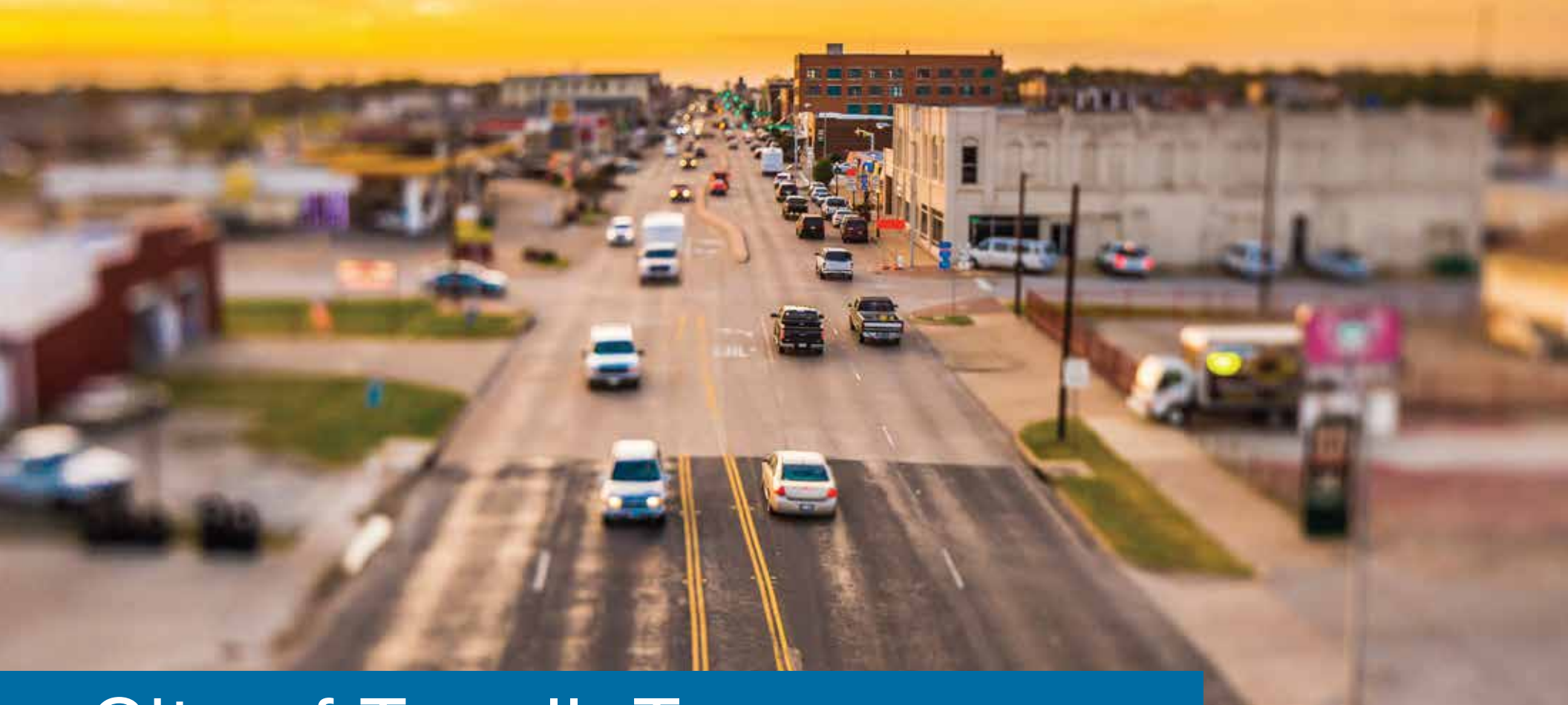




City of Terrell, Texas

ECONOMIC DEVELOPMENT STRATEGIC PLAN



January 2018

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EXECUTIVE SUMMARY

Purpose

The Terrell Economic Development Strategic Plan provides a comprehensive set of strategic recommendations for the next five years for the EDC. The strategy addresses specific Terrell challenges and capitalizes on opportunities for continued economic growth. Intended to serve as a business plan for the EDC, this strategic plan is action-oriented and incorporates a wide range of stakeholder input. This plan starts by defining the mission of the Terrell economic development corporation, updating the vision for the EDC and establishing goals, objectives, actions in order to achieve the vision and support its mission.



Mission

The mission of the Terrell Type 4A Economic Development Corporation is to grow primary companies and associated jobs. The EDC also supports public infrastructure that specifically serves its mission.

Vision

The vision of Terrell is to become a progressive and unique community providing high quality opportunities in business, education, housing, and recreation.

Goals and Actions

The following goals and actions were developed to achieve the established vision:

GOAL 1 - BECOME A CHOICE BUSINESS ENVIRONMENT FOR EMPLOYMENT

To create a better business environment, the EDC should:

1. Organize task force for recruitment
2. Expand targeted outreach
3. Target expansion for higher quality employers and wages
4. Leverage industry organizations
5. Enhance image through marketing initiatives
6. Foster entrepreneur environment through retention and recruitment
7. Explore land banking

GOAL 2 – BECOME A TOP PLACE TO LIVE

To enhance livability to attract better quality jobs/talent, the EDC should:

1. Improve corridors
2. Upgrade business parks

3. Implement Catalyst Areas
4. Support housing growth

GOAL 3 - TALENT

To ensure its people are prepared with leading-edge skills for tomorrow, the EDC should support student programs, technical training, advanced education, and local research programs to maintain an ethos of innovation.

1. Support ISD
2. Target university with emphasis on health/science
3. Create credentialing program
4. Link job seekers with training
5. Enhance workforce education
6. Promote job training

GOAL 4 – QUALITY OF LIFE

To remain competitive in attracting the best companies and talent, the EDC should:

1. Support youth recreation
2. Promote events for destination
3. Support the upgrade of downtown
4. Increase Terrell as a regional destination
5. Enhance workforce education
6. Promote job training

GOAL 5 – INFRASTRUCTURE

To maintain infrastructure and ensure future businesses have needed infrastructure to grow the EDC should:

1. Support utility expansion and maintenance
2. Coordinate regional transportation strategy
3. Develop plan for improvement and expansion of business parks

Targeted industries

The top industries identified as targets for Terrell are:

1. **Advanced manufacturing**

- a. Nonferrous metal (except aluminum) production and processing
- b. Architectural and structural metals manufacturing
- c. Boiler, tank, and shipping container manufacturing
- d. Coating, engraving, heat treating, and allied activities

2. **Medical and healthcare**

- a. Ambulatory health care services
- b. Nursing and residential care facilities
- c. Social assistance

3. **Professional services**

- a. Computer systems design
- b. Management, scientific, and technical consulting
- c. Employment services
- d. Services to building and dwellings

4. **Retail**

- a. Auto dealerships including services and parts
- b. Building material and supplies
- c. Grocery stores
- d. Specialty food stores
- e. Clothing stores
- f. Shoe stores
- g. General merchandise

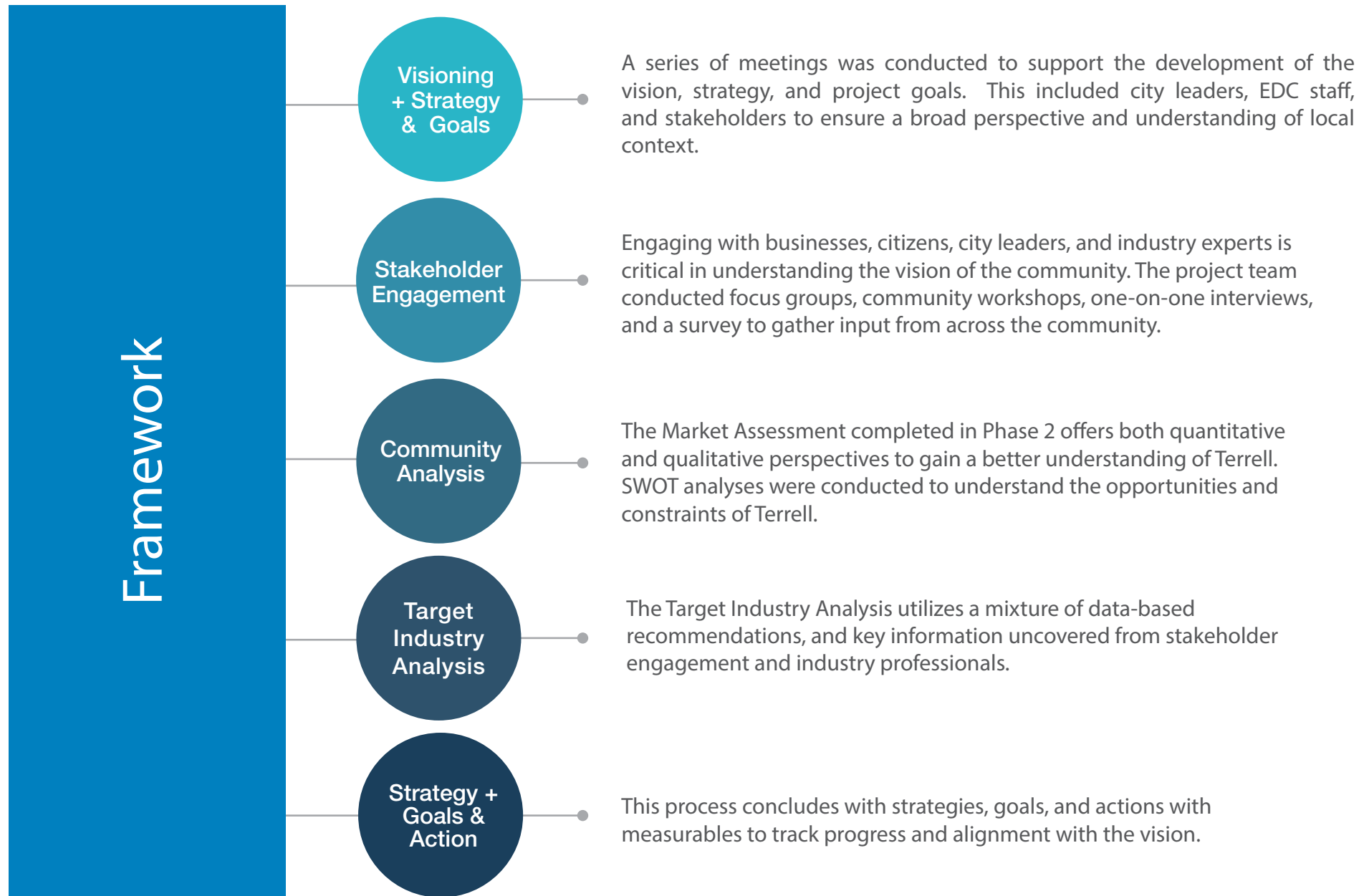
5. **Financial Services**

- a. Credit intermediation
- b. Securities, commodity, and other financial investments
- c. Insurance Carriers

6. **Education**

- a. University or accredited institutions
- b. Junior colleges
- c. Fine arts schools
- d. Technical schools
- e. Sports and recreation

SUMMARY OF PROCESS



INTRODUCTION: Project Organization And Stakeholder Engagement

PROJECT INITIATION

This purpose of this plan is develop a strategy to enhance existing economic development initiatives and make sure resources can create the greatest return of investment and enable Terrell to adapt to changing circumstances, such as shifting consumer preferences, increased competition and scarce labor supply. As a result, this plan represents a forward thinking economic development strategy for Terrell, Texas. This process identified goals to guide the economic development plan which includes:

1. Improve the business environment to make Terrell more competitive for quality employment and workforce
2. Support Terrell as a choice place to live and work by investing in key areas
3. Improve workforce skills
4. Improve quality of life for Terrell to enhance the attractiveness of Terrell as a place to work, live and visit.
5. Invest in infrastructure to ensure sustainability and maintain quality infrastructure

This process was not a singular approach. The development of this plan included input from major Terrell business owners, property owners, city leaders, the Chamber of Commerce and the Terrell Economic Development Corporation to make sure the goals and recommendations in this plan align with local objectives. This initiative also included a thorough market analysis to ensure the strategy is market-based and feasible.

Background

Terrell's economic department efforts have received many national and state awards. This process reviewed current economic development activities to build on current momentum and identify opportunities which can further advance Terrell's goals. For example, Terrell, like most communities, is challenged with an economy built with a large percentage manufacturing jobs (16%). While this has proved lucrative fiscally, sustainable and resilient communities must cultivate a broad range of industries and jobs to support a healthier economy. To further complicate implementation, in order to retain quality labor, today's employers require more than cheap land and incentives. New attraction programs must include strategies which includes talent, amenities and an environment in order to attract higher quality companies and choice talent.

However, Terrell is in the path of the expansive housing growth of Dallas/Fort Worth which will double the population by 2040 that will create opportunities for broader housing choices and stronger workforce base. Terrell is also benefiting from the momentum created from a investment in retail initiatives that has catalyzed new regional retail projects. A new targeted focus on higher quality industries and associated skills will increase the quality of jobs, employees and overall economy of Terrell.

About Terrell

Terrell, Texas is located 25 miles east of Dallas at the confluence of US 80 and I-20. Terrell has over 4.7 million square feet of mixed-use development opportunities within the largest rural TIF district in Texas. Mike Cronin Business Park and Airport Business Park can accommodate up to 70-acre development sites. Terrell's strategic location and Municipal Airport serve as a logistically advantageous amenity. Life in Terrell is a mix of small town character, and access to big city amenities. A historic downtown, mature neighborhoods, and quality citizens are the defining characteristics of Terrell.

Mission

The mission of the Terrell Type 4A Economic Development Corporation is focused on economic development through the growth of “primary jobs/companies.” The EDC can also spend money on public infrastructure that specifically serves a business or businesses.

Visioning

A vision statement is one-sentence statement describing a clear and inspirational long-term desired change resulting from EDC efforts. As a first step, the consultant team reviewed the existing Terrell EDC Vision Statement with many of Terrell’s business leaders, EDC and City. The current vision statement is:

“Terrell is Dallas’ eastern anchor providing opportunities in business, education, living and recreation.”

This Vision Statement has been used for the past 11 years and while input received thought it needed to evolve, the current vision is still relevant. The current vision was developed at a time when Terrell was considered “the gateway of East Texas”. The participants felt that the phrase “Dallas’ eastern anchor” diminishes Terrell’s brand and that Terrell is sustainable but still has a symbiotic relationship with Dallas.

The two words or phrases that came up most often as suggestions to change were “progressive/leading” and “creative/creating”. Other suggestions included:

- Promoting jobs & commerce
- Unique
- High quality (workforce, place, etc)
- Providing opportunities/possibilities

With these suggestions, the proposed new Vision Statement for Terrell is:

“Terrell is a progressive and unique community providing high quality opportunities in business, education, housing, and recreation.”

The EDC can support this vision by leading business attraction, investing in workforce development, infrastructure and supporting retail, downtown and housing options and increasing Terrell as a regional destination to make Terrell more competitive in context of the region.

Stakeholder Survey

As part of this process, several stakeholders participated in a survey to inform the goals and actions for this strategic plan. The survey collected input on several areas including visioning, priorities, operational structure of the EDC and Chamber, business environment, strengths, weaknesses, opportunities and threats of Terrell, and targeted industries.

The survey identified several issues affecting Terrell, of which several are main priorities of the EDC and many are factors which might affect job attraction, such as housing quality that the EDC can support, but may not be a core goal of the EDC.

A summary of the responses can be found in the Appendix. A few of the stakeholder comments are as follows:

Survey Highlights

The top strategic investments were identified as:

1. Quality of life projects/beautification
2. Housing initiatives
3. Infrastructure development

Top assets that support economic growth are:

1. Proximity to DFW
2. Trinity Valley Community College
3. Access to I-20 and US 80

The top weaknesses identified that hinder economic growth are:

1. Lack of tourism
2. Quality of education
3. Lack of retail

The top three priorities identified are

1. New business recruitment
2. Improving education quality
3. Improving the quality of life

The industries identified as best fit for Terrell are :

1. Advanced manufacturing
2. Medical and healthcare
3. Professional services
4. Retail
5. Financial services



Stakeholder Interviews

Stakeholder Engagement Summary

STAKEHOLDER INPUT

Developing an inclusive approach requires broad participation with a wide range of stakeholders. Stakeholder input also informs better economic decisions in the context of the local issues and circumstances. As part of this process, the Catalyst team interviewed citizens, employers, and educational and community leaders to develop goals and priorities in order to create new economic development policies.

Stakeholder input included one-on-one interviews, focus groups, and over 30 different people participated in joint focus groups in addition to three independent review meetings with the City and economic development team. The stakeholders discussed a myriad of issues that affect economic development, in the summary of the stakeholder input from focus groups and interviews is presented in the following pages.

OPPORTUNITY #1: IMPROVE QUALITY OF JOB GROWTH

During the past 20 years the Terrell EDC has been successful in attracting primary jobs. In fact, Terrell EDC has earned many awards as a top economic development agency in Texas. Most of the respondents, however, feel the EDC needs to now focus on more technically skilled jobs and those requiring higher education levels. While primary jobs have grown, the capture of those employees as Terrell citizens has not been successful, particularly in middle and upper incomes and younger knowledge workers. This is important because according to a study by the American Institute for Economic Research, around 70 percent of young college graduates decide where to relocate based on quality-of-life factors such as access to retail and entertainment and multi-modal transportation and housing with high quality amenities. Following graduation, experiential options and city amenities influence their choice of city more than economic

conditions. The main identified factors affecting talent attraction and housing growth are:

1. The lack of housing, especially for middle management level people
2. The quality and reputation of the Terrell ISD
3. Quality of local workforce

While housing is not a core function for the 4A, the EDC could support housing by inventoring future development sites and also sponsor marketing of quality developments to prospective employers. This could enhance housing development and facilitate housing solutions.

To improve job growth, the EDC can promote the success of the ISD and continue to integrate workforce training into ISD programs. The ISD is an important asset in workforce development and current students are strong candidates for future workforce.

Quality workforce would contribute to greater productivity and job growth improvement. A core action is to improve the quality of workforce. Improving workforce skills and job quality is a core goal of the EDC.

OPPORTUNITY #2: IMPROVE AND INCREASE HOUSING SUPPLY

Housing velocity will likely increase as the Dallas/Fort Worth Metropolitan Statistical Area growth expands east. Terrell's proximity to DFW and location on I-20 is a prime competitive advantage. The growth of the DFW Metroplex to the east will only increase over the years to come, especially as land availability decreases and land prices increase closer to DFW. To further underscore this potential, thousands of lots are planned for Terrell, with some on the cusp of breaking ground. Three major things that could decrease residential growth are:

1. Market conditions
2. Terrell ISD reputation
3. Wastewater capacity

The biggest risk to housing growth is a change in market conditions. During the last housing bust in 2008, construction dropped over 18% because of change in housing demand. This was due to increased credit requirements, decrease in consumer sentiment, and increased unemployment. Factors that impact housing decisions include quality of home stock, proximity to activities, ISD quality, and quality of life. Business climate and tax rates will also have an impact on housing growth. Regional population increase and job growth will continue to increase housing demand in Terrell. A shift to target higher quality employers with greater pay will enhance affordability and housing quality over time. A number of planned housing developments are master-planned. Although major master planned housing developments can create their own “quality of life” through amenity centers, parks, and other elements, the City still needs to provide quality of life items such as parks, pools, libraries, and other public amenities to improve Terrell’s attractiveness. This also includes improving and increasing housing options downtown. Younger populations will want housing options near downtown and urban oriented residential near retail and activity.

In summary, the respondents were fairly consistent in seeing that Terrell has had good success in creating primary jobs over the years, but the quality of jobs and ability to retain employees living in Terrell as residents could be improved. Some of the issues identified included the ISD’s quality, overall neighborhood image and curb appeal, and the limited availability of quality housing stock were consistently noted as root issues affecting Terrell’s corporate attraction process.

A competitive advantage often mentioned by respondents was the lower cost of living compared to DFW. While new housing is limited in Terrell, this will likely be resolved as the economy grows.

In addition, Terrell offers a good value point since the cost of a new home in Terrell is less than that in the north Dallas area. Commute times for workers in Terrell is 22 minutes, which is 14.8% less than Dallas, which shows people can live in Terrell and work local as well.

While housing is not a core activity for the EDC, the EDC could support housing initiatives. For example, the EDC could sponsor a survey to understand housing needs and potential to attract future developers and also maintain marketing information on available lots and future development areas.

OPPORTUNITY #3: WORKFORCE SHORTAGES, TRAINING & TALENT ATTRACTION

Both large and small employers interviewed stated that labor shortages were one of their primary concerns. Terrell’s unemployment rate sits at below 4%, which is often considered to be “full employment”, meaning most everyone that wants a job can get one. Employers were less concerned about skill shortages, although critical thinking skills and the ability to pass a drug test were also issues impacting labor.

This also creates pressure on labor costs. For example, starting wages have risen due to this shortage with one large employer stating that they have raised starting salaries for entry-level jobs every year over the past 10 years and are now north of \$16 to \$18 per hour for a full-time, mostly unskilled position with benefits. Minimum wage jobs in Terrell seem to be a thing of the past as even small retailers say they have to start workers with at least \$10 per hour.

Again, most respondents felt Terrell had access to sufficient amounts of unskilled or blue collar jobs. They wanted the EDC to focus on high skill jobs. The question this raises is what to chase in terms of industry and business segments. For economies to thrive, new money needs to be brought in. This is done by primary employers (those selling a product or service outside the area), tourism, and transfer payments (retirees with pensions).

So in order to attract “better, more skilled jobs,” a workforce must be available for those positions. That would point toward training programs. However, as one respondent stated, “We can train for biotech and computer jobs but we would be training people to leave and head to North Dallas for employment.” Therefore, the EDC needs to focus on a long-term strategy of attracting employers that may have a reason to locate in Terrell. Respondents suggested companies that have ties to the large employers already here – machine tool specialty companies, medical research that could be tied to the state hospital, and financial related services companies (American National Bank being one of Terrell’s largest employers) were all mentioned as types of companies on which the EDC might focus.

A recent study completed by Development Counselors International (DCI) included a sample size of over 1000 working-age individuals across the country. This study covered topics such as ranking of important career and benefit-related factors, career and lifestyle changes, and preferences by life stage/age and how to best communicate opportunities.

The report begins with “If you think people choose location first and jobs second, you may want to think again.” Survey respondents ranked salary #1 and location ranked #5. Benefit package ranked #2, specifically health insurance, and the overall cost of living tied with paid-time off for #3.

Across all the DCI survey question results, there were no significant divides among age groups. Slight differences could be found when respondents over the age of 35 ranked climate very high and those under 45 looked for top-quality K-12 education.

Whether it is the importance of salary or the cost of living, it is clear that money plays a major role in people’s job search and relocation

decisions. DCI recommends, “If a community’s employers lack competitive industry salaries, try to market a lower cost of living or housing instead and stack yourself up against higher-cost competitors. While the results of this survey give you a peek into the minds of talent across the nation, the findings are meant to give your talent attraction efforts a foundation, not a specific strategy.”

In considering what sources of information were used to learn about a location the report stated the most effective methods of selling a community are: 1) First-Hand Experience, 2) Word of Mouth, 3) Internet Research, 4) Social Media, and finally, 5) Media Coverage Rankings. While attractive job opportunities capture talent’s attention, travel forms their locational perceptions. DCI recommends Economic Development Corporations should partner with local tourism groups to ensure that visitors’ first-hand experiences showcase “what the locals do” so visitors can imagine themselves not just visiting but living in the community.

If First-Hand Experience is what most drives talent to a location, then Terrell’s drive up appeal is very important. Thousands of people come through Terrell along I-20 and Highway 80. Terrell’s somewhat poor image of a failing downtown, pawn shops, liquor stores, and metal building shops in poor condition was often mentioned as a negative factor to growth.

Word of Mouth ranked second in the DCI study and points to the importance of a reputation as a quality community with good schools.

FOCUS GROUPS

Various focus groups were conducted to further discuss economic development topics. There were four groups, focused on specific topics. Those topics included:

- Economic development organization and operations
- Workforce

- Targeted Industries
- Factors affecting economic development

The following is a review of many of the issues discussed in the focus group sessions:

ORGANIZATION & OPERATIONS FOCUS GROUP

The Terrell Economic Development Corporation is a Texas “Type A” economic development organization. It is a non-profit corporation and although the board is appointed by the city council and it is funded by a designated portion of sales tax, it is not a political subdivision (not a government agency). As a Type A organization (as opposed to Type B), it is limited to what it can spend money on. Type A’s (formerly called 4A) are focused on economic development through the growth of “primary jobs/companies”. Primary companies are defined as those whose product or service is shipped outside the local area to statewide, national, and/or international markets, thereby bringing in new dollars to a community, which grows a local economy. Type A’s can also spend money on public infrastructure that specifically serves a business or businesses.

Terrell EDC contracts with the Terrell Chamber of Commerce for staffing and operations. This model has served well over the years since the sales tax was approved by the voters in 1990. This relationship with the Chamber of Commerce helps the community serve all types of businesses. It gives the TEDC, limited as a Type A corporation, the ability to reach across the business community to all types of companies, not just primary employers.

Further proof of success of this organizational structure is that TEDC has been awarded the Texas economic development community of the year five times and the Texas Workforce Excellence Award four times from the Texas Economic Development Council. This is more than any other Texas city



since these awards began. Terrell is truly considered a leader in economic development success in Texas.

The group discussed TEDC's work initiatives which primarily have focused on the attraction, retention and incubating of primary jobs.

- Attraction of new jobs is done through trade shows, direct marketing: working with existing companies to identify vendor needs, and responding to leads. Currently, TEDC's top source of prospect leads is the Governor's Office of Economic Development. The Governor's Office generally deals with larger projects. However, TEDC can and does work with smaller prospects.
- Retention of existing companies is done by business retention and expansion visits to local companies, human resource managers meetings, plant managers meetings, and Terrell Industry Appreciation Day. In addition, TEDC participates in the Texas One initiative with the Governor's Office for Economic Development. Texas One has luncheons and an annual conference where local industry leaders are invited to meet with the governor and his economic development staff.
- Small business incubation could be lead by the Terrell Chamber of Commerce. There may be an opportunity for TEDC to foster this program through tools such as a revolving loan fund or small business start-up help desks.

One criticism of TEDC that is regularly raised is that it only goes after "low wage, blue collar jobs". While this is not true and TEDC has not, for several years now, responded to any prospect package where a company would pay less than \$10 or \$12 per hour, the perception is that TEDC is associated with low-skill, blue collar jobs. However, several of Terrell's largest primary employers have many white collar, higher-paying jobs inside of the factory – engineers, managers, etc. In addition, Terrell's manufacturers incorporate robotics, CNC machining and other high-tech, high-skill jobs in their processes. The group felt that an internal marketing program highlighting these

facts is needed to offset the incorrect perceptions.

ANALYSIS OF TYPE A VERSUS TYPE B

In 1979, the Texas State Legislature passed the Development Corporation Act which allows municipalities to allocate a portion of sales tax for economic development. The two types of corporations are under Section 4A or Section 4B of the code. Sales tax generated by Type A or Type B (or both) is primarily intended to promote manufacturing and industrial development. The biggest difference is that Type B corporations may fund some quality of life projects, housing, and other non-primary jobs. However, a Type A corporation can also fund Type B activities with voter approval. Type A or Type B sales taxes are for economic development and should compliment, but not replace, municipal operations. Currently, 101 cities have adopted Type A taxes, 367 have adopted Type B taxes, and 118 cities have adopted both Type A and Type B taxes.

In May of 1990, the citizens of Terrell voted a 1/2 cent increase in sales tax to fund a Type A economic development corporation. December of 1990 saw the first deposits to the fund that generated approximately \$550,000 per year for construction of roads, water and sewer lines, grants, and low interest loans. The key factors in the expenditure of funds are new jobs created and total project investments. The sales tax deposits have continued to grow each year, with the 2016 revenues exceeding \$2 million.

Based on the effective use of incentives in Terrell and proposed strategic goals, the consulting team recommends that Terrell continue to utilize the Type A economic development structure for several important reasons. To substantiate the benefits of Terrell's EDC during the past several years, Terrell has seen the addition of 3,858 new jobs created, 32 new industries, 10 expansions of existing companies, and five existing buildings purchased along with \$447 million added to the tax roll.

During the past 10+ years, Terrell has prepared itself for industrial growth and implemented plans to enhance and better prepare the community for increased economic development activity. Terrell's preparation included the development of enterprise zones, new business parks, completion of a tax abatement policy and triple freeport status, airport renovation, and infrastructure improvements to service existing business and enhance connectivity.

The Type A structure has allowed the EDC to be innovative and strategic in their efforts to grow the tax base. This is a highly regulated structure and the EDC operates within a purposeful framework that will protect Terrell's vision but requires adequate funding to support quality job growth to improve the economy. The EDC is needed to expand job training, support identified infrastructure needed to retain and grow businesses and address deficiencies in health care and other services.

While the city of Terrell desires to address quality of life and other projects that do not qualify for Type A funding, there are alternative options that do not require changing the Type A. In fact, reducing Type A funds to create a Type B structure would place critical growth plans at risk and could result in lower return on capital on those dollars. Terrell's current Type A structure proved successful and responsible in growing jobs. In addition, the new strategy to upgrade the quality of employment, increase skills training, and support future business park expansion will require increased funding, not a decrease.

Creating a Type B structure would dilute the value of existing Type A funding, divert critical resources away from Type A activities, and jeopardize existing Type A programs. While the EDC has been blamed for the quality of life deficiencies and quality of employment, these are issues that have been evolving over time. Many of these are systemic culturally or a result of deficient investments in the community, inefficient code compliance, and insufficient infrastructure maintenance. While it is tempting to address these

issues by redirecting funding from the EDC to fund other projects desired by Terrell residents, there are alternate funding sources that could be utilized to achieve a balanced budget and healthy growth without diluting the Type A.

While identified projects are important to the residents, the EDC projects would create greater direct and indirect benefits than a majority of the projects identified. In addition, if the city of Terrell would like to fund a Type B project, there is a mechanism that allows a Type A structure to fund special projects through a public process. This negates the need to reorganize the Type A and ensures that Terrell can continue to grow the economy while allowing flexibility for projects that are crucial or that can demonstrate a higher return on investment than proposed Type A priorities.

The greatest solution is to leverage available resources with creative funding that will maximize return on investment. While we recognize that Terrell's low home values coupled with high taxes creates limited elasticity and capacity to tackle too many projects at once, these issues were not created overnight and resolution will require strategic investments and cooperation from all parties. While the City might propose that the Type A diversify its funding, this same philosophy could be applied to non-Type A projects that the residents desire. If the citizens decide that they want to fund additional projects and programs outside existing resources, then they can bond projects, adopt a higher tax rate, leverage outside funds, or pursue projects within the existing budget.

A Type B election might seem appropriate, but switching to Type B would only be diverting funds from necessary economic development projects and strategic goals. There is no proof that funding quality of life and other projects via a Type B sales tax would be a better use of funds than Type A projects. In addition, if not executed responsibly, these projects could further burden the City with ongoing maintenance and additional operational costs. And the

Type B is not a proven entity and does not have the same experience or mechanisms in place to safeguard how monies are utilized or a proven track record to ensure results.

While we understand that the Type B option might be a logical choice on the surface, this further exemplifies that the greater public does not recognize the value that the Type A brings to the community and how critical employment is to create a sustainable economy. The Type A has created over \$365M direct economic benefits to the economy over a 20 year span, plus 3,858 new jobs, 32 new industries, 10 expansions of existing companies, and five existing buildings purchased along with \$447 million added to the tax base. This is a 20:1 return on investment to Terrell, using the current annual revenue of \$2M.

The next steps should be to agree on a clear-cut strategy on how Type A funds should be utilized and develop clear policies on creating quality jobs, improving the quality of employment, growing healthcare options, and other priorities. Incentives can include monetary and non-monetary resources, but all incentives should have clear and objective guidelines. For all projects, there should be a clear evaluation process for consistency and transparency. An outline on how Type A incentives should be evaluated is set forth below.

Evaluation factors can include:

1. If the incentives are eligible under the Type A structure.
2. Incentives should be tied to specific goals and criteria, including:
 - a. If the proposed use of incentives creates or retains high quality primary jobs
 - b. The project's alignment with city and economic development objectives
 - c. If the project aligns with target industry clusters or meets an unmet need
 - d. The catalytic benefit of the investment in context with

alternative projects

- e. If the proposed project passes the "but for" test
 - f. Consideration of cannibalization to existing businesses and substitution
3. In addition, projects, that are performance based should have priority over up front or front loaded incentives and include:
 - a. Internal Rate of Return of public investment
 - b. Ratio of public to private investment
 - c. Net Present Value of public investment
 - d. Pay-back period
 - e. Incentives should have preventative measures to ensure that there are claw-backs if minimum hurdles are not achieved.
 4. What is the opportunity cost to the City without the project?

Note: With voter approval, Type A EDCs may fund projects eligible under Type B without voting to abolish the Type A tax and impose the Type B tax. In this situation, a Type A EDC must publish notice of its intent to fund a Type B project, hold at least one public hearing, and conduct a special election.

Note: The city of Terrell has an existing Economic Development Incentive Policy which should be used as a guide for future EDC policy decisions. See attached Appendix.

Type A	Type B
Key Features • County population under 500,000 • Include investments in land, buildings, equipment, facilities, expenditures, infrastructure, and improvements that help retain or create primary jobs related to: – Manufacturing or industrial facilities – Research and development facilities – Military facilities – Recycling facilities – Distribution and warehousing facilities – Primary job training facilities – Corporate headquarters – Maintenance and operations of projects • Under special conditions, a Type A revenues can be used to fund a Type B project with: • Public notice of the proposed project • Public hearing • Approved projects that do NOT require primary jobs: – Job training classes & career centers – Targeted infrastructure projects for new or expanded businesses – limited to streets, rail spurs, water and sewer, electric and gas, drainage, and other site improvements – General aviation business service airports – Port-related facilities – Commuter rail, light rail, or motor buses	• All Texas cities are eligible • Allows for investment in land, buildings, equipment, facilities, expenditures, infrastructure and improvements that help or retain or create primary jobs related to: – Manufacturing or industrial facilities – Research and development facilities – Recycling facilities – Distribution and warehouse facilities – Primary job training facilities – Corporate headquarters – Maintenance and operations of projects – Transportation facilities – Sewage or solid waste disposal facilities – Water facilities – Public safety facilities – Streets and roads – Drainage improvements – Demolition of existing structures – Improvements of facilities that create or retain primary jobs • Approved projects that do NOT require primary jobs: – Job training classes – Targeted infrastructure projects for new or expanded businesses -limited to streets, rail spurs, water, sewer, electric, gas, drainage, and other site improvements. – Commuter rail, light rail, or motor buses – Professional and amateur sports and athletic facilities – Entertainment, tourist, and convention facilities – Public parks and related open space – Affordable housing – Water supply facilities and water conservation – Airport facilities

	Type A	Type B
Governance	• Must be approved through a special sales tax election – approved through city ordinance or voter petition with 20% of recent local voters • Tax rate can be adjusted through special election • Sales tax is effective until repealed by an election • Board of directors appointed by city council • Minimum five members not to exceed six years • Qualifications not stipulated • Meetings must occur within City	• Must be approved through a special sales tax election – approved through city ordinance or voter petition with 20% of recent local voters • Tax rate can be adjusted through special election • Sales tax is effective until repealed by an election • Board of directors appointed by city council • Seven directors • Three of seven must not be city council members or city employees • All directors serve two-year terms • Directors must be city residents • Meetings must occur within city limits
Pros	• The Type A sales tax is strictly for primary job creation – which creates a focused mission for the administrating corporation and always results in job creation	• The Type B sales tax provides more flexibility in use – including certain quality of life projects
Cons	• The Type A sales tax funds cannot be used for quality of life projects, housing, or retail and overall has more restrictions • Cities in counties with populations over 500,000 cannot adopt Type A sales tax	• Type B projects do not always create jobs in the community because Type B funds can be used for more projects and communities can face greater controversy in determining which should receive funds • Reliance on sales taxes to fund operations and maintenance of certain projects • City infrastructure and amenities can make cities more vulnerable to the effects of economic downturns • Projects funded through Type B often have greater administrative restrictions

Source: Summary from Amarillo Economic Development Corporation

EDC ORGANIZATION AND OPERATIONS STRATEGY

As part of this process, the consultant team reviewed the Terrell EDC's existing organization and operations. Based upon this initial assessment, the consultant team recommends the following modifications.

ORGANIZATION

The current Chamber/EDC organization is recognized statewide as a model for how to coordinate economic development. Other examples of this same structure around the state include Dallas, Tyler, and New Braunfels. This structure makes both the Chamber and EDC stronger and allocates resources where needed.

The Terrell Chamber of Commerce has a current organizational plan in place that outlines the plan of succession when Danny Booth retires. The Chamber is fortunate to have, in addition to Danny Booth, two trained economic development professionals. The plan includes the Vice President of TEDC to assume the duties of the current President. Danny Booth would become a consultant to TEDC and the Chamber. Under this outline both the President of TEDC and the consultant to TEDC would report to the President of the Chamber.

