and extended three years in 2016. Occupied by Raytheon with 100 employees.

- KEDC is conducting a project to replace the doors and take other steps to stop leaks to this facility at a cost of \$99,000.

### **Performance Agreements executed in prior years in effect**

- Solix. A downtown Killeen call center.
- Northwest Tidwell. A Walmart Neighborhood Store located on Clear Creek.

### **Other Commitments**

- Heart of Texas Defense Alliance. KEDC provides \$109,000 per year under a contract with HOTDA as per the purposes stated in the contract.
- I14/Gulf Coast Strategic Highway Coalition. KEDC pays \$10,000 in dues per year for membership and to provide leadership to the Coalition. In December 2016, legislation was passed by the Congress creating the Interstate 14 Corridor and co-naming US190 from Copperas Cove to Belton as Interstate 14. In January, we joined other Coalition leaders to make presentations to the Texas Highway Commission after which they gave final approval. Interstate 14 signs were unveiled on April 22. The next area targeted for co-naming is Highway 6 around Bryan-College Station, which is of particular interest to the Texas A&M University System.
- TAMUCT Scholarship Fund. Matching funds in the amount of \$100,000 were provided to the Texas A&M University Foundation. The purpose is to increase enrollments and generate additional funding from the state to grow the university. Over the past eight years, 53% of the diplomas awarded by TAMUCT have been awarded to residents of Killeen. Research being conducted and expanded at TAMUCT will lead to the incubation of emerging technologies here which will produce the companies and jobs of the future.
- Airport
  - KEDC provided a guarantee of matching funds in the amount of \$525,000 for a Defense Economic Adjustment Assistance Grant, sponsored by the City of Killeen, from the State of Texas to upgrade and remodel the Army Radar Approach Control (ARAC) facility.
  - KEDC provided \$90,000 to the Killeen-Fort Hood Regional Airport to conduct an Air Service Development study.
  - KEDC provided a \$250,000 revenue guarantee to the Killeen-Fort Hood Regional Airport to attract a new route.
- Downtown Façade Grant. KEDC provides \$50,000 in matching grants in downtown Killeen.
- Appraisals. KEDC provided \$8,000 and oversaw the appraisals of three parcels of land owned by the City of Killeen.