

14 Forward

2020 ANNUAL REPORT



14 Forward Investors

\$150,000 - \$200,000

First National Bank Texas
BKCW/Patriot Buick GMC

\$100,000 - \$149,999

AdventHealth
The Furniture Zone/
Ashley Furniture Homestore
Grace Christian Center
VeraBank

\$75,000 - \$99,999

Killeen Veterinary Clinic

\$50,000 - \$74,999

First Texas Bank
Solutions One Ind.
Texas Charity Bingo
Toyota of Killeen
Unite Private Networks
Yowell Family

\$25,000 - \$49,000

Bell County MotoWorks
Beronio Wealth Planning Solutions
Centex Technologies
Diane Connell
Dodge Country/Freedom Chrysler Jeep
Extraco Banks
Fort Hood Area Association of Realtors
Heights Lumber Supply
The Land Exchange
Lott Vernon & Company, P.C., C.P.A.'s
Morris Real Estate
Wallace and Emmadell Vernon

\$15,000 - \$24,999

The Carlson Law Firm
Cloud Real Estate
Cloud Construction Co., Inc
Corbin & Associates
David Barr Properties
Linnemann Realty
Perry Office Plus

\$10,000 - \$14,999

A+ Federal Credit Union
Drayton McLane Jr.
H-E-B
National United Bank
Walker and Partners

\$5,000 - \$9,999

Atmos Energy
Chick-fil-A Killeen
Craig and Karen Langford
Dr. and Mrs. Umad Ahmad
Lindley, Wiley & Duskie
POWER 10



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Message from the Chair

A look at year three

2020 was a year of great change for us all. Many of the activities in the 14 Forward plan of work were delayed as we adapted to our changing reality. Despite this, staff has continued to make progress on a variety of fronts.

Work continues on the creation of a University Research Park (URP) at Texas A&M University-Central Texas (TAMUCT). There is growing support for the park within the community and the Texas A&M System. New research opportunities at the university continue to develop, and the university has attracted the attention of various public and private organizations.

As the URP continues to take shape, we are also moving forward on the development of an Innovation District that will connect the university to Operational Test Command (OTC) on West Fort Hood, Central Texas College and Downtown Killeen. This Innovation District will help support the URP by offering a defined geographic area for businesses interested in partnering on research with TAMUCT. It will also offer beneficial amenities for employees of these businesses and offer them venues to interact and form partnerships.

What's more, Fort Hood was selected as one of seven sites to test 5G capability, which will allow the military to develop and test new technologies and modernize its force. This, combined with the regional broadband task force that 14 Forward is leading, will help bring our community closer to our goal of increasing access to broadband across the region.

2020 was the third year of the 14 Forward campaign. As we pass the halfway point of our first five years, we must decide what the future will hold. There is still much work to be done, and renewing the campaign for another five years is logical. But we must start thinking now about what the goals for this second phase should be. We welcome your feedback and hope you will continue to support this important work as we move the community forward.



Bill Kliewer, BKCW
Chair, 14 Forward Board of Directors

About 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 strong workforce, competitive cost of living and friendly business climate – to advance new technologies and employment opportunities, and grow the area's economy. This accomplished through 3 Goals:

- Goal 1-Grow Business and Investment
- Goal 2-Promote Fort Hood
- Goal 3-Strengthen Infrastructure to Improve Quality of Place

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.

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, using specialized recruitment software, applied them to outreach efforts for these target industries.

In partnership with the Killeen Economic Development Corporation (KEDC), 14 Forward helps develop relationships with, and secure incentives for, many business prospects. While the COVID 19 pandemic did slow business expansion, there were still some notable successes. Here are the projects 14 Forward worked on in 2020:

2018-2020 Jobs Created (Full Time Equivalents)	
2018	463
2019	777
2020	281
Total Jobs Created: 1,521	

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.

Economic Development Potential of the University

Developing a University Research Park (URP) at Texas A&M University-Central Texas (TAMUCT) is one of the primary objectives of the 14 Forward campaign. This park will focus on research and commercialization of that research. Already, there is research underway in the fields of cybersecurity, defense, healthcare and alternative energy.