OPERATIONS

Bench Strength

The EDC has a robust recruitment process that includes responding to RFP's, attending trade shows and following up with leads, organizing local tours, evaluating incentives, managing several business parks, responding to business issues, providing thought leadership on economic issues to the city, and many other functions. Many of these activities are innate and natural from a long history of singular leadership. No organization should be dependent on one leader. The EDC should annually outline and map functions in case of retirement, termination, or other structural change.

1. As part of this process, the EDC should create a roadmap of best practices, including past and future initiatives, to understand the skills and capacities the President will require.
2. Develop a list of candidates that align with the core values of the EDC, understand the local culture, have strong local institutional knowledge of projects and people, and have the skills and capacity developed in Task 1.
3. Develop a 90 day, 180 day, and one year plan that addresses the daily, monthly, and quarterly tasks needed to achieve objectives.

Board Structure

In order to succeed in today's economic development environment, the EDC will require a sophisticated board that has strong knowledge of both local trends, properties, and contacts in addition to a strong understanding of factors affecting each targeted industry. The EDC should develop criteria needed to recruit first class targets, and be able to support the EDC in developing a strategy to win complicated projects in a competitive environment. Upon completion, the EDC should do an internal audit and determine any deficiencies in experience or technical knowledge that can support the EDC in achieving its vision.

Recruitment Process

The EDC responds to numerous RFP's per month, however this process is not transparent and it appears that the city and citizens do not understand the complexity or challenges involved in recruitment. In addition, maintaining a deal tracking system would allow the EDC to evaluate its sales cycle process and refine economic development strategy and activities based upon success factors that can be repeated. This includes tracking each prospect from conception to completion, including dead deals, post mortem, and closed/won transactions. This would also include incentive structures, ROI and other metrics. One system many cities are using is an on-line Customer Relationship Manager (CRM) such as Salesforce.com or CloudNine.

Financial

The EDC conducts an annual budget process, but the expenses and revenues do not create sufficient reserves. The EDC has very limited capacity or “dry powder” to fund emergencies, grants, or immediate projects. The EDC should develop a policy to maintain reserve funds to provide at least six months of operating revenue and create a set-aside capital fund for future projects.

The EDC should create a policy to ensure a balanced budget that forecasts funds needed for projects that are current (0-1 years), short term (2-3 years) and mid term (3-5 years), in a five year capital plan. This includes acquisition, incentives, infrastructure, maintenance and obligations, and other working capital obligations. Today, the EDC has limited reserve capacity but should have a plan of action and strategy to fund future projects. The budget process should also include a policy for debt management and long-term obligations as well as contingency planning. In addition, debt service should not exceed the revenues greater than 10%.

The budget process should include the City Council to ensure future decisions align with city goals and create public confidence in the business environment and ensure sustainability and viability of existing needs and future growth.

WORKFORCE FOCUS GROUP

As mentioned above, the Workforce Focus Group also reviewed the Vision Statement and made recommendations, which are included in the above discussion. The Workforce group focused primarily on training and developing worker skills. The participants were from the ISD, TVCC, workforce organizations, and HR departments. Naturally, this group felt that developing workforce skills is one of the best ways to help grow the economy.

Several existing programs at the Terrell ISD and Trinity Valley

Community College (TVCC) were discussed and believed to be successful in helping. Particularly encouraging was the TISD’s push to have students get a substantial amount of college hours completed during high school. Students are coming out with many hours of college credits under the dual credit programs offered at TISD. TVCC’s biggest push has been in the opening of a new RN/health care occupations facility. The new facility will offer degrees and certificates in health care fields including nursing (LVN & RN) and radiology. Currently, the TVCC placement rate for health sciences grads into jobs is 100%. Thirty health sciences scholarships per year will go to TISD graduates.

TVCC is currently maxed-out on space at its I-20 location. There may be opportunities to offer programs to serve Terrell’s many industries should additional space be made available.

Targeted Industry Focus Groups

The Targeted Industry group had two main discussion items. First was the review of the results of the individual interviews where approximately 25 community leaders were asked to rank NAIC codes as to targeted industries suggestions. These top NAIC codes were then compared against Terrell’s location quotient, and a list of targeted industry categories was developed. The group reviewed those categories and suggested the following classifications be the focus for Terrell. Note that these included classifications where primary employers seldom reside.

Primary Employer Classifications (more likely to have statewide, national, and international markets):

- Data Processing – this could include back office and national service center operations
- Manufacturing – leading towards more advanced manufacturing
- Financial Services – primary employers in this category would include statewide or national banking operations, mortgage processing centers, credit card processing centers, etc.

Other targeted NAIC codes included:

- Education
- Medical – which could include some primary employers
- Retail
- Business Professional Services
- Consumer Services – which could include some primary employers in national service centers

The second topic the focus group examined was the need for additional business park land. TEDC owns two tracts totaling about 60 acres of usable land in the Airport Business Park. In that those two tracts sit on Interstate 20, they are probably more suitable for commercial use than industrial. TEDC's other park, the Mike Cronin Business Park, is almost full with four lots remaining totaling about 40 acres.

Available real estate and shovel-ready sites are a must for any successful economic development strategy. With only about 40 usable acres left of EDC controlled, shovel-ready industrial land, it is time to consider a plan for the next business park. Absorption trends indicate that there is only a three to five year supply of land for prospects and even that does not allow TEDC to pursue a larger industry needing a large site. Currently, TEDC does not have the funds necessary to purchase and develop another major (200+ acre) business park. Costs for land are expected to be more than \$20,000 per acre for the better tracts and to fully infrastructure that land, including roads, will cost millions of dollars. Therefore, we believe it is best to partner with an existing, willing landowner and develop a "virtual" park.

As part of this process, the EDC identified several tracts that could accommodate near-term growth. To develop a new business park, the consultant team used one proposed location as an example to study costs associated with expansion in an area planned for future industrial and proposed for projects in the past. While

there are several, the consultant team believes one of the best locations for a virtual park would be the Hunt land along Airport Road and/or Wilson Drive. Hunt Consolidated VP Todd Watson has been contacted about this project and is amenable to moving forward with ideas. These are shown in the Appendix as Industrial Park North and South. To develop the North Park would cost an estimated \$3.6M and the South Park would cost an estimated \$1.4M. In lieu of expending dollars today, the EDC could market a virtual business park and acquire or joint venture the land in the future.

A "virtual" business park is land that has been studied as to utilities, soil conditions, and traffic accessibility and surveyed with a conceptual plan. While a small section of the entry and spine road might be installed and deed restrictions written (as budgeting allows), the final platting and construction of roads and utilities would only be completed as prospects are landed. Therefore, instead of millions of dollars spent on platting, roads, entries and utilities, a much lesser amount is spent in conceptual planning with strong marketing materials. The prospect is shown something other than a "cow pasture" as TEDC's vision is portrayed through visual materials that give the prospect a comfort in investing in Terrell.

The landowner/partner in a virtual park will need to agree to sell the land to the prospect or TEDC for an agreed-upon price. Prospects are not typically willing to enter into long contract negotiations and infrastructure studies when considering a location for a new facility. Most of Terrell's competitors have shovel-ready sites, often owned by the EDC's. Terrell has historically competed very well in this arena due to their control of the Mike Cronin and Airport Business Parks. Therefore, site due diligence, price negotiations, and infrastructure construction cost estimates and time lines need to be prepared prior to the prospect coming to Terrell.

Finally, the Targeted Industry Group strongly suggested that the

land and other incentives only be used to attract companies providing higher wage, higher skilled jobs, which noted before has been what TEDC has been doing for several years now.

“FACTORS AFFECTING ECONOMIC DEVELOPMENT” FOCUS GROUP

The final of the four focus groups met to discuss factors that are affecting economic development and ideas on how to improve development. The group thought the prime issues negatively affecting economic development in Terrell were:

- A lack of available, quality residential properties for lease or sale. Some of this is due to the ISD reputation discussed next and some may be due to a lack of available sewer service. There are currently no residential subdivisions in Terrell with multiple lots available although several are on the drawing board.
- A school district with a historically poor reputation, although all participants praised the turnaround underway under the new administration. The ISD reputation contributed to residential builders not investing in Terrell over the years.
- No hospital to serve Terrell residents.
- A downtown with a lot of potential but which shows poorly.
- An overall lack of quality of life projects such as parks, trails, ordinance enforcement, etc.

Note that none of these are items that the TEDC can, by law, directly fund/fix, but they can participate with the City, county, and ISD to address them.

While those are serious negative issues, the group felt that it was something Terrell could and would tackle. The positives of Terrell's great location, its strong community, and generally upbeat citizens proud of their city will outweigh the negatives. This focus group felt an internal marketing campaign touting the good things and a marketing outreach to Dallas and other citizens should be funded. This is the same conclusion reached by the first focus group, which

focused on the EDC organization. A detailed marketing plan is outlined in this study.



Market Analysis

Economic & Demographic Analysis

The economic and demographic analysis examines local and regional trends in employment, population, and income. The analysis includes both long-term historical trends and projections for Terrell and comparisons to the region, state, and country. Understanding Terrell within the context of the overall region helps identify unique assets for recruitment of industry clusters and retail.

POPULATION

Since 2010, Terrell has grown by 1% adding 132 residents. Growth is projected to increase to 2% over the next 5 years adding an additional 276 residents (ESRI).

Texas has become a major center for domestic migration. According to Texas State Data Center, the state of Texas grew by 4 million residents (21%) between 2000 and 2010 and is projected to

expand by an additional 21 million (80%) by 2050. Estimates by the Texas Water Development Board show that the DFW Metropolitan Statistical Area (MSA) is expected to increase by more than 160% from 6 million in 2010 to nearly 17 million by 2060. Forecasts also show significant population increase in Kaufman County. The Households 2040 By Traffic Planning Zone map shows the density of population in 2040 and reflects significant growth in the region, including Kaufman County.

Kaufman County ranks eighth in terms of population in the region but is the third largest among neighboring counties. The 2012 population estimate is 106,914 and will expand to 146,000 by 2020. According to the Texas Water Development Board, Kaufman County is projected to increase by 290% to 571,000 between 2020 and 2070. The combined neighboring counties, including Kaufman, Ellis, Rockwall, Hunt, Henderson, Navarro, and Van Zandt are projected to expand to 2.3 million by 2070, which is the equivalent of the current population of Dallas County.

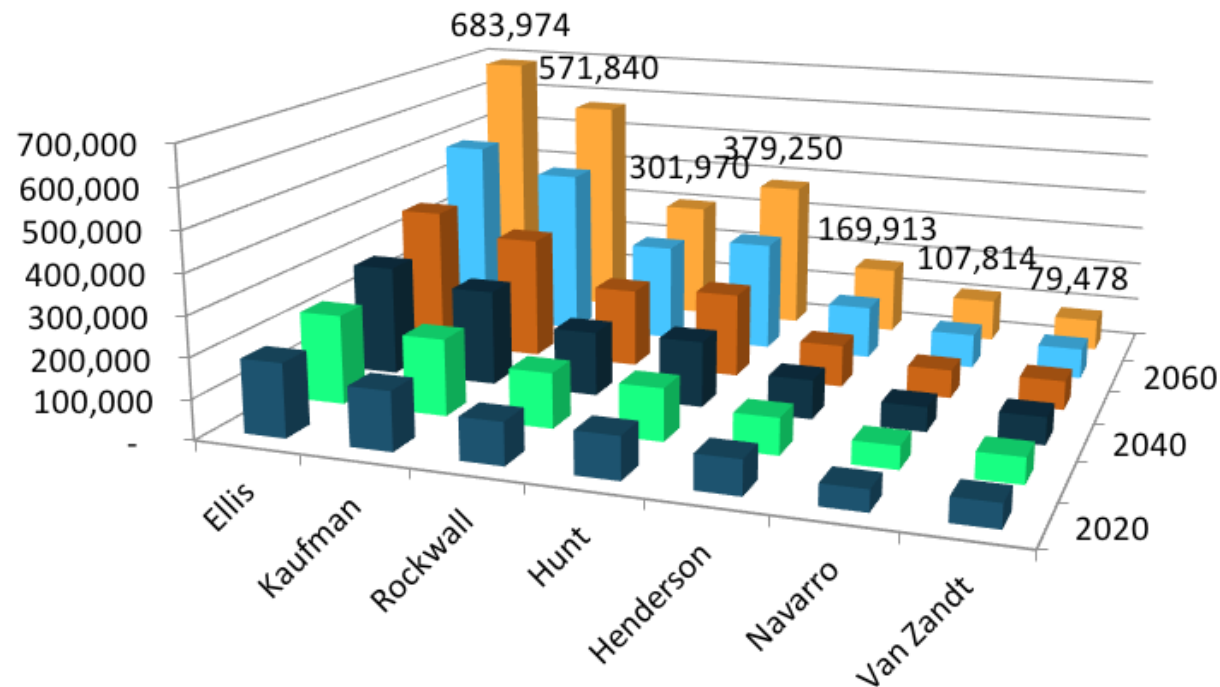
	Terrell City, Texas	Kaufman County	DFW Metro	Texas
2010 Population	15,816	103,350	6,426,214	25,145,561
2016 Population	15,948	114,157	7,062,433	27,637,152
2010 - 2016 New Residents	132	10,807	636,219	2,491,591
2010 - 2016 % Population Growth	1%	10%	10%	10%
2021 Population Projection	16,224	128,068	7,696,835	29,966,830
2016 - 2021 New Residents	276	13,911	634,402	2,329,678
2016 - 2021 % Population Growth	2%	12%	9%	8%

DEMOGRAPHICS

The median age in Terrell is 34.0, compared to 36.0 in Kaufman County and 34.4 in the DFW MSA. The total population under 18 years old makes up 27.1% of the population in Terrell, in contrast to 26.8% in Kaufman County and 26.4% in the DFW MSA. Age cohorts were explored through 2016 ESRI data to understand the distribution of larger age groups. The data revealed that within Terrell the populations make-up by generation type is diverse. The City of Terrell and Kaufman County both have larger percentages of their populations above the age of 55 when compared to the DFW MSA. Terrell has a slightly higher percentage of Generation

Z (0-14) than Kaufman County and DFW MSA. Kaufman County is made up of 26% Millennials, while the DFW MSA and Terrell both represent 28% of their populations with this cohort. Terrell has the smallest percentage of Generation X amongst the three. 23% of Terrell's population is within the Generation X range (age 35-54), while over 27% of Kaufman County and the DFW MSA's populations are represented here. Age is an important factor, as the peak home buying years are 25 – 45 years old, which is the largest cohort in Terrell. In context, 60% of Millennials (age 25-34) chose to rent in 2013, compared to 52% in 2005.

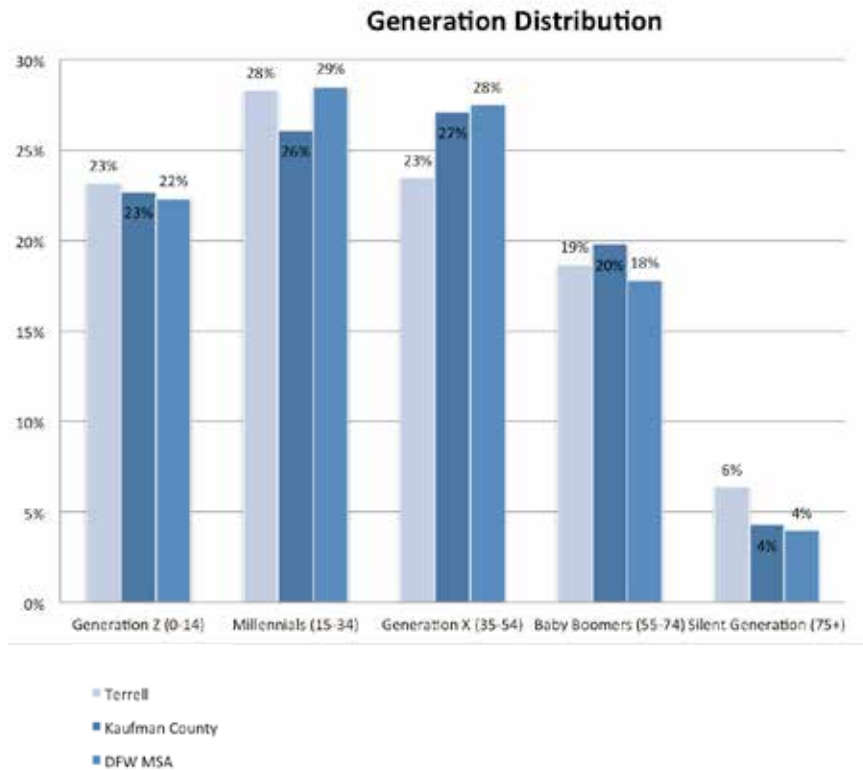
Projected Population By County, 2020 - 2070



The following percentages make up the 2016 population of Terrell by generation type:

- Generation Z (age 0-14) - 23.16%
- Millennials (age 15-34) - 28.30%
- Generation X (age 35-54) - 23.48%
- Baby Boomers (age 55-74) - 18.68%
- Silent Generation (age 75+) - 6.38%
- Over 51% of the population is under 35 years old

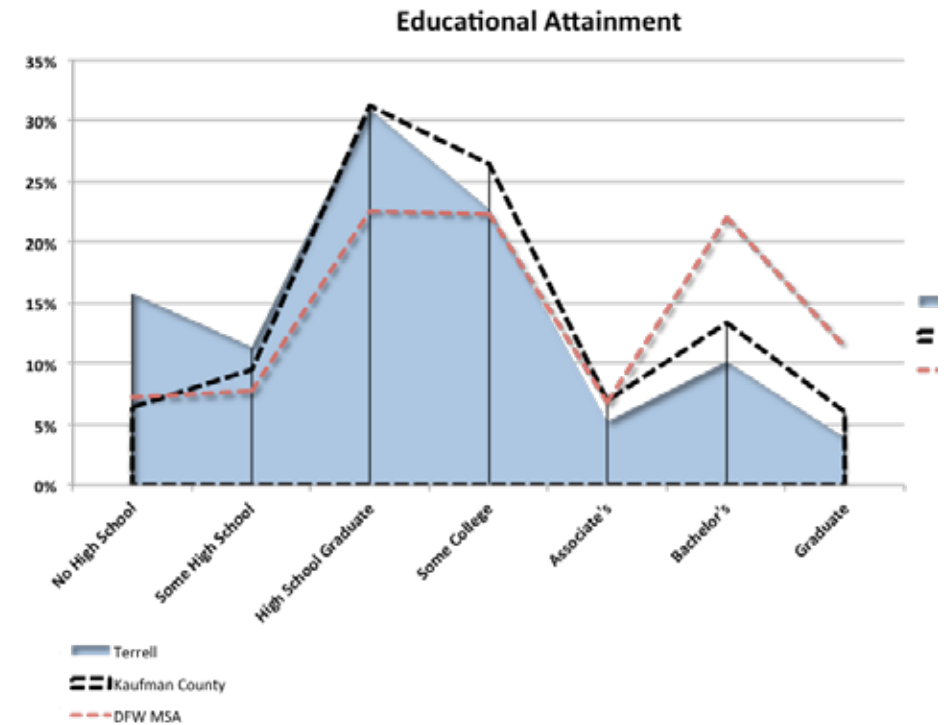
Millennials prefer active places that are engaging, authentic, and walkable. As the population ages, the older population will be attracted to places that offer greater opportunities for wellness and healthcare.



EDUCATION

There are 9,990 residents in Terrell age 25+ and Kaufman County has 73,414 residents that are age 25+. 73% of residents in Terrell have a high school education or higher, while 84% of residents throughout Kaufman County and 85% of DFW MSA residents have high school education or higher. The DFW MSA has the highest rate of Bachelor's degree attainment at a rate of 22%, while 10% of residents in Terrell and 13% of Kaufman County achieve a Bachelor's degree (ESRI).

Terrell is home to Trinity Valley Community College. The Terrell Campus of Trinity Valley Community College is located at Interstate 20 and Wilson Rd. The average student population is over 2,000.





Access to higher education can attract businesses seeking regional access in a suburban setting.

High school graduation rate is 6% greater in Terrell than Texas average (25.3%), but has lower bachelor (18.7%) and graduate or professional degree (9.7%).

Terrell is also home to Southwestern Christian College, a four-year college. The Terrell Campus of Trinity Valley Community College offers occupational courses including: accounting, business and office technology, child development, computer science, cosmetology, criminal justice, fire science technology, horticulture, management, and prerequisites for nursing.

Degrees Conferred: Total degrees conferred measures the direct output of workers, but the relative concentration of degrees indicates the specialization of programs at an institution and in a region.

INCOME

The median household income in Terrell is \$40,541. In Kaufman County, the median household income is \$64,955, just above the DFW MSA median household income of \$60,841. The average income in Terrell is \$52,001, with Kaufman County and the DFW MSA having average household incomes of \$79,777 and \$85,490, respectively. The per capita income in the DFW MSA of \$30,905 is greater than the per capita incomes of \$19,566 and \$27,126 in Terrell and Kaufman County. Within Terrell, 59.2% of households have median household incomes less than \$50,000. Within the DFW MSA and Kaufman County, 40.9% and 37% of households have median household incomes below \$50,000. Among competing

cities in the region, Terrell has the lowest median household income (ESRI).

Of the 2,688 owner-occupied housing units in Terrell, 75% are valued at less than \$150,000, while 47% of the 29,029 owner-occupied units in Kaufman County fall within the range of less than \$150,000. 17% of owner-occupied units in Terrell are valued at \$150,000 - \$300,000, while 40% of Kaufman County homes fall in that range. The 2016 median home value in Terrell was \$105,714, but has increased to 111,729 as of 2017. The Greater DFW MSA has a median home value of \$177,860, just below the median home value of \$186,660 in Kaufman County (ESRI).

DEMOGRAPHIC SUMMARY

The overall population of Terrell has grown slower than Kaufman County and DFW Metro, but Terrell is projected to double the rate of growth over the next five years. Terrell has a larger portion of

Millennials than Kaufman County, which is a competitive advantage. Terrell has relatively low-income levels in comparison to Kaufman County, the DFW Metro, but is similar to its competitive markets, except for Rockwall. Focusing on higher quality of jobs in concert with other objectives will lessen the imbalance of incomes over time.

Terrell also has a lower percentage of education attainment. A greater number of the population lacks college experience and those that have attended college have a lower percentage of higher degrees than the region and its peers. A greater community focus on education will improve education levels over time and increase the quality of workforce and jobs. Also, increased white collar jobs that require college will increase the number of degrees.

In review, Terrell is comparative to most of its peer markets, with the exception of Rockwall, which has stronger factors overall.

Educational Attainment	Terrell		Kaufman County	
	Number	Percent	Number	Percent
Population 25 years and over	9,900		73,414	
No High School	1,578	15.8%	4,698	6.4%
Some High School	1,129	11.3%	6,974	9.5%
High School Graduate	3,097	31.0%	22,905	31.2%
Some College	2,268	22.7%	19,381	26.4%
Associate's	519	5.2%	5,139	7.0%
Bachelor's	1,009	10.1%	9,837	13.4%
Graduate	390	3.9%	4,405	6.0%
Percent High School Graduate or Higher	72.9%		84.0%	
Percent Bachelor's Degree or Higher	14.0%		19.4%	

Source: 2008-2012 American Community Survey 5-year Estimates, ESRI

Variable	Competitive Analog				
	Terrell, TX	Ennis, TX	Rockwall, TX	Greenville, TX	Corsicana, TX
2017 Total Population (Esri)	16,230	18,741	44,819	26,860	23,479
Income					
2017 Median Household Income (Esri)	\$42,831	\$44,770	\$86,445	\$41,837	\$41,055
2017 Average Household Income (Esri)	\$54,996	\$61,423	\$107,184	\$57,734	\$58,546
2011-2015 ACS Households Below the Poverty Level	1,140	1,467	829	2,063	1,661
2011-2015 ACS Households Below the Poverty Level (%)	21%	23%	6%	22%	20%
Business Data					
2017 Total (SIC01-99) Businesses	842	762	1,974	1,257	1,233
2017 Unemployment Rate (Esri)	9%	6%	4%	8%	11%
2017 Total Daytime Population	22,255	22,426	45,686	37,177	29,312
2017 Total Population Age 18+ (Esri)	11,878	13,444	33,248	19,972	17,172
Housing Summary					
2017 Total Housing Units (Esri)	6,302	6,736	16,443	11,292	9,602
2017 Owner Occupied Housing Units (Esri)	2,726	3,357	11,822	5,047	4,724
2017 Owner Occupied Housing Units (Esri) (%)	43%	50%	72%	45%	49%
2017 Vacant Housing Units (Esri)	703	499	813	1,241	1,158
2017 Vacant Housing Units (Esri) (%)	11%	7%	5%	11%	12%
2017 Average Home Value (Esri)	\$150,404	\$149,017	\$274,662	\$120,062	\$130,864
2017 Median Home Value (Esri)	\$111,729	\$116,240	\$234,013	\$94,765	\$99,815
Education					
2017 Education: Some College/No Degree (Esri) (%)	22%	23%	25%	23%	24%
2017 Education: Associate's Degree (Esri) (%)	6%	9%	8%	7%	8%
2017 Education: Bachelor's Degree (Esri) (%)	10%	8%	27%	12%	12%
2017 Education: Graduate/Professional Degree (Esri) (%)	5%	4%	13%	7%	6%
Percentage of High School equivalent or less	57%	56%	27%	52%	51%
Percentage of Associates Degree or Higher	21%	21%	48%	26%	25%

Source: ESRI

WORKFORCE TRENDS

The unemployment rate in Texas is now at 4.9%. The DFW Metro and local unemployment rate are nearly 1% lower than the state average.

Terrell's average salary is \$40,000, above the Kaufman County average of \$38,888. However, the average salary is significantly below the DFW Metro and state average salary of \$58,137 and \$53,470 respectively. The industry with the highest salary in Terrell

is Management of Companies and Enterprises with an average salary of \$86,455. The industries with the next highest salaries in Terrell are Professional, Scientific, and Technical Services and Utilities (JobsEQ).

INDUSTRY COMPOSITION

Terrell's largest industries are retail trade (2,216 jobs), manufacturing (2,123 jobs), and health care and social assistance (2,101 jobs).

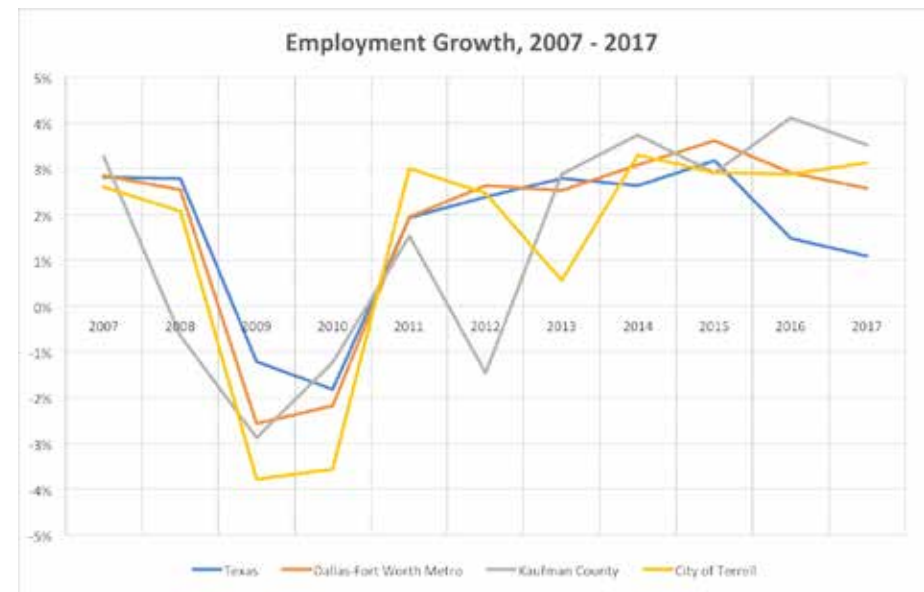
Cluster	Associates Degrees
Agriculture, Agriculture Operations, and Related Sciences	5
Business, Management, Marketing, and Related Support Services	17 ^d
Computer and Information Sciences and Support Services	10 ^d
Construction Trades	3
Engineering Technology and Engineering-Related Fields	21
Family and Consumer Sciences/Human Sciences	1 ^d
Health Professionals and Related Programs	114
Homeland Security, Law Enforcement, Firefighting, and Related Protected Services	12 ^d
Legal Professions and Studies	4
Liberal Arts and Sciences, General Studies, and Humanities	522 ^d
Mechanic and Repair Technologies/Technicians	6
Personal and Culinary Services	-
Precision Production	16
Visual and Performing Arts	2

Administrative and support industries grew the fastest at 11.8% followed by other services (11.5%) and information (9%). The industries that created the greatest job growth include retail (453 new jobs), manufacturing (240 new jobs), and administration and support (188 new jobs).

Terrell has gained over 3,000 jobs since 2007, a 12% growth rate. The average salary, at \$40,000, is slightly higher than the Kaufman average of \$38,000, but is almost \$19,000 less than Dallas/Fort Worth, and \$13,000 less than the Texas average (See Employment Statistics 2007-2017).

Terrell has shown greater job growth than the state and DFW average (See Employment Growth Chart 2007 - 2017). As a result, the current unemployment rate in Terrell is estimated to be at 3.3%, which is lower than Kaufman County, DFW, and the state of Texas. Future projections for the city of Terrell anticipate both increased employment and increase in income.

Job growth is beneficial for Terrell. Increased employment creates greater tax revenue. When people have jobs, they have greater wealth to reinvest back into the economy. The City receives greater tax benefit that can be used to fund additional investments, or

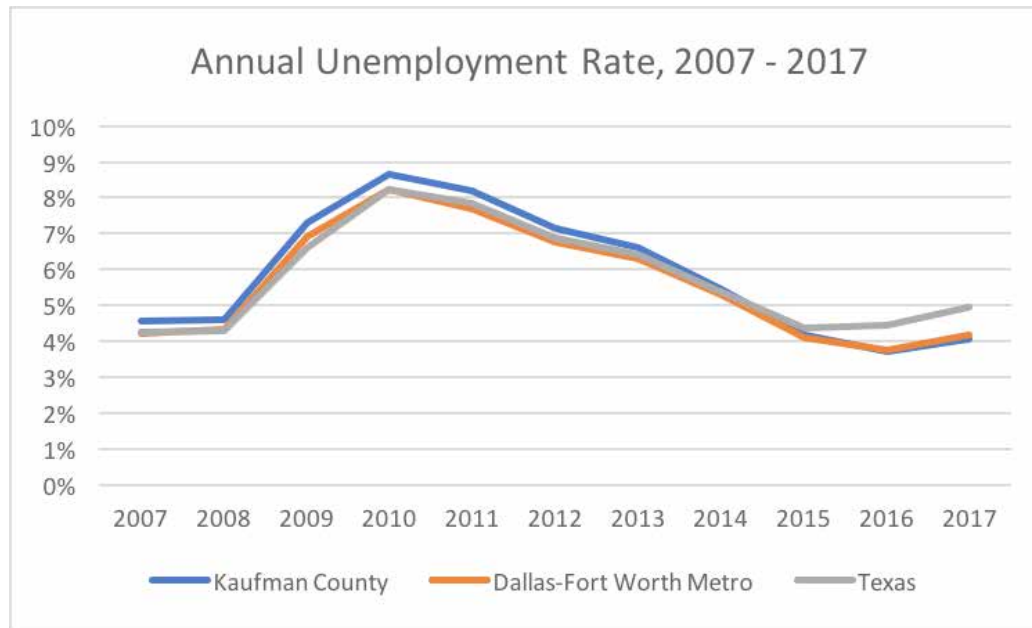


Source: JobsEQ

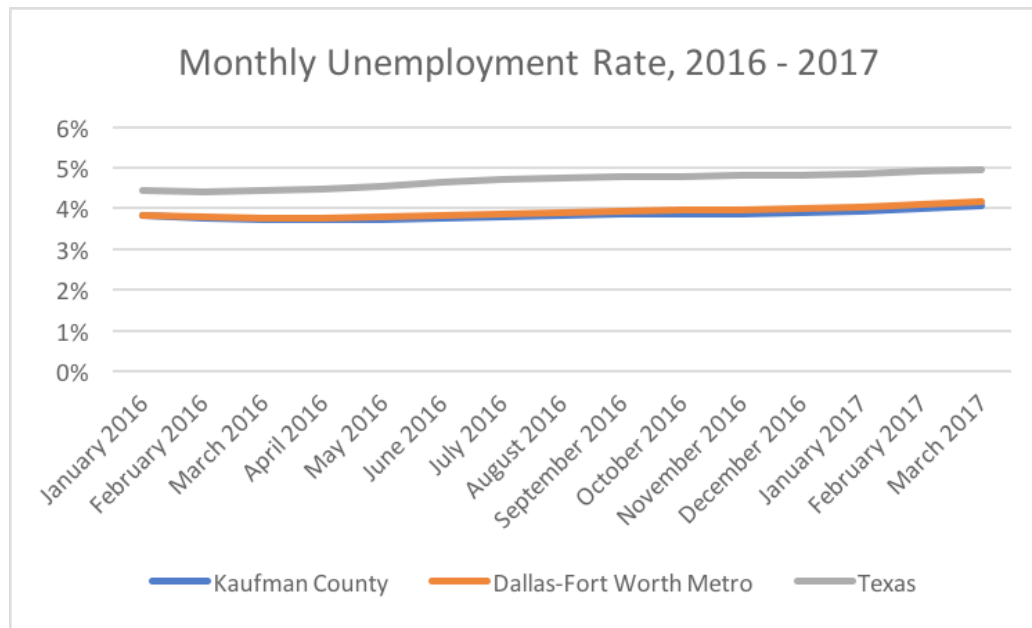
offset increased operating costs. This virtuous circle is critical for a healthy and sustainable community, therefore it is the greatest priority to support economic development and employment growth.

Employment Statistics, 2007 - 2017

	Terrell City	Kaufman County	DFW Metro	Texas
2007 Employment	12,040	32,164	3,110,763	11,069,824
2017 Employment	13,526	36,058	3,669,535	12,909,841
2007 - 2017 Job Growth Rate	12%	12%	18%	17%
Unemployment Rate	3.3%	4.10%	4.20%	4.90%
Average Salary	\$40,000	\$38,888	\$58,137	\$53,470



This chart shows the employment rate prior to and post Great Recession. The chart reflects that Terrell is below pre-recession levels. While low unemployment is beneficial for economies, this creates pressure on wages and creates shortages of labor.



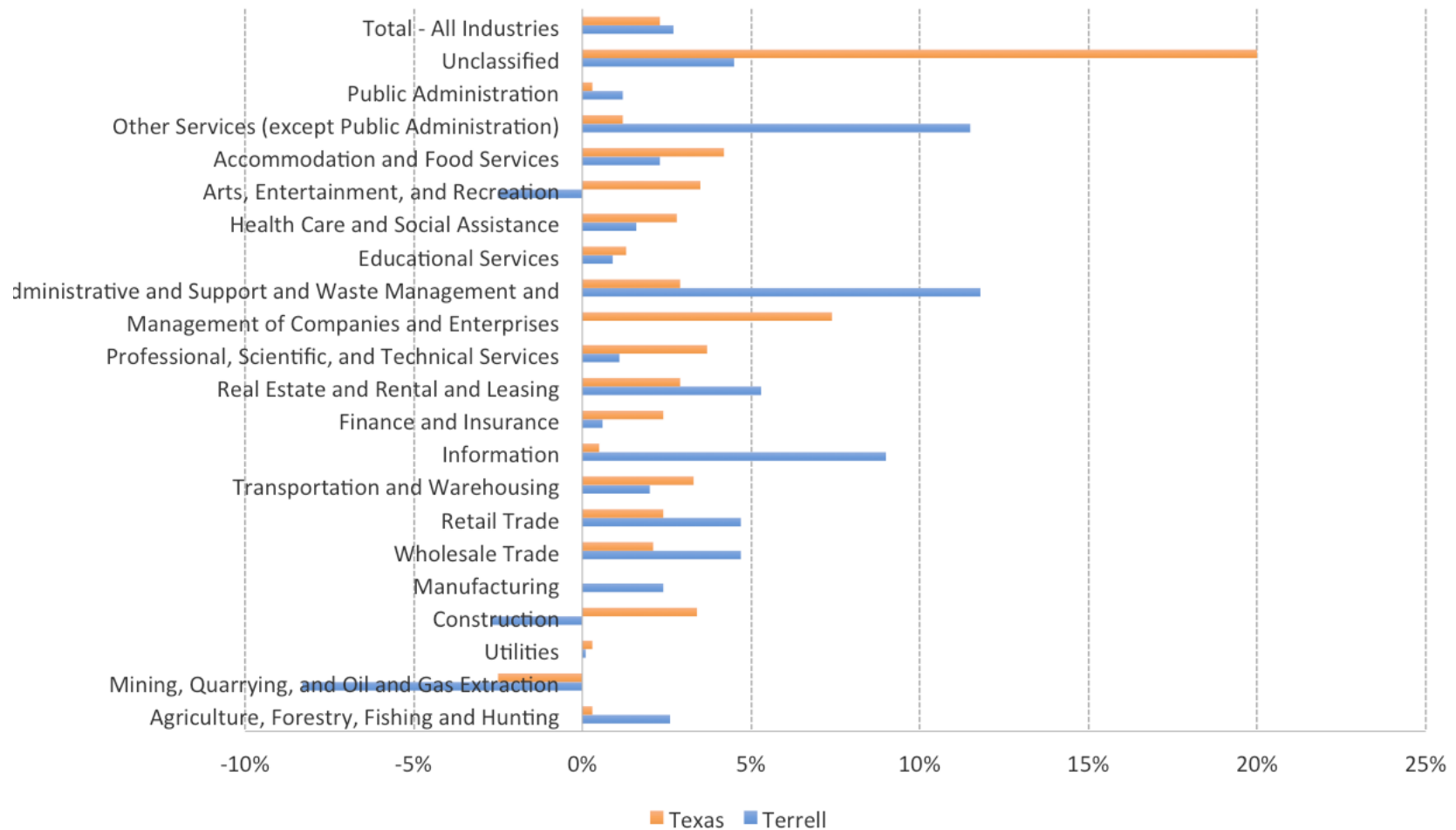
This chart shows the unemployment since January 2016. Unemployment below 5% is often assumed to be at full employment. At 3.3% the employment is likely inefficient, where each additional job added does not create enough productivity to cover its cost.

