2021 Economic development ANNUAL REPORT

SAN ANGELO CHAMBER OF COMMERCE



INNOVATION IN ACTION

- Business Retention & Expansion
- Industry Recruitment
- Industrial Career Promotion & Training
- 2022 Operational Plan



2021



MISSION

Strengthen entrepreneurial liberty and wealth building opportunities for the Concho Valley region through new-enterprise recruitment, incumbent-business support, and securing a skilled workforce facilitating customer growth, competitive advantage, and overall success in the regional, national, and global marketplace.

VISION

Make the Concho Valley region a model for "producing in the market"; Build longterm, sustainable funding source for economic development; Develop a talent pipeline to meet the skills-demand of business and galvanize skilled-workforce recruitment so that our region is primed to fill the jobs of tomorrow.

VALUE PROPOSITION

Deliver access to product, to workforce, and efficient time-to-market.

OBJECTIVES

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- **Economic Reinforcement** Identify economic needs and risks, develop solutions to barriers, facilitate incumbent business growth and new industry recruitment.
- Workforce Development Nurture strong business/education partnerships accelerate training and job skills enhancement.
- **Legislative Policy** Proactively participate in local government, elected officials, and policy makers; Promote a unified voice for economic development interests.

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• **Cooperation & Innovation** - Deliver corporate networking opportunities; Strengthen entrepreneurial liberty, wealth-building opportunities.

2021

SANANGELO Chamber of Commerce Economic Development

ECONOMIC DEVELOPMENT TEAM



Walt Koenig President & CEO



Michael Looney V.P. of Economic Development

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Mike Berry Economic Development Manager

Providing the certainty, simplicity, and speed necessary to build a strong business climate.



The San Angelo Chamber of Commerce Economic Development Department (EDD) works closely with our main economic development partner, the City of San Angelo Development Corporation (COSADC). This team approach

is a "force-multiplier" for the recruitment of new industry and the expansion of existing industrial enterprises.

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Chamber of Commerce Economic Development

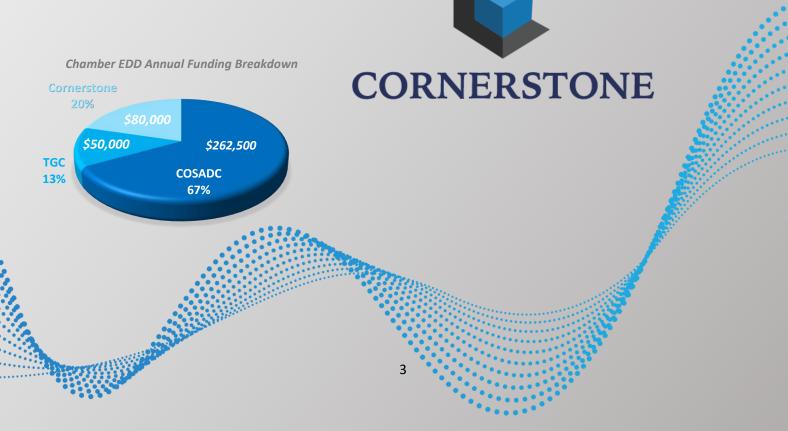


San Angelo

Chamber EDD also works with the Tom Green County Judge and Commissioners, Downtown San Angelo, Inc., Angelo State University Small Business Development Center, Howard College, San Angelo Independent School District, and the Angelo State University David L. Hirschfeld Department of Engineering.

It is through private community investments that allow the Chamber EDD team to leverage our marketing efforts, recruit new industrial corporations, facilitate business/industrial training and lobby

at all levels of government, especially for Goodfellow Air Force Base.



OVERVIEW

The 2021 economic development plan responded to the global, state and local economic changes that present challenges and opportunities for San Angelo. The EDD team and our economic development partners worked successfully in 2021 to provide resources to stabilize local industrial companies due to the COVID-19 situation. We adjusted our industry recruitment program based on the new opportunities presented by the shift in population movements and changes within manufacturing, cloud-based customer support (SAS – Software as Service), supply chain/logistics and Renewable Energy production sectors.