These target industries for the URP saw several research developments in 2020:

- **Defense:** Faculty researched and wrote a book that examines the unique challenges faced by combat social workers and lessons learned.
- **Alternative Energy:** Faculty published a paper focusing on implementing a decentralized rainwater harvesting program for rural cities under stakeholder interests and purchasing power restrictions.
- **Healthcare:** Faculty published a review of the links between histamine, melatonin and inflammatory mediators.
- **Cybersecurity:** Faculty published a study examining cyber threats to universities and researchers.

In addition to expanding the research capability of the university, a URP would create new jobs, educate and prepare students for the workforce, and ideally, create more revenue streams for our educational institutions. Its potential impact for economic growth is immense.

A working group comprised of 14 Forward staff, Texas A&M University-Central Texas, 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 is working to create such a park. The 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.



Digital Forensics Lab

The Centex Technologies Digital Forensics Laboratory, located at Texas A&M University-Central Texas, performs digital forensics investigations and analysis for law enforcement agencies, private businesses and law firms.

Law enforcement agencies served include local, municipal, county and state agencies involving criminal investigations in state and federal jurisdictions.

The lab also performs digital forensics investigations and analysis for private businesses and law firms involving cases including matters of family law, personal injury, medical malpractice, automobile accidents, workplace accidents, employee theft and data recovery and preservation.

The lab has completed research projects resulting in the creation of technical manuals, diagrams and videos with digital forensics techniques and procedures used by law enforcement digital forensics examiners and private digital forensic examiners all over the world. The digital forensic technical guides are also used by digital forensic software companies as supplemental material for the use of their forensic software.

The lab is actively working on several research projects designed to facilitate the recovery and analysis of data from multiple categories of digital devices to include mobile phones, tablets, computers and IoT (Internet of Things) devices. This research is conducted with the coordination and assistance of Texas A&M University-Central Texas. The findings will benefit the entire digital forensics community, including law enforcement and the private sector.

Innovation District

Successful university research parks are increasingly part of a larger Innovation District that link the community and university through a variety of channels that encourage innovation. An Innovation District is a designated zone where public and private interests collaborate to attract existing businesses, entrepreneurs and business startups. The players and geographic outline vary from community to community. We believe this community is well suited for such activity given the workforce, industries that currently exist, industries we believe would do well in our area, and proximity to Fort Hood and Army Futures Command (AFC).

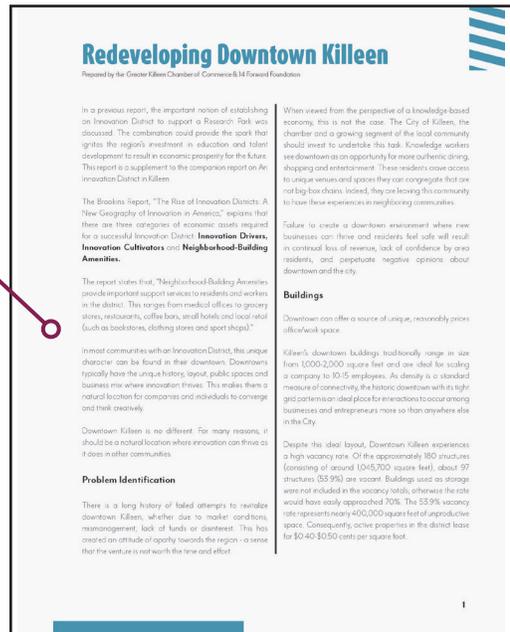
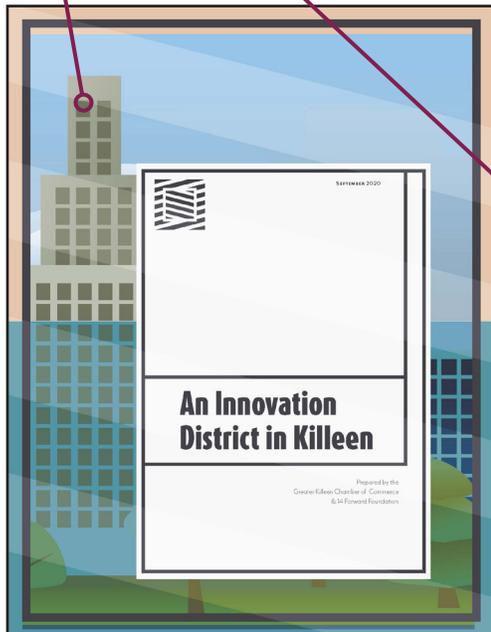
There is untapped entrepreneurial potential in this region, and an innovation district would help provide the structure to engage and develop this potential. Business recruitment efforts for the Innovation District are focusing on early-stage technology companies and entrepreneurs desiring collaboration with the university and Fort Hood.