The table below presents trend in the region, based upon employment and wages, which are reflected using location quotients (relative concentration) of the overall industry and each subsector in Terrell, compared to Texas. A location quotient greater than 1.0 represents greater concentration than state average, with 1.0 as the baseline. A location quotient less than 1.0 represents a concentration less than State average. The following table represents all the major industries, based upon 2-digit NAICS codes (JobsEQ).

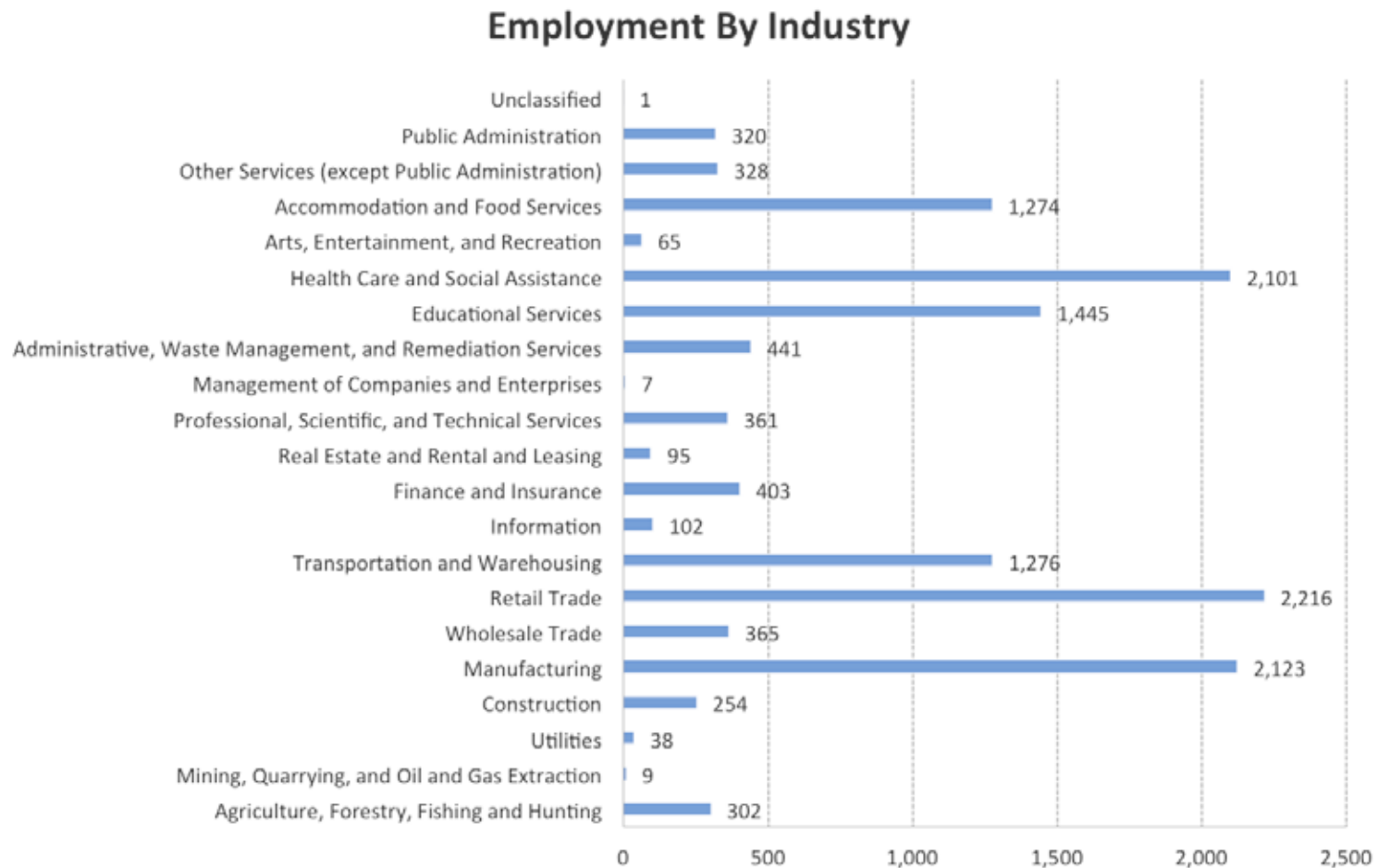
Industry	Employment	Average Annual Wages	Location Quotient
Agriculture, Forestry, Fishing, and Hunting	302	\$8,430	1.54
Mining, Quarrying, and Oil and Gas Extraction	9	\$49,097	0.17
Utilities	38	\$65,105	0.52
Construction	254	\$49,377	0.34
Manufacturing	2,123	\$51,256	1.91
Wholesale Trade	365	\$59,995	0.69
Retail Trade	2,216	\$27,509	1.51
Transportation and Warehousing	1,276	\$56,780	2.27
Information	102	\$29,288	0.38
Finance and Insurance	403	\$58,985	0.75
Real Estate and Rental and Leasing	95	\$41,397	0.42
Professional, Scientific, and Technical Services	361	\$72,513	0.41
Management of Companies and Enterprises	7	\$86,455	0.03
Administrative, Support, Waste Management, and Remediation Services	441	\$28,085	0.5
Educational Services	1,445	\$36,731	1.29
Health Care and Social Assistance	2,101	\$38,512	1.09
Arts, Entertainment, and Recreation	65	\$23,967	0.24
Accommodation and Food Services	1,274	\$15,090	1.06
Other Services (except Public Administration)	328	\$40,997	0.55
Public Administration	320	\$48,964	0.5
Unclassified	1	\$24,487	0.05
Total - All Industries	13,526	\$40,000	1

The table below presents trend in the region, based upon growth in Terrell, compared to the Texas average. The industries that reflect greater local growth, compared to State average include: Administrative Services, Real Estate, Information, Retail, Wholesale Trade, Manufacturing, and Agricultural.

Growth in Employment, 2012 - 2017



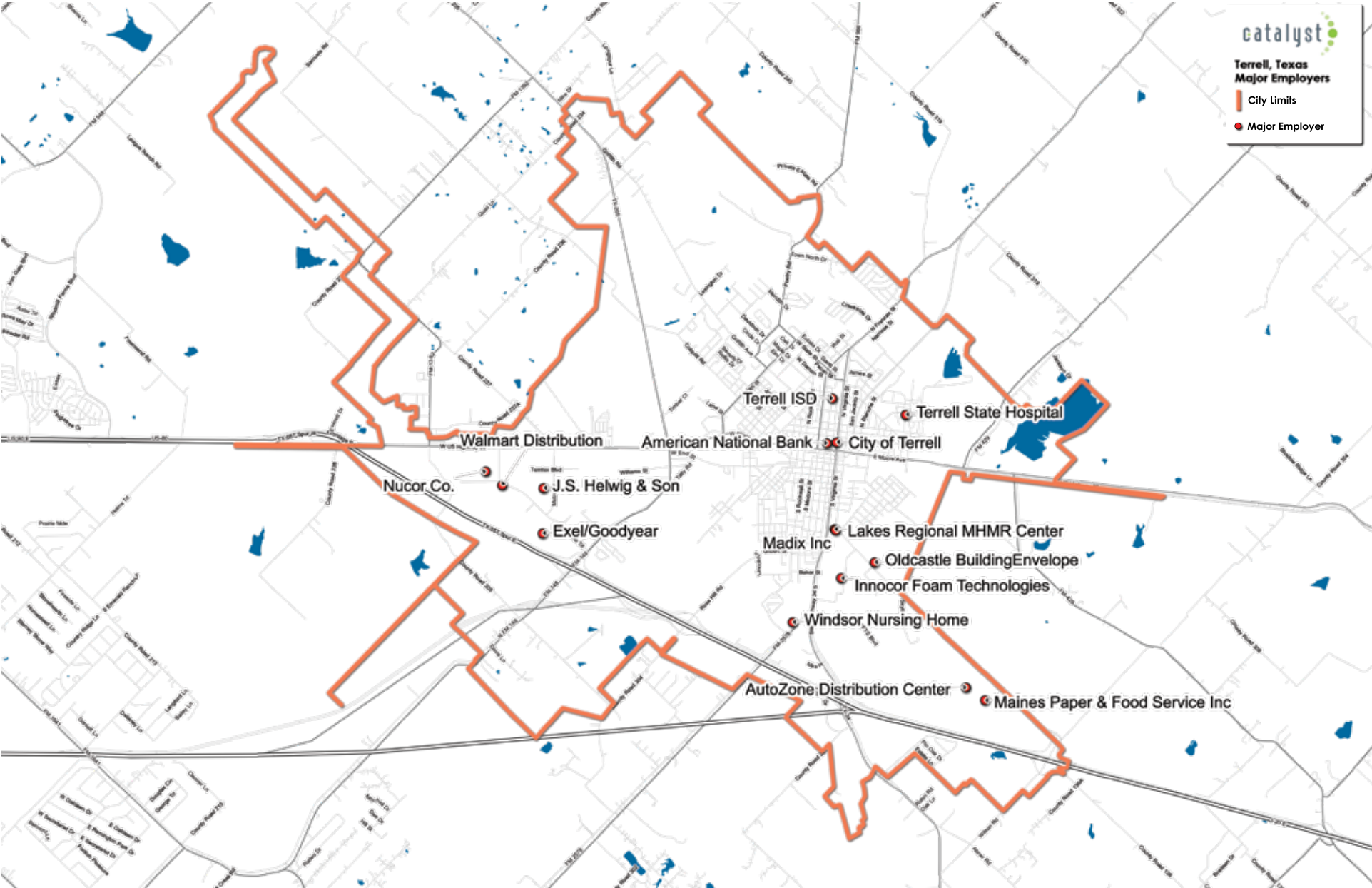
The table below presents employment trend in Terrell, by sector. Each sector shows the total amount of employment growth by industry. Note, healthcare, retail, and manufacturing reflect the greatest amount of employment growth in Terrell. The chart on the following page shows major employers by company in Terrell.





MAJOR EMPLOYERS

- Argos Concrete
- AutoZone Distribution Center
- Brock Supply Co.
- Carlisle Coatings & Waterproofing
- Carlisle SynTec/Hunter Panels
- Cassity Jones
- CATCO
- Conesus Aerospace
- Eldorado Chemical (EDC Co.)
- Exel/Goodyear
- F&G Industries
- Fine Line Metal Fabricators
- Innocor Foam Technologies
- J.S. Helwig & Son
- K.L. Breeden & Sons
- Kingspan Light + Air
- Linde Gases
- Longhorn Fabrication
- Maines Paper & Food Service
- Madix, Inc.
- Mechanical Sheet Metal
- Mid-Am Metal Forming
- Mitex International
- Muse Metal Laboratories
- Naturtech
- Nucor Building Systems
- Oldcastle BuildingEnvelope
- Powerlab
- Preferred Powder Coating
- Pritchett's Jewelry Casting Co.
- R & R Design
- Renfro Industries, Inc.
- Russell Stover Candies
- San Benito Shutter
- Steelway International
- Terrell Iron & Metal
- Unified Power
- US Xpress
- The Van Tone Co.
- VEKA Inc.
- Walmart Distribution Center
- Wholesale Office Machines
- Swintec
- American National Bank
- City of Terrell
- Colonial Lodge Retirement Inn
- Country View Manor
- Family Medical Center at Terrell
- (Baylor Healthcare)
- Lakes Regional MHMR Center
- Buc-ee's
- Bealls
- The Home Depot
- Terrell I.S.D.
- Terrell State Hospital
- Terrell Healthcare Center
- The Terrell Tribune
- Windsor Nursing Home
- Walmart Supercenter
- Tanger
- Brookshire's



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SWOT Analysis

SWOT

A SWOT analysis is a strategic planning tool that informs a community of its capabilities, capacity, and competitive position. The SWOT analysis identifies Terrell's competitive advantages, those assets that make the city special and competitive in the regional and national economies, and examines internal and external factors that may prevent the City from achieving its full potential. This SWOT analysis examines Terrell's overall competitiveness which businesses consider in site selection decisions.

BUSINESS AND INDUSTRY ENVIRONMENT

Business environment refers to all external forces that impact the functioning of businesses. The external environment SWOT analysis is a detailed look at business operations in the local community. Existing and potential businesses examine the local market and the impact on what makes it competitive in the marketplace. This section underscores factors affecting the local business climate and those factors that exist or are lacking for business development.

A focus on strategic recruitment will take advantage of lower real estate costs and create greater exposure for Terrell's effective policies. Marketing will also improve local threats and help overcome impacts related to negative perceptions.

Business and Industry Environment	
Strengths	Weaknesses
• Affordable real estate • Low costs of business relative to DFW • Business friendly city leadership • Experienced EDC • Effective incentive policies	• Tax rate is high compared to region • Weak regional economic development collaboration • Weak value proposition over nearby cities • Limited programs for small business development and expansions.
Opportunities	Threats
• Aligning programming and marketing around targeted industries • Creating regional partnerships with surrounding cities • Creating online marketing of Terrell's assets and pro-business incentives and policies	• Non-regional approach to economic development • Lack of capital for small business development and expansion • Perception of local institutions

WORKFORCE DEVELOPMENT AND EDUCATION

Workforce development is a key strategy in the promotion of economic development that fosters stability and resiliency within existing and potential regional industries. Workforce development tends to focus on long-term recruitment and training to support and attract business development.

The SWOT seeks to understand and address employer needs for hiring and ensure a competitive local labor market. It also analyzes the ability to develop skills for industry clusters for worker employment opportunities and career advancement within those sectors.

The EDC can support the ISD and leverage the emerging TVCC programs to improve workforce quality and education levels. In addition, promoting the benefits of education will increase awareness of the value of education. Terrell also has a large number of skilled workforce which could benefit from credentialing to document skills which are unique and might be attractive to prospective employers. Emphasis on job training and expanding and creating programs around targeted skills will build local capacity and improve workforce quality over time.

Workforce Development and Education	
Strengths	Weaknesses
• Relatively low unemployment rate • Optimistic, self-reliant attitude • TVCC and Terrell ISD dual credit agreements for academic and workforce courses • Increasing rates of post-secondary education	• Lower educated workforce relative to DFW • Lower wages relative to DFW and Texas • Perception of low quality school programs • Limited capacity of EDC
Opportunities	Threats
• TVCC Health Science programs including RN, LVN, EMT, and Surgical Technology moving to Terrell in Spring 2019 • Additional health care programs at Terrell Hospital • Dual Credit Health Science Program opportunities for Terrell ISD students	• Low wages threaten ability to attract and retain college graduates • Healthcare consolidation impacting a core industry segment • Type A funding is not sufficient to fund needed programs

ECONOMIC DEVELOPMENT AND OUTREACH

Regional industry clusters attract financial capital and help drive economic growth and development. The SWOT analysis provides a comprehensive understanding of the region's capabilities and capacity. In addition, this analysis examines the factors both existing and needed to ensure the long-term success and viability of businesses throughout the regional economy.

In summary, the EDC can leverage its experience in filling existing industrial parks by expanding business parks and developing a medical hub to take advantage of medical opportunities. The EDC can also support downtown redevelopment through targeting corporate users that might benefit from being near a destination oriented downtown central to area employment and cultural amenities. The EDC could also support entertainment/retail and tourism through its current recruitment initiatives that the EDC is engaged in.

The EDC should also explore critical improvements that could improve existing business parks and enhance quality of life for Terrell residents since the business parks serve as gateways along premier corridors.

Economic Development and Outreach	
Strengths	Weaknesses
• Award winning EDC • Infrastructure • Proximity of DFW for workforce and resources • Emerging regional retail hub	• Limited small business focus • Concentration of low paying jobs • Lack of utilities to service businesses with high wastewater needs • Lack of skilled workforce training
Opportunities	Threats
• Leverage existing skilled labor to evolve into advanced sectors • Develop medical hub with existing labor and healthcare initiatives in education • Create opportunity for additional business park • Activate downtown into retail destination/services/experiential district	• Lack of shovel-ready industrial sites • Loss of businesses due to poorly maintained business parks

SITES AND INFRASTRUCTURE

Infrastructure and existing sites are factors contributing to regional economic development. Assessing infrastructure needs will support the development of an overall economic strategy for the short, medium, and long term. Applying a SWOT analysis to the industry sectors reveals factors and clustering factors that influence the competitiveness of the regional economy. The SWOT analysis identifies strategic infrastructure that supports value-adding sectors. Infrastructure includes physical infrastructure that facilitates the production and distribution process. In addition, infrastructure may include natural, fiscal, technological, and human capital that increase competitiveness for investment, development, and trade.

The EDC should continue to support utility expansion and on-going infrastructure maintenance. The EDC should also support coordinate with the City and regional transportation authorities to ensure that long-term regional transportation options are strategically located to support alternative transportation options which will improve logistics and also enhance corporate attraction efforts. The EDC should also develop a strategy to expand business parks, medical hubs and other districts to diversify the tax base and support catalyst projects.

Sites and Infrastructure	
Strengths	Weaknesses
• Proximity to DFW • Access to I-20 and US 80	• Need for facade improvements in downtown Terrell • Traffic congestion on I-20 corridor
Opportunities	Threats
• Implementing comprehensive plan elements dedicated to downtown • Developing properties on the south side of Terrell • Developing a state of the art industrial park • Enhancing the entrance to downtown and other major gateways	• Lack of economic development strategic plan leads to disjointed development and underutilization of sites • Infrastructure not available to service future sites • Lack of available funding needed to catalyze new projects

QUALITY OF LIFE

An important aspect in retaining and attracting workforce and business is the overall quality of life. The SWOT analysis establishes quality of life indicators to measure how strongly Terrell performs across a range of quality of life measures. This section seeks to outline factors that Terrell possesses that can support talent attraction and opportunities to improve the overall quality of life.

While the EDC's core role is to recruit primary employers, these economic development efforts can also contribute to quality of life. In fact, attracting better jobs can substantially improve quality of life and improve local wealth. The EDC can also contribute to quality of life by providing jobs training. In addition, the EDC can support the City's youth recreation strategy and use its platform to promote events in tandem with the City, CVB and other partnerships.

Quality of Life	
Strengths	Weaknesses
• Strong downtown framework and existing cultural and arts gravity • Ability to leverage existing sports base into larger regional strategy	• Perception of educational opportunities • Limited retail in downtown Terrell
Opportunities	Threats
• Re-energizing downtown Terrell • Implementation of Comprehensive Plan and Economic Development Strategic Plan • Public/Private Partnership in the creation of a mixed use development • Encouraging neighborhood interconnectivity • Ensuring healthcare and wellness services are accessible to all residents	• Lower household incomes deter some retailers from locating in Terrell

INNOVATION AND ENTREPRENEURSHIP

Creativity and innovation are a continuous process in any organization, from a sole proprietorship to a large-scale organization, which is essential for maximizing economic opportunity. The SWOT analysis examines the regional capacity to support entrepreneurs in product and technological development and market analysis. In addition, the community's ability to support improvements in the production process and research and development are considered.

The EDC should explore opportunities, in tandem with the Chamber of Commerce, to develop a stronger focus for entrepreneurs and small businesses. This would include exploring incubator programs, youth entrepreneur programs and small business programs. This partnership should also increase support for existing small businesses, especially those in downtown and targeted industries.

Innovation and Entrepreneurship	
Strengths	Weaknesses
• Family friendly culture and other quality of life assets • Large base of small businesses	• Access to capital for small businesses and start-ups • Perceptions of quality of life in Forney relative to Terrell
Opportunities	Threats
• Embracing entrepreneurship as an economic development priority • Food production/processing • Investing in retail, office, and industrial space suitable for startup businesses • Improving access to capital • Partnerships with TVCC to increase youth entrepreneurship experiences • Engaging successful entrepreneurs in "mentoring" opportunities	• Lack of emphasis on entrepreneurship in economic development strategies • Lack of sufficient funding • Poor quality of available second generation space

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Target Industry Analysis

Target Industry Analysis

CLUSTER ANALYSIS

An industry cluster is a geographic concentration of inter-related businesses, suppliers, and support institutions. Clusters are considered to increase productivity making businesses more competitive regionally, nationally, and globally. Industry clusters can form and grow because of a region's competitive advantage such as location, labor skill sets, and education systems.

A cluster analysis was conducted to identify potential target industries for business development in Terrell. The analysis examines the concentration of existing industries in Terrell and the recent and projected growth of each industry.

Locational quotients provide a measure of industry concentration within the region. The location quotient shows local industry employment relative to the US average concentration. A location quotient greater than 1.0 indicates that the region has a higher concentration of employment in a particular industry or occupation than the nation. A regional industry group with a location quotient of 1.25 or higher is considered to possess a competitive advantage in that industry.

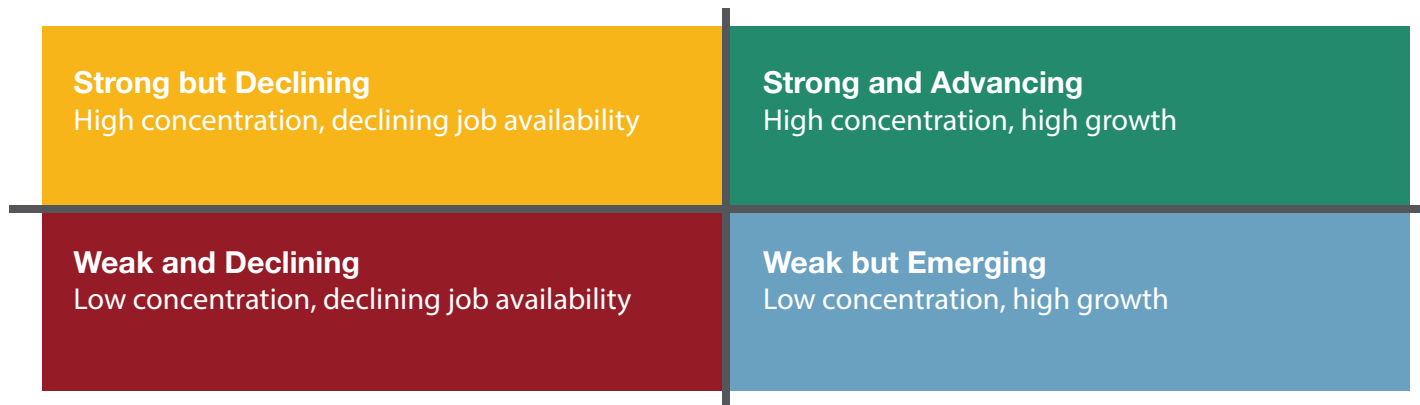
The bubble chart shows three variables for each industry in Terrell: the location quotient or concentration, average wages, and recent and forecasted employment growth. The location quotient value is shown by the size of the bubble, the larger the circle, the larger the location quotient. Average wages are depicted on the vertical axis. The higher the circle is shown on the chart, the higher the average wages in that cluster. The growth rate for a cluster is the annual average percentage change in employment over a given time period, historical or projected.

The employment growth rate for a cluster is depicted along the horizontal axes. The further to the right a cluster is shown, the greater the growth in employment in that cluster.

INDUSTRY CLUSTERS

Terrell has numerous industries with high location quotients, including Metal and Product Manufacturing, Wood and Paper, Agriculture, Textile and Leather, and Retail. Wood and Paper and Retail have experienced the greatest amount of growth in employment over the last five years, while textile and leather contracted by 4%.

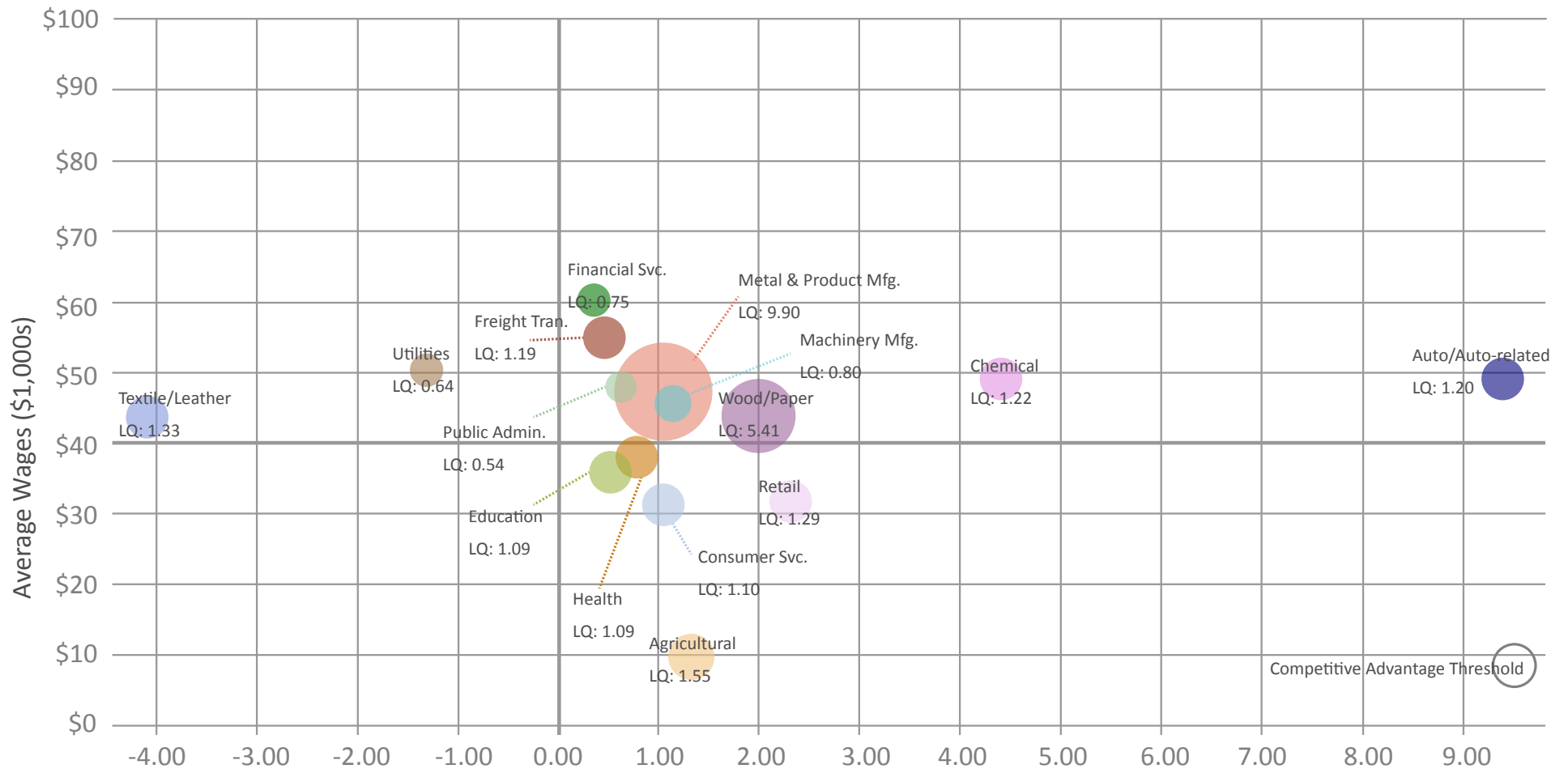
Industries with less concentration in Terrell with high growth rates



include Chemical and Auto related businesses. The bubble chart examines industry clusters by past growth. However, projections of growth by industry are also important. Projected employment trends are based on JobsEQ. These job growth projections are based on current trends and do not reflect potential growth as a result of economic development policies and initiatives.

The clusters based historical and projected employment growth identify several potential target industries.

Industry Clusters for City of Terrell, TX as of 2017Q1



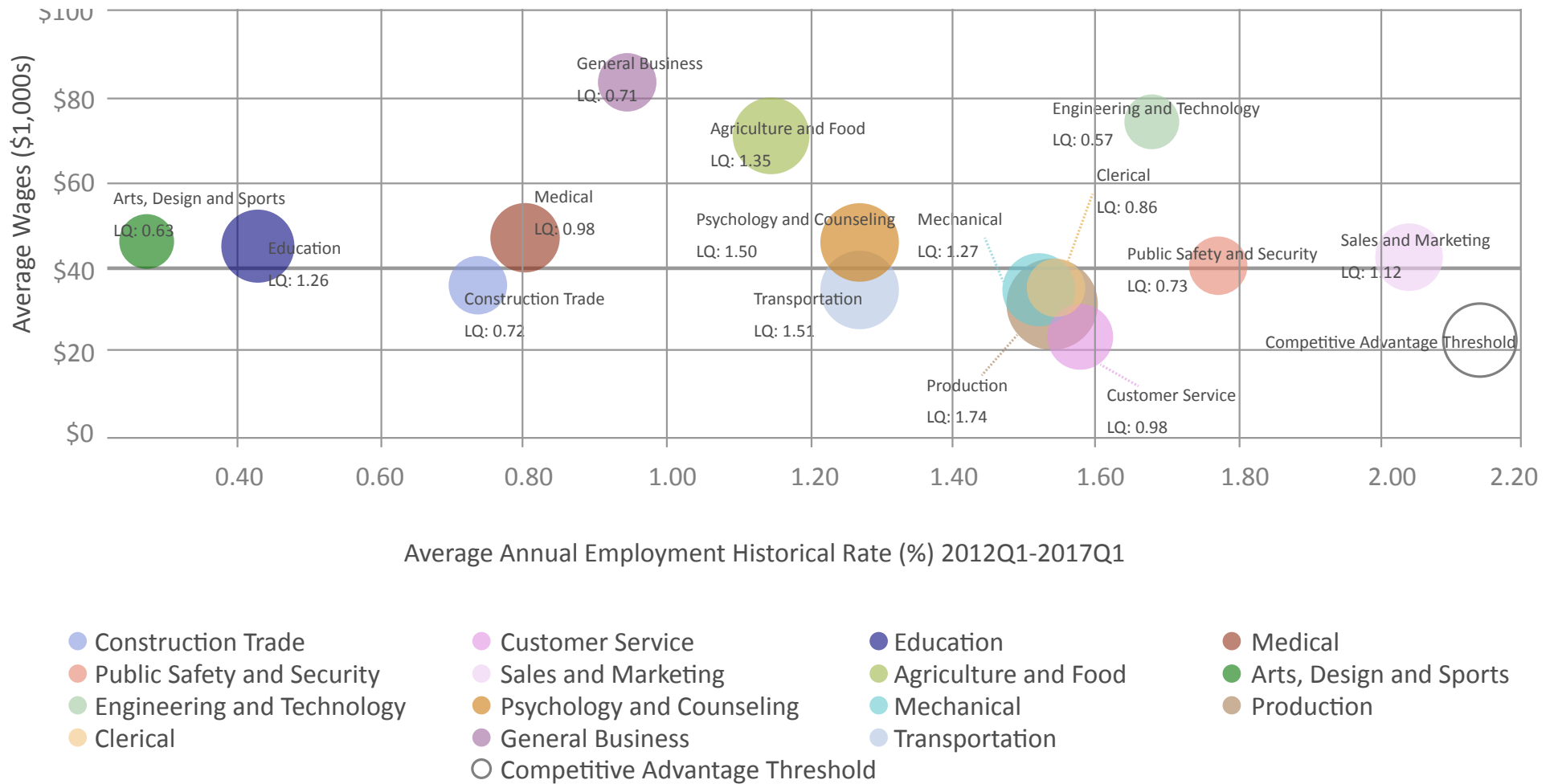
- Metal and Product Manufacturing
- Wood and Paper
- Auto
- Consumer Services
- Health
- Education
- Retail

OCCUPATIONAL CLUSTERS

Industry Clusters for City of Terrell, TX as of 2017Q1

Industry Group	2016 Employment	LQ	Avg. Annual Historical Employment Growth (2012 - 2017)	Avg. Annual Forecast Employment Growth (2017 - 2027)	Annual New Jobs	Potential New Jobs (2017 - 2027)	Average Wages
Agriculture	305	1.55	1.31%	0.80%	2.46	25	\$9,321
Auto/Auto-related	262	1.2	9.40%	1.43%	3.76	38	\$49,184
Chemical	138	1.22	4.39%	-0.05%	-0.06	-1	\$49,238
Coal/Oil/Power	17	0.14	-4.80%	1.01%	0.17	2	\$49,238
Construction	254	0.34	-1.34%	2.20%	5.59	56	\$49,377
Consumer Svc.	2263	1.1	1.03%	1.40%	31.65	316	\$31,333
Education	1509	1.09	0.53%	1.22%	18.41	184	\$36,150
Electrical/Electronics Manufacturing	46	0.33	-0.56%	-0.07%	-0.03	0	\$96,189
Financial Svc.	403	0.75	0.35%	1.27%	5.14	51	\$60,513
Food Manufacturing	570	4.5	1.02%	0.12%	0.68	7	\$44,394
Freight Tran.	413	1.19	0.44%	0.24%	1	10	\$55,314
Health	2101	1.09	0.77%	1.36%	28.53	285	\$38,233
Machinery Mfg.	199	0.8	1.13%	0.33%	0.66	7	\$45,974
Media	82	0.39	3.40%	0.62%	0.51	5	\$23,646
Metal & Product Mfg.	973	9.9	1.02%	0.47%	4.54	45	\$47,235
Pharmaceutical	1	0.03	15.64%	0.99%	0.01	0	\$45,165
Professional Services	935	0.44	3.28%	2.04%	19.07	191	\$46,035
Public Admin.	320	0.54	0.63%	1.33%	4.25	42	\$48,251
Retail	2581	1.29	2.31%	1.51%	39.1	391	\$31,807
Textile/Leather	47	1.33	-4.10%	-1.45%	-0.68	-7	\$44,071
Utilities	37	0.64	-1.31%	2.12%	0.79	8	\$50,425
Wood/Paper	606	5.41	-2.00%	0.75%	4.53	45	\$43,983

The analysis of major occupational cluster trends in Terrell support numerous industries. The most concentrated and growing occupation in Terrell over the past five years include Production, Transportation, Psychology and Counseling, Agriculture and Food, and Mechanical. Less concentrated but growing occupational clusters include Sales and Marketing, Public Safety and Security, Engineering and Technology, Customer Service, and Clerical. These occupational strengths support metal and product manufacturing, auto, consumer services, health, and retail.



