



ANNUAL REPORT

2019

CURRENT INVESTOR LIST

A+ Federal Credit Union
AdventHealth
Atmos Energy
Beronio Wealth Planning Solutions
Big Chief Distributing
BKCW/Patriot Buick GMC
Centex Technologies
Chick-fil-A Killeen
Cloud Construction Co., Inc
Cloud Real Estate
Corbin & Associates
Craig and Karen Langford
David Barr Properties
Diane Connell
Dodge Country/Freedom Chrysler Jeep
Dr. and Mrs. Umad Ahmad
Drayton McLane Jr.
Exit HomeVets Realty
Extraco Banks
First National Bank Texas
First Texas Bank
Fort Hood Area Association of Realtors
Grace Christian Center
H-E-B
Heights Lumber Supply
Killeen Power Sports
Killeen Veterinary Clinic
Lindley, Wiley & Duskie
Linnemann Realty
Lott Vernon & Company, P.C., C.P.A's
Morris Real Estate
National United Bank
Perry Office Plus
POWER10
Solutions One Ind.
Texas Charity Bingo
The Carlson Law Firm
The Furniture Zone/Ashley Furniture Homestore
The Land Exchange
Toyota of Killeen
Unite Private Networks
VeraBank
Walker and Partners
Wallace and Emmadell Vernon
Yowell Family

14 FORWARD

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14 FORWARD
MESSAGE FROM
THE CHAIR

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A Strong Second Year



2019 was another strong year in which 14 Forward achieved its goals of 1) growing business and investment 2) promoting Fort Hood and 3) strengthening our infrastructure to improve quality of place.

Last year's efforts allowed 14 Forward to measure its impact and establish a record of success that is capturing the attention of residents and surrounding communities alike. Great things are happening in Killeen. These successes cannot be measured by jobs and capital investment alone, but rather, by the relationships that we've developed along the way. We continue to engage local leaders and share the story of our progress with the community. This is done through meetings, events and a series of videos we rolled out in 2019.

Additionally, 14 Forward staff regularly travel to neighboring communities and Austin to meet with decision makers from Army Futures Command, Capital Factory, the Austin Innovation District, Austin CityUP and others. These new relationships strengthen our existing network and lend clarity, focus and voice to the work we are doing in our community.

Naturally, cultivating new relationships requires being flexible and open to divergent perspectives to finding new ways of achieving our mission. For example, while our strategy has remained focused, our tools have been broadened to consider establishing a Revolving Loan Fund (RLF). The RLF is being developed in cooperation with the Small Business Administration (SBA) and local banks to provide low-cost capital to early stage companies and entrepreneurs in targeted industries.

Furthermore, the idea of creating an Innovation District is being explored so it can utilize the RLF as well as city programming to revitalize select commercial districts to form a technology ecosystem and talent pipeline. These actions help to cultivate and test the market for the companies that may later populate our University Research Park. As you can imagine, forming the necessary alliances for this work is never easy and must be developed over time and through repetition.

Naturally, cultivating new relationships requires being flexible and open to divergent perspectives to finding new ways of achieving our mission.

The world is now in the midst of a crisis unlike any we could have predicted. The effects of the novel Coronavirus on public health and the economy will be with us for years to come. While this pandemic has disrupted nearly every aspect of our lives, it has forced us to become more creative and open to ideas that may have previously seemed too far-fetched or time-consuming to pursue. Though this is not the ideal reason for such changes to occur, I am hopeful that we can harness these new ideas and use them in our work to pursue positive change in our community.

Increasing access to bandwidth has long been a part of our strategy to grow our local economy, but this pandemic has highlighted just how crucial this service is to maintaining basic services. Our work is more important now than ever. As an investor in 14 Forward, your long-term outlook is equally important.

As you are aware, 14 Forward's Plan of Work requires systemic change to how we perceive ourselves and establishing our rightful place within the Central Texas region. For those of you who have been with us from the beginning, I thank you. For those of you now ready to lend your talents and resources to our mission, I welcome you. Together, we are changing lives and moving this community *forward*.