To encourage businesses to locate in this Innovation District, a revolving loan fund is being developed. These loans will give startups and early-stage companies access to low-interest funding they may not otherwise be able to obtain. Work is also being done to ensure the district has access to high-speed broadband, as that will be essential to attracting and retaining businesses.

Research

14 Forward staff authored White Papers explaining the Innovation District concept and the importance of Downtown Redevelopment. They can be read at killeenchamber.com/research_publications

Staff worked with Perkins & Will, a consultant specializing in the development of University Research Parks and Innovation Districts, to write an application for an Office of Local Defense Community Cooperation (OLDCC, formerly the Office of Economic Adjustment, or OEA) grant. This grant would help fund the hiring of a firm to evaluate current efforts and develop a strategy for the URP and Innovation District. If received, the grant will provide the planning committee with clear direction for next steps and best practices.



Downtown Killeen

Downtown Killeen will play a key role in developing the Innovation District. Downtowns typically have a unique history, layout, public spaces and business mix where innovation thrives. They are also typically where unique dining, entertainment and shopping amenities can be found. These amenities are instrumental in attracting and retaining talent to the region. This makes Downtown Killeen a natural location for companies and individuals to converge and think creatively.

The Historic District of Downtown Killeen currently features approximately 1.3 million square feet of commercial space with a 70% vacancy rate. 14 Forward staff have been working with property owners in the district to develop a program that would offer select tenants reduced rent. The program would reactivate 15-20 vacant buildings, or more than 50,000 square feet of commercial space, in the Historic District.

To date, more than a dozen downtown

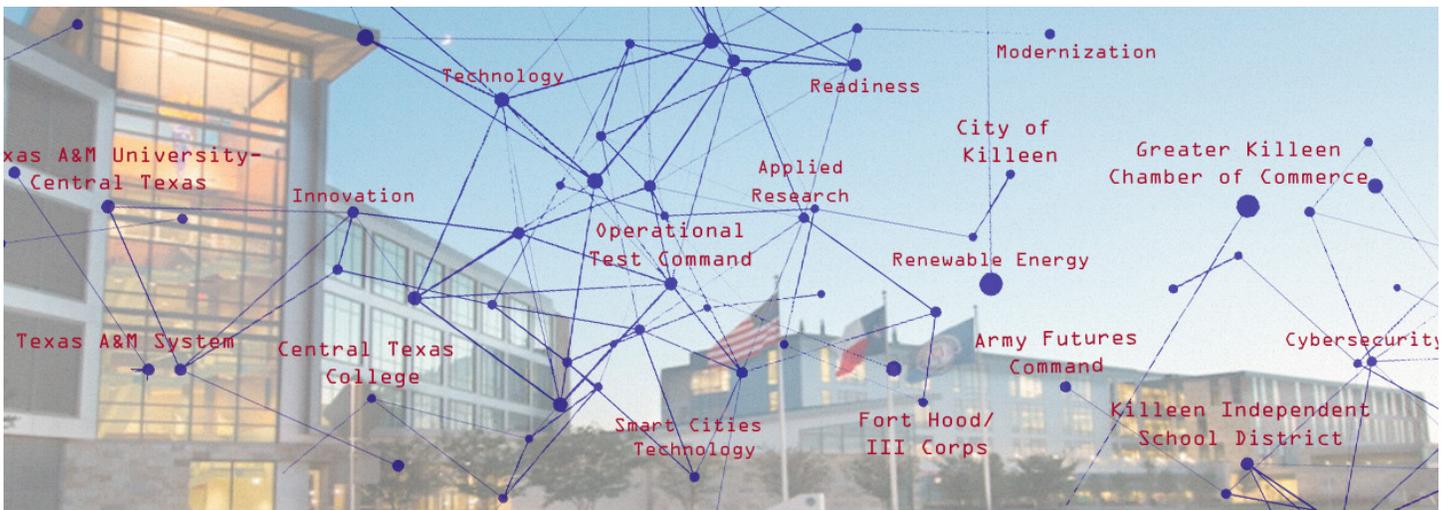
property owners have expressed interest in the program. A series of Town Hall meetings is scheduled in early 2021 to provide owners with program details and obtain feedback. Once a critical mass of owners agrees to proceed, general contractors will assess each property's condition. Inspections will identify a probable scope of work and range of costs to bring buildings into compliance. Once renovation costs are identified, rents and financial incentives will be pursued among

various organizations to address gaps in market conditions.