The occupations forecast to create the largest number of jobs in Terrell over the next five years include:

- Customer Service (367 jobs)
- Medical (220 jobs)
- Sales and Marketing (208 jobs)
- Education (140 jobs)
- Clerical (120 jobs)
- General Business (117 jobs)

Occupation Clusters for City of Terrell, TX as of 2017Q1						
Industry Group	2016 Employment	LQ	Avg. Annual Historical Growth (2012 - 2017)	Avg. Annual Forecast Employment Growth (2017 - 2027)	Potential New Jobs (2017 - 2027)	Average Wages
Production	1,076	1.74	1.54%	0.79%	85	\$30,700
Transportation	860	1.51	1.27%	1.01%	87	\$35,100
Psychology and Counseling	294	1.5	1.27%	0.74%	22	\$45,400
Agriculture and Food	309	1.35	1.14%	0.79%	24	\$70,600
Mechanical	1,322	1.27	1.52%	0.87%	115	\$34,400
Education	1,046	1.26	0.42%	1.33%	140	\$44,800
Sales and Marketing	1,316	1.12	2.04%	1.58%	208	\$42,200
Medical	1,330	0.98	0.80%	1.65%	220	\$46,900
Customer Service	2,598	0.98	1.57%	1.41%	367	\$23,700
Clerical	1,169	0.86	1.54%	1.03%	120	\$35,100
Public Safety and Security	193	0.73	1.77%	0.80%	15	\$39,900
Construction Trade	435	0.72	0.73%	1.10%	48	\$35,400
General Business	908	0.71	0.94%	1.29%	117	\$83,700
Arts, Design and Sports	83	0.63	0.27%	0.71%	6	\$45,800
Engineering and Technology	146	0.57	1.67%	1.00%	15	\$73,800



RETAIL ANALYSIS

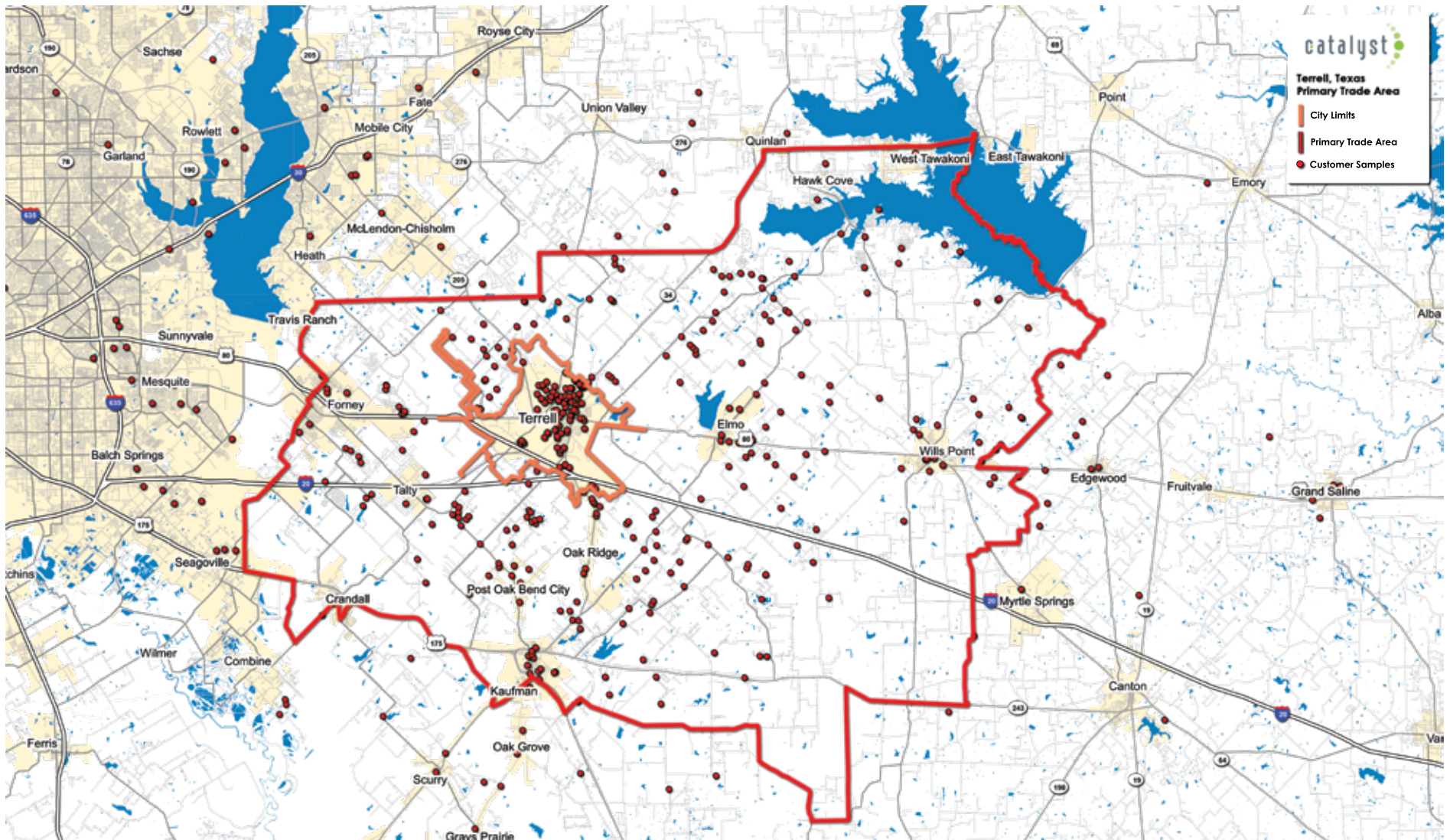
Terrell has approximately 2,500 retail employees and a net surplus of retail sales. Forney is Terrell's largest competitive market, as the primary trade area shows that these markets compete for the same customer base. Overall, Terrell has lower retail expenditures than Forney, which is partly attributed to lower household incomes in Terrell. However, surplus retail expenditures exist in most retail sectors due in large part to higher spending along the US 80 and I-20 corridor.

Terrell has the greatest retail surplus in gasoline stations, motor vehicle and parts dealers, building materials and garden equipment, clothing stores, and general merchandise stores. Higher sales in these sectors also indicate that sales at these retailers perform better than expected based on existing demographics.

Additional retail leakage exists in sporting goods, and non-store retailers. More residents are leaving the city for retail shopping in these categories, but demand is available to support these uses.

Terrell Major Retailers

- Buc-ee's
 - Bealls
 - The Home Depot
 - Target
 - Walmart Supercenter
 - Brookshire's
 - Tanger Outlets
 - CityLights Theater
-



PRIMARY TRADE AREA METHODOLOGY

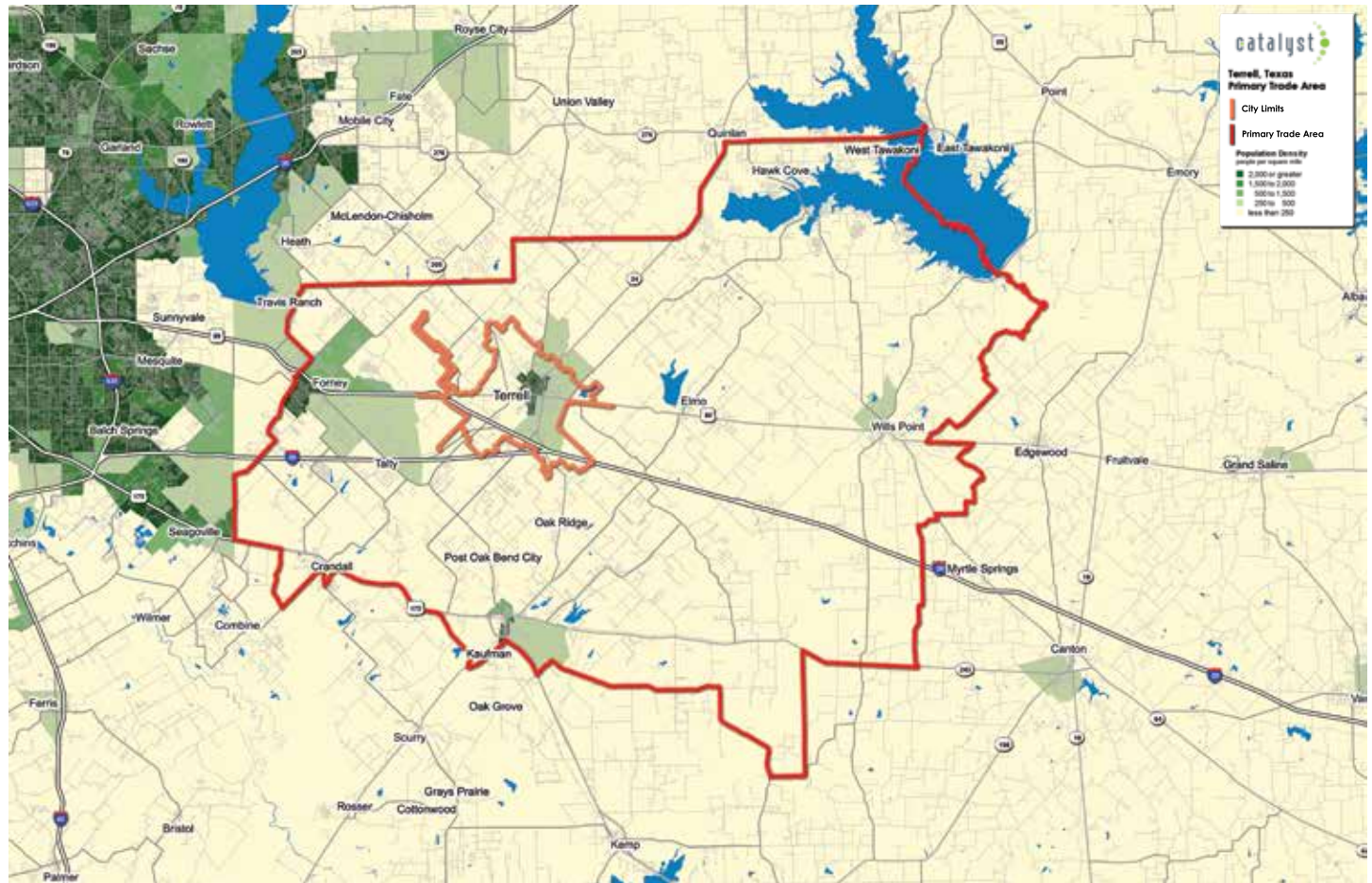
In 2010, Catalyst conducted a customer intercept study that included over 1,100 samples. These samples were collected from major retailers within Terrell including Tanger Outlets, Home Depot, and Walmart. These customer samples were aggregated and geocoded to construct the Primary Trade Area (PTA) for Terrell. Catalyst used a 70% capture rate of the customer intercepts to define the PTA for Terrell. The result is a PTA that spans west to Forney, north before hitting McLendon-Chisholm, east past Wills Point, and south to Kaufman.

POPULATION

An important aspect to economic development is the attraction of new residents. New residents bring investments in housing, goods, and services. Additional households drive retail development, and create potential for new business openings and locations.

Terrell is anticipated to increase to 19,357 people by 2010 and will reach over 43,000 by 2040.

The adjacent map shows the current population density for the city of Terrell and Primary Trade Area.



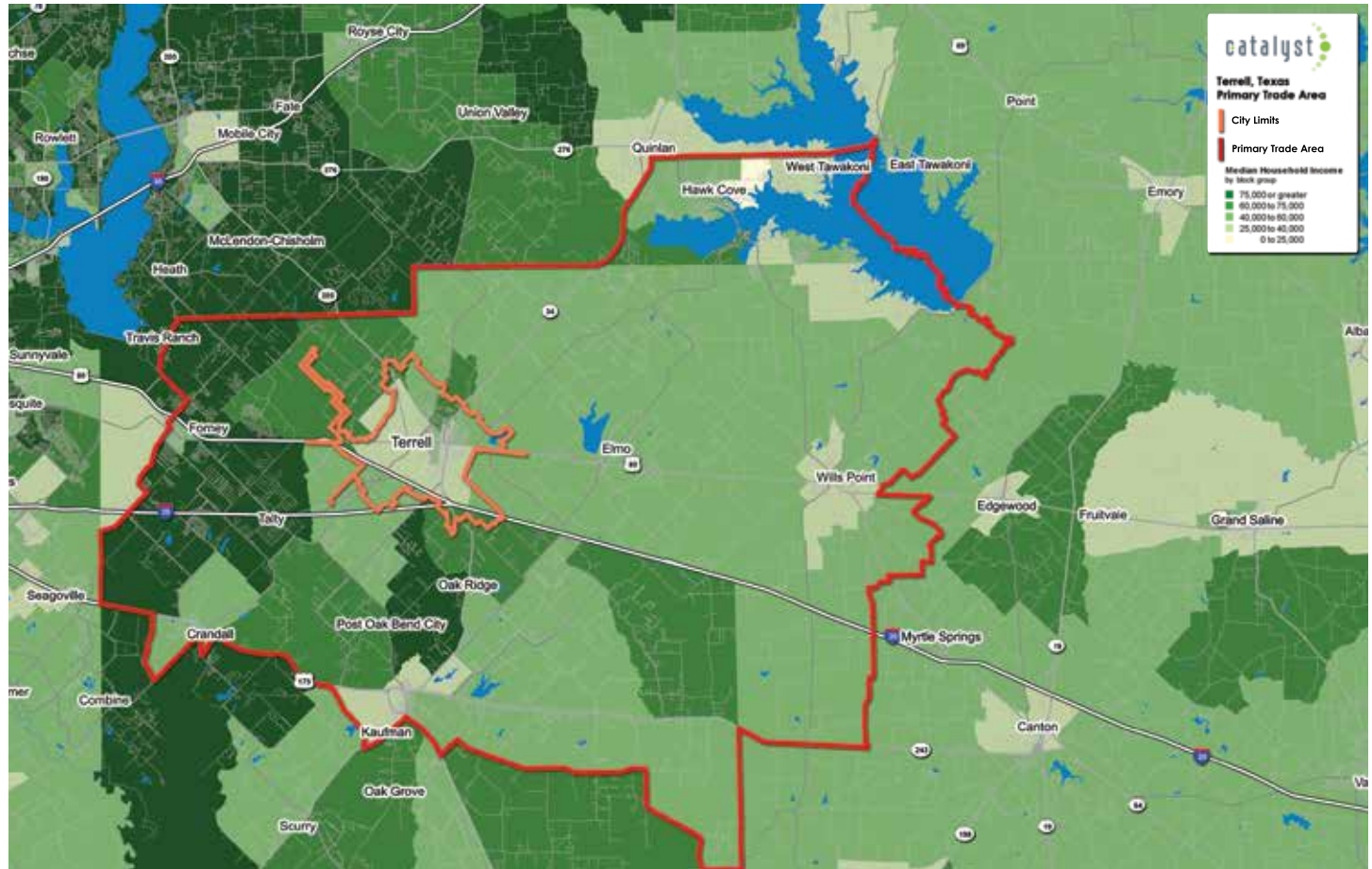
	Primary Trade Area	1 Mile Ring	3 Mile Ring	5 Mile Ring
2017 Population	103,102	4,982	14,899	19,754
2022 Population	114,830	5,008	15,025	20,023
% Growth 2017 - 2022	11.4%	.5%	.8%	1.4%
Workplace Employees	25,128	4,592	9,608	11,305
Households	34,940	1,681	5,117	6,877
Median Age	39.7	34.9	38.6	38.6

INCOME

An additional factor in economic development is the area income. Greater income creates greater capacity for spending and wealth.

The Terrell PTA has a median income of \$61,402. Approximately 25% of the trade area has income greater than \$100,000.

The adjacent map shows the current income thematics for the city of Terrell and Primary Trade Area.



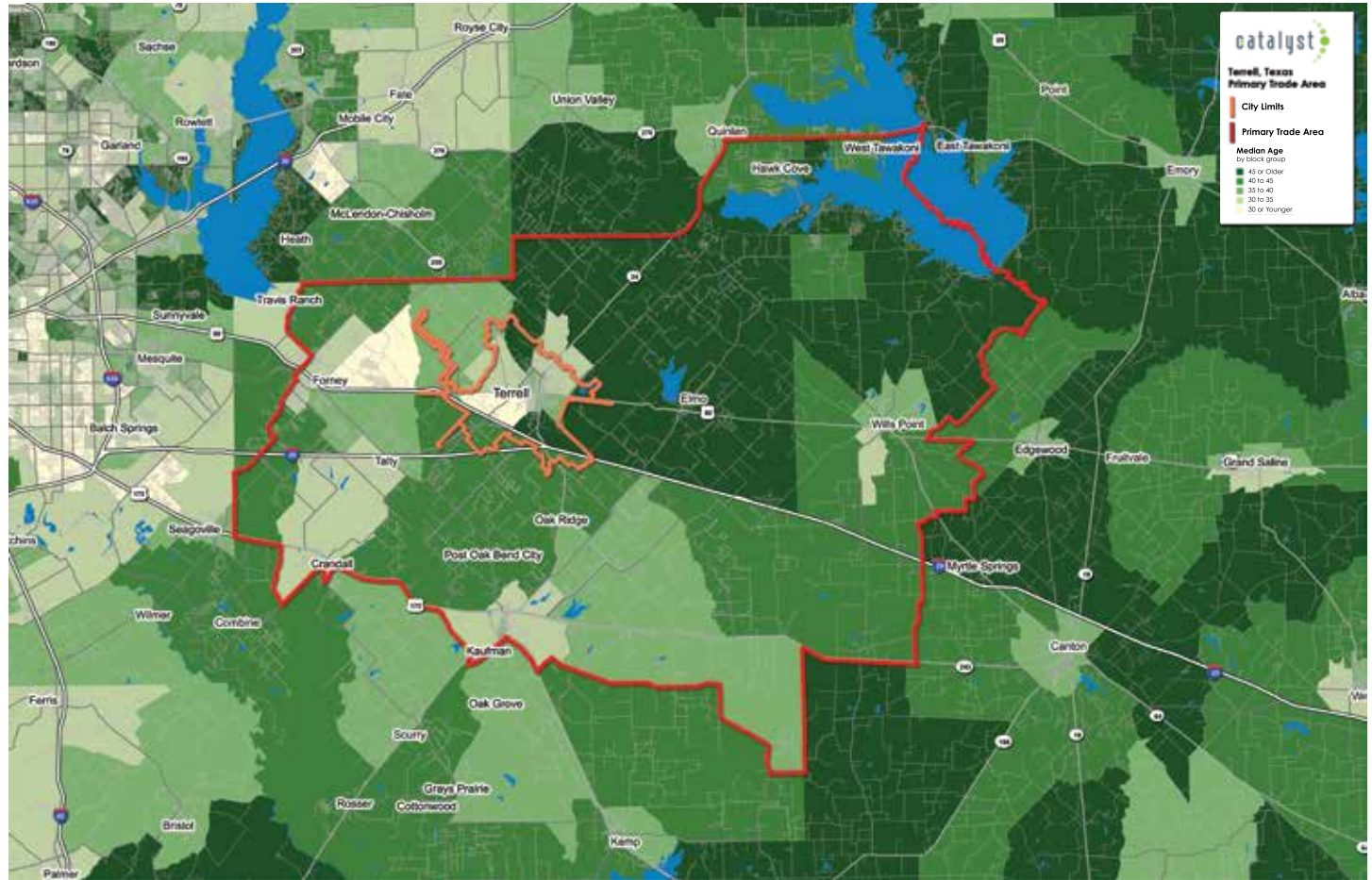
	Primary Trade Area	1 Mile Ring	3 Mile Ring	5 Mile Ring
Median Household Income	\$61,402	\$41,332	\$43,172	\$45,994
Average Household Income	\$75,030	\$50,889	\$55,287	\$60,458
% HHs w/ Income less than \$25,000	20%	33%	31%	29%
% HHs w/ Income \$25,000 - \$50,000	23%	28%	30%	28%
% HHs w/ Income \$50,000 - \$75,000	20%	19%	18%	18%
% HHs w/ Income \$75,000 - \$100,000	13%	9%	10%	11%
% HHs w/ Income \$100,000 or greater	25%	11%	11%	14%

AGE

The median age in Terrell is 34.0, compared to 36.0 in Kaufman County and 34.4 in the DFW MSA.

The total population under 18 years old makes up 27.1% of the population in Terrell, in contrast to 26.8% in Kaufman County and 26.4% in the DFW MSA.

Age impacts consumer spending and future recruitment should incorporate a strategy to support clusters which take into account needs based upon demographics.

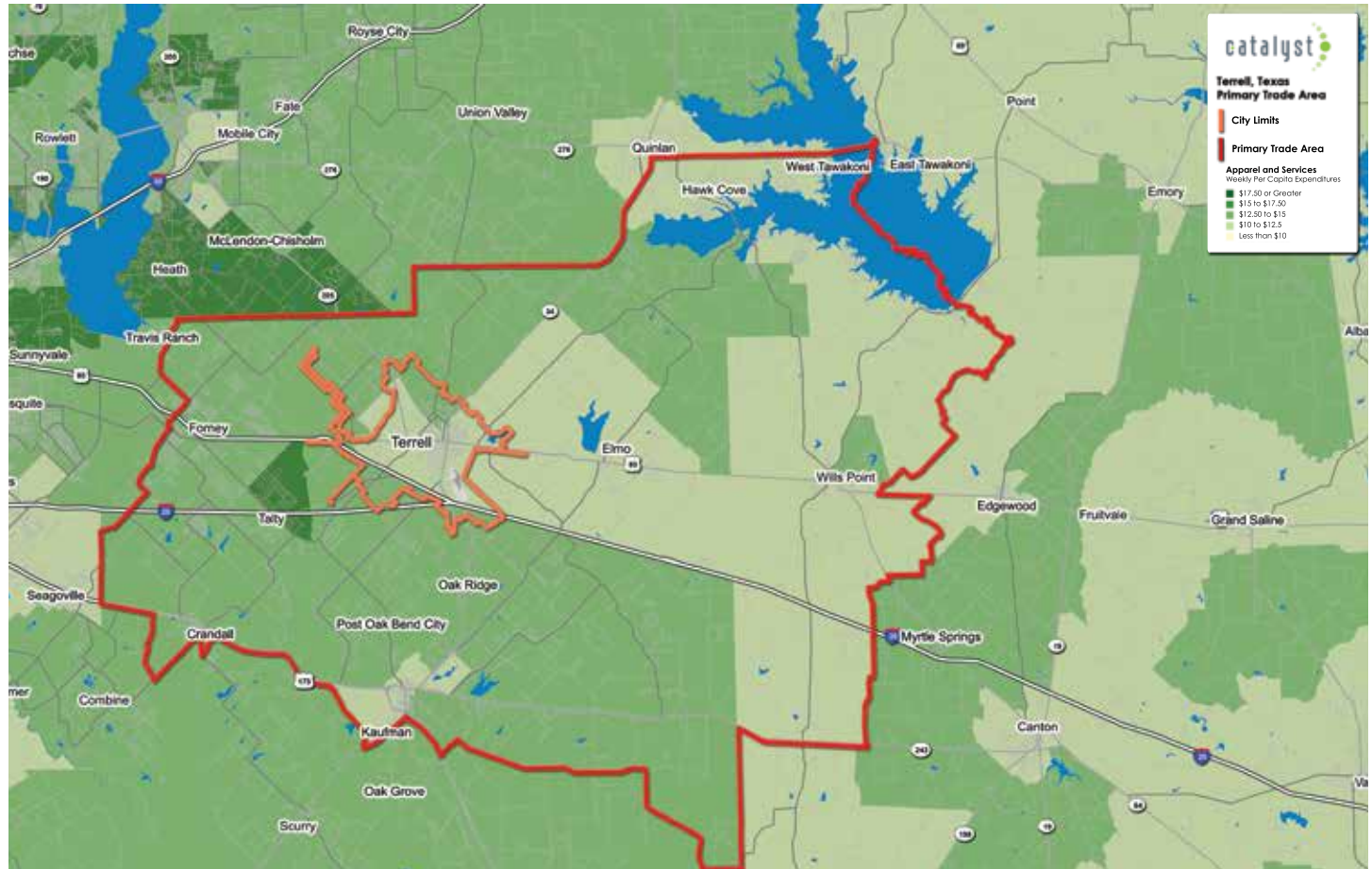


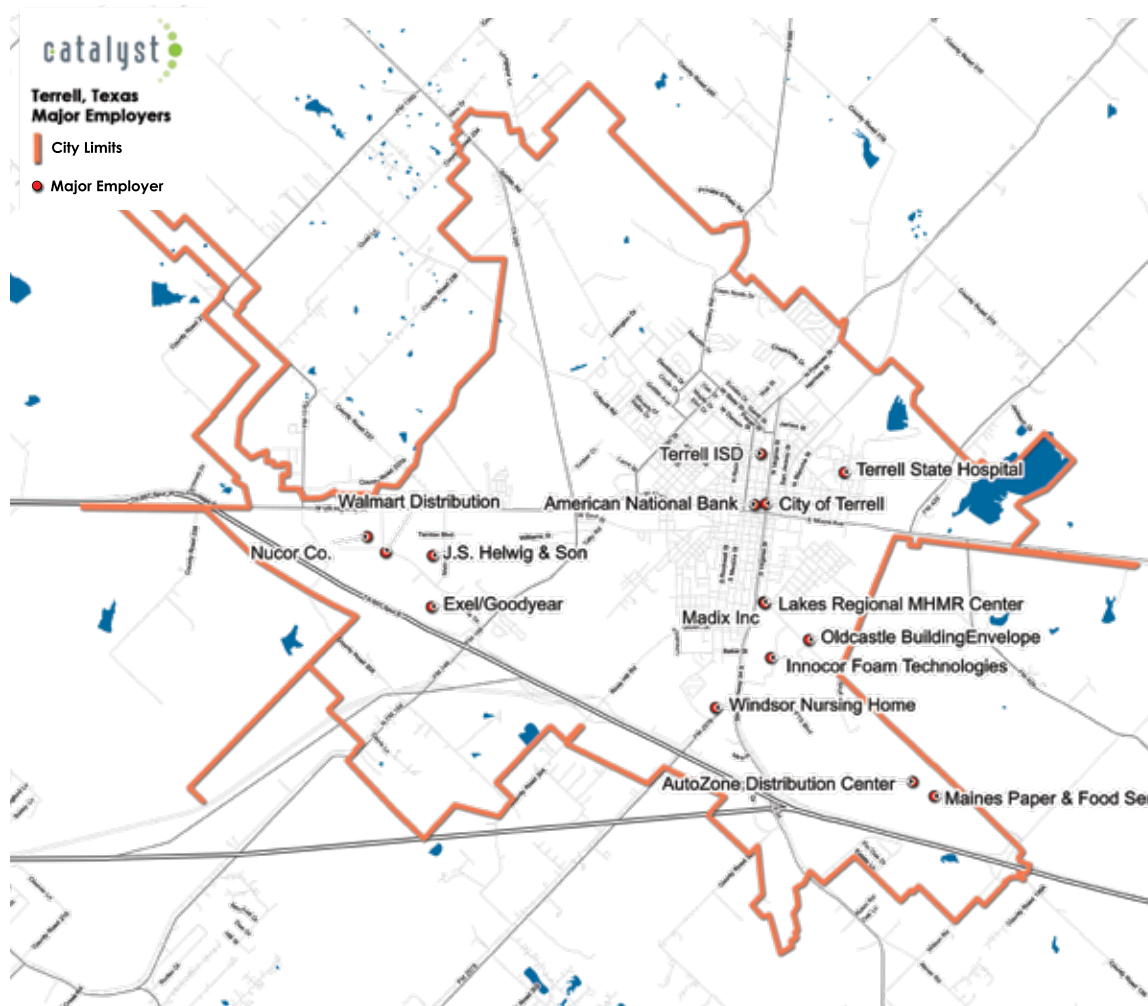
CONSUMER SPENDING

One measure of economic viability with regards to development is consumer spending. The Terrell PTA encompassed over \$1.41 Billion in total retail trade sales in 2016, while the median disposable income for the PTA was \$50,920.

The PTA has a robust purchasing power of \$6.3 Billion due to the large population and relatively high median income.

The adjacent map shows the weekly per capita expenditures on apparel and services for the city of Terrell and Primary Trade Area.



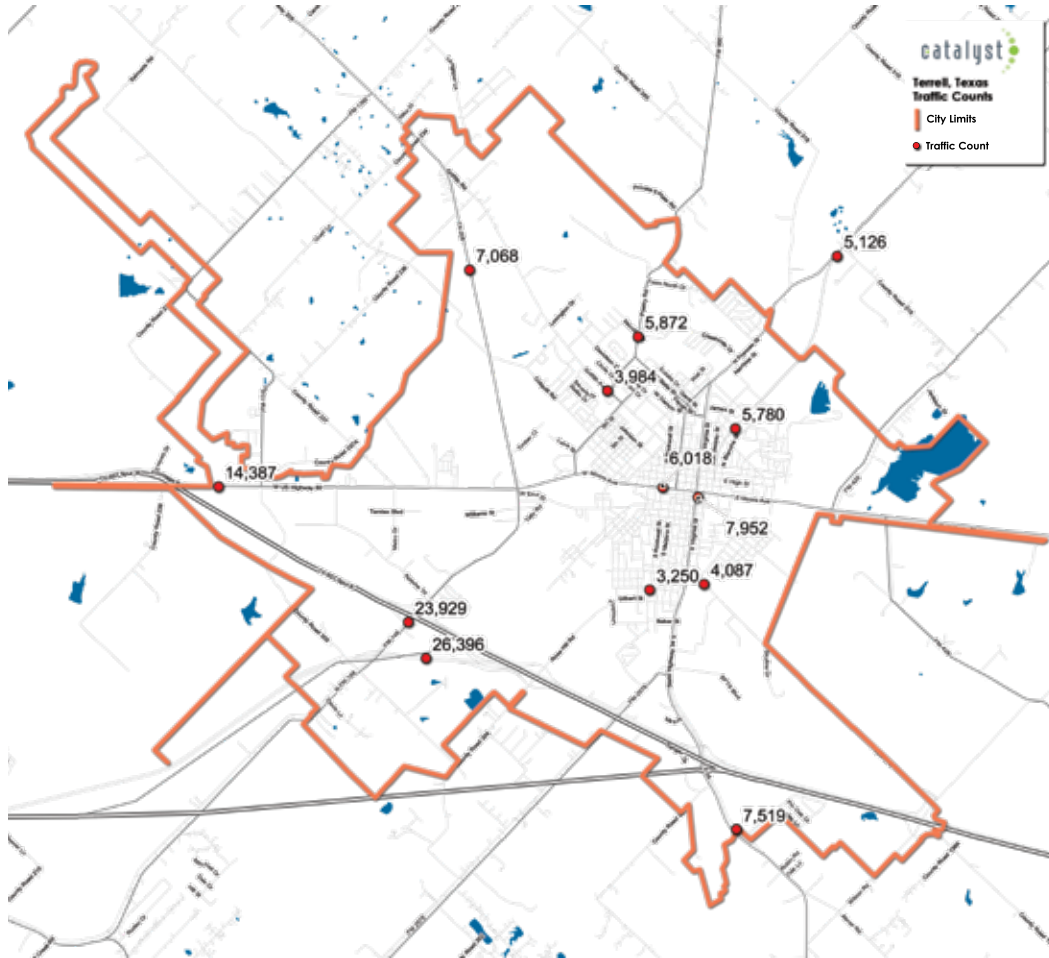


MAJOR EMPLOYERS

Terrell's largest industries are retail trade (2,216 jobs), manufacturing (2,123 jobs), and health care and social assistance (2,101 jobs). Administrative and support industries grew the fastest at 11.8% followed by other services (11.5%) and information (9%). Terrell has gained over 3,000 jobs since 2007, a 12% growth rate. The average salary, at \$40,000, is slightly higher than the Kaufman average of \$38,000.

Job growth is beneficial for Terrell. Increased employment creates greater tax revenue. When people have jobs, they have greater wealth to reinvest back into the economy. The City receives greater tax benefit that can be used to fund additional investments, or offset increased operating costs. This virtuous circle is critical for a healthy and sustainable community, therefore it is the greatest priority to support economic development and employment growth.

Company	Employment
Terrell State Hospital	900
Madix Inc	800
Terrell ISD	615
Oldcastle BuildingEnvelope	600
AutoZone Distribution Center	500
Walmart Distribution	500
Lakes Regional MHMR Center	269
American National Bank	250
Nucor Co.	225
Exel/Goodyear	200
City of Terrell	174
J.S. Helwig & Son	135
Innocor Foam Technologies	125
Windsor Nursing Home	102
Maines Paper & Food Service Inc	84



TRAFFIC COUNTS

With over 25,000 vehicles per day (VPD) passing through the city on various corridors, there is a significant opportunity for Terrell to capture additional market demand. According to International Council of Shopping Centers (ICSC) research, the weekly expenditures of commuters traveling to and from work is \$131. The retail expenditures from commuters that the city is able to capture varies on whether commuters are likely to spend their money near their place of work or near their place of residence, and the quality and location of goods and services along their path of travel. There is a direct correlation between the commuters that the city is able to capture and the amount of supportable retail square footage within the city.

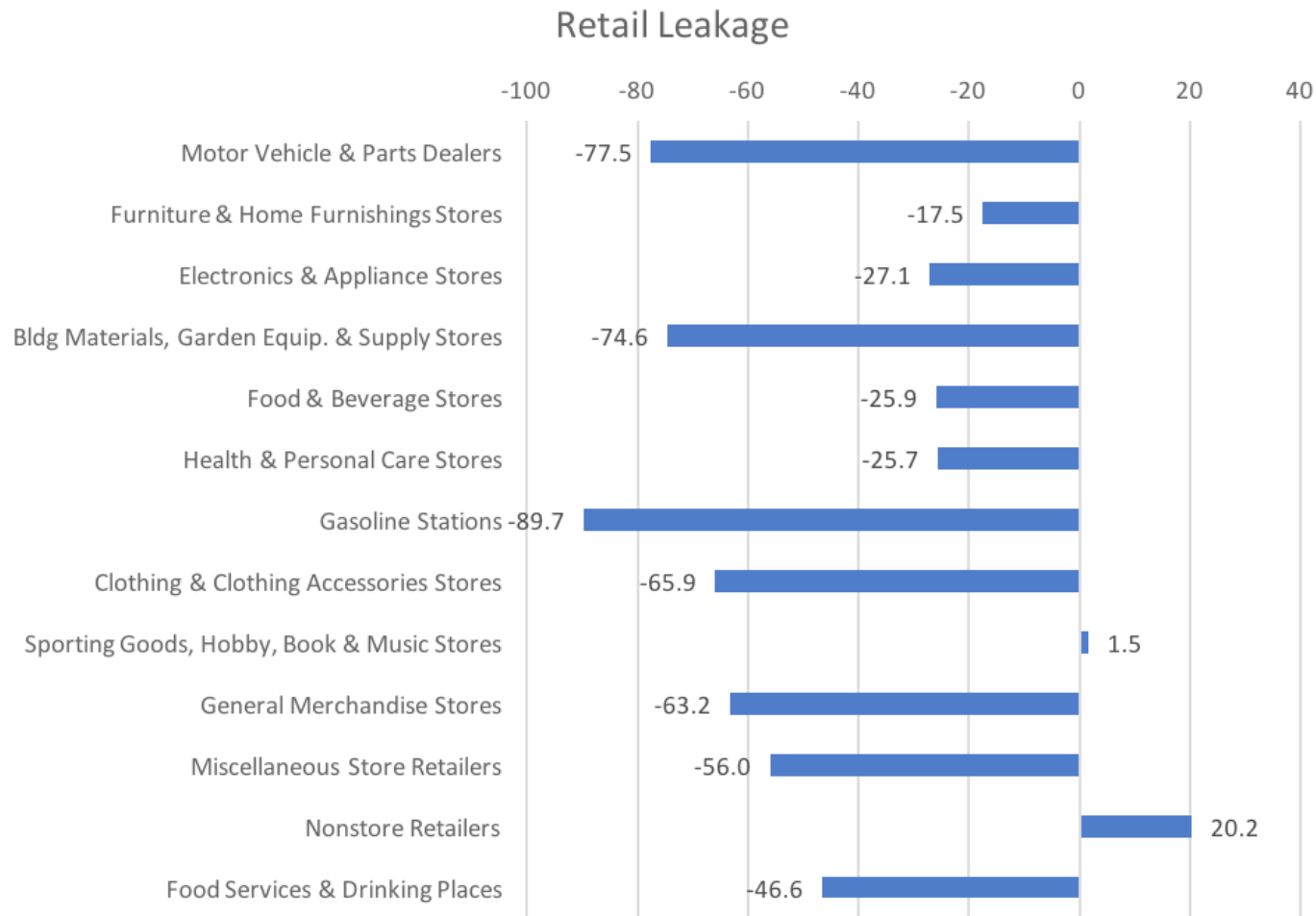
RETAIL GAP ANALYSIS

Retail Sales by Sector: The three largest retail sectors in Terrell by sales in 2017 are Motor Vehicle and Parts Dealers (\$265 Million), Gasoline Stations (\$169 Million), and General Merchandise Stores (\$117 Million).



Retail Leakage and Surplus: Retail leakage and surplus factors measure the difference between actual sales and potential sales. Potential sales are based on expected expenditures based on the demographics of residents. Leakage occurs when actual retail sales are lower than potential retail sales. Retail leakage indicates that residents are leaving the community for retail purchases. Surplus occurs when actual retail sales are greater than potential retail sales. Retail surplus indicates that non-residents are entering the community for retail purchases.

Terrell has the greatest retail surplus in gasoline stations, motor vehicle and parts dealers, building materials and garden equipment, clothing stores, and general merchandise stores. Retail leakage exists in sporting goods and non-store retailers.