Bill Kliewer, BKCW
Chair, 14 Forward Board of Directors

WHAT IS
14 FORWARD?



An Investment in Our Future

14 Forward represents the commitment of a group of private investors to catalyze economic growth in the Greater Killeen area and revitalize often neglected and marginalized sectors of the community. The 5-year program leverages our community's strongest assets - a talented workforce, competitive cost of living and friendly business climate - to advance new technologies and employment opportunities, and grow the area's economy.

This is accomplished through 3 Goals:

Three large, stylized chevron arrows pointing to the right, stacked vertically. Each arrow is composed of a red outer border and a blue inner border. To the left of each arrow is a goal description.

GOAL 1
GROW BUSINESS AND INVESTMENT
Investing in the Place Where Business Grows

GOAL 2
PROMOTE FORT HOOD
Investing in the Place Where Military Grows

GOAL 3
STRENGTHEN INFRASTRUCTURE TO IMPROVE QUALITY OF PLACE
Investing in the Place Where Infrastructure Grows

GOAL 1

GROW BUSINESS & INVESTMENT

Investing in the place where business grows

Growing Business and Investment means aggressive business recruitment, capitalizing on the economic development potential of the university, and conducting research and sharing data with our investors.



BUSINESS RECRUITMENT

14 Forward campaign funding puts us in a position to focus on recruiting industries that we have not had the resources to pursue in the past and to grow industry clusters compatible with our community. Staff has developed marketing materials and begun participating in industry-specific activities to make this happen.

In partnership with the Killeen Economic Development Corporation (KEDC), 14 Forward helps develop relationships with, and secure incentives for, many business prospects. The growth we saw in 2018 continued throughout 2019 as several companies opened or expanded in the Killeen Business Park and Downtown Killeen. Our efforts helped set the foundation for more targeted recruitment of companies specializing in cybersecurity, simulation, data services and synthetic training.

Collectively, these companies will greatly impact the job market and local economy. Part of 14 Forward's goal to grow business and investment includes the creation of 4,025 new jobs (2,275 direct and 1,750 indirect jobs) over the program's 5-year lifespan. In 2019, 777 new jobs were created, bringing the total to 1,240 direct jobs over two years. Below are the projects 14 Forward helped manage in 2019:

2019 Jobs Created (Full Time Equivalents)			
AdventHealth Harker Heights Clinic	50	NexTech	250
Church's Chicken	50	Peking Restaurant	35
CSI Aviation	4	Raising Cane's	50
Dr. Sanders, Optometrist	10	Signature Care	20
Firestone Complete Auto Care	25	Solix, Inc.	111
Jackson Todd & Lambert, PLLC	15	Strayer University	4
Let's Eat Texas	3	Z Modular	150
Total Jobs Created: 777			

ECONOMIC DEVELOPMENT POTENTIAL OF THE UNIVERSITY

It is now possible to imagine an A&M University-Central Texas (A&M-CT) Research Park. We believe that this park should have a focus on research and collaboration to commercialize that research. The park will make additional land available where we can create new jobs, educate and prepare students for the workforce, and hopefully, create more revenue streams for our educational institutions.



industries that currently exist, industries we believe would do well in our area, and proximity to Fort Hood and Army Futures Command (AFC). We also believe there is untapped entrepreneurial potential in this region, and an innovation district would help provide the structure to engage and develop this potential.

From Research Park to Innovation District

Staff continues to work with A&M-CT, the City of Killeen, Operational Test Command (OTC), Fort Hood, Central Texas College (CTC), Workforce Solutions of Central Texas, Heart of Texas Defense Alliance (HOTDA) and other community partners to fulfill this vision. The planning committee meets regularly to explore questions such as the scope of the work to be performed at the park and how the park should be governed.