In addition to affordable rents, the district will provide mentorship, technical support, high speed broadband and low-cost working capital to facilitate peer interaction and bring to scale early-stage companies.

Virtual Research Park

Concurrent with efforts to develop a University Research Park is the creation of a Virtual Research Park (VRP). The VRP will be a website that brings together many organizations, to include universities, research institutions, military organizations, governmental agencies, and private enterprises. These stakeholders will be able to interact and learn from one another on this platform, which is set to launch in early 2021.



Recruitment Case Study: Bye Aviation

There is Always a Next Time

The presence of Texas A&M University-Central Texas, a research university that is part of a university system focused on research, continues to pay dividends. This was demonstrated dramatically during the last quarter of 2020.

Late summer 2021, we were asked to participate in a meeting with representatives of the university and the A&M system to discuss an innovative project. That project was focused on manufacturing the first

all-electric aircraft. This concept may sound far-fetched. It is not. There are significant operating efficiencies and strong demand for these products.

As we were to learn, the company, who developed this innovative technology, was ninety-five percent of the way to achieving Federal Aviation Administration certification for initial products. This is a multi-year process. Phase One production, to be complete by 2029, would consist

of the assembly of 1,305 aircraft. As we learned during our engagement, the company was already in possession of \$500 million in contracted sales for new aircraft. These contracts create significant pressure on the company to find a site and get into production rapidly.

The company began a multi-state site search with specific requirements. Generally, Phase I requirements were:

- A 25-acre site adjacent to an airfield to house 275,000 square feet of manufacturing space.
- 1,140 direct labor and 105 engineers, managers, professionals.
- Workforce training.
- Within 60 minutes of an International airport.
- Foreign Trade Zone.
- Remodeling funds for runway, taxi ways and parking lots.
- Upgraded electrical grid.
- Access to an international port for large components.
- Minimum of 65% sunshine.
- Elevation below 4,000 feet.
- And economic development support of capital expenditures and facility acquisition.

These requirements were exclusive of support company requirements and future phases. We learned, subsequently, that the capital investment for Phase I would be \$119 million. Our staff provided a 24-page response to a Request for Information which addressed the company's requirements. The company then asked us to provide a more specific proposal in response to additional information that they provided.



Bye Aerospace's eFlyer

We also learned that the search encompassed multiple sites in five states and multiple sites in Texas. Eventually, we were told that Killeen had the only remaining site in Texas but a total of 19 site proposals were under consideration. As we learned more details about the capital investment schedule, annual sales projections, and annual component purchases, we were able to provide a Supplement Packet to the original Response.

Our contact with the company informed us that governors from other states had begun calling the company founder/CEO. With State Representative Brad Buckley's help, we were able to get Governor Greg Abbott to make a call to the company founder.

Development Incubator Funds and other smaller components.

The value of state incentives could be calculated at just over \$118 million. Unfortunately, of this amount, approximately \$109 million was a Manufacturing Sales & Tax Use Exemption which is a savings but not a cash grant. The remaining portion consisted of a cash grant from the Skills Development Fund of \$2,070,000, a cash grant from the Texas Enterprise Zone Program of \$1,250,000 and a loan from the Product Development Incubator Fund of \$5,000,000.

Just before Christmas, we were told that, after analysis, Killeen and the State of Texas were out of the competition for the site. We were told

One of the long-term economic development goals of the State of Texas is to incubate emerging technologies so that the companies and jobs of the future are located here. Emerging technologies tend to originate in research facilities and tend to be commercialized by entrepreneurs. Unfortunately, State of Texas incentives are, for the most part, not available to start up companies. This puts Texas communities at a significant disadvantage for projects such as this one.