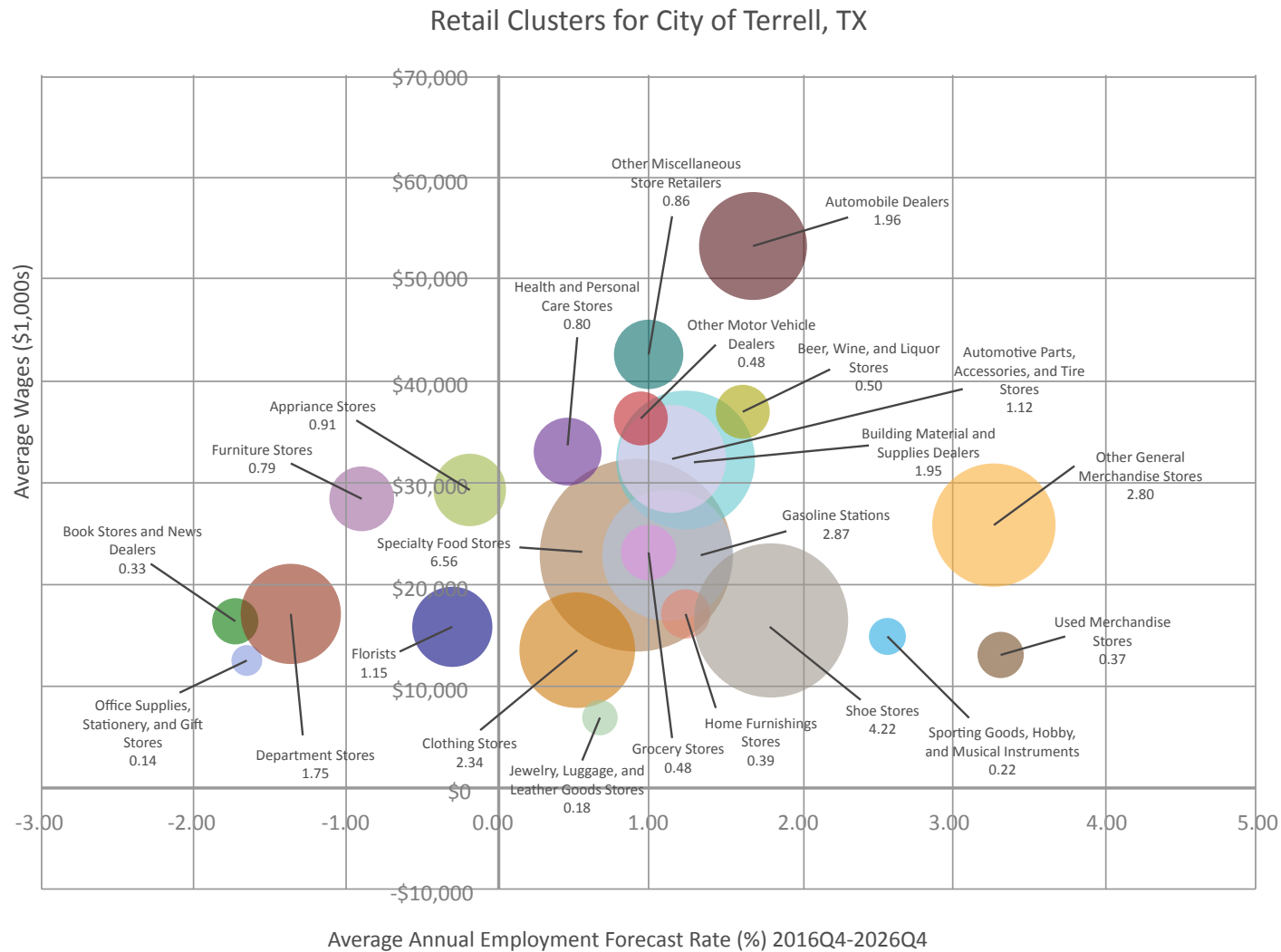


Potential Supportable Retail Square Footage By Retail Category
(Note: Residential-generated retail demand only takes into account the unmet retail demand by retail category)

Category	NAICS	Workforce	Commuter	Residential	Total
Auto Parts, Accessories & Tire Stores	4413	-	203	17,739	-
Furniture Stores	4421	-	-	27,178	-
Home Furnishings Stores	4422	-	-	17,891	4,098
Electronics & Appliance Stores	443	-	-	80,226	-
Bldg Material & Supplies Dealers	4441	-	-	79,613	-
Lawn & Garden Equip & Supply Stores	4442	-	-	5,815	-
Grocery Stores	4451	6,183	728	200,697	-
Specialty Food Stores	4452	-	-	39,642	-
Beer, Wine & Liquor Stores	4453	-	-	11,319	-
Health & Personal Care Stores	446,4461	11,930	-	78,181	-
Gasoline Stations	447,4471	5,000	2,543	2,653	-
Clothing Stores	4481	2,225	279	47,781	-
Shoe Stores	4482	3,059	512	17,229	-
Specialty Retail (i.e. Jewelry, Luggage & Leather Goods Stores)	4483	2,331	-	11,960	43
Sporting Goods/Hobby/Musical Instr Stores	4511	1,326	256	44,861	22,583
Book, Periodical & Music Stores	4512	-	256	5,955	5,085
Department Stores Excluding Leased Depts.	4521	3,977	-	194,264	-
Other General Merchandise Stores	4529	18,354	384	109,103	27,466
Florists	4531	-	256	2,525	-
Office Supplies, Stationery & Gift Stores	4532	4,487	256	12,796	8,237
Used Merchandise Stores	4533	-	512	19,706	6,861
Other Miscellaneous Store Retailers	4539	-	357	68,981	-
Full-Service Restaurants	7221	5,830	431	-	6,280
Limited-Service Eating Places	7222	7,852	610	-	-
Special Food Services	7223	-	-	-	-
Drinking Places - Alcoholic Beverages	7224	-	-	-	-
Total Demand (SF)		72,553	7,585	1,096,116	89,132

RETAIL CLUSTERS

The retail bubble chart shows the retail sector by Location Quotient (indicated by the size of the bubble), projected employment growth (horizontal axis), and average wages (vertical axis). The retail sectors projected to expand the most in Terrell include general merchandise, sporting goods, shoe stores, auto, beer wine and liquor, and lawn and garden. Terrell's most concentrated retail sectors include specialty food stores, shoe stores, lawn and garden, general merchandise, clothing, auto, and building materials.





Target Industry Selection

TARGET INDUSTRIES

Several industries are identified as potential targets for Terrell recruitment. The potential industries are identified due to the competitive assessment, community assets, and/or community priorities. The table shows the assessment of high potential target industries. Dark green indicates an industry with a strong competitive assessment in Terrell that ranks high in terms of both community priorities and existing community assets. Light green and yellow indicate a potential opportunity that may be strengthened through economic development efforts.

The industries with the strongest target fits, indicated by the dark green rating, include: Manufacturing, Retail, Health, Education, Financial Services, and Professional Services. No industries considered raised concerns, indicated by a red rating, in more than one category. The red ratings are for industries with declining employment rates nationally (e.g. Textile/Leather and Chemical) or not considered a community priority.

Industry Group	Competitive Assessment	Community Assets	Community Priorities	Target
Metal & Product Mfg.				
Wood/Paper				
Agricultural				
Textile/Leather				
Retail				
Chemical				
Auto/Auto-related				
Freight Tran.				
Consumer Svc.				
Health				
Education				
Machinery Mfg.				
Financial Svc.				
Utilities				
Public Admin.				
Electric/Electronics Manufacturing				
Coal/Oil/Power				
Food Manufacturing				
Media				
Pharmaceutical				
Professional Services				

TARGET RECOMMENDATIONS

Target industry clusters were identified based on the results of the target identification process. The target clusters are designed to serve as specific industries for economic development purposes. Specific sub-sectors were then identified within each target industry based on a similar process to identify overall target industries. Each sub-

sector identified is based on the competitive assessment, community assets, and community priorities. The recommended target industries include, but are not limited to the categories below:

Manufacturing

- Nonferrous Metal (except Aluminum) Production and Processing
- Architectural and Structural Metals Manufacturing
- Boiler, Tank, and Shipping Container Manufacturing
- Coating, Engraving, Heat Treating, and Allied Activities

Health

- Ambulatory Health Care Services
- Nursing and Residential Care Facilities
- Social Assistance

Retail

- Automobile Dealers
- Building Material and Supplies Dealers
- Grocery Stores
- Specialty Food Stores
- Clothing Stores
- Shoe Stores

Professional Services

- Computer Systems Design
- Management, Scientific, and Technical Consulting
- Employment Services
- Services to Building and Dwellings

Education

- Elementary and Secondary Schools
- Junior Colleges
- Fine Arts Schools
- Sports and Recreation Instruction
- Exam Preparation and Tutoring
- Educational Support Services

Financial Services

- Credit Intermediation
- Securities, Commodity Contracts, and other Financial Investments
- Insurance Carriers



Target sectors identified for Terrell are:

- Alumina and Aluminum Production and Processing
- Nonferrous Metal (except Aluminum) Production and Processing
- Architectural and Structural Metals Manufacturing
- Boiler, Tank, and Shipping Container Manufacturing
- Coating, Engraving, Heat Treating, and Allied Activities

Manufacturing

ABOUT THE INDUSTRY

According to the US Census, “the Manufacturing sector comprises establishments engaged in the mechanical, physical, or chemical transformation of materials, substances, or components into new products.” Establishments in the Manufacturing sector commonly make use of power-driven machines and materials-handling equipment. Manufacturing establishments make use of both in-house processed materials as well as materials processed by a third party.

The manufacturing industry is reliant on several key characteristics across all formats of manufacturing, including reliance on technology/ machinery, skilled workers, and research and development.

Advanced manufacturing is regarded as manufacturing that relies

heavily on innovative technology and typically requires fewer workers (higher-skill, higher-paid). Large portions of the manufacturing process in Advanced Manufacturing have been automated or prefabricated. Advanced Manufacturing is a rapidly growing sector of the Manufacturing industry, with roughly half of the job growth in the industry occurring in this sector. Advanced manufacturing in DFW made up over 138,000 jobs in 2015 (EMSI).

Manufacturing has been on the decline throughout the US over the last 15 years, losing nearly 30% of the total manufacturing workforce since 2002. The loss in manufacturing jobs is a result of technological innovation, increased efficiency, and importation of goods and services from cheap labor markets. The industry

plummeted to a low in 2009 due to the economic depression, but since 2010 has gradually rebounded in terms of employment. Improved economic conditions, a paradigm shift in the consumption of domestic vs. international goods, and increased construction are some of the factors contributing to the revitalization of manufacturing, particularly in Texas.

The Manufacturing sector employs 873,892 in Texas with an average wage of \$72,885. Fabricated Metal Product Manufacturing makes up the largest portion of the Manufacturing sector in Texas, with 120,400 employees earning an annual average wage of \$60,571. The second largest sector of the Manufacturing industry in Texas is Transportation Equipment Manufacturing with 93,945 employees who earn high average annual wages of \$87,210. The third most prevalent sector within Manufacturing in Texas is Computer and Electronic Product Manufacturing with 91,359 employees in the state, earning high average annual wages of \$121,669.

The manufacturing sector has above average annual wages of \$65,000 compared to \$53,000 annual wages across all industries in the US. Terrell has above average annual wages in Manufacturing compared to all industries in the City, with wages of \$51,256 and \$40,000, respectively.

Manufacturing sector jobs are not reliant on densely populated urban areas, but do thrive with access to these communities and major thoroughfares. Terrell is strategically located within 30 miles of downtown Dallas, which allows for access to the US in every cardinal direction via interstate highways. Manufacturing jobs typically require strong infrastructure and ease of access to major thoroughfares, which Terrell possesses. The City of Terrell has an availability of land and pro-business climate that makes for a competitive edge in recruiting manufacturing with regards to the region.

WHY TERRELL?

- Alumina and Aluminum Production and Processing is a sustainable and growing industry and qualifies for higher quality jobs such as automobile parts, aerospace, and construction components.
- Terrell has a strong labor base for Nonferrous Metal Production and Processing and can leverage this global growth segment of 5% or more.
- Architectural and Structural Metals Manufacturing is a \$47B industry fueled by construction. Terrell has a strong base of existing manufacturing and can evolve jobs into higher quality and develop a national brand for metal manufacturing.
- Boiler, Tank, and Shipping Container Manufacturing includes heat exchanges, nuclear boilers, and shipping containers. All these sectors are anticipated to see favorable growth due to market conditions. Terrell's labor base aligns with industry labor needs.
- Coating, Engraving, Heat Treating, and Allied Activities will create opportunities for unique and advanced applications resulting in quality employment and above average pay scales.

Top Terrell Selling Points:

- Growing segment
- Strong labor base with competitive labor costs
- Advanced potential



Retail

ABOUT THE INDUSTRY

The Retail Trade industry is made up of various companies engaging in retailing merchandise and providing services directly correlated to the sale of merchandise. In the distribution process, retailing is the final step- the step that puts goods in the hands of consumers. This industry is made up to two types of retailers: store and non-store. Store retailing in its basic form is like a Walmart, GameStop, and Best Buy. Whereas a non-store retailer, for example, uses selling methods such as infomercials, newspaper advertisements, door to door selling, etc.

Industry Growth Overview: Retail Trade is the second largest industry in Texas, employing nearly 1.4 million people and 16.6 million people nationwide. Wages within the retail industry are also

Target Subsectors for Retail Include:

- Food and Beverage Stores
- General Merchandise Stores
- Clothing and Clothing Accessories Stores
- Health and Personal Care Stores

on a steep rise. In Q1-2002, the average annual wage was \$23,217 and has risen over 34% to \$31,116 as of Q1-2017 thanks in part to growing retail sales of 3.8%. This strong growth can be attributed to low/ declining unemployment, record low retail vacancy and a strong housing market fueling consumer confidence to 15-year highs.

WHY TERRELL?

Despite the “Amazon effect”, retail trade in Terrell has experienced employment growth well beyond the nation and state average. From Q1-2012 to Q1-2017 Terrell saw a growth rate of 4.7%, Texas saw 2.4%, and the U.S. saw 1.4%. Because online retailers are focused on launching services such as same day shipping

and food delivery in major cities, it leaves cities like Terrell, near the city, but far enough away to not be included in the service areas, in a unique position to grow their brick and mortar retail. In addition, Amazon itself is shedding light on the value of retail. Many people are unaware of this, but Amazon is actively expanding into the brick and mortar market. Currently their presence is limited to bookstores, however they are said to have in the works furniture, appliance, and various other physical retail space. What many consumers are placing an emphasis on is 'customer experience'. Consumers want to touch and feel a product before they buy. It also allows Amazon to develop a relationship with their consumer, something you can't really create online.



Healthcare

ABOUT THE INDUSTRY

Industry Subsector Overview: The healthcare industry is one of the largest industries in the U.S., making up 17.4% of the nation's GDP and encompasses operations in pharmaceuticals, biotechnology, medical equipment, distribution, facilities, and insurance.

Industry Growth Overview: Despite all the changes that the healthcare industry has gone through over the recent past, it remains the fastest growing industry in terms of job growth. According to the U.S. Department of Labor's Bureau of Labor Statistics, healthcare is expected to have the fastest employment growth of any other industry, over 20% compared to 6.5%, between 2014 and 2024. In 2016, nearly one in every four jobs

Target Subsectors for Terrell Include:

- Hospitals
- Ambulatory Healthcare Services
- Social Assistance
- Nursing and Residential Care

created (471,000 new jobs), was created in healthcare - setting a record. Healthcare companies also dominated the IPO market in 2014. Of the 288 companies that went public, nearly 40% of those came from some variation of healthcare related services. This high level of growth is thanks to an aging baby boomer population, the increasing prevalence of chronic diseases, and new participants in the healthcare exchanges.

Nationally, healthcare employs nearly 12.5 million people, with more than 900,000 of those employed in Texas. In terms of total healthcare employment, Texas is only second to California. With the population in Texas expected to double by 2050, there is an increasing need for additional healthcare services across the entire

state, especially close to major cities such as Dallas.

In Terrell, existing healthcare related jobs have a weighted average salary of \$38,230, compared to the U.S. average of \$50,127. This, along with Terrell's positive healthcare growth, makes Terrell a good option for companies that are looking to cut costs.

WHY TERRELL?

When analyzing the competitive appeal of Terrell to various healthcare companies, it is important to take into account the entire region in which it is located. With Toyota, J.P. Morgan, State Farm, Liberty Mutual, and Facebook all moving major operations to the DFW area, healthcare service providers will need to rapidly expand operations within close proximity to the city as well as outward as the Dallas population moves outward, toward cities like Terrell. In addition, The Trinity Valley Community College (TVCC) and the City of Terrell have recently reached an agreement to acquire Terrell Hospital and invest \$8 million in improvements.

This acquisition and investment will bring programs such as registered nursing, license vocational nursing, emergency medical technology, and surgical technology education programs to Terrell by spring of 2019. Terrell ISD and TVCC are also partnering to bring dual credit programs to high schools to provide additional opportunities for those who want to enroll in TVCC's Associate Degree Nursing Program.

This, along with Baylor Health Center, make Terrell an appealing location for further healthcare development.

WHAT TERRELL ALREADY HAS?

- \$8 Million in new investments for Healthcare related education
- 30 Scholarships offered annually to Terrell High School Graduates for the next 10 years

- Home to a branch of Baylor Health Center- one of the most well-known healthcare providers in the area
- Large employment in the healthcare sector already (2,101 as of Q1 2017)
- Close proximity to Dallas (35 miles)
- Competitive current average salaries making Terrell a good option for companies looking to cut costs

**Target sectors identified for Terrell include:**

- Computer Systems Design
- Management, Scientific, and Technical Consulting
- Other Professional, Scientific, and Technical Services
- Employment Services
- Services to Buildings and Dwellings

Professional Services

ABOUT THE INDUSTRY

Industry Subsector Overview: The Professional services industry is one of the largest industries in the U.S., making up 17.4% of the nation's GDP, and Professional Services is a diverse industry including a wide range of occupations from architecture, information technology, and business and financial services. Professional Services are distinguished by establishments that specialize in performing professional, scientific, and technical activities for others. Many professional services require advanced degrees or professional licenses such as architects, auditors, doctors, and lawyers. Other professional services include providing business support and consultation to businesses in other sectors including accounting services and management advice.

Professional service firms can be characterized as two types: low capital intensity and high capital intensity. Low capital intensity firms are characterized with a high knowledge professional workforce such as legal, accounting, and management consultant firms. High capital intensity firms are characterized with a high-knowledge professional workforce. Professional services can be provided by small firms or large corporate organizations ranging in structure from sole proprietors, partnerships, or corporations.

Professional services pay high wages and have been expanding employment in recent decades. Nationwide, the professional services industry expanded employment by 15% since 2001.

Nationally, the average annual wage is near \$90,000 and increasingly impacts the ability of a region to generate high paying jobs.

The professional services sector employs 1.99 million in Texas with average wages of \$69,000. Statewide, accounting and bookkeeping services employ nearly 96,000 workers with average annual wages of \$65,000, and architectural and engineering services employee 152,000 workers with average annual wages of \$96,000.

Dense urban areas and industry concentration are increasingly insufficient to attract high wage professional services. Scientific, technology, and business service jobs can be done anywhere largely due to technological advancements. Recent trends suggest that high end services are shifting to lower-cost and lower-density regions. Additionally, other industries that rely on professional and business service providers add jobs in these lower-density markets. Employment in computer systems expanded by 29% annually in Terrell between 2012 and 2017, relative to a state increase of 8%. Business support services expanded by 2.1% annually in Terrell compared to 1.6% statewide over the same time period.

WHY TERRELL?

The competitive position of the City of Terrell is impacted by the overall North Texas region. Many professional service activities are located in neighboring communities north of Terrell in the DFW MSA. The regional cluster of businesses and skilled labor coupled with a small and affordable community make a strong impact on site selection decisions. Kaufman County has over 2,700 workers in professional services.

The largest employment sectors in Terrell include Professional, Scientific, and Technical Services (377 employees) and Administrative and Support Services (432 employees).

These professional service employment and establishments

in combination with regional labor markets reveal competitive strengths in numerous subsectors.

Target sectors include:

- Computer Systems Design
- Management, Scientific, and Technical Consulting
- Other Professional, Scientific, and Technical Services
- Employment Services
- Services to Buildings and Dwellings



Educational Services

ABOUT THE INDUSTRY

Education includes educational services, museums, historical sites, and religious and civic organizations. Educational services provide instruction and training in a wide range of subjects. This instruction is provided by establishments such as schools, colleges, universities, and training centers. The establishments may be publicly owned or privately owned and operated for profit or not for profit.

Educational service employment continues to expand, albeit at slow rate. The overall educational services cluster saw average annual employment increase by 0.6% over the last five years. The state of Texas experienced an annual 1.3% increase in educational services employment.

Target sectors identified for Terrell include:

- Elementary and Secondary Schools
- Junior Colleges
- Fine Arts Schools
- Sports and Recreation
- Exam Preparation and Tutoring Services
- Educational Support Services

As businesses continue to relocate and expand into North Texas, population growth will continue to drive demand for educational services to ensure a well-trained labor force is able to meet industry needs. Terrell is projected to experience positive employment growth of 0.9% per year in educational services over the next five years. However, growth could exceed projections if the City implements economic development targets.

WHY TERRELL?

Education is one of Terrell's strongest industry clusters. There are over 1,500 employees working the cluster. Terrell has an education location quotient of 1.09. There are nearly 4,000 workers in this

industry county-wide, and a location quotient of 1.32. The education industry in Terrell grew through the recession at an average annual rate of 1.7%.

Highly concentrated sectors in Terrell include elementary and secondary schools (1.8), junior colleges (1.79), and museums and historical sites (1.77). Similarly, Kaufman county has a location quotient of 2.01 in elementary and secondary schools, and 1.51 in junior colleges. The City of Terrell is projected to expand by 1.2% over the next five years, nearly double the national projections of 0.6%.

TVCC is moving its health science programs including registered nursing, license vocational nursing, emergency medical technology, and surgical technology to Terrell Hospital in the spring of 2019. In addition, the potential for new health science programs are being evaluated. This will drive demand for both healthcare and education professionals. This demand will be fueled further by a partnership between TVCC and Terrell ISD to offer a dual credit health science program. Recent state legislative changes enable the possible approval of a Bachelor of Science degree in Nursing at the Terrell Health Science Center.

Economic development initiatives to recruit additional industry and employers to Terrell and Kaufman County will drive demand for additional education and workforce development programs.



Target sectors identified for Terrell are:

- Credit Intermediation and Related Activities
- Securities, Commodity Contracts, and Other Financial Investments and Related Activities
- Insurance Carriers and Related Activities
- Funds, Trusts, and Other Financial Vehicles
- Lessors of Nonfinancial Intangible Assets (except Copyrighted Works)
- Mortgage Servicing

Financial Services

ABOUT THE INDUSTRY

The Finance and Insurance sector is comprised of establishments that engage in financial transactions (including the creation, liquidation, or change in ownership of financial assets) and/or in facilitating financial transactions. The three primary activities identified by the US Census in this sector are:

1. Raising funds by taking deposits and/or issuing securities and, in the process, incurring liabilities
2. Pooling of risk by underwriting insurance and annuities
3. Providing specialized services facilitating or supporting financial intermediation, insurance, and employee benefit programs-

The Finance and Insurance sector makes extensive use of electronic means for facilitating tasks. Activities associated with Finance and

Insurance is more likely to have uniform production characteristics than are locations.

Across the US, Financial Services have seen a major peak and valley in terms of employment over the last 15 years. This trend has been driven by rapidly improving technology, automation of various processes across the industry, and major employment losses due to the economic depression (primarily 2008-2009). Since 2011, Financial Services have seen a steady increase, driven by an improved housing market, automobile production, energy, and electronics.

Financial Services are responsible for the employment of over

6.1 million people nationally. Credit Intermediation and Related Activities makes up the majority of the Financial Services industry with 2.6 million employees nationally. The State of Texas has over 540,000 financial services employees, Kaufman County has 770, and the City of Terrell has 403.

Existing Financial Services jobs in the City of Terrell have an average annual salary of \$58,985, higher than the average salary for all industries of \$40,000. (JobsEQ)

As Financial Services employment steadily increased over the last ten years throughout the nation and City of Terrell, at an annual rate of 1.5% and 1.2%, respectively. The national average over the last ten years is much milder, at an average annual change in employment of 0.5% (JobsEQ)

Financial Services are highly regarded by communities because of their significant regional impact. These professions are significant because they tend to pay above average salaries. Employment in the Financial Services sector is predicted to grow at twice the rate of the US in Terrell over the next five years, at a rate of 1.2% and 0.6%, respectively. (JobsEQ)

WHY TERRELL?

Terrell's strategic positioning within one of the fastest growing metro-areas in the United States is vital to understanding the City's competitiveness. The Dallas/Fort Worth Metropolitan Area (DFW MSA) is home to over 210,000 Financial Services jobs, while 770 of those jobs reside in Kaufman County. Regionally, DFW is one of the strongest markets in terms of businesses, talent, and infrastructure. Terrell has a Financial Services location quotient (LQ) of 0.75.

Terrell has a strong employment base in Credit Intermediation and Related with 325 employees. Insurance Carriers and Related

Activities follow in employment with 57 employees, as well as Securities, Commodity Contracts, and Other Financial Investments and Related Activities with 20 employees.

Target sectors include:

- Credit Intermediation and Related Activities
- Securities, Commodity Contracts, and Other Financial Investments and Related Activities
- Insurance Carriers and Related Activities
- Funds, Trusts, and Other Financial Vehicles
- Lessors of Nonfinancial Intangible Assets (except Copyrighted Works)

Top Terrell Selling Points:

- Terrell is home to a large local bank
- Base of finance skills could be applied to diversify financial oriented jobs
- Growth in region will require additional financial needs
- Finance oriented jobs are generally higher paying

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Strategic Recommendations

Strategic Recommendations

To become a progressive and unique community with high quality opportunities in business, education, housing, and recreation will take a focused effort. To accomplish this vision, this plan outlines goals, strategies, and activities

Achieving the Terrell economic development vision will require alignment and cooperation from the City, EDC, Chamber of Commerce, ISD, other community partners, and the private sector. To ensure buy-in, this process included interviews from major stakeholders, the City, business leaders, major property owners, and other Terrell residents. In addition, this plan includes a thorough qualitative and quantitative analysis to develop strategies and actions for the short-term (0-3 years), mid-term (3-5 years) and long-term (5-10 years).

GOAL 1 – CHOICE BUSINESS ENVIRONMENT FOR EMPLOYMENT

Terrell is known for its high-quality jobs and leading edge companies. The business environment is supportive of companies of all scale and is a place where businesses want to locate. Terrell is known for its first-class financial, retail, and healthcare facilities and innovative center of manufacturing and distribution.

GOAL 2 – TOP PLACE TO LIVE

Terrell is a desirable place to live. Its neighborhoods are charming and first class and can accommodate a range of incomes and housing types.

GOAL 3 - TALENT

Terrell is a leader in training and education to ensure its people are prepared with leading-edge skills for tomorrow. Terrell has top-ranked students and has access to technical training, advanced education, and local research programs to maintain an ethos of innovation.

GOAL 4 – QUALITY OF LIFE

Terrell is a vibrant community with great places to live, work, and enjoy cultural amenities and entertainment. It has great trails, parks, and open spaces that connect people to places.

GOAL 5 – INFRASTRUCTURE

Terrell is a city with well-maintained infrastructure. It benefits from years of quality maintenance and investment and is prepared for quality growth.

GOAL 1 – CHOICE BUSINESS ENVIRONMENT FOR EMPLOYMENT

Terrell is known for its high-quality jobs and leading-edge companies. The business environment is supportive of companies of all scale and is a place where businesses want to locate. Terrell is known for its first class financial, retail, and healthcare facilities and innovative center of manufacturing and distribution.

1.1 Organize targeted industry task force to support recruitment efforts

- Develop an internal outreach team that is the “champion of Terrell”
 - The task force should be well versed in “why Terrell” regardless of the industry
 - The task force should be knowledgeable of available sites and be able to link locational and operational needs to available sites
 - For each targeted industry, create an individual task force leader who will be a liaison between existing or prospective companies within that industry to provide greater awareness of industry needs and be a voice to the workforce on available opportunities and education system regarding needed skills to support the industry

1.2 Expand targeted outreach

- Use the content developed in the marketing section to promote Terrell to corporate leaders and major office users, industrial targets, prospective retailers, and other representatives of prospective users that align with Terrell
- Develop list of site selectors that specialize in target sectors and host a FAM tour for brokers and consultants
 - Focus tours on business opportunities, catalyst sites identified in the comprehensive plan, and other emerging opportunities
- Maintain a pitch book that articulates Terrell’s value-proposition against peer communities and outline the sustainable points of

difference between Terrell and other communities

- Promote Terrell’s assets, including airport, transportation facilities, regional location and other assets

1.3 Target strategic recruitment business expansion that supports higher quality employers and wages

- Focus business attraction and marketing efforts on the identified six targeted industries that represent the best opportunities for new investment and employment growth:
 - Advanced Manufacturing - paper, metal, industrial machinery, industrial design
 - Health care - medical specialties, medical training, sports medicine, health software, and IT
 - Financial Services - mortgage companies, financial services, credit unions, and insurance
 - Regional Retail - Destination and regional retail that aligns with existing gaps and complements existing retailers
 - Logistics and Distribution - truck transportation, logistics consulting
 - Educational Services - elementary and secondary schools, junior colleges, fine arts schools, sports and recreation exam preparation and tutoring services, educational support services
- Commit to promote greater healthcare operations in Terrell, understanding it has significant impact on quality of life, workforce quality, housing, and education
- Assemble healthcare leadership team tasked with developing a vision and goals for Terrell’s healthcare community
- Enlist experienced local and regional healthcare professionals, government officials, and applicable citizens to serve on the leadership team
- Develop a board structure and prioritize organizational goals
- Recruit healthcare providers to develop in Terrell
- Identify sites suitable for healthcare development
- Explore potential funding and incentive sources available

- With EDC direction, create marketing narrative detailing existing healthcare operations, workforce support, and desired healthcare operations
- Develop a comprehensive list of potential providers, work with local brokers and developers to promote potential healthcare sites

1.5 Leverage memberships in regional organizations focused on industry attraction.

- Explore membership and sponsorship of various targeted organizations to promote Terrell. (i.e. NTCAR, ICSC, ULI, NAIOP, TDA, TML, TEDC)
- Continue involvement in Team Texas
 - Explore hosting local Team Texas members to Terrell to promote Terrell as a key place to live and do business

1.6 Enhance Terrell's image as a destination for new businesses and investment through focused marketing initiatives.

- Work with the Chamber to establish a visual presence to the small business community through advertising, web/social media, outreach events (small business workshop). SEE MARKETING SECTION

1.7 Foster entrepreneur environment by supporting small business thru retention and recruitment efforts

- Create a small business promotion initiative with Chamber
- Recruit capital funding organizations and create a public database of available resources
- Aid existing and potential small business operators in establishing relationships with sources of funding
- Continually work with local brokers and developers to understand availability of commercial space and potential landlord incentives offered that could appeal to smaller businesses
- Work with the city to identify code violations among business parks and strategic commercial properties
- Leverage existing relationships with small to business owners

with emphasis on targeted segments.

- Create opportunities (forum, workshop, quarterly meeting) to receive feedback from existing businesses on growth strategies and tactics
- Share retail leakage opportunities with business leaders
- Share retail real estate opportunities with business leaders

1.8 Explore creating a land-banking fund for underutilized parcels that could be used for future Type A activities.

- Creating a land-banking fund would provide available inventory for corporate growth.
 - Could mitigate underutilized areas and catalyze new development and mitigate blight



GOAL 2 – TOP PLACE TO LIVE

Terrell is a desirable place to live. Its neighborhoods are charming and first class and can accommodate a range of incomes and housing types.

From a fundamental standpoint, Terrell has a strong base of infrastructure to serve its community. From a business standpoint, Terrell has strategic location on Highway 80 and Interstate 20, rail access, wastewater and water infrastructure, two-major industrial parks, airport and regional positioning between East Texas and Dallas/Fort Worth. However, the downtown and major corridors are not attractive and the city has very few signature gateways that are notable. One of the greatest priorities expressed in the interviews are an increased quality of life; both to attract better quality employers and offer residents a better environment. Addressing quality of life issues will make the city more competitive and help achieve its goals of becoming a first class city.

2.1 Improve corridors

- Work with the city to improve the aesthetics of city corridors and gateways by leveraging corporate sponsorship program

2.2 Upgrade business parks

- Conduct assessment to identify and prioritize opportunities to upgrade/update existing business parks.

2.3 Implement Catalyst areas

- Explore expansion areas for commercial/industrial development
- Work with brokers, owners, and developers to thoroughly vet any viable business/industrial sites within Terrell
- Work with ownership of potential sites to conduct due diligence and assess economic requirements
- Maximize the use for remaining and future commercial square footage

- Place restrictions or create a prohibitive environment for undesired industries or business function to obtain lease space
- Work with local brokerage community, advertising new and existing sites, recruiting throughout desired industries
- Retain existing commercial tenants, attract desired tenants to existing and future inventory
- Adopt additional property and landscape ordinances to promote a professional business park
- Enforce new ordinances

2.4 Support housing growth by promoting existing and future available neighborhoods

- Promote investment in quality housing
 - Engage community leaders, discussing the current and desired housing needs of Terrell
 - Provide developers with resources documenting the success of the TISD, retail recruitment, community investment projects
 - Maintain a marketing campaign for developers (host luncheons, offer event sponsorship on homeowner financing)
 - Develop an inventory of available building sites and use to promote to local builders
- Attract new home owners
 - Use website landing page to educate potential home owners on the economic advantages of home ownership and the purchase process, host events, invite local lenders and developers to speak on residential oriented topics
 - Help the City work with state and federal programs to determine any assistance new Terrell developers and homeowners could secure
 - Maintain a public database of financing resources
 - Explore additional incentives available (deferred loans, housing tax credits) for developers to pass through to homeowners
 - Work with the City to fund developers to incentivize

interconnected community gathering spaces (parks, trails, play equipment) among new residential developments and commercial developments to increase connectivity and enhance values for neighborhoods.

- Upgrade and preserve existing housing inventory
 - Sponsor a housing study that outlines the housing gap and opportunities for in-fill and new development and also includes operational review of city resources impacting neighborhoods, code, crime, and inventory of issues that may impact the quality and integrity of Terrell neighborhoods.
 -

GOAL 3 - TALENT

Terrell is a leader in training and education to ensure its people are prepared with leading-edge skills for tomorrow. Terrell has top ranked students and has access to technical training, advanced education, and local research programs to maintain an ethos of innovation.

3.1 Support ISD to develop the skills they need to build careers in the local economy

- Increase employer participation in ISD to improve performance
 - Create a program to offer students workforce experience and promote internship programs with local employers
 - Identify businesses that could benefit from interns or trainees
- Enhance Terrell ISD's reputation in the region
 - Increase positive communication on new programs, performance, and successes
 - Use social media, articles, and press releases to promote the ISD in a positive light
 - Encourage the students, teachers, and parents to promote the ISD in conversations, social media, and within their families
 - Educate citizens on the importance of the ISD's success in economic development and the future of the student's success
 - Develop a campaign that profiles accomplished former students on the role Terrell ISD played in their success

3.2 Develop Terrell as an economic center driven by college and above high school level jobs with emphasis on health and science

- Become a champion for higher education facilities
 - Create a committee to evaluate higher education needs, develop a framework for the program, and develop a strategic plan to launch a strategy

- Align the program around health or other targeted industry
- Create annual funding to support implementation and ongoing development
- Coordinate economic development and higher education by underwriting success factors in education quality
- Market Terrell to higher education opportunities
 - Develop a pitch book of the need and value of higher education facilities in Terrell. Outline how higher education will leverage existing efforts in nursing and ISD STEM programs to foster higher quality jobs in Terrell
 - Develop a pipeline of targets and strategy to meet with key individuals who can advance higher education in Terrell
 - Explore partnerships with other four year and/or advanced degree colleges that could provide graduate and above degrees from an existing college

3.3 Create a credentialing program to document existing skill sets to offset scarcity of skilled labor

- Document welding skills, special certifications, personal skills, social skills, and other specialized skills
- Explore participating in national credentialing programs to document local jobs that need technical skills

3.4 Partner with community-based organizations to link local job seekers to training and job opportunities.

- Promote targeted industries and career opportunities
 - Develop a career web portal, document the descriptions, salaries, and educational requirements for career paths among targeted industries that could enhance awareness to students (and other viewers)

3.5 Enhance workforce opportunities and education

- Audit the current state of workforce assistance offered by the city of Terrell
 - In conjunction with the current Texas Workforce

Commissions strategic plan, ensure all federal and state applicable workforce programs are being efficiently utilized and Terrell is receiving all potential funding and resources made available

- Implement any favorable programs or funding discovered during internal audit
- Promote skilled labor opportunities
 - Create a workforce initiative within the Terrell EDC to promote active skilled laborer opportunities in the community
 - Work with local and regional organizations to better understand their current and future employment needs
 - Create website for skilled labor where opportunities and resumes can be posted. Help facilitate introductions for job seekers in the community
 - Continue to promote and monitor recruitment efforts within the commercial and retail sectors
- Leverage the existing medical community
 - Engage leadership in the medical community to have greater interaction with the Terrell ISD
 - Provide students with a greater understanding of medical career opportunities through career web portal and professional interaction
- Develop a mentorship program, job shadowing, student forum Q&A with medical professionals and TISD
- Continue to promote the availability of dual credit medical educational opportunities within the TVCC and TISD
- Provide comprehensive support to students seeking financial assistance/scholarship with college tuition
- Leverage the existing business community
 - Engage community business leaders to interact with the Terrell ISD
 - Encourage business leaders to invest in Terrell ISD students, providing skilled training
 - Promote a mentor/leadership program for Terrell ISD and

business leaders

3.6 Promote job training and college credit opportunity

- Continue dual credit courses between TVCC and TISD
- Work with local businesses to explore new opportunities for skilled labor job training
- Enroll local businesspeople and create a volunteer mentorship program

GOAL 4 – QUALITY OF LIFE

Terrell is a vibrant community with great places to live, work, and enjoy cultural amenities and entertainment. It has great trails, parks, and open spaces that connect people to places.