The San Angelo, Tom Green County and the greater Concho Valley economy are tied heavily to the national and global economies. Exports of finished industrial products saw two peaks in 2021, one in 2020 and one in the summer as two waves of backlogged orders for steelbased, energy-production and medical products were fulfilled. Employment counts in 2021 started the year at 6.4% and fell to 3.6% showing a backfill of employees to the workforce. Many companies still report a need for skilled and semi-skilled employees, because of labor supply-demand imbalances. Still, the San Angelo economic ecosystem is diversified, and this prevented high layoff rates due to slumping manufacturing orders on account of the economic contractions seen globally and nationally in 2020 and 2021.

INDUSTRIAL DEVELOPMENT - TARGETED INDUSTRY SECTOR MARKETING

The Chamber of Commerce Economic Development Department mission is to build the industrial sector of the San Angelo regional economy with a diversified industrial development program, commonly referred to in industry as "economic clustering". We build continuity of multiple industries designed with local inter-industry collaboration with an objective of maximizing cross border exports for profit and imports of goods for fabrication.

This critical mission is performed by Chamber collaboration with the staff of the City of San Angelo Development Corporation (COSADC). As partners, these two united industrial development branches of the San Angelo economic development team have succeeded to build the capital investment, tax, and employment base of our community.

SANANGELO Chamber of Commerce Economic Development

SAN ANGELO REGIONAL MANUFACTURERS ALLIANCE PROGRAM

The San Angelo Chamber EDD supports specific industry sector recruitment marketing through its regional industrial manufacturer and energy sector advocacy organization – the San Angelo Regional Manufacturers Alliance (SARMA) program. The members of the SARMA provide invaluable industry intelligence to the San Angelo Chamber and COSADC staff by

assisting with the mission of growing their enterprises collaboration with suppliers and complimentary industrial companies. The links created by these constant interactions with our industrial community has provided positive results in the form of new jobs, company expansions, capital investment and the development of supply chain transportation and facility infrastructure.



INDUSTRY RETENTION, EXPANSION, TRAINING AND RECRUITMENT

The San Angelo Chamber EDD approach to economic development is based on the practice and philosophy of supporting local manufacturing and industrial services first, known within the economic development industry as "economic gardening". This practice, through our SARMA program, connects the Chamber EDD team with local industry leaders to create pathways to providing solutions to growth challenges. Industry retention and expansion is a primary goal. San Angelo's legacy and newly recruited industrial enterprises need consistent support with facility upgrades and expansion to meet market demands. The Chamber directly supports and funds industry training programs through our Cornerstone Fund Program. The combination of these efforts has led to the recruitment of new industrial enterprises, mainly with those operations seeking to join the Economic Clustering effect created by these efforts.

2021

2021 ACCOMPLISHMENTS

TOTAL ECONOMIC IMPACT(new dollars from outside region on local economy)\$79,232,894129employer-created jobs

SAN ANGELO RAIL PORT AND LOGISTICS CENTER



SANANGELO Chamber of Commerce Economic Development

A driver of industrial expansion and new development: The 183-acre San Angelo Rail Port, a multi-modal, international, inland rail port achieved several major milestones in 2021. The port's rail trackage system was designed and installed, along with the



electrical power service plan. South Plains Lamesa Railroad (SPLRR) as owner, designer and operator will begin switching railcars in early 2022 providing a major industrial freight logistics system in San Angelo with direct international interconnections at the new rail bridge at Presidio, Texas, which has been



completed. The Port will increase tax revenues to San Angelo and promote new industry development by providing national and international connections for import and export cargos.