Staff also attended many meetings and events to continue developing relationships with other research parks, industry, key stakeholders and potential tenants. And, staff took advantage of resources offered by the Association of University Research Parks (AURP), including participation in their annual conference. In their recent publication "Communities of Innovation," AURP asserts, "research parks enable the flow of ideas between innovation generators such as, universities, federal labs, and non-profit research and development institutions and companies located in both the research park and the surrounding region. These environments are complex ecosystems of businesses, support assets and physical assets that link together."

This study, as well as feedback from others in the industry, has made it apparent that a successful research park requires us to think broader than just the university. Effective research parks are increasingly part of a larger innovation district that links the community and university through a variety of channels that encourage innovation. The players and geographic outline vary from community to community. We believe ours is well suited for such activity given the workforce,

Additionally, we know that successful Innovation Districts require "third spaces" where creatives can meet organically, interact and form partnerships. Typically, these collisions occur in the part of the city that is unique and authentic - in an atmosphere that develops naturally and is not forced. In our city, that space is our downtown. It's the heart of our city, and there is already much happening in the private sector to suggest this region is on the rise.

New businesses continue to open downtown, attracted to the region's unique architecture and character. Existing businesses, several of which fall within the target industries for our Innovation District, will anchor future development. 14 Forward is working with local bankers to develop a Revolving Loan Fund for the innovation district, which will encourage future development (and offer banks Community Reinvestment Act (CRA) credit. As the City of Killeen continues to work with the private sector to encourage further investment, this region will grow into an effective - and necessary - component of the new Innovation District.

COMMUNITY REINVESTMENT ACT

Additionally, local artists have taken an interest in creating an arts district downtown. A mural commemorating Killeen's unique history and the pioneers of integration who have lived here was started in late 2019 and finished early this year. This mural is the first of many that will help transform this strategic area into a destination and entertainment district. And, it happened spontaneously, without any prompting from chamber or city staff.

Thus, the scope of our work has grown to include the creation of a regional Innovation District that connects, at a minimum, the A&M-CT campus, OTC on West Fort Hood, CTC and Downtown Killeen. The planning group is still in the early stages of outlining such a district and is exploring applying for a grant from the Department of Defense Office of Economic Adjustment (OEA) to help fund a Master Plan and other support mechanisms.



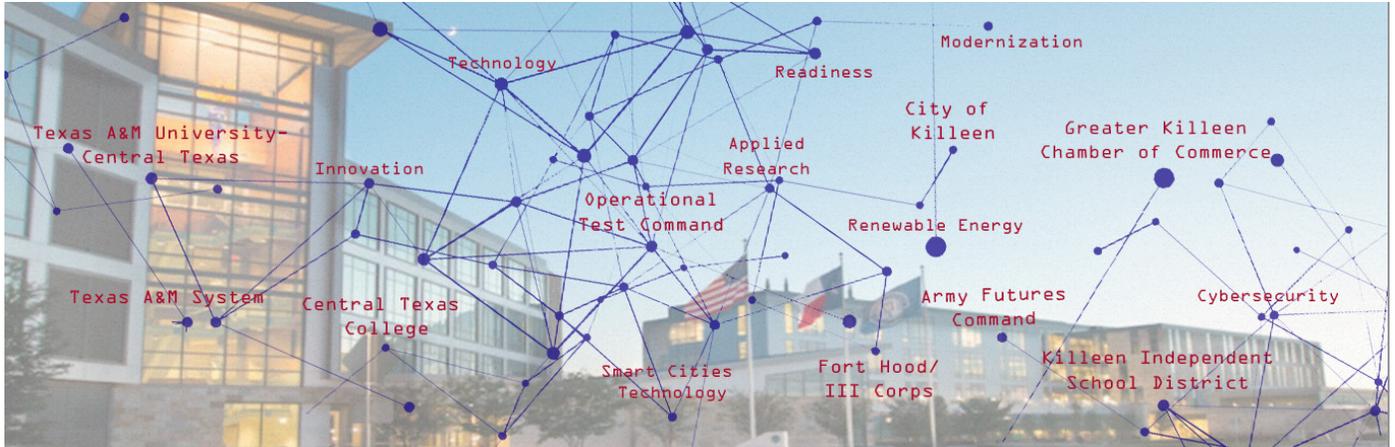
Downtown Killeen's newest mural, located at 318 A N. Gray St. (on the side of Balfour's Men's Wear)
Painted by Joe Perez III