4.1 Support youth recreation

- Support a study to determine the feasibility for youth recreation. Explore facilities that can promote Terrell as a regional youth recreation hub
- Support funding of recreation facilities
- Work with Chamber of Commerce and local hoteliers to promote Terrell as a choice destination for regional recreational events

4.2 Promote events, destinations, and market Terrell as a choice place to live and work

4.3 Upgrade downtown

- Create a volunteer committee to work with governing authorities to promote and beautify downtown Terrell
- Explore participating in supporting the reconstruction of key infrastructure including Moore Avenue and other critical downtown improvements
- Explore creating a Downtown District
 - The district would support local and regional businesses the opportunity to sponsor downtown community events (5k, small concert, fall festival)
 - The city and EDC would create and enforce development and tenant guidelines specially for the Downtown
 - The District would maintain a list of existing businesses, owners, available properties, redevelopment sites, and other areas for investment
 - The District would act as a liaison to the downtown operators and review and sponsor applications for grants and special funding for qualified projects in the District
 - The District would be responsible to monitor and measure

effectiveness of grants and make recommendation to the city and EDC for modifications to policies

- The District would inform CIP spending and also coordinate merchandising and extend hours of operation with a focus on the Catalyst Areas outlined in the 2017 Comprehensive Plan
- Support programming that can enhance traffic in downtown and enhance existing businesses
- Identify potential funding sources for CIPs, e.g., TIRZ bonds, general obligation bonds, and Chapter 380 authority for public-private partnerships
 - Evaluate the benefits of creating a TIRZ for downtown Terrell and support for ISD and County participation
 - Explore 380 agreement as “artificial TIRZ for downtown improvements
- Become a champion for downtown Terrell
 - Prepare marketing materials for downtown to integrate on website and marketing materials
 - Support downtown in becoming a Texas Main Street City and participate in Main Street activities
 - Support heritage tourism for downtown Terrell to expand visitor thru put
 - Identify location for additional downtown corporate site and explore acquisition and development of infrastructure and target companies (financial, medical, call center, regional company)

4.4 Continue developing Terrell as a regional retail destination

- Promote Terrell at retail oriented events
 - Create/update existing marketing material for distribution
 - Work with local brokers and businesses to promote opportunities within Terrell
 - Attend regional and national tradeshow (ICSC, Retail Live, NRF)
- Maintain comprehensive retail strategy

- Develop a database of existing and planned retail development in the region, create compelling narrative and strategy to secure tenants when exploring regional options
 - Pursue anchor/strategic retailers with the ability to create retail synergy and development
 - Determine internal incentives available for specific retailers
 - Work closely with developers and brokers to develop a strategy in marketing sites and incentives to specific retailers
- Address retail leakage to competing cities, explore retail growth opportunities in Terrell
 - Target best-fit tenants that align with locational and operational factors of Terrell and promote retail goals
 - Promote strong recruitment efforts within these sectors, appeal to the statistical fact these services/products are needed in Terrell
 - Examine retail surplus sectors and where appropriate, enact potential deterrents from continued expansion
 - Target existing area retailers that could benefit from potential relocation in Terrell
- Research strategy of area retailers to present alternatives to existing locations (i.e. Terrell can potentially offer competitive rental rates, higher quality construction, newer prototype, reduced square footage)

GOAL 5 – INFRASTRUCTURE

Terrell is a city with well-maintained infrastructure. It benefits from years of quality maintenance and investment and is prepared for quality growth.

Terrell's location is a competitive advantage. Terrell has frontage on Highway 80 and Interstate 20 and the planned Outer Loop and other regional improvements will continue to reinforce Terrell as a choice place. This will continue to create growth opportunities but will also require additional infrastructure and services.

5.1 Plan for and support utility maintenance and expansion

- Coordinate with city officials and businesses to maintain annual CIP program to ensure utilities are first-class and adequate for available business needs
- Participate in annual planning to discuss how the city and EDC can leverage public spending; including existing TIF's to maximize existing programs

5.2 Coordinate regional transportation strategy

- Ensure future rail and transportation improvements align with Terrell's land use and economic development strategy
 - Work with NTCOG and the MPO to plan future rail and interstate improvements
 - Explore funding options for the downtown bypass
 - Leverage future thoroughfares and roadway improvements for economic development opportunities
- Create a task force to develop an assessment
- Develop a strategy and action plan for any gaps in critical infrastructure

5.3 Develop plan for improvement and expansion of business parks

- Maintain existing business parks and make sure existing inventory is pad ready
 - Identify needed improvements to business parks and work

- with the city in improving any deficient public improvements
- Utilize TIF or other funding to address costs
- Expand business parks
 - Identify and secure location for future business park
 - Support due diligence and create virtual business park
- Outline costs of infrastructure
- Identify funding for future acquisition
- Include future park in existing marketing materials
- Integrate future infrastructure needs in CIP strategy

GOAL 6 – MARKETING

The consultant team conducted a full audit of TEDC's electronic marketing initiatives and provided a detailed review, which is shown as Appendix A of this document. The review focused on Active Marketing – creating a marketing plan focused on targeted industries and individuals in targeted demographic categories. Items in an active marketing plan include:

- **Trade Shows (external marketing)**
- TEDC attends targeted industry trade shows to generate prospect leads. In order to provide a good return on the investment of attending these, Terrell will need to target those industries identified in this study and have collateral material of both print and electronic media designed for those specific industries.
- TEDC annually attends the International Council of Shopping Centers Texas trade show and has a strong booth presence.
- The North Texas Commercial Association of Realtors has an annual trade show where many regional EDC's display.
- Business Recruitment Trips & Face-to-Face Meetings (external)
- Several cities have had success with hiring a consultant that charges for setting up target-industry appointments in other states (California has been particularly lucrative for some Texas cities). The most successful cities doing this have attracted new companies because of their availability and low price of land and/or buildings.
- Business recruitment trips are often done with regional partners, such as the Dallas Chamber.
- Networking with developers and brokers is an important piece of the Active Marketing plan. A regular schedule of attending events and personal meetings is necessary.
- **Familiarization (FAM) Tours (external)**
- Terrell's close proximity to Dallas would provide an opportunity to invite key site selectors and commercial brokers to a FAM tour of the city that highlights available land, buildings and reasons to

locate in Terrell. These tours often revolve around an event such as a skeet shoot, golf, or a nice dinner.

- **Social Media (internal & external)**
- Facebook: Update the Facebook profile and post regularly with a purpose. Have a budget line item for social media advertising and pay to "boost" the posts to specific target demographic groups.
- LinkedIn: Create a TEDC page and regularly post. In addition, staff should each have an updated LinkedIn page.
- **Video (internal & external)**
- Edit the current promotional video to reduce length from ten minutes down to less than three.
- Create a YouTube channel for TEDC and post videos to it.
- Consider creating other short videos highlighting industry segments and TEDC good news.
- **Website (internal & external)**
- Several suggestions were made to make the TEDC website more functional and navigable.
- Use search engine optimization to move the TEDC website up in searches.



Appendix: Marketing Review

Website Review

SOCIAL MEDIA:

The purpose of social media is to get in front of your target audience with easily digestible, consistent, and frequent snippets of content. If your target audience is predominately using snapchat throughout their day, then we would suggest pushing content to your target audience using the snapchat platform. However, if your target audience is using another social media outlet like LinkedIn or Facebook, then we suggest those platforms for distributing your social content.

In November 2016 the Pew Research Center published their annual Social Media Update. In this update they concluded “a national survey of 1,520 adults conducted March 7-April 4, 2016, finds that Facebook continues to be America’s most popular social networking platform by a substantial margin: Nearly eight-in-ten online Americans (79%) now use Facebook, more than double the share that uses Twitter (24%), Pinterest (31%), Instagram (32%) or LinkedIn (29%).

On a total population basis (accounting for Americans who do not use the internet at all), that means that 68% of all U.S. adults are Facebook users, while 28% use Instagram, 26% use Pinterest, 25% use LinkedIn, and 21% use Twitter.”

What do these statistics mean for Terrell EDC? In order to answer that question we must dig deeper into the specific demographic makeup of these social platforms. In conversations and meetings with staff and local community leaders it was determined that the Terrell EDC had two primary target audiences, Job Creators and Job Seekers.

Job Creators are traditionally represented by older C-Level

Social Media Statistics

1. 79% of internet users (68% of all U.S. adults) use Facebook
2. “Roughly eight-in-ten online Americans (79%) now use Facebook, a 7-percentage-point increase from a survey conducted at a similar point in 2015
3. Young adults continue to report using Facebook at high rates, but older adults are joining in increasing numbers
4. Some 62% of online adults ages 65 and older now use Facebook, a 14-point increase from the 48% who reported doing so in 2015
5. In addition, women continue to use Facebook at somewhat higher rates than men: 83% of female internet users and 75% of male internet users are Facebook

executives who either own or manage companies and produce a service or product. Although not absolute, these positions are generally held by older men and women (50 and above) who have completed college educations and generally have an income above \$75,000 per year. Of course this demographic makeup does exclude the younger entrepreneurial demographic, and Terrell EDC should not exclude the younger entrepreneurial demographic in their social media content. However for the purposes of this strategic plan we must focus on the larger targets in order to “get in the social media game”.

With that being said, let’s take a look at our Job Creator target audience and see where they spend their time on social media.

INSTAGRAM

32% of internet users (28% of all U.S. adults) use Instagram. “Around one-third of online adults (32%) report using Instagram – roughly the same share as in 2015, when 27% of online adults did so. To a greater extent than the other social platforms measured in this survey, Instagram use is especially high among younger adults. Roughly six-in-ten online adults ages 18-29 (59%) use Instagram, nearly double the share among 30- to 49-year-olds (33%) and more than seven times the share among those 65 and older (8%). And as was the case in previous Pew Research Center surveys of social media use, female internet users are more likely to use Instagram than men (38% vs. 26%).”

TWITTER

24% of internet users (21% of all U.S. adults) use Twitter. “Roughly one-quarter of online adults (24%) use Twitter, a proportion that is statistically unchanged from a survey conducted in 2015 (23%).”

Younger Americans are more likely than older Americans to be on Twitter. Some 36% of online adults ages 18-29 are on the social network, more than triple the share among online adults ages 65 and older (just 10% of whom are Twitter users). Twitter is also somewhat more popular among the highly educated: 29% of internet users with college degrees use Twitter, compared with 20% of those with high school degrees or less.”

LINKEDIN

29% of internet users (25% of all U.S. adults) use LinkedIn. “The share of online adults who use LinkedIn has remained steady over the past year: 29% report using the site, similar to the 25% who said this in 2015. LinkedIn has long been especially popular with college graduates and high income earners, and this trend continues to hold true. Half (50%) of online adults with college

degrees are on LinkedIn, compared with 27% of those who have attended but not graduated from college and just 12% of those with high school degrees or less. Similarly, 45% of online adults with an annual household income of \$75,000 or more use LinkedIn, compared with just 21% of those living in households with an annual income of less than \$30,000. And 35% of online adults who are employed use LinkedIn, compared with 17% of those who are not employed for pay.”

And lastly, also from the Pew Research Center 2016 Update, “76% of Americans who use Facebook now report that they visit the site on a daily basis, up from 70% in 2015.”

Based on these statistics listed above, in order to get content about Terrell in front of our Job Creator target audience it is clear that the two most important social media platforms are Facebook and LinkedIn. Even though LinkedIn is weaker in the 50+ age category, its statistics also reveal an opportunity for recent college graduates with entrepreneurial opportunities in their future.

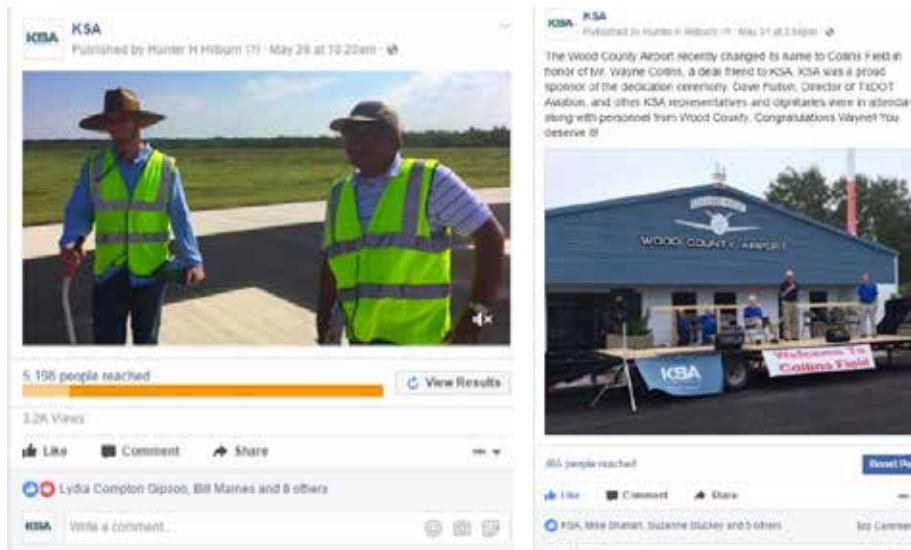
How does Terrell EDC use these social media platforms to their greatest advantage?

It is a common misconception that if I have 515 people who have “liked” my Facebook presence or follow my Facebook posts, then that is the extent of my social media reach. Many organizations fixate on their number of likes or followers as an indication of their reach when using social media. And if, as an organization, you are only periodically posting content to your Facebook wall and not promoting your posts, then you may actually be only reaching those that have “liked” your page.

However, with both Facebook and LinkedIn there are opportunities for expanding your reach beyond the number of followers you have associated with your account. Both of these platforms allow you to boost or pay for ads based on very specific criteria. These ads

can be targeted specifically to reach your target audience. For example, if we want to boost a post and get that post in front of men between the ages of 50 to 65, with interests in logistics or food supply, in the U.S., Texas, or any geographic unit, Facebook would allow us to do that. Focusing on your audience will allow you to spend your social media dollars only on those individuals in your target audience.

The following two images show the difference between spending \$30 to boost a Facebook post and simply posting content on your Facebook wall.



In looking at the two examples you can easily see the difference in “reach” these two posts had. The one on the right, for Wood County, was seen by about 460 people. The KSA Facebook page currently has 650 followers, meaning that this simple post wasn’t even seen by everyone who has expressed interest in KSA by liking

our Facebook page. On the other hand, the post on the left was boosted with a budget of \$30 to be spent over a six day period. Furthermore, this post was focused on specific demographic criteria, meaning that the post was only visible to people that fit into these categories or had interest in these topics. As you can see this post reached over 5,100 people and the video being promoted was seen by 3,200 viewers.

Facebook uses the defined criteria (which can be different for each post) to identify people, whether they have liked my KSA Facebook page or not, to reveal or display my advertisement (or boosted post) as they are looking at Facebook. Doing this allows me to only spend social media marketing dollars on very specific targeted individuals that I want to see this message. Moving forward, Terrell EDC must begin to focus their social media dollars either by creating ads or by boosting Facebook and LinkedIn posts.

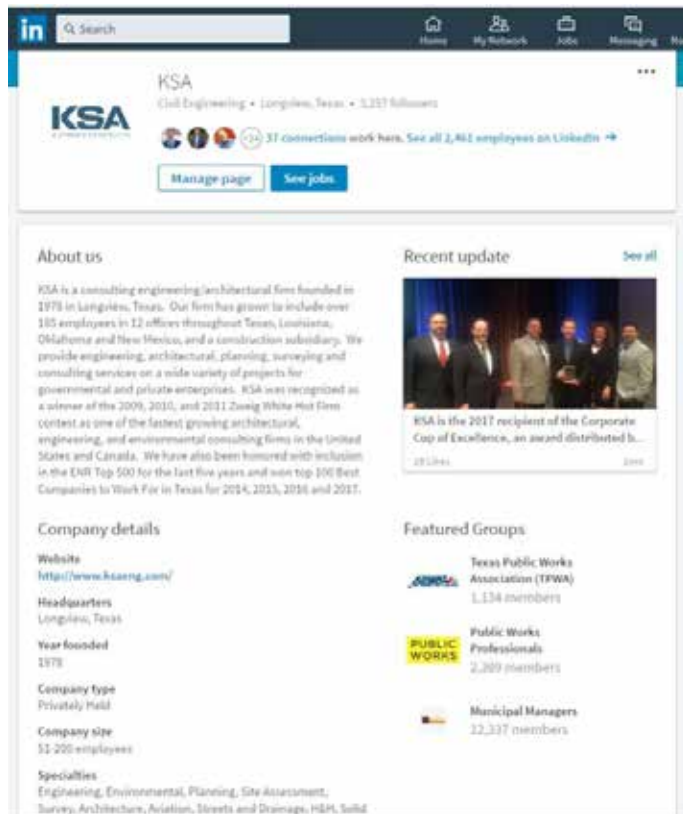
Terrell EDC should use a combination of advertisements and boosted posts to get the attention of their target audience. What is the difference between advertisements and boosted posts? Boosting a post sends a post from your Page’s wall to other people who may be interested in seeing it, based on your demographic targeting. Creating an ad is similar except that you send posts to people’s newsfeeds which would encourage them to “like” your page, go to your website, or interact with one of your posts exactly like a boosted post. Ads may be more general in nature and may create front-of-mind awareness, whereas boosted posts are more specific to occurrences in and around Terrell.

Social Media Content and Presence

It is critically important for Terrell EDC to have a presence in both Facebook and LinkedIn. Although Terrell EDC does have a Facebook page, the profile is incomplete. In order for Terrell EDC to be found effective by people interested in Terrell, the profile or “About” section of your Facebook page must be completed with

as much information about Terrell EDC as possible. This includes a brief description of who you are and all services you provide.

In looking at LinkedIn, we were unable to find a presence or page dedicated to the Terrell EDC. Just like Facebook, you must create a page in LinkedIn with as much detail as you can enter about Terrell, and the Terrell EDC. The following is an example of KSA's LinkedIn page, which gives a description of who KSA is, our company details, LinkedIn groups we are members of, and our latest, up to date posts.



In addition to having a presence on LinkedIn, it is critically important for individuals that work at Terrell EDC to have an individual profile page as well. When creating an individual profile page, please include as much business related information as possible, including past employment, education, and a description of your current role at Terrell EDC. When the LinkedIn page and individual profile pages have been created it is important to have them linked to your primary website. The suggested place to do this is the Staff page of the EDC website for individual profile pages and with icons in the header and footer of the website that link to the Terrell EDC profile page.

Once your profile and corporate pages are fully complete, the Terrell EDC should consistently and routinely post content on these pages. A common misconception about social media content is every single post must have some sort of relevancy to my target audience and must contain some marketing value. Although there is some truth to that, there is also room and an expectation for some social media content that is not deliberately thought out or planned in a marketing plan or may have a specific call to action. We recommend that your social media content have even distribution between deliberate marketing messages and random posts about things happening in and around the office or Terrell.

Social media content should be viewed as a timeline, both relevant and non-relevant things that happen in Terrell. These media platforms allow you to talk about and publish items of interest to the general public quickly, easily, and most importantly, frequently. In addition to thinking about your social media content as attention grabbing information, think of it as content that allows the public to get to know Terrell from multiple social venues, including the Terrell EDC website.

Creativity is key to social media posts. As something is happening around you, always take pictures. Then think about how you might

be able to post this to your social media sites. What you may think is routine and ordinary may be interesting and compelling to someone else. We would recommend a minimum of one to two posts per week, if not more.

Video Content

Today, video content is becoming crucially important to any marketing effort. Terrell EDC has invested in a promotional video that was extremely well produced and represents Terrell very well. However, there are a few minor issues with this video.

First and foremost, this video, at ten minutes in length, is entirely too long for its intended purpose. Promotional video content of this nature must be easily digestible and topical. In other words, the ten minutes used could be edited into five - two minute videos based on different areas of interest. A target audience would be more inclined to watch a two minute video on retail development around Buc-ee's than they would a full ten minute video about the history of Terrell and its industrial development opportunities. This video was produced to speak to anyone and everyone that had an interest in Terrell. Therefore, if I am a retail developer, I am expected to wade through the other video content to get the information that I want.

According to Forbes Magazine, in an article titled Video Marketing – The Future of Content Marketing as high as “59% of company decision makers would rather watch a video than read an article or blog post.” From that same article it was revealed that “According to HubSpot, 80% of customers remember a video they’ve watched in the last month. One of the biggest strengths of video marketing is that it’s highly visual and auditory, which means it’s easier for many users to remember than text-based content.”

Second, when viewing the video that was produced for Terrell EDC it was discovered that the video was placed on a YouTube channel under the name Ed Zahra and not the Terrell EDC. This is highly unusual and it is recommended that the video be moved to a

channel under the name Terrell, Texas EDC. There are already over 3.2k views of this video and, if we move it to a different account, we will lose all of those views. In researching Ed's YouTube channel it appears he has no other videos on that channel. Therefore, if Ed is willing, we highly recommend simply changing the account information from Ed to the Terrell, Texas EDC, essentially creating a YouTube channel for Terrell EDC from this existing channel. In doing so you will not be starting from scratch with views of your video. In addition, as other videos are produced, they can be added to this channel.

Terrell, Texas EDC Website:

The following is a review of the functionality of the Terrell, EDC website, and specifically issues that should be addressed to the website provider.

Home Page

The home page of the website is clean, well designed, attractive, and represents the Terrell brand very well.

In the header and footer, there are two icons that link to the Terrell EDC Facebook page and supposedly the Terrell EDC YouTube channel. As previously mentioned the YouTube channel is currently owned or managed by Ed Zahra. This must be changed from Ed to Terrell EDC for future use of video content. Additionally, once a LinkedIn business profile page is established, there should be an icon added to the header and footer linking to the LinkedIn page.

When using either Microsoft internet browsers Internet Explorer or Edge, the social media icons in the header and footer of the website are not rendering properly as images and they are being replaced with text as shown below. This should be an easy fix for the website provider.

In the main and footer navigation, when clicking on the “Available Sites” and “Contact Us” navigation, the Available Sites and the Contact Us pages are opening in new browser windows. There may be a reason for this, such as using the Xceligent plug-in. However, if possible, these navigation items should be set so that these pages open in the same browser window as the home or opening page.

About Page

On the About page of the website in the sub navigation there are three links: Terrell America Brochure, Terrell Aerial Map and Welcome to Terrell America Video. The first link directs you to an animated version of the Terrell EDC brochure that displays in a flipbook style. Although this visual representation of the printed brochure is working properly in each test browser, there are issues related to this sort of display. When testing we were unable to get the brochure to download to the local computer. This is a typical issue when using a third party widget to display animated articles like the Terrell EDC brochure.

It is highly recommended that the animated version of the Terrell EDC brochure be replaced with a simple more widely accepted PDF version that is easily downloaded, printed, and saved by the visitor consuming this information.

Under the sub-section Terrell Economic Development on the Staff page, it is recommended for both Danny Booth and Dawn Steil

to have a quick biography added under their headshot images. Specifically, these bios should quickly outline their professional background and, more importantly, their specific role with Terrell EDC. Which one should I contact based on my needs as a visitor to the website? Additionally, links to their individual LinkedIn sites should be added to their profiles.

Under the Board of Directors page, it is recommended that Terrell EDC invest in headshot photos taken by a professional photographer of the board members. This is a relatively low cost investment but will improve the professionalism and image of the Terrell EDC organization.



On the Meeting Agendas landing page there is a sentence that reads “TEDC meetings are usually held the 4th Tuesday of every month at 1:15 p.m. at City Hall.” It is recommended that instead of using the word “usually” consider saying “TEDC meetings are scheduled on the

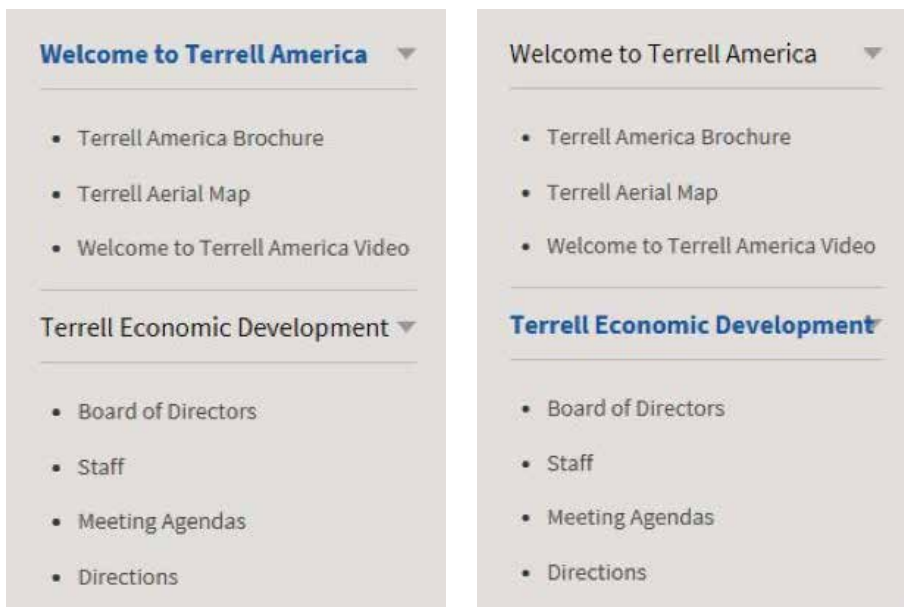
4th Tuesday of each month. . .” The use of the word “usually” in this instance is far too casual and gives the impression that Terrell EDC is unpredictable or too laid-back.

On the Directions landing page, there is a sentence that reads “If you need to find us at the Office of Economic Development or City Hall, use the map points below to reach us.” This sentence should be restructured to be more professional in nature and shouldn’t answer a question that is clearly already understood. The sentence states that “IF you need to find us”; clearly the visitor wouldn’t navigate to the “Directions” page if they didn’t need directions to

your office. This sentence should be rephrased along the lines of “The Terrell EDC office is located at 1314 W. Moore Avenue; and the Terrell City Hall is located at 201 E Nash St, Terrell, TX 75160. Please see the map below.” These addresses should also be linkable on mobile devices for those wanting to simply touch to go to their phone map app.

The key for content on pages like the Directions page is to provide information the visitor expects to get quickly and easily. It is also recommended phone numbers for both locations be provided on this page, in case additional directions are necessary. These numbers should be provided in addition to the main number in the footer of the website.

In the sub-navigation of the About page when the navigation link Terrell Economic Development is not selected, as shown on the left below, it is displayed properly. However, when the link is selected, as shown on the right below, the text is highlighted. This takes up more room and causes the text to go below the arrow icon inside the navigation box.



There are sections below the primary content for the various incentive packages. Grants, Infrastructure Improvements, Land Purchase Assistance and the Enterprise Zones sections have no content or description of those incentives. The description of those incentives should be added as soon as possible, or removed until the descriptions are available for placement on the website.

There is a link under the Tax Abatement/Triple Freeport section that leads to a PDF copy of the application. This link is returning a “Page not Found” error. In same section is a phone number for Danny Booth which is not consistent with the number in the footer. It appears 972.563.5703 is the phone number that belongs to the Chamber of Commerce. The Chamber may be where you want people to call for additional information, but it seemed out of place to call the Chamber and not the EDC for information regarding incentives. It is also possible this number is a direct line to Danny Booth, in which case it is completely appropriate.

Community Profile

In the Community Profile section there are several sub-pages that when clicked are opening in new browser windows. Those are as follows:

- Maps
- Local Economy
- Health Care
- Infrastructure
- Transportation
- Communication
- Streamlined Permit Process
- Taxes
- Climate
- Education
- Terrell ISD Excellence Foundation
- Private Schools
- BFTS Museum

On the Local Economy page it is important to provide some context and sourcing information when listing specific or real demographics. As an example, there is a table that lists statistics regarding the Labor Force on the bottom half of the page. However, there is no date for this information or sourcing information, or where it came from. It is important to list those two items particularly when you are providing specific demographic information. This is applicable throughout the Community Profile section of the website as well.

On this page there is also an opportunity for you to show there is no State Income Tax in Texas. Terrell EDC might also consider expanding this information to show other state business taxes or fees associated with operating in Texas, such as impact fees. If there are no other fees then there should be a statement indicating that.

The Climate page uses an inconsistent font in the page heading. Also there is some inconsistency in the () usage in the bullet list. If possible try to provide source and date information for Climate statistics.

The Community Profile pages in general do provide the basic information about Terrell. However there is some room for improving or increasing the amount of demographic or statistical information throughout the community profile section of the website. It is suggested that you consider sources like the Sites on Texas 2.0 site to collect and display demographic and statistical information on the Terrell EDC website. Additionally the Census Bureau also has additional statistical and demographic information that can be mined and used on your community profile. A determination of which demographic information should be added to your community profile should be made based on prospect activity. To make this determination, review old lead sheets or RFP's from prospects and look at the type of demographic information that they have requested. If you see a pattern in those requests, then

you should publish the information on your website.

It is important to remember to source and date this demographic information and more importantly update this information as frequently as it is updated from your sources.

Available Sites

The following navigation items open in new browser windows but should open in the same browser window or tab:

- Available Sites
- The Gateway to East Texas
- Tanger Outlets
- Residential/Retail Development Sites

Under the section for TIF Resources, the link for the TIF Application is working properly but should open in a new browser window. In this same section there are several people listed; please be consistent in listing their contact information not only on this page but throughout the website. Some have email addresses listed and some do not, also the phone number format is not consistent. These changes also need to be made in the page for 4,500-acre TIF District Map.

On the Residential/Retail Development Sites page there is a section titled Retail Trade Area Information. In that section there are five tables of demographic information. These tables are image based not text based. Therefore the "internet", more specifically search engines, do not index this content, because they see it as an image or picture not demographic information. It is highly recommended that these five tables of information be converted from an image to text so that the content will be searchable and indexed by search engines.

Work in Terrell

The keyword search function is not working properly on the Work in Terrell page.

Active Marketing

Active marketing are those activities that are action based, reaching out to your target audience and promoting your goods and services. There are many different ways to actively market to your target audience, some are listed below and some may be discovered over time as you move forward. It is critically important in today's highly competitive environment to actively market the assets of Terrell. It is no longer acceptable for Terrell or any community to wait for leads to come their way either by happenstance or via the State economic development office.

Understanding Your Target Market:

The first thing that must be done before any active marketing activities are enacted is to identify or create a profile for the people who you consider your target market. In other words, if your target market is adventurous teenage entrepreneurs, then social media and specifically snapchat or Instagram would be great platforms for your marketing activities. However, if your target market is older men with C-Level positions who have completed a college degree, then your marketing methods may be completely different.

In establishing your target market you may come to realize you have more than one target market or audience. This is completely normal, as long as you recognize their differences and recognize the way in which they consume marketing information. The key is appropriately apportioning your active marketing resources according to the breakdown of your target audience(s). There are different ways to build a profile of your target market(s). Some of those techniques include:

- A. Analyzing the demographic makeup of the business leads you have worked with over the past two to three years or longer.
- B. Make a profile of each prospect who has identified themselves

to you. You can also look at generally accepted stereotypes of what you understand is your typical prospect. Then begin to look for trends or similarities with each of these individuals. These trends could include any of the following elements:

- iii. Gender
- iv. Age
- v. Race
- vi. Geographic Location
- vii. Education
- viii. Business Type (manufacturing, logistics, etc.)
- ix. Temperament
- x. Hobbies
- xi. Family Dynamics
- xii. Past Experiences
- xiii. Income Levels
- xiv. Source (How they identified themselves, where you found them)

- C. Once you begin to solidify those similarities and see certain trends you can begin to formulate a profile for your target audience. The next step is to determine geographic location and what is the best method of providing marketing collateral to them. Most importantly, what sort of marketing information do they want/ need the most or rather what information is most RELEVANT to them?

Each target audience is going to consume different information, and they will consume it differently as well. For example, a younger entrepreneurial target audience is going to be much more inclined to consume smaller bits of easy to digest information that is almost 100% digital. They may prefer to get these smaller pieces of information (5-10 second read) by email, text, video, and/or digital advertisements. You may also connect with them through effective keyword marketing on search engines using platforms such as Google AdWords.

A target audience profile that is older, career focused, community minded, and successful may be more inclined to consume substantial marketing information via printed brochures or face-to-face marketing opportunities. The key to this is knowing your marketing demographic and then speaking their language whenever and wherever you can capture their attention.

Understanding the Relevant Content:

When we talk about the type of information or marketing material each of these target groups would be interested in consuming, we need to look back at what has been requested by past targets. Exactly as you created a demographic profile of the individual target audience, you must review past proposals or responses that you created and/or delivered to economic development leads. Write down each question that has been asked of your economic development organization over the past 2 to 3 years and look for trends. You have access to an abundant amount of market intelligence in your proposal archive. The key is using that information to your advantage. You must dissect the type of questions you have responded to and then use that intelligence to your advantage.

Once you know what your audience is wanting/needing then the information you begin to share with them becomes relevant and interesting. It should also be understood that your target market could be broken up into several categories, clusters, or even individual companies, such as:

- Major Industries
 - Manufacturing
 - Distribution
 - Service
- Industry Clusters
 - Widget Manufacturers
 - Food Distribution
 - Airplane Service Contractors

- Individual Company Targets
 - Company A
 - Company B
 - Company C

Almost all economic development corporations across the State of Texas and the U.S. will generally identify one or two market segments as their target audience. We are suggesting that Terrell EDC take this approach even deeper to create written plans for being successful with both market segments and individual companies.

THE PLAN:

To illustrate this need for an action plan, imagine a local banker whose job it is to secure new customers for his bank. He can take many paths to that destination to achieve his goal. He can perform group or community based marketing activities such as advertisements at the local high school football field. He can sponsor community service based activities that have a broad audience.

Lastly, he could develop a plan to identify and seek out new customers who would be high value or high quality new customers. Imagine now, this banker identifying an individual person who would be considered a stellar new bank customer. The banker should create a plan for attracting that new individual customer to his bank. He should look for ways to be in close proximity or contact with that potential customer, which could include:

- Volunteering for the same community activities that involve that potential customer
- Observing when and where he might bump into that potential new customer (weekly coffee klatch groups, etc.)
- Calling or face-to-face meetings on a regular basis
- Appropriate gifts
- Other creative ideas

The point is that it takes a plan in order to attract new customers and/or economic development prospects. If the banker in this example only relied on coincidence to get him into this new customer's space, his chances of winning him as a new customer would be greatly diminished. However, if he makes a concerted effort with a plan for consistent contact and communication, then eventually that customer will join his bank.

This example is no different for economic developers. You must identify your target(s) and you must develop a plan for consistent contact with those individuals or groups that help you achieve your goals. It's not enough to ask the question one time and move on to the next prospect. It is critically important to ask the question repeatedly and consistently until the situation changes and make the possibility of expansion in Terrell a reality!

THE STRUCTURE OF THE PLAN:

- When developing a plan for actively marketing to groups or individual companies, it should not be complex or daunting. The key is to have a plan that can be followed and executed reasonably with a clear expectation in mind. A simply marketing plan might include, but not be limited to, the following elements:
- A complete detailed profile of the target audience
- Specific individuals or companies listed by name within the target audience
- A detailed summary of the type of information that the target audience needs in order to make informed decisions regarding expansions or operational cost savings
- A budget for marketing activities related to the target audience
- Planned activities, milestones and a timeline for those activities for the life of the plan or through successful completion of the target audience

Managing Expectations:

Once an action plan has been drafted, it is imperative that the plan be presented to and accepted by Terrell EDC leadership. It is important for the leadership or board to have ownership and to be in agreement about who your target audience is, how you plan to communicate with them, and the type of information you plan to distribute. Lastly, and potentially most importantly, identifying what constitutes successful completion of the plan.

Marketing Activities and Essentials:

Email Marketing is still a relevant marketing activity, however it is on the decline. The primary cause of the decline is the sophistication of email client packages, i.e. Outlook. They are much more effective at filtering unsolicited emails from your target audience. However, there is still value in mass email communication.

Terrell EDC should establish a plan for routine broadcast emails to various target audiences. This could include local stakeholder representatives, economic development prospects, entrepreneurs, and even potential workers.

The plan should first be doable by Terrell EDC staff. The schedule and content or message should be carefully planned and thought through. In other words, don't plan to send broadcast email at a pace that will too heavily burden the Terrell EDC staff. Much consideration needs to be given to the frequency of sending marketing emails. Not only does Terrell EDC need to consider the burden on staff to meet expectations, but you also must carefully consider the potential annoyance of the audience. Broadcast email should almost never be sent more frequently than two week increments to the same recipient.

Broadcast email should also be small easy to digest pieces of information. Do not collect articles and bundle them together in a "newsletter" format to send to your audience. It is much more

effective to send smaller 30 second readable information more frequently than sending longer newsletters three or four times per year. The success rate for consumption and retention is much greater when you follow this model.