INTERNATIONAL AND NATIONAL FREIGHT CONNECTIONS



The Chamber has worked with Texas Pacifico Railroad (TXPF) throughout 2021 to encourage the opening of the International Rail Bridge at Presidio, Texas on the Mexico-US border. The completed rail bridge is expected to open for service in 2022. The TXPF railroad is a Class 3, 391-mile line that runs from Coleman, Texas to Presidio, Texas. The route creates a direct link between the

Ferromex rail freight network and the BNSF rail network throughout the United States.

A CENTERPIECE FOR ECONOMIC DEVELOPENT AND SUPPLY CHAIN EFFICIENCY

The 183-acre SPLRR San Angelo Rail Port creates a logistics and freight distribution hub serving the agricultural and commercial sectors in the Concho Valley by greatly enhancing efficiencies of large cargo movements and reducing freight costs per ton-mile for our local commodities producers and

users. This development will directly impact freight costs reduction and supply chain control for high-volume industries. Rail freight reduces costs between 40% to 70% per ton-mile. These shipping and costs efficiencies translate to increased profit for shippers logistics cost through reduction. The multicommodity rail port serving the San Angelo business community will be a sianificant enhancement to the regional commodity producers, commodity consumers, industries, energy



SANANGELO Chamber of Commerce Economic Development

manufacturing operations and other industrial sectors.

The San Angelo Rail Port provides a regional community logistics and distribution center for consumer goods such as shipping containers, bulk agricultural products, chemicals, steel, aggregates, and construction materials.

SAN ANGELO WELCOMES NEW INDUSTRY

During the 2021 development season, the Chamber EDD announced the arrival of three new industry enterprises to San Angelo and continued to support recruitment efforts of several more industrial operations that are moving closer to completion. Industrial recruitment efforts often take several years of time investment to complete.

TEKMETRIC – A Houston-based software company opened a new satellite software support office in downtown San Angelo. Currently at 12 employees with plans to expand staff size to 20. Tekmetric is a leading-edge industrysupport software company that expands the technology industry in San Angelo.

TRICOR STEEL MANUFACTURING, LLC Regional steel fabrication company specializing in DOT Impact attenuators,

was recruited to a San Angelo facility location to achieve efficiency, facility expansion and new employee expansion. 1309 Pulliam Street. 12 employees now with expansion of employees.

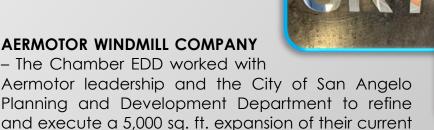
AERMOTOR WINDMILL COMPANY

- The Chamber EDD worked with Aermotor leadership and the City of San Angelo Planning and Development Department to refine

> facility, designed for fast facility upscaling, on Dan Hanks Lane in the San Angelo City Limits. This expansion will result in enhanced level warehousing and supply chain efficiency including the creation of new employment positions at the company.

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SANANGELO





2021

KOMIPO

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DOUBLE J LAMB COMPANY – One of only three lamb processing plants in the United States and successfully recruited to San Angelo in 2020. Double J Lamb completed purchase of their 28-acre, 100,000 sf facility at 1146 City Farm Road. 80 current employees with a target of 100.



SMC GLOBAL CHEMICAL - Fourth Expansion. International

chemical manufacturer completed their purchase and construction start of their new 7-acre, multi-building chemical hydrolyzation facility at 4125 Dan Hanks Lane. This is



their newest facility in San Angelo, supporting 20 new jobs and over \$4 million in new capital investment at their newest manufacturing facility.



a Different Kind of Chemistry

CONCHO VALLEY SOLAR POWER PLANT – The San Angelo Chamber of Commerce EDD worked for over three years supporting Merritt SI and Korea Midland Power Company (KOMIPO) on the feasibility and construction of the 160-megawatt,



capital intensive \$164,721,000 solar power plant on Ratliff Road, on the south side of the San Angelo city limits. The solar plant broke ground in October 2021 and will complete construction and achieve full operation by September 2022.