What did we learn from this? First, we learned a great deal about incentive programs that can be included in future proposals. Second, we learned that we could develop comprehensive proposals to address an investor's requirements in a relatively short period of time. Third, we learned that if the state wants to compete for emerging technologies in the future, it will need to revamp its major incentive programs, such as the Texas Enterprise Fund, to serve that purpose. Most importantly, we learned the economic development value that a university focused on research can bring to a community.

You can find out more about this project at byeaerospace.com.

that the Killeen local package and the site were the best received. Unfortunately, the state package was not as competitive. The top three sites remaining in contention offered combined local and state packages valued at \$57 million, \$51 million, and \$47 million. The company calculated the value of the Killeen combined package (local plus state) at \$31 million.

"THE WILL TO PERSEVERE IS OFTEN THE DIFFERENCE BETWEEN FAILURE AND SUCCESS."
DAVID SARNOFF

In our proposal, we laid out the possible components of a local incentive package valued at just over \$20 million. This consisted of job creation payments, a free site, Tax Increment Reinvestment Zone property tax rebates, Chapter 380 & 381 sales tax rebates, Chapter 313 tax limitation, establishment of a Foreign Trade Zone, interest payments on the Texas Product

BYE AEROSPACE

Bye Aerospace is applying innovative zero CO2 electric propulsion systems to its airplanes. They also develop and integrate structural and mechanical systems along with aerodynamic advances to design, build their market aerospace products that offer significant economic benefits and increases in performance to aerospace markets. Their primary project is the all-electric "eFlyer" general aviation aircraft, which will dramatically reduce ops-cost and eliminate CO2.

Established in February 2014, the eFlyer program was created by Bye Aerospace to produce the two seat "eFlyer", and for it to be fully certified under the new FAR 23 Amendment 64, and bring it to market. They intend to serve general aviation by providing a clean, renewable energy, electric training aircraft.

GOAL 2

Promote Fort Hood

Investing in the place where military grows

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

Promoting Partnerships

Building and maintaining Public-Public and Public-Private Partnerships continues to be a focus of 14 Forward activities. Staff have developed relationships with many defense contractors and other businesses with an interest in locating or expanding in the Killeen area. In an effort to attract these businesses, we are exploring the idea of hosting a Virtual Pitch Competition with the Temple Health & Bioscience District in the Spring of 2022. This event will target defense, manufacturing and technology companies throughout the Killeen-Temple area.

Additionally, the Heart of Texas Defense Alliance 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.



Fort Hood Selected for 5G Testing

The Department of Defense selected Fort Hood as a location for testing and evaluation of 5G technologies. 5G will enable the application of technologies that can be implemented in training, on the battlefield and in providing basic services around the post. The introduction of 5G on the post could serve as a catalyst for the City of Killeen to develop Smart Cities technology.

Military to Civilian Worker



450-900
Soldiers exit the military at Fort Hood each month

Up to **60%** of those exiting the military at Fort Hood want to stay in the area

Nearly **80%** of Soldiers have post-secondary education

26% of Soldiers exiting the military at Fort Hood have 20+ years of experience and are at least 38 years of age

Skillsets of the military:
IT, Engineering, Medical, Mechanical/Electronic, Logistics, Leadership and more



Competitive Advantage

Proficient • Innovative • Resilient • Visionary • Dedicated



Tax Credits for hiring veterans

Military sponsored partnership programs

HIRING OUR HEROES

Pathway to Professional Jobs
hiringourheroes.org

HEROES MAKE AMERICA

Training for Manufacturing Certification:
themanufacturinginstitute.org



For more information, contact Phyllis Cogue at phyllis@killeenchamber.com or call 254-526-9551.

www.killeenedc.com

Attracting & Expanding Missions

Fort Hood accounts for almost \$30 billion to the state economy and is the largest single-site employer in the state. Nearly 40,000 Soldiers are stationed at the post, yet it has the capacity to train up to 50,000 Soldiers. The capacity to expand presents an opportunity for both the U.S. Army and our community.

The post contributes 56,023 direct jobs and 152,701 total employment to the local workforce. Approximately 1,400 Soldiers exit the military from Fort Hood each month, with an average of 47% surveyed in 2020 indicating they intend to stay in the area. An average of 36% indicate they would be likely to stay in the area if adequate educational and employment opportunities were available. Thus, it is

in our best interest to ensure these opportunities exist.