A plan for broadcast email should include the following based on each individual target audience:

1. Planned frequency for sending email marketing pieces
2. Specific target audiences
3. Specific content or message relative to the audience
4. Budget
5. Expectations

Electronic spamming is the use of electronic messaging systems to send an unsolicited message (spam), especially advertising, as well as sending messages repeatedly on the same site. There are strict rules regarding the use of mass email, and because of that it is imperative that a service be used to protect against being blacklisted for unsolicited email. Using a service with a spam policy will protect Terrell EDC from being blacklisted for sending unsolicited email or spam. These services include but are not limited to the following:

- Constant Contact
- Vertical Response
- Create Send or Campaign Monitor
- Mail Chimp

Each of these has their own set of pros and cons and Terrell EDC should investigate each one to determine which is best suited for them. Some of the more significant differences include the billing model. Some have a monthly fee whether you use it or not. Some are pay as you go so you only pay for what you use. Some can integrate into a CRM software package while others are completely stand alone.

Website Content and Search Engine Optimization

Moving forward, it is critically important for Terrell EDC to consistently

Areas to Consider

1. Do you have an abundance of requests for Tax Free Zones information? If so, would that indicate, due to your geography, that you are more prone to logistic prospects?
 2. Do you have a trend of leads asking for heavy telecommunications infrastructure? Would that indicate that high tech opportunities should be a major target for Terrell EDC?
-

and routinely add new content to the Terrell EDC website. This content can be in the form of a press release or news article. Demographic updates and new available property information would be great resources to add as well. When adding new content to the website, Terrell EDC must consider the overall use of that information by the target audience. Terrell EDC must consider long-tail keywords or long-tail searches when formulating new content for the website. Long-tail keywords are longer and more specific keyword phrases that visitors are more likely to use in search engines when they're closer to a point-of-purchase or, in the case of economic development, closer to expanding or relocating their operations. Examples of traditional keyword searches relative to economic development might be searches like incentives, workforce, available property, Texas, and so on.

Examples of long-tail searches would be as follows:

- Business incentives available in and around Dallas, Texas.
- Availability of welders with level 3 experience.
- Available property for retail development Dallas Metroplex.
- Easy commute into Dallas, Texas.

These long-tail search examples are perfect examples of how people are using the internet today to find exactly what they are looking for. Users are no longer satisfied searching with individual keywords to take the long journey to where they want to end up. In other words, why search for “incentives” when I’m really wanting to know “what incentives are available for businesses relocating to Texas”?

Understanding that people are using more long-tail searches when researching your community should change the content makeup that is added to your website. When generating new content for the website, you should think of ways to incorporate these types of long-tail search phrases into the actual content. This will dramatically increase the likelihood of Google offering your website to someone searching for “available property in Dallas Metroplex”.

How do you incorporate these longer phrases into your content? One example is to use a more conversational tone in the news and press release content that you post to your website. Generating question and answer articles is also a perfect way to incorporate predictive long-tail phrases into your content. For example, Terrell EDC should consider interviewing or featuring local businesses for short, quick articles to be used on the Terrell EDC website. In those articles, the format should be conversational and also include a series of questions and answers that you think may be used in a long-tail searches by a business prospect.

The key here is getting every ounce of use from the words in the article you can, for the benefit of search engine optimization. Ideally, you want to ask questions (for the interview/article) you think a business prospect might be thinking or searching for. You might ask a local business person “Does Terrell, Texas have the best business incentives available in north Texas?” His response to that question, at this point is not what’s relevant. What’s relevant is search engines like Google pairing long-tail searches for “best

business incentives in north Texas” with your website content. The key to being successful with search engine optimization is frequently updating your content, putting yourself in the position of your target audience, and predicting their needs and search content so that you can match those needs with the Terrell EDC website content.

Video Content

With video content marketing there is a misconception that each video must be produced professionally, which makes the cost prohibitive based on the frequency of an effective video marketing process. With desktop editing and the advent of social media platforms such as YouTube, the ability to generate effective video content with high frequency has never been greater. As mentioned earlier, more people are searching for video content for recreation, but also for research.

“For the first time ever more people visited YouTube.com than Google.com in December 2015. The video platform’s monthly desktop visits outstripped the search giant’s by 5.3% at the end of the year. But neither of the sites came close to beating Facebook, which remains the most popular site in the world. Facebook finished December 2015 with 18.65 trillion visits, according to figures from web analyst Similar Web. YouTube came in second at 15.7 trillion visits, with Google at 14.9 trillion.” - By Cara McGoogan February 1, 2016 The Telegraph

With more people using tools like YouTube (video) to find answers to questions, it makes perfect sense to preemptively provide your answers and solutions via video content. Today, people are much more likely to watch two minutes of video content that answers their question than they are to read a brochure or newsletter for 20 minutes. Moving forward, Terrell EDC should think of YouTube as a resource.

If you needed instructions for properly configuring a new network printer in your home office, would you rather watch someone actually do it via a YouTube video or would you rather read a 10 page instruction manual? People today, particularly younger people, are seeking answers to their questions via video content rather than brochure content. Terrell EDC needs to be in that space with short, easy to consume video content that is relevant and answers questions that prospects may be asking.

Once again, producing video content does not have to be a major production or expense. Technology is allowing us to record and perform minor edits to video content like never before. Even platforms like Facebook Live are giving us opportunities to get our message out more effectively.

For Terrell EDC, perhaps there is someone in the community that is savvy with this type of technology who could be put on retainer or used on a contract basis for frequent but quality video content production. The key to success with video content is keeping on message and being extremely efficient in what you want to say. Two to three minutes of video content is more than enough for any single message that you are attempting to deliver.

THE SILVER BULLET

Many economic developers and professionals seem to think that there is a silver bullet for marketing. In reality, the secret to success is consistently delivering a quality and relevant message to the people in your target market. Rarely, and particularly in economic development, will a C-Level executive be so enamored with a brochure, website, or video that they are willing to shut down operations and move across country without a need to be in that vicinity already. The secret is creating a front-of-mind awareness with your target market so that on the day that they do decide to move across country there is no question where they are going. If Terrell EDC has done an effective job of marketing then the answer will be Terrell, Texas!

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Appendix: Stakeholder Survey



Survey Summary

As part of this process, more than 24 individuals participated in an on-line survey. This survey included business leaders, major stakeholders, and developers. The survey included visioning, goals, SWOT assessment, priority identification, and targeted industry identification.

A majority of the responses indicated that corporate investment should remain a priority for the EDC. In addition, the survey indicated that workforce development is important. Over 50% of the respondents believe the city should continue improving the retail base. In terms of focus, the city should focus on quality of life, small business support, and housing strategies.

In terms of attractiveness, a majority of respondents suggested that Terrell could improve its physical attractiveness, business environment, and small business efforts.

SWOT ANALYSIS

The SWOT

The survey identified workforce skills and supply as a weakness. Approximately half of the respondents identified the Terrell ISD as a current weakness, but the ISD has made substantial investment in its facilities and has a strategic plan to improve student performance.

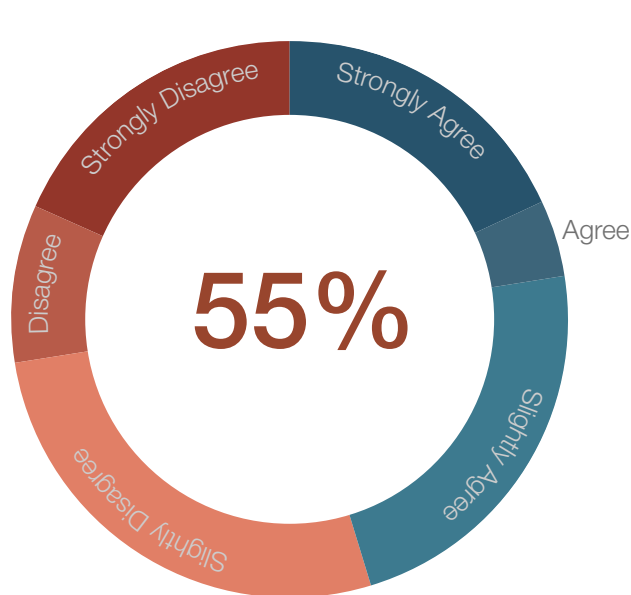
Terrell is located less than 20 miles from Dallas, and its transportation infrastructure and proximity to DFW is a strength.

In terms of recreation, the survey recognized recreation and tourism as a weakness.

Although downtown is a community asset, the survey identified the current state of downtown as a weakness, however local arts and culture was considered an asset.

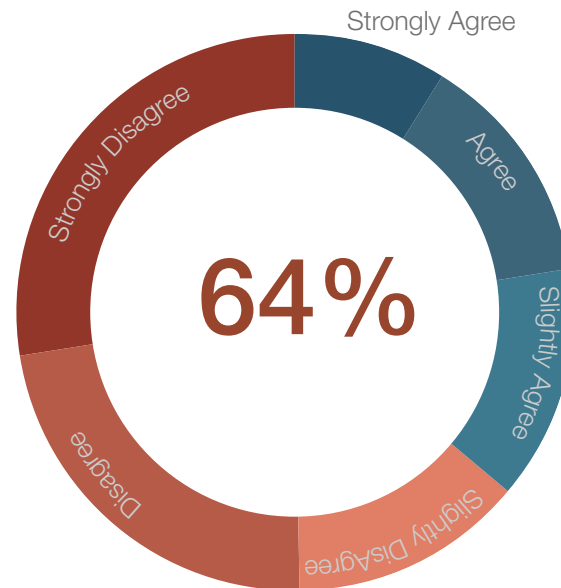
SURVEY RESULTS

“Infrastructure development (expansion and maintenance of water, sewer, and roads) is important in terms of providing the greatest return on investment for Terrell.”



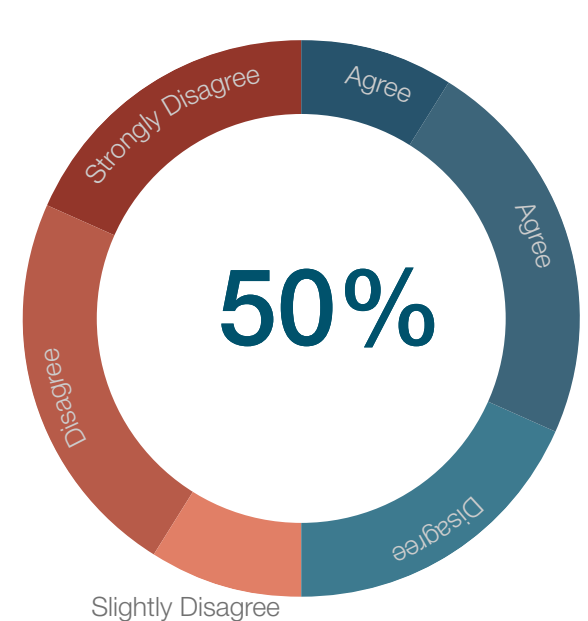
55% of respondents disagreed that infrastructure and maintenance is important in terms of providing the greatest return on investment for Terrell.

“Workforce Development is important in terms of providing the greatest return on investment for Terrell.”



64% of respondents disagreed that workforce development is important in terms of providing the greatest return on investment for Terrell.

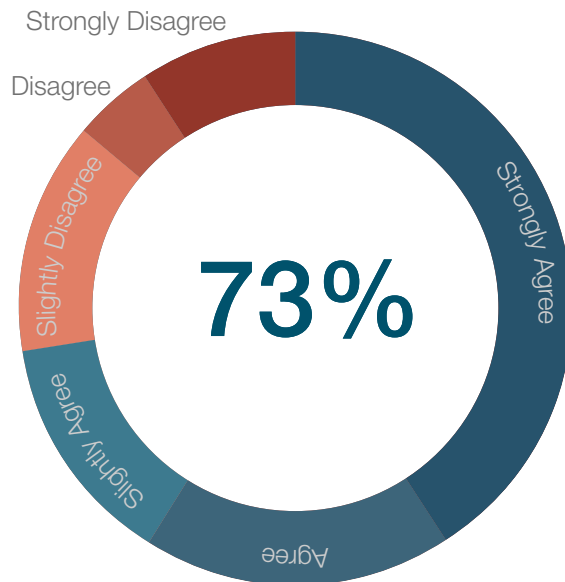
“The attraction and retention of primary companies and their jobs is important in terms of providing the greatest return on investment for Terrell.”



50% of respondents agreed that the attraction and retention of primary businesses is important in terms of providing the greatest return on investment for Terrell.

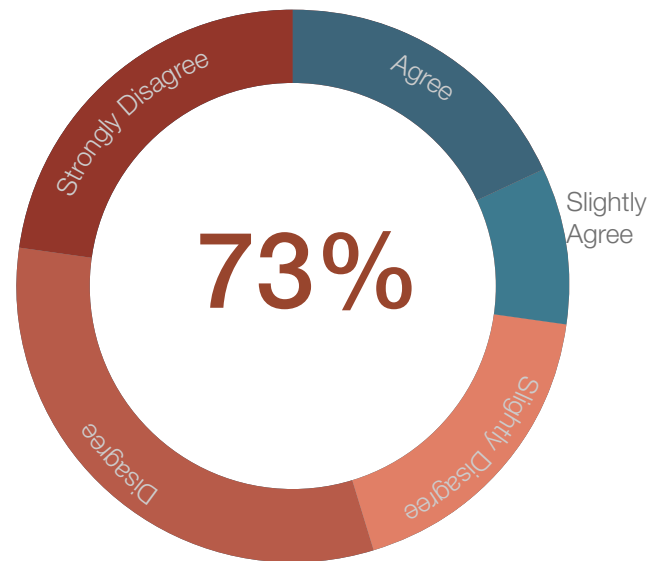
SURVEY RESULTS

“Quality of life projects and beautification are important in terms of providing the greatest return on investment for Terrell.”



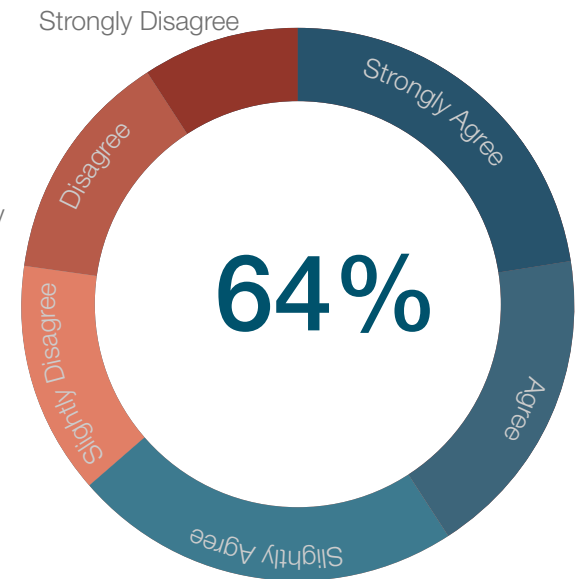
73% of respondents agreed that quality of life projects and beautification are important in terms of providing the greatest return on investment for Terrell.

“The attraction and retention of small businesses and retail is important in terms of providing the greatest return on investment for Terrell.”



73% of respondents disagreed that the attraction and retention of small and retail businesses is important in terms of providing the greatest return on investment for Terrell.

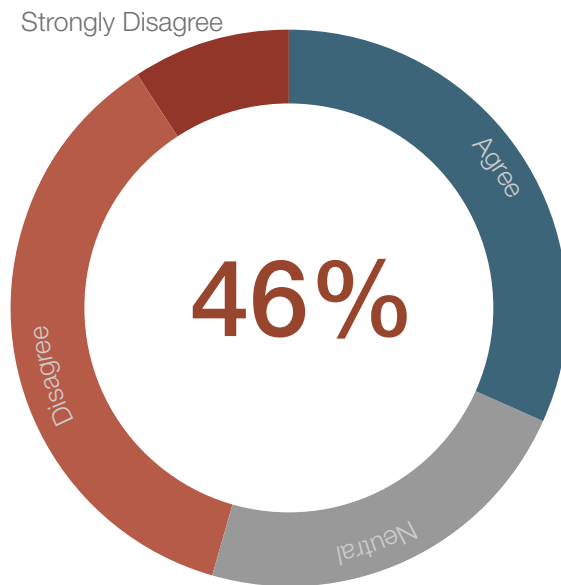
“Housing initiatives are important in terms of providing the greatest return on investment for Terrell.”



64% of respondents agreed that housing initiatives are important in terms of providing the greatest return on investment for Terrell.

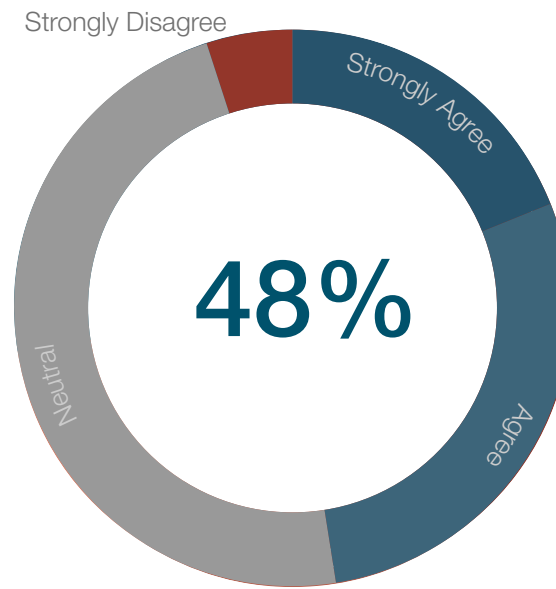
SURVEY RESULTS

“Terrell is an attractive place to live.”



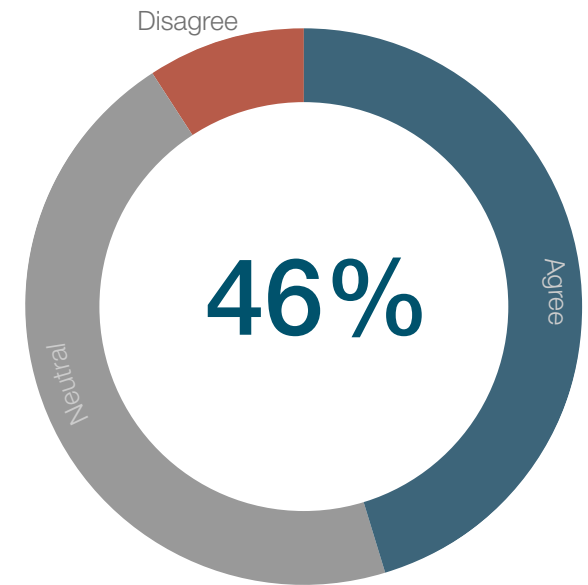
46% of respondents disagreed that Terrell is an attractive place to live, while 23% responded with “neutral”.

“Terrell is an attractive place to do business.”



48% of respondents agreed that Terrell is an attractive place to do business, while 48% responded with “neutral”.

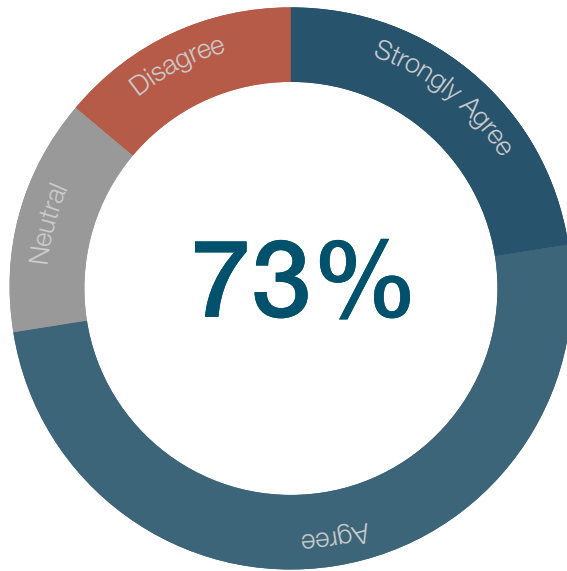
“Terrell fosters small businesses.”



46% of respondents agreed that Terrell fosters small businesses, while 46% responded with “neutral”.

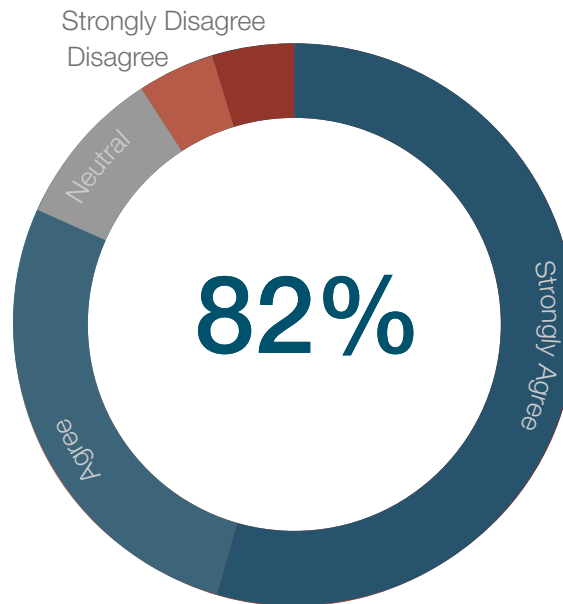
SURVEY RESULTS

“Terrell needs corporate investment to be sustainable.”



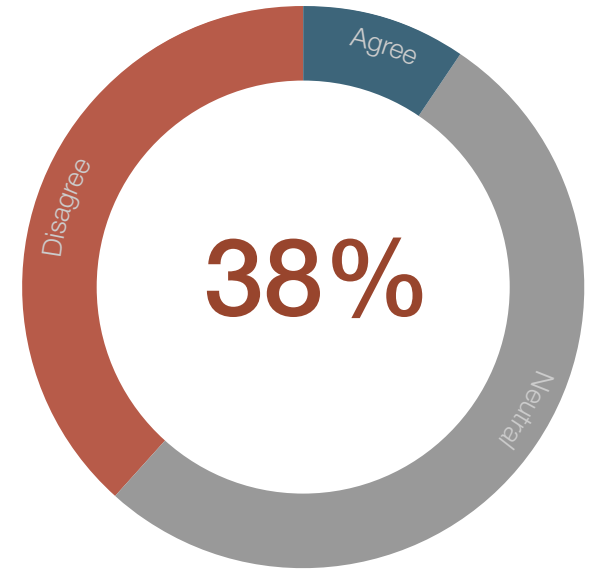
73% of respondents agreed that Terrell needs corporate investment to be sustainable.

“Local government supports economic development.”



82% of respondents agreed that Terrell supports economic development.

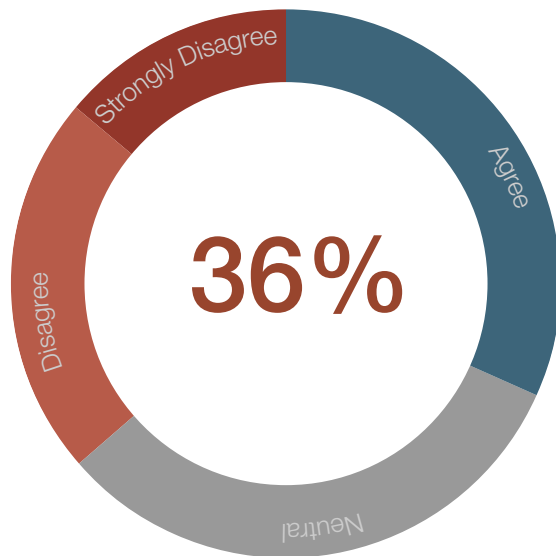
“Terrell has the type of retail it needs.”



38% of respondents disagreed that Terrell has the type of retail it needs, while 52% responded “neutral”.

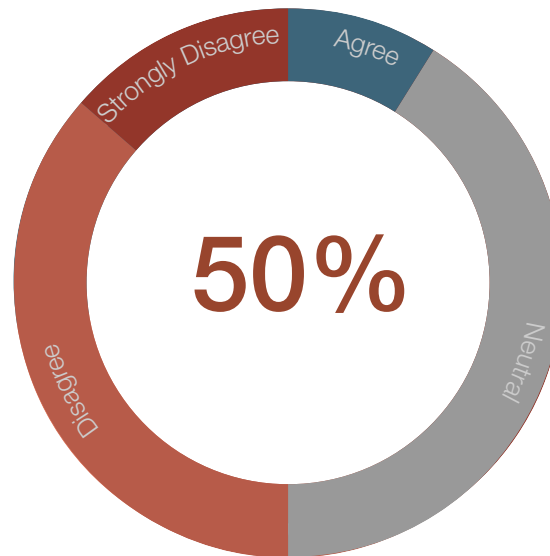
SURVEY RESULTS

“Terrell has quality infrastructure (water, roads, sewer).”



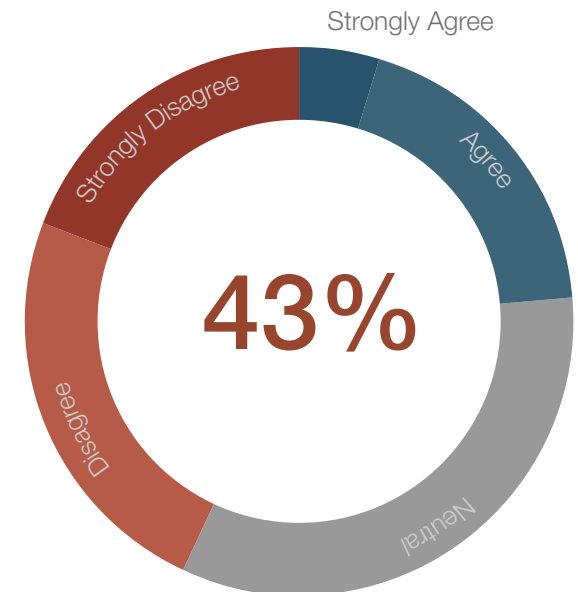
36% of respondents disagreed that Terrell has quality infrastructure.

“Terrell has a wide range of housing to serve all types of residents.”



50% of respondents disagreed that Terrell has a wide range of housing to serve all types of residents.

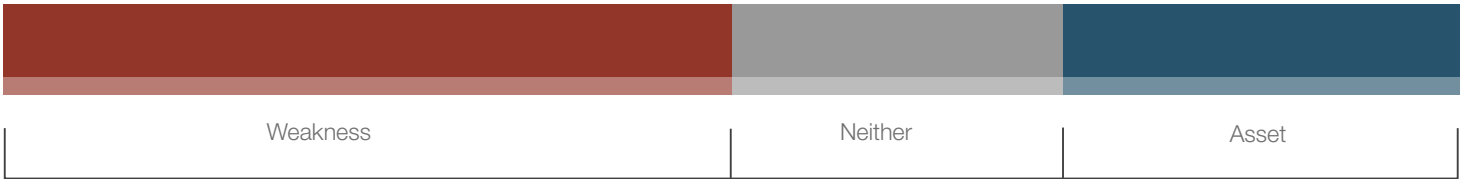
“Terrell has adequate labor base to support its workforce needs.”



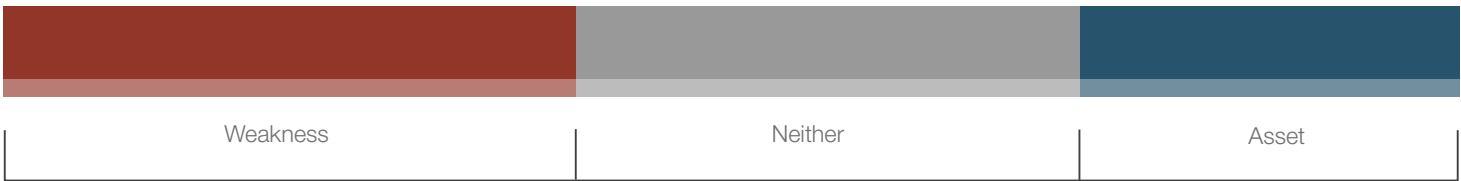
43% of respondents disagreed that Terrell has the adequate labor base to support its workforce needs.

SURVEY RESULTS

50% of respondents identified workforce supply as a **weakness**.



41% of respondents identified workforce skills in the City as a **weakness**.

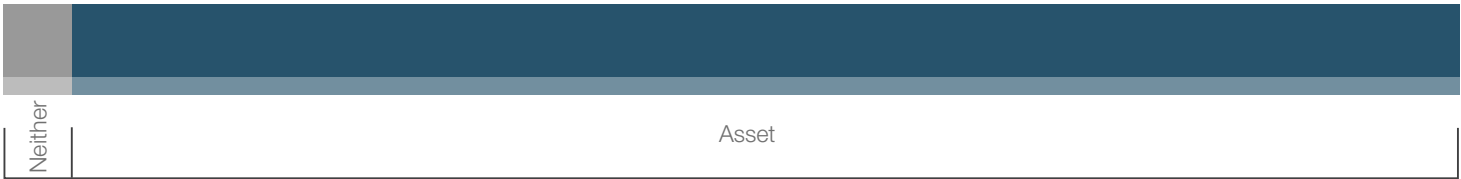


55% of respondents identified transportation as an **asset**.



SURVEY RESULTS

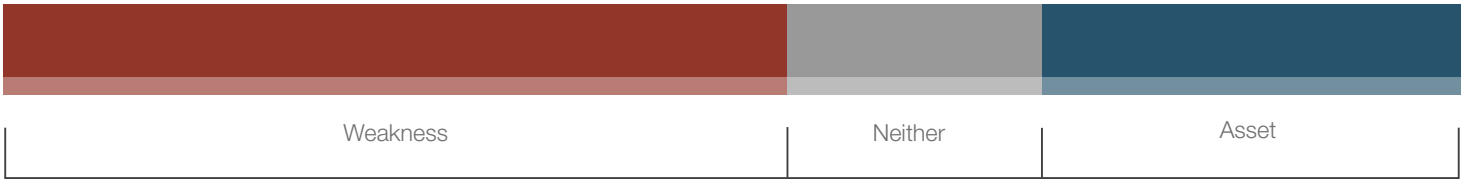
95% of respondents identified proximity to Dallas/Fort Worth as an asset.



45% of respondents identified utility infrastructure as an asset.

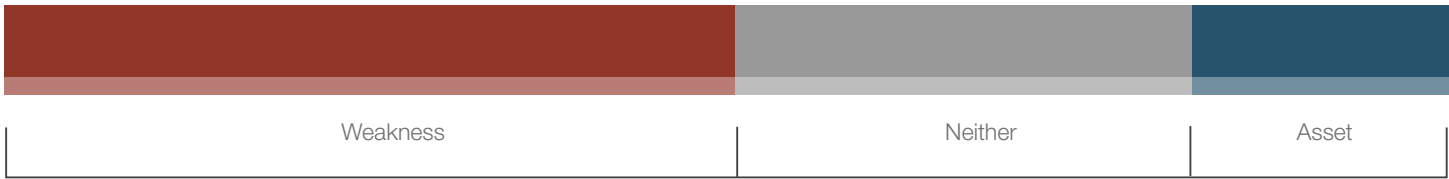


55% of respondents identified Terrell ISD as a weakness.

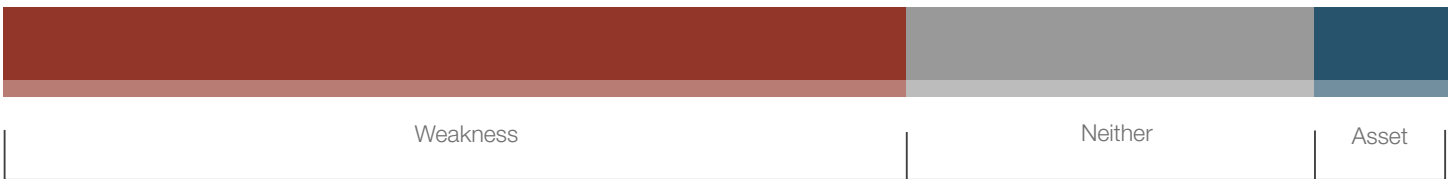


SURVEY RESULTS

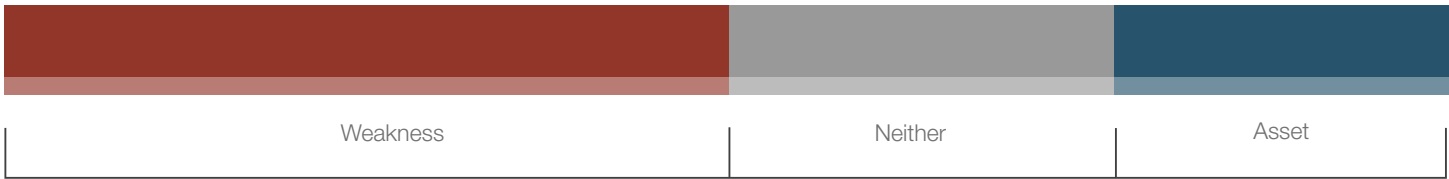
50% of respondents identified recreation in the City as a *weakness*.



62% of respondents identified tourism as a *weakness*.

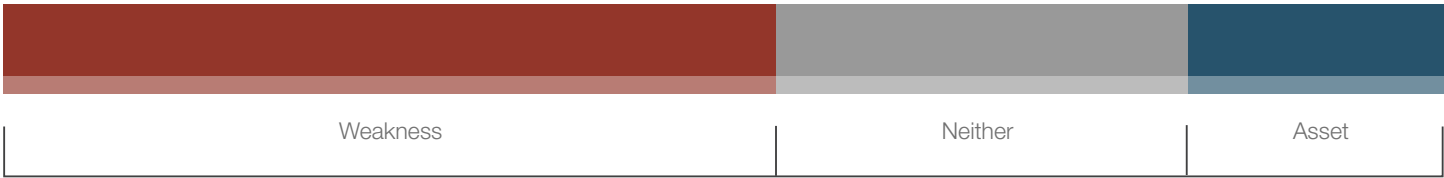


50% of respondents identified downtown as a *weakness*.

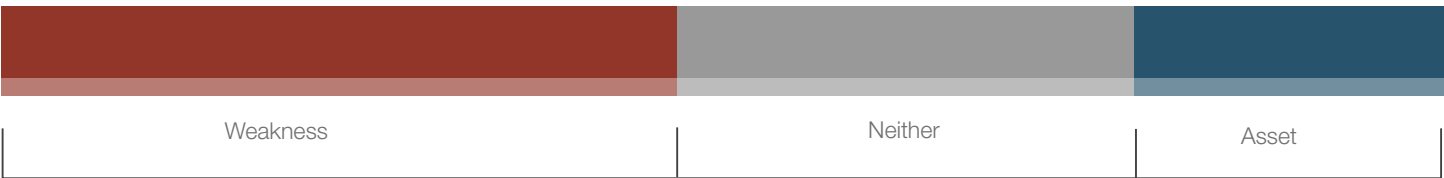


SURVEY RESULTS

55% of respondents identified retail as a *weakness*.



45% of respondents identified arts and culture as a *an weakness*.

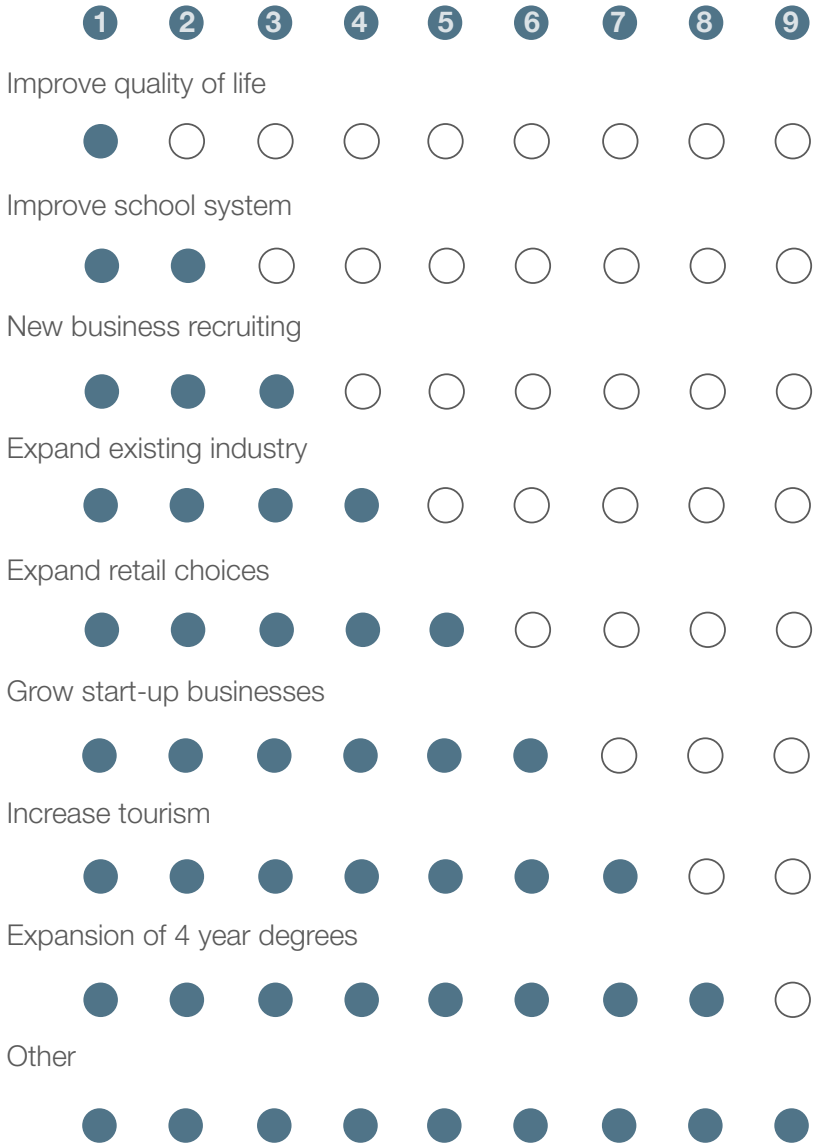


45% of respondents identified quality of life as an *asset*.