14 Forward staff has developed a Community Reinvestment Act Plan (CRA) to identify how an investment in the 14 Forward program qualifies banks for CRA credit. This investment opportunity is an effective way for banks to fulfill their legal obligation to invest in distressed areas of the community in a unique way. The plan is being used as a recruitment tool for future investors, and has caught the attention of national bank regulatory agencies.

The Federal Deposit Insurance Corporation (FDIC), Office of Comptroller of the Currency (OCC) and Federal Reserve Board of Governors are working with staff to host a virtual banker's breakfast in May 2020. The event will provide an opportunity to share 14 Forward as an investment opportunity with approximately 40 banks across Central Texas. An in-person meeting will be scheduled at a future date.

Virtual Research Park

The virtual component of the University Research Park is set for release in Spring of 2020. This “Virtual Research Park” will be a website to share opportunities for collaboration with the university, Fort Hood and OTC in support of Army Futures Command. It will also highlight research being commercialized at A&M-CT and the A&M System and provide defense contractors access to resources such as partnership, contracting and training opportunities. We know a physical park will take time to develop, so this Virtual Research Park is intended to provide a space for key stakeholders to connect and interact leading up to the formation of the physical park.



Virtual Research Park network

What Does the Future Hold?

Other opportunities continue to present themselves that we could not have predicted when we began this work. For example, in August 2019 community leaders from across the region, Army Futures Command, Fort Hood and defense contractors attended the opening of OTC’s new Army Technology Integration Center (ATIC). The ATIC increases OTC’s testing capabilities to more rapidly and thoroughly evaluate equipment before introduction to the military theater. These enhanced performance capabilities allow OTC to keep pace with AFC’s modernization efforts and enable greater networking opportunities within the tech community.

This event brought together many groups and individuals that would benefit from-and be key partners in-a local research park. Immediately following the dedication ceremony, attendees and other community leaders were invited to a Research Park Summit at A&M-CT hosted by our planning committee. Representatives from academia, technology, defense, government and economic development agencies spoke about

the vision for and potential of a research park in Killeen. The session concluded with Stephen Frayser, Executive Director of STAR Park at Texas State University and AURP Board Member. Stephen spoke about the importance of research parks for the surrounding communities and outlined best practices when starting a new park. The event was well received and the intent is to repeat it annually.



Research Park Summit, August 2019
Photo Credit: A&M-Central Texas

Another unexpected development in favor of research park development occurred in November 2019 when A&M-CT was awarded a \$4.2 million contract by the Department of Homeland Security and the United States Air Force to perform cyber infrastructure research. The scope of this new research award is to protect cyber infrastructure from unintended manipulation of hardware and software, specifically for cyberattacks targeting integrated circuits (ICs), Internet of things (IoT) devices, and cyber physical systems. The work will use scanning electron microscopy, electrical testing, artificial intelligence (AI), and machine learning to develop novel cyber-attack detection methods and new computing techniques in Cybersecurity.

Other opportunities for potential partnerships between the university, OTC, Fort Hood and Army Futures Command continue to emerge. We will continue to explore ways to line up the research capabilities of the university with these entities and others in our community.

GATHERING AND SHARING DATA

One of the commitments made to our investors when we created the 14 Forward Program of Work was to initiate and oversee a study to analyze changing demographic and housing trends in the City of Killeen, Killeen Independent School District (KISD) and surrounding region. That study was commissioned in cooperation with the KEDC, City of Killeen, Workforce Solutions of Central Texas, KISD and HOTDA. It was completed by RKG Associates, Inc. of Alexandria, VA in the fall of 2019. In December 2019 the consultant presented the results of the Killeen Area Growth Study at the 14 Forward Annual Meeting and in two public meetings.