It is also in our best interest to ensure Soldiers and their families have access to the amenities and services that lend to a high quality of life. As mentioned previously, the ability for a community to attract and retain talent is contingent on these factors.

Soldiers possess a unique skill-set that makes the region very attractive to employers. These include soft skills such as reliability, time management and teamwork, as well as hard skills such as technical knowledge and certifications, to include highly sought-after security clearances. These skills play a prominent role in marketing the community to prospective businesses, and indeed are often a key factor in their decision to locate here.

GOAL 3

Strengthen Infrastructure to Improve Quality of Place

Investing in the place where infrastructure grows

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

Expansion of Interstate 14

The portion of U.S. Highway 190 from Copperas Cove to Belton has been designated and signed as Interstate 14. 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 continues to work with the I-14/Gulf Coast Strategic Highway Coalition to secure local and national legislative support for the roadway's continued expansion. Progress was made in 2020 towards this effort, but there is still much to do. The coalition was successful in getting letters of support from state Departments of Transportation and Metropolitan Planning Organizations (MPO's) along the route. These letters of support were necessary for the inclusion of Interstate 14 in the transportation bill earlier this year.



Proposed I-14 route (photo courtesy Youth Infrastructure Coalition)

In July 2020, the U.S. House of Representatives approved an expanded I-14 corridor designation in its version of the transportation bill. The bill was not considered by the Senate, so it will be revisited in 2021. The work of the coalition this year will better prepare the group to get I-14 designation expansion into the new bill.

Additionally, TxDOT has selected a consultant team that will develop detailed studies, collect public input and assist with the eventual selection of a preferred route for I-14 connecting I-35 and I-45 in Central Texas. The consultants will spend six to nine months collecting geographic, environmental and traffic information. Once planning data is compiled there will be an initial round of meetings with stakeholders and members of the community.

Increase Bandwidth

Bandwidth is essential to attract new businesses, especially in the target industries we have identified for our developing Innovation District. It also provides consumers with access to fundamental services and educational opportunities. 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 doing so long after things resume some sense of normalcy. 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.

Staff has been in discussion with cellular tower builder American Tower Corporation (ATC) to increase the city's bandwidth. ATC maintains approximately 17

towers around Killeen and more than 40,000 nationally. Each ATC tower can accommodate up to 5 mobile telecom operators. ATC has reached out to Nextlink, Unife Private Networks and other service providers that are interested in servicing the Killeen market.

Staff has met with local city managers, county judges, chambers of commerce and Economic Development Corporations to collect data to help identify gaps in service. They will also identify critical community assets where high speed internet and enhanced connectivity is imperative to the competitiveness of their community (hospitals, schools, colleges, government centers, law enforcement, research parks and more). All city and county leaders have been receptive to the possibilities of collaborating on a regional broadband initiative.

Killeen Independent School District (KISD) has been included to identify neighborhoods where broadband service is either substandard or unavailable to KISD students. Through the strategic placement of cellular towers, 14 Forward is hoping to create a reduced-cost or free rider situation of wireless internet services to low-income families.

14 Forward and the Fort Hood Area Association of Realtors have produced a broadband survey and video to explain the importance of high speed Internet. You can help us identify areas that are lacking in high-speed broadband by participating in the survey that will be available through late May 2021 at bit.ly/3aUYgn7.

What's Next?

2020 was a year full of challenges and opportunities. Around the world, the Coronavirus pandemic accelerated changes that were already underway, and forced us to adapt in ways we could not have predicted. As the world continues to change, we must continue to be flexible while keeping an eye on the future. So, what's in store for 2021?

In 2020 the City of Killeen engaged Dallas-based consultant Verdunity to begin work on a new Comprehensive Plan. This document will serve as a framework for future development in the city. 14 Forward staff is working with the city on this process with the goal that the work we currently engage in will complement the final plan.

As we approach our fifth year, the board has begun work on a feasibility study to determine what our priorities should be over the next five years. Current investors will be contacted to provide feedback, and we hope that you will share your thoughts.

Thank you to our investors who make this important work we do possible.



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