EMPLOYMENT CHALLENGES AND A DIVERSIFIED INDUSTRIAL BASE

The San Angelo industrial sector of the economy is supported by the diversity and resilience of the wide diversity of industrial manufacturing and service industries throughout the Concho Valley. Area employment was 3.6% in December 2021, which is low, but normal for the San Angelo area. By May 2020, the unemployment figure reached its highest point of 10.7%, mainly due to layoffs in the retail sector. Most industrial enterprises were supported by internal reductions of labor hours and emergency programs like the SBA Paycheck Protection Program and SBA Emergency Injury Disaster Loan Programs. By July 2021, the unemployment figures trended back to 7.3% and have continued to compress toward 6%. It is expected that per current trends, the local unemployment figure will continue to drop to rates around 3.0%. This represents a healthy recovery amid very challenging global market conditions.

SME PRIME®

San Angelo Regi

SAN ANGELO

cturers Alliance

Uniting local industry and SAISD to create the technicians of our future: The Chamber and COSADC continue to pursue the coveted SME PRIME Schools Initiative Program, along with several large industrial companies in San Angelo to create a PRIME program between local heavy industry and SAISD. SME



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I C O N

PART OF THE Johnson Johnson FAMILY OF COMPANIES

PRIME® (Partnership Response In Manufacturing Education) builds cost-effective and tailored manufacturing/engineering programs in high schools across the country providing equipment, curriculum, professional development, scholarships and STEM-focused extra-curricular activities to students and teachers. Each PRIME school is supported and informed by local manufacturers in their communities.

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SANANGELO

Development Corporation



CORNERSTONE INVESTMENT FUND SUPPORTS BUSINESS DEVELOPMENT

The San Angelo Chamber of Commerce provided Cornerstone Program funding for the ASU-Small Business Development Center's Profit Mastery Class. The Cornerstone funds sponsored eight SBDC students in 2021.



ANGELO STATE UNIVERSITY*



2022 ECONOMIC DEVELOPMENT PLAN

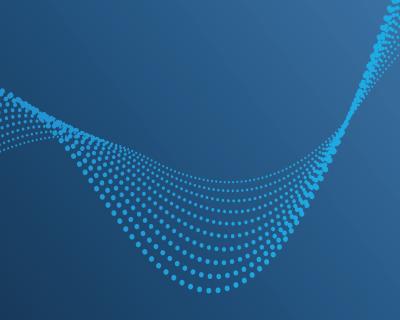
- Sustained development of the San Angelo Rail Port and recruitment of rail-dependent industry
- Strategic housing taskforce

West States

- Workforce development / training program with TMAC, Howard College and TSTC
- Supply chain and logistics enterprises related to the San Angelo Rail Port (Presidio bridge set open in late December)
- San Angelo-Mexico supply chain, warehousing/distribution and satellite manufacturing developments connected to the Rail Port
- Marketing of the San Angelo Business & Industrial Park and Chapparal Industrial Center
- Manufacturing Reshoring program and corporate outreach
- Foreign Trade Zone (FTZ) designation program at San Angelo Rail Port
- SARMA program services to local industry

The industrial sector of every community serves as the platform upon which all economic development is built. The San Angelo Chamber of Commerce Economic Development Department's program employs a focus on the creation of primary jobs by:

- **Business Retention and Expansion** Assisting the continued growth of local industrial enterprises within the community
- **Recruitment of new industrial companies** by promoting the San Angelo Business & Industrial Park, San Angelo Rail Port and Logistics Center and the current inventory of industrial facilities in and around San Angelo
- Facilitating industry employee training through the SME PRIME, ASU-SBDC and TMAC Programs.
- Participating in the **Metropolitan Planning** Organization (MPO) board transportation infrastructure projects
- Developing international trade programs between San Angelo and Mexico in conjunction with Texas Pacifico Railroad and the members of the San Angelo agricultural, transportation, warehouse & distribution, and the manufacturing community.



PREPARED BY

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