The study revealed some interesting trends in terms of population growth and housing. Based on these findings, the consultant gave many recommendations for how to manage the exponential population growth our city has experienced. The full study and presentation can be viewed at killeenchamber.com/growthstudy.

We continue to share data that is relevant to our investors from our partners at the Fort Hood Area Association of REALTORS, HOTDA and the Texas Workforce Commission. Additionally, 14 Forward subscribes to national databases providing the most up-to-date demographic and business recruitment information. The recruitment software, Gazelle, relies upon a patented algorithm to identify companies in various stages of growth based upon sales volume. This enables staff to broaden our messaging about the business opportunities in our region. To date, staff has circulated business recruitment materials to more than 1,200 companies and has had several leads result from use of this software.

GOAL 2

PROMOTE FORT HOOD

Investing in the place where military grows

Promoting Fort Hood means expanding current missions and attracting new missions to the post and strengthening partnerships that will benefit the post and our community.



ATTRACTING & EXPANDING MISSIONS

Military spending has become, and will continue to be, extremely competitive, so attracting new and expanding existing missions will ensure the post is being fully utilized so that Fort Hood benefits in future BRAC rounds. Our post has the capacity to train up to 50,000 Soldiers, yet currently only ~36,000 are stationed there. The capacity to expand presents an opportunity for the U.S. Army and our community.

As the largest economic driver in the region and state – accounting for more than \$25 billion in annual revenue – the economic impact of Fort Hood cannot be taken for granted. One way to ensure the enduring relevance of the post is to provide Soldiers access to outstanding quality of life while they're stationed at Fort Hood, and access to career pathways that extend beyond military service.

14 Forward recognizes the skillset these Soldiers possess and has been working to promote this talent pipeline to potential employers and companies looking to locate in Killeen. This is being done through concerted marketing efforts as well as a series of videos highlighting the workforce potential of Fort Hood. In a knowledge-based economy, the ability to cultivate talent is a competitive advantage that will separate us from other communities.

Lights, Camera...Action!

14 Forward Board member Mike Linnemann is leading the charge on the production of a series of state-of-the-art videos highlighting the 14 Forward program, and local businesses and workforce. In these videos, Linnemann interviews local leaders to learn about what they do and the impact of 14 Forward on the local economy.





Signing of Cyber Information Sharing Pledge, August 2019
Photo Credit: Todd Martin, KISD

Complementing our efforts to cultivate local talent, KISD, CTC and A&M-CT signed a "Cyber Information Sharing Pledge" in August 2019 at the aforementioned ATIC dedication ceremony. This agreement calls for these institutions to develop a cyber training program that will develop essential skills for local students at the public and post-secondary level.

Additionally, staff is now working with OTC and CTC to offer enhanced coding and cybersecurity continuing education to those already working in these industries. Ideally, these activities will help fill high-demand positions that currently exist and encourage additional entrepreneurial activity in these fields.

PROMOTING PARTNERSHIPS

Public-Public and Public-Private Partnerships have always played a vital role in maintaining the community's positive relationship with Fort Hood. Both the community and Fort Hood benefit from this mutual cooperation, so it makes sense to continue building on these successful partnerships. Staff is leveraging the unique network the chamber has built over the years to create a Defense Contractors Council, which will focus on addressing the unique challenges this industry faces. The Virtual Research Park currently being developed will help facilitate the formation of this group by offering resources and networking opportunities.

Additionally, HOTDA continues to facilitate the formation of the Fort Hood Regional Health Planning Organization. This regional, public-private partnership consists of local healthcare providers including Carl R. Darnall Army Medical Center at Fort Hood, AdventHealth Hospital, Seton Medical Center and others. The group is charged with improving education, service delivery, information access, talent development and recruitment for the medical community and industry.

GOAL 3

STRENGTHEN INFRASTRUCTURE TO IMPROVE QUALITY OF PLACE

Investing in the place where infrastructure grows

Strengthening infrastructure to improve quality of place means improving both the physical and digital highways that run through our community.



LEAD EXPANSION OF THE INTERSTATE-14 CORRIDOR

When complete, I-14 will be a 1,600-mile corridor extending from El Paso, TX to Augusta, GA. It will connect 10 military installations and 19 urban centers with a combined population in excess of 15 million. By connecting many of these military installations with their ports for deployment, it will enhance the military value of these installations and provide economic opportunities to communities along the route.

Our staff works closely with the I-14/Gulf Coast Strategic Highway Coalition to secure local and national legislative support for the roadway's continued expansion. We have passed federal legislation that authorized the I-14 corridor from a connection with Interstate 10 in El Paso to the state line in East Texas. The portion of U.S. Hwy 190 from Copperas Cove to Belton has been designated and signed as Interstate 14, the newest interstate highway in the U.S.

Support continues to mount in communities along the route in Texas. At least 25 local entities in Texas passed resolutions and wrote letters in 2019 backing the H.R. 2220 - I-14 Expansion and

Improvement Act of 2019. Meetings with local and national leaders and infrastructure improvements in Louisiana and Mississippi continue to see progress in these states.

We are working with a group called the Youth Infrastructure Coalition (YIC) to gain community support to extend the route through Georgia and Alabama in future legislation. The YIC reports that every county in Georgia and Alabama on the I-14 route has adopted resolutions of support. In May 2019, the Georgia General Assembly passed a resolution of support for I-14 encouraging the congressional delegation to take action to bring the interstate through Georgia. The YIC has found a state Senate and House sponsor for a similar resolution in the Alabama Legislature.

At the federal level, two out of five of the Georgia members of the U.S. House of Representatives have joined the Congressional I-14 Caucus. YIC will pursue similar efforts in Alabama over the next few months. Other community groups have become engaged in prompting a study to be conducted by Columbus State University and Barge Design of Columbus, GA to gauge the economic impact and provide costs analysis of the stretch of highway from I-85 to Augusta, GA.



Interstate 14

INCREASE BANDWIDTH

The final piece of the 14 Forward plan is to expand and increase access to bandwidth in our community. Bandwidth is essential to attracting new businesses, especially in the target industries we've identified for our developing Innovation District. It also provides consumers access to fundamental services and education opportunities.

KISD jump started this initiative by entering into an agreement with Unite Private Networks (UPN) which has resulted in an 85-mile fiber optic network that connects all KISD facilities in Killeen, Fort Hood, Harker Heights and Nolanville. UPN is now providing commercial service to others on their network. These actions have increased competition and are expanding service offerings in the market.

Additionally, small-cell technology in Harker Heights is being beta tested and is part of the conversation on the area's efforts to promote technology companies and entrepreneurship throughout the region. As we look at building the last mile to get high-speed internet to rural or underserved areas in our community, this technology will no doubt play a key role.

The COVID-19 pandemic has reinforced the need for fast, reliable internet. Nearly every aspect of our economy has had to shift to offering some or all services virtually, and many will continue to do so long after things resume some sense of normalcy. It is likely that many meetings, classes and other gatherings will also continue to be held partially or fully online. Thus, it is crucial for organizations to have access to dependable bandwidth in order to maintain our community's competitiveness and continue recovering from the pandemic.



Photo Credit: Priscilla Linnemann

CONCLUSION

Our second year saw great progress on the 14 Forward Plan of Work. It was a year of exploring, learning and expanding our view of what is possible. We will continue to explore and apply what we have learned in the years ahead. Thank you to our investors who make this important work we do possible.



For more information about 14 Forward or how you can get involved, contact:

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