SURVEY RESULTS

Rank order the following economic development strategies in order of importance with 1 being the most important.



SURVEY RESULTS

Rank order the following competitive strengths of the City

	Ranking
Geographic location	1
Transportation and interstate infrastructure	2
Business sites and real estate	3
Cost of living	4
Diversity of residents	5
Business climate	6
Lifestyle	7
Job opportunities	8
Economy	9
Natural environment	10
College and universities	11
Workforce and talent	12
Entrepreneurship mindset	13
Quality of primary schools	14
Other	15

Rank order the following weaknesses of the City

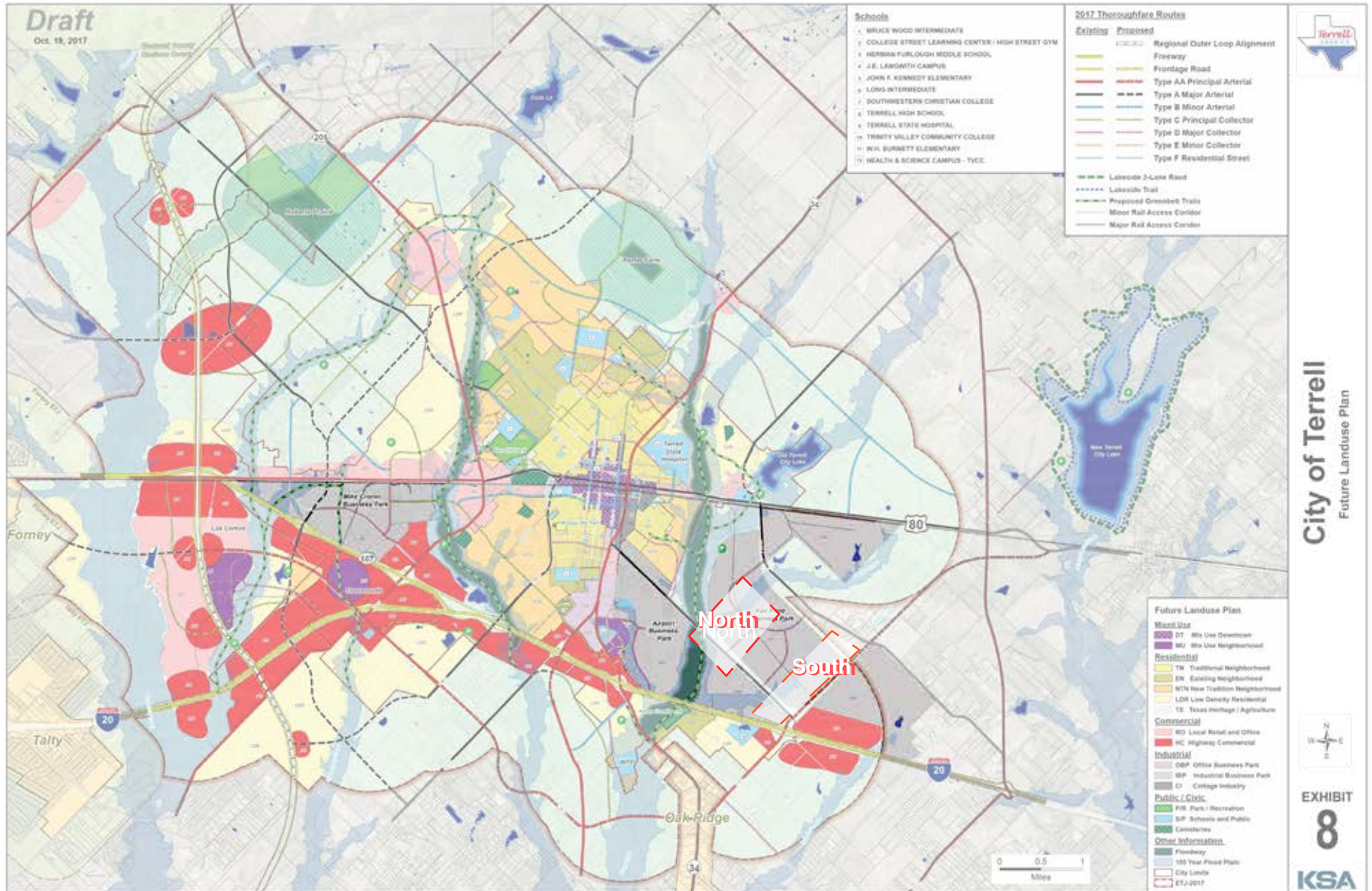
	Ranking
Primary schools	1
Workforce and talent	2
Lifestyle	3
Job opportunities	4
Diversity of residents	5
Other	6
Transportation and infrastructure	7
Business sites and real estate	8
Entrepreneurship mindset	9
Natural environment	10
Business environment	11
Geographic location	12
Economy	13
College and university	14
Cost of living	15

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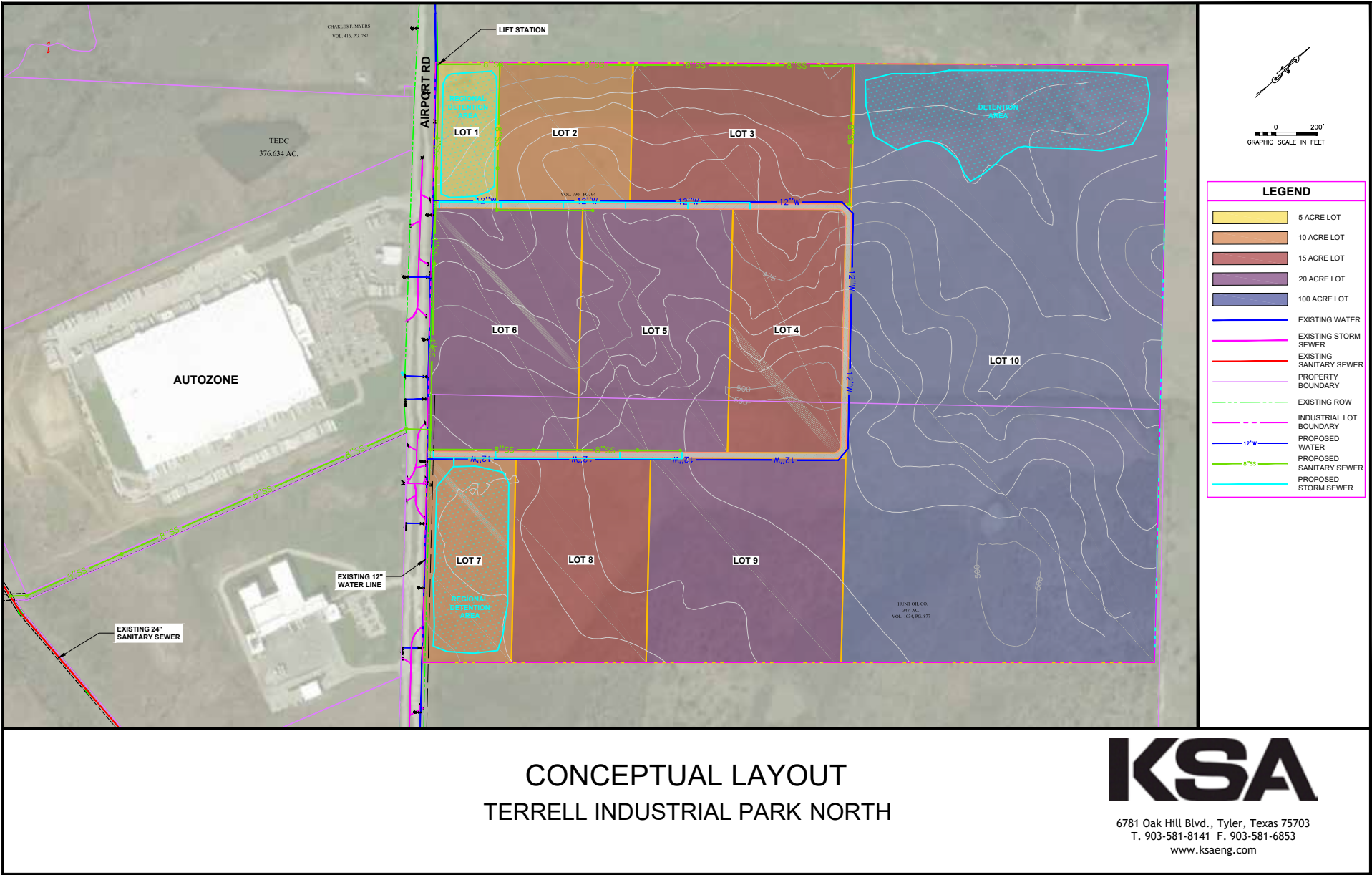


Appendix: Virtual Park Analysis

Virtual Business Park



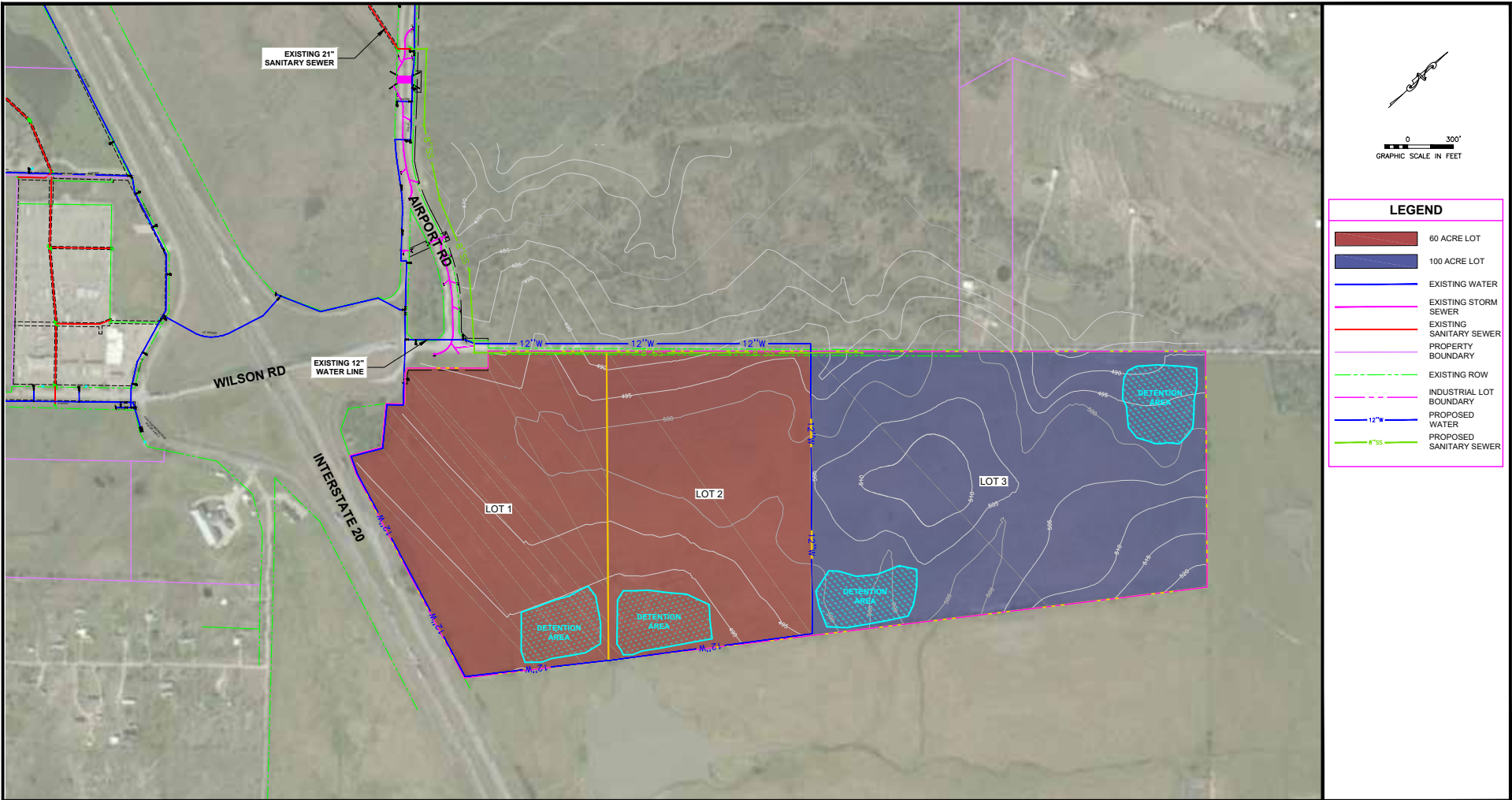
Virtual Business Park - North



Virtual Business Park - North (Estimate of Probable Costs)

Terrell Industrial Park North - Opinion of Probable Construction Cost					Conceptual Layout
Terrell, Texas					01.03.2018
Description of Improvement	Quantity	Unit	Unit Cost	Cost	
1 MOBILIZATION	1	LS	\$111,400.00	\$111,400.00	
2 PROJECT SIGN	1	EA	\$1,000.00	\$1,000.00	
3 CARE OF WATERING DURING CONSTRUCTION	1	LS	\$5,000.00	\$5,000.00	
4 STORMWATER POLLUTION PREVENTION	1	LS	\$3,000.00	\$3,000.00	
5 SEED AND FERTILIZE	10	AC	\$6,000.00	\$60,000.00	
6 EROSION CONTROL MATTING	2500	SY	\$3.50	\$8,750.00	
7 FILTER FABRIC FENCE	9000	LF	\$3.00	\$27,000.00	
8 CLEARING AND GRUBBING	1	LS	\$4,000.00	\$4,000.00	
9 EXCAVATION (DETENTION)	62,057	CY	\$6.50	\$403,369.20	
10 EXCAVATION SAFETY	1	LS	\$5,000.00	\$5,000.00	
11 LIME TRT (EXST MATL) (6")	18,400	SY	\$3.50	\$64,400.00	
12 LIME (QUICKLIME (DRY))	155	TON	\$175.00	\$27,168.75	
13 CONC PVMT (CONT REINF - CRCP) (7")	18,400	SY	\$86.00	\$1,582,400.00	
14 CURB (TYPE I)	10,558	LF	\$4.00	\$42,232.00	
15 TRENCH EXCAVATION PROTECTION	17,431	LF	\$1.50	\$26,146.57	
16 FOUNDATION MATERIAL FOR TRENCH	190	CY	\$50.00	\$9,486.36	
17 CL C CONC (HEADWALL)	10	CY	\$808.48	\$8,084.80	
18 RC PIPE (CL III)(18 IN)	300	LF	\$55.00	\$16,500.00	
19 RC PIPE (CL III)(36 IN)	2,799	LF	\$114.00	\$319,073.49	
20 MANH (COMPL)(TY A)	22	EA	\$3,285.15	\$72,273.30	
21 INLET (COMPL)(CURB)(TY 2)(10')	22	EA	\$7,300.00	\$160,600.00	
22 MANH(COMPL)(JUNCT BOX)(TY 1)	2	EA	\$5,250.00	\$10,500.00	
23 GRAVITY SEWER LINE AND MANHOLE TESTING	1	LS	\$3,500.00	\$3,500.00	
24 FORCE MAIN TESTING	1	LS	\$3,500.00	\$3,500.00	
25 8 INCH PVC SDR 26	7,329	LF	\$35.00	\$256,514.73	
26 12 INCH AWWA C900, DR 18	5,241	LF	\$55.00	\$288,252.57	
27 4 INCH PVC I.P.S. PRESSURE RATED PIPE	1,762	LF	\$16.00	\$28,195.38	
28 CONNECT TO EXISTING SEWER LINE	1	LS	\$2,250.00	\$2,250.00	
29 SANITARY SEWER LIFT STATION	1	EA	\$125,000.00	\$125,000.00	
30 INTRUDER RESISTANT CHAINLINK FENCE	200	LF	\$45.00	\$9,000.00	
31 ELECTRICAL POWER SERVICE	1	LS	\$10,000.00	\$10,000.00	
32 GENERATOR	1	LS	\$30,000.00	\$30,000.00	
33 ELECTRICAL AND CONTROLS	1	LS	\$25,000.00	\$25,000.00	
34 FIRE HYDRANT ASSEMBLY	17	EA	\$2,500.00	\$43,674.63	
35 12 INCH RESILIENT SEAT GATE VALVE	10	EA	\$3,000.00	\$31,445.73	
36 LAND COST	234	AC	\$30,000.00	\$7,020,000.00	
Construction Subtotal				\$10,843,717.53	
Construction Contingencies @20%				\$764,743.51	
Basic Engineering Services (TBD)					
Opinion of Probable Construction Cost					\$11,608,461.04

Virtual Business Park - South



CONCEPTUAL LAYOUT TERRELL INDUSTRIAL PARK SOUTH



6781 Oak Hill Blvd., Tyler, Texas 75703
T. 903-581-8141 F. 903-581-6853
www.ksaeng.com

Virtual Business Park - South (Estimate of Probable Costs)

Terrell Industrial Park South - Opinion of Probable Construction Cost					Conceptual Layout
Terrell, Texas					01.03.2018
Description of Improvement		Quantity	Unit	Unit Cost	Cost
1	MOBILIZATION	1	LS	\$83,400.00	\$83,400.00
2	PROJECT SIGN	1	EA	\$1,000.00	\$1,000.00
3	CARE OF WATERING DURING CONSTRUCTION	1	LS	\$5,000.00	\$5,000.00
4	STORMWATER POLLUTION PREVENTION	1	LS	\$3,000.00	\$3,000.00
5	FILTER FABRIC FENCE	10,000	LF	\$3.00	\$30,000.00
6	CLEARING AND GRUBBING	1	LS	\$4,000.00	\$4,000.00
7	TRENCH EXCAVATION PROTECTION	13,545	LF	\$1.50	\$20,318.04
8	FOUNDATION MATERIAL FOR TRENCH	257	CY	\$50.00	\$12,863.39
9	MANH (COMPL)(TY A)	10	EA	\$3,285.15	\$32,851.50
10	GRAVITY SEWER LINE AND MANHOLE TESTING	1	LS	\$3,500.00	\$3,500.00
11	CONNECT TO EXISTING SEWER LINE	1	LS	\$2,250.00	\$2,250.00
12	8 INCH PVC SDR 26	4,689	LF	\$35.00	\$164,115.99
13	12" AWWA C900, DR 18	8,856	LF	\$55.00	\$487,098.35
14	FIRE HYDRANT ASSEMBLY	30	EA	\$2,500.00	\$73,802.78
15	12 INCH RESILIENT SEAT GATE VALVE	18	EA	\$3,000.00	\$53,138.00
16	WILSON ROAD IMPROVEMENTS	1	EA	\$1,885,547.22	\$1,885,547.22
17	LAND COST	225	AC	\$30,000.00	\$6,750,000.00
Construction Subtotal					\$9,611,885.27
Construction Contingencies @20%					\$572,377.05
Basic Engineering Services (TBD)					
Opinion of Probable Construction Cost					\$10,184,262.33

Note: Cost figures are estimates based on 2017 TXDOT average low bid prices and engineering judgment.



Appendix: Psychographics

Psychographics

Creme de la Creme

- Empire Builders
- Grand Masters
- Marquis Class
- American Knights
- Urban Squires
- Regents

Urban Cliff Climbers

- Charmed Life
- Sitting Pretty
- Kindred Spirit
- Middle of the Road
- White Collar Status
- Blue Collar Starts

Urban Cliff Dwellers

- Social Whirls
- Managing Business
- Nest Builders
- Gainfully Employed
- Strapped

Seasoned Urban Dwellers

- Gray Eminence
- Fall Years
- Still in the Game

Thriving Alone

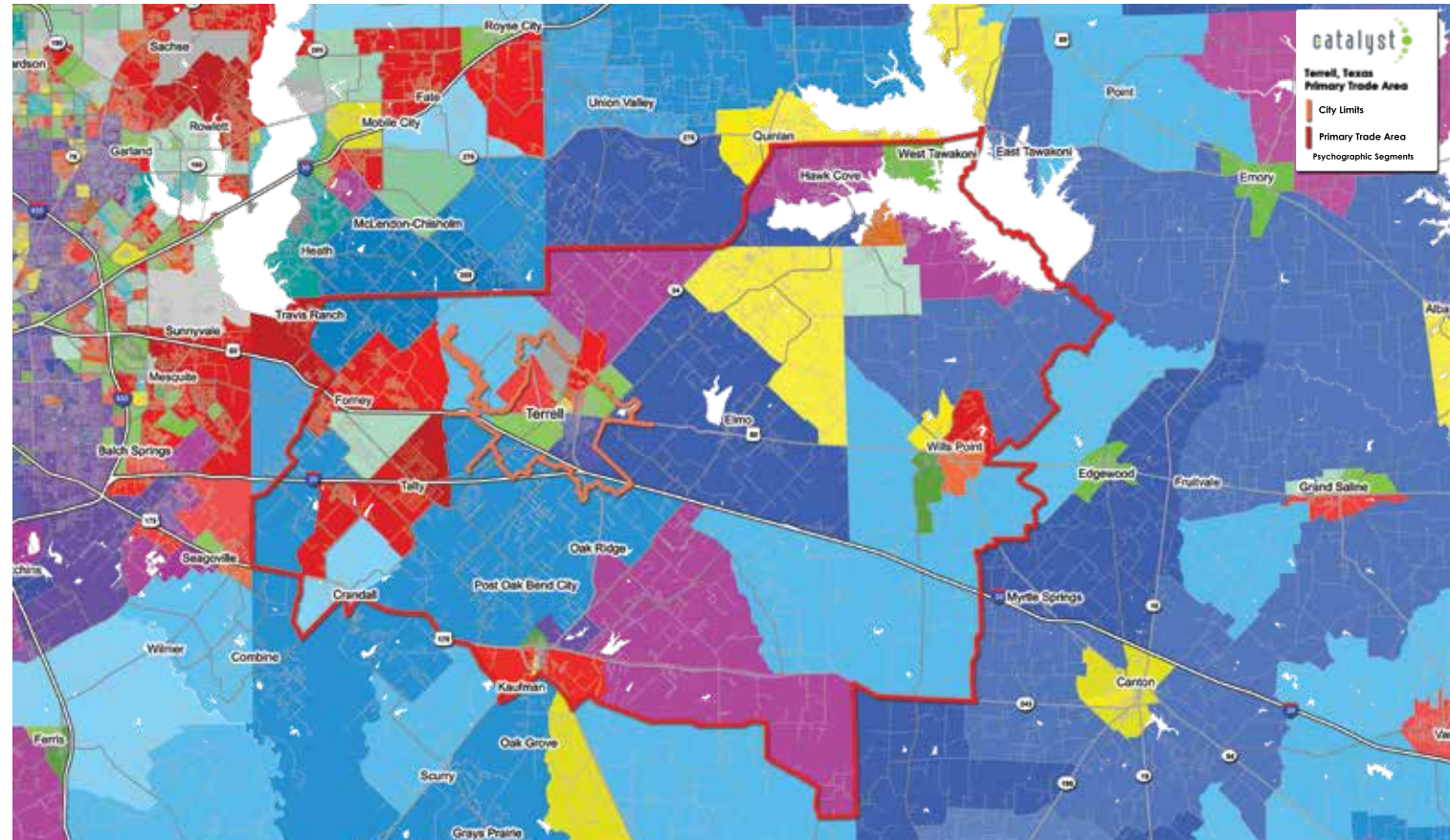
- Gurus
- Wizards
- Apprentices

Going it Alone

- Hard Act to Follow
- SM seeks SF
- Solo Acts
- Down But Not Out

Struggling Alone

- Urban Moms
- Apron Strings
- Solemn Widows



Single in the Suburbs

- Educated Earners
- Suburban Singles
- Hard Hats/Hair Nets

Married in the Suburbs

- Bonds and Babies
- Great Generations
- Couples with Capital
- Kith and Kin
- Sublime Suburbia

Retired in the Suburbs

- Stocks and Scholars
- Marmalade and Money
- Stately Suburbs

Living with Nature

- Country Villas
- Pastoral Vistas
- Terra Firma
- Stock in Trade
- Rough and Ready
- The Outback
- Cornucopia

Working With Nature

- Land Barons
- Fertile Acres
- Breadbasket
- Farmers Circle
- Crops and Tractors

Harlem Gateway

- Harlem Gentry
- East Side
- Upper East Side
- Lower East Side
- Between Jobs

Espaniola

- Anos de Quincenera
- Los Padres
- Los Novios
- Los Padrinos
- Los Solteros
- Los Trabajadores

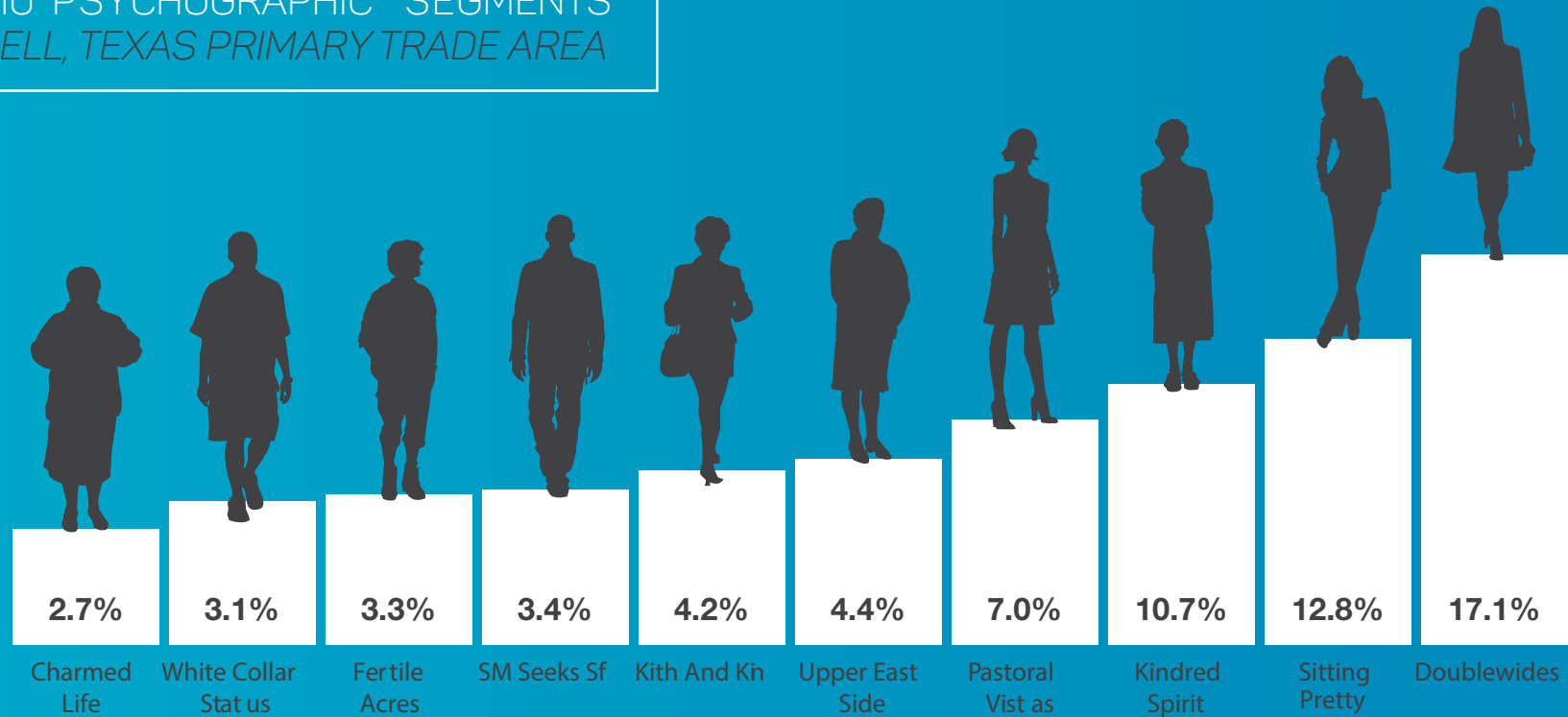
Specialties

- Golden Heritage
- East Meets West
- Group Quarters
- Doublewides
- Centurions
- Legacy Years
- Collegian

Unspecified

- Unspecified

TOP 10 PSYCHOGRAPHIC SEGMENTS TERRELL, TEXAS PRIMARY TRADE AREA



1

Doublewides

In America there tends to be a particular stigma attached to living in mobile homes and mobile home parks. In fact, many people chose this lifestyle as a preference for several reasons, including mobility and low-cost housing. In fact, the median income of residents of Doublewides neighborhoods is a very respectable high-\$30,000s and \$40,000s. Doublewides are areas where mobile homes dictate the lifestyles of the residents, who share a median age in the 30s. While residents in Doublewides do have a higher-than-average level of income from public-assistance, many others are hardworking Americans, with a higher-than-average representation in several manual-labor blue-collar occupations, including farming/fishing/forestry (nearly three-times-average), construction (75-percent-above-average), repair services (over-50-percent-above-average), transportation (50-percent-above-average), and production (nearly 50-percent-above-average). These occupations are a reflection of the residents' low educational achievements: There is an over-50-percent-average number of people with less-than-high-school educations. However, 25-percent-above-average have high-school degrees. Also owing to their residents' ages, these areas have slightly more younger children than older. They tend to have married-couple households, but also have a nearly 50-percent-higher-than-average number of single-fathers.

2

Sitting Pretty

Among the Urban Cliff Climbers neighborhoods that are home to the backbone of America's workforce are the Sitting Pretty segments. This group is young (20s to 30s), but enjoying good income levels (between \$50,000 and \$60,000). Their relatively high earnings range comes from middle-class white-collar jobs in several occupations, including management, protective services, personal care, sales, office administration, and repair services. Their higher-than-average salaries keep them and their mostly newborn to 13-year-old children very comfortable in their urban abodes, in all probability surrounded by all of the creature comforts required to please all of the senses — from big-screen-high-def TVs to fully equipped SUVs. With good college educations and good jobs, the Sitting Pretty residents have earned their comforts they enjoy.

3

Kindred Spirit

Kindred Spirits are home to people who keep America humming — because they are the ones doing the work, as well as their fair share of the spending. The residents of these Urban Cliff Climber neighborhoods are 20- to 30-years-old, married with-children of all ages (but slightly more in the younger ranges), earning between \$40,000 and \$50,000, enjoying some years of college education, and employed in a cross-section of the nation's middle-class occupations. These residents earn an income slightly above the national-average in a wide range of jobs, such as protective services, food preparation, personal care, sales, office administration, construction, and repair services. With kids to raise and relatively good incomes, Kindred Spirits no doubt enjoy a big slice of classic middle-class life.

4

Pastoral Vistas

Pastoral Vistas neighborhoods rank at just over 50 percent higher-than-average in farming, fishing, and forestry occupations. And they measure just a little lower than this percentage in self-employment income. If you put two-and-two together it's logical to assume Pastoral Vistas rural neighborhoods are inhabited by many people earning a living off the land. However, this segment within Living With Nature is not just a group of farmers, tilling the soil from sun up to sun down. Other above-average ranking occupations include construction, repair services, production, and transportation. Whether or not they are farmers, residents in these areas are clearly blue-collar. The residents rank in at 25 percent above-average in high-school education, but only a small percent have some level of college education. Presumably any education beyond high school is from a community college or trade school. Nonetheless, this group is fairly comfortable financially with average incomes in the \$50,000s and \$60,000s. There are a few smart investors among the residents, but also few people seeking out public assistance. These areas also rank at above-average in the married couple category and in children above six and under 17.

5

Upper East Side

Residents of Upper East Side neighborhoods may face greater challenges than most Americans, but you can't say they aren't trying. These Harlem Gateway areas are home to people in their 20s to low-30s, who rank at the national-average in income from salaries and wages. However, they also show about two and-a-half-times-average-higher rate of public-assistance income. These residents are working at a wide variety of jobs, including an over two-times-average level of employment in healthcare services; nearly two-times-average in building maintenance; and over 50-percent-above-average in protective services, food preparation, and personal care industries. All in all their positions are categorized as white-collar, unlike the Lower East Side segments, which work in similar fields, but weigh in as blue-collar. But with a 50-percent-higher-than-average-level of residents without high-school educations, and a median-salary range in the low-\$30,000s or less, these residents may continue to carefully spend the money they bring home. Additional distinctions include a between 50-and-75-percent-above-average percentage who've never married; a well above average number of children; and a 50-percent-below-average number of married-couple households. Additionally, there is a 50-percent-higher-than-average percent of single male parents and nearly two-times-average number of single-female parent families.

6

Kith and Kin

The suburbs of America are the land of opportunity for many people of many income levels and family compositions. And Kith & Kin neighborhoods are the land where many 30-year-olds are enjoying very comfortable married-with-children lifestyles in the \$50,000s and \$60,000s income ranges. These are the places of multi-family backyard barbecues and sprawling birthday parties, making them noisy as well as big purchasers. Kith & Kin segments, as their name implies, are home to many children, who are living primarily in traditional two-parent households. While the kids span all ages up to 17, then tend to be in the higher ages — indicating that these 30-somethings started their families at relatively young ages. Residents of these Married in the Suburbs areas have an above-average level of college education. This group of suburbanites gains most of their income from salaries, earned from a variety of white-collar positions such as management, protective services, sales, office administration, and repair services. They register a slightly above up-tick in investment income, as well.

7

SM Seeks SF

SM Seeks SF neighborhoods are characterized largely by their 50-percent-higher-than-average level of singles who have never been married. Not only that, but they rank at more than two-times-the average in non-family households. Some of the households in these highly urban areas have children, but only a few. Owing to their never-married status and relatively young age (20s and 30s), it's logical to assume that this group is in the market to change their single status into married-coupledome. As a result, they may seek out free-time activities with groups of young adults, but they have not put their lives on hold until they find a mate. Instead, they're likely spending equal amounts of time and money socializing and creating comfortable lifestyles. The residents have an average level of college education and have incomes in the \$30,000s and \$40,000s. In these Going it Alone neighborhoods, income is generated almost exclusively from salaries in white-collar occupations such as food preparation, maintenance, personal care, and healthcare. In fact, they measure at a 50-percent-higher-than-average level of food preparation jobs. Overall, they only show a slightly above-average level of income from public assistance — no doubt to help those with children-but-no-partner help make their single-incomes stretch to cover the essentials of life.

8

Fertile Acres

Fertile Acres are most likely home to many farmers working the land — and doing it well, based on their basic statistics. These rural Working With Nature areas show nearly two-times-the-average level of people in the farming/fishing/forestry occupational category. Combine that with a 50-percent above-average level of income generated from self-employment and a median salary range in the \$50,000s and \$60,000s, and you've got yourself a group of hardworking country folks who are living very comfortably out in the country. These land tillers are predominately married, but tend to have fewer children than average. This could speak to the fact that the residents in these areas are starting to age: They have a 25-percent-above-average level of 65-plus-year-olds. This correlates to a similar ranking in retirement/social security income. But they don't just labor for their daily bread; these areas also rank about 25-percent-above-average in interest income. While there is some level of college education among these residents, they are more likely to have high school degrees.

9

White Collar Status

The urban White-Collar Status neighborhoods prove that a lack of college education and an income range of less than \$30,000 don't equate to blue-collar occupations. In fact, this group of Urban Cliff Climbers, which are home to people largely in their 20s and 30s and married-with-young-children, are employed in middle-class white-collar occupations, probably with a lot of room for advancement. They measure above average employment in several fields, including healthcare, protective services, food preparation, and grounds maintenance. With only high-school educations supporting them, this group of citizens keeps their heads-above water while they work their way up into higher-paying jobs by shopping for high-value with every purchase and making use of a higher-than-average level of public-assistance income.

10

Charmed Life

Married. 20- to 30-something-years-old. Children of all ages. Some college education. Incomes between \$50,000 and \$60,000. White-collar jobs in management, sales, and personal care industries. Based on these fundamental demographics, it's clear that the residents of Charmed Life neighborhood segments are a cross-section of young, working Americana. It's easy to imagine these neighborhoods filled with the middle-class cars, toys, and home furnishings — all of the merchandise that helps keep commerce humming at a pleasant pace in the United States. Positioned at the high-end of the Urban Cliff Climbers category, Charmed Life areas are home to Norman Rockwell-esque family images — hard-working citizens, who are in the full swing of their children-rearing years: housing, schooling, and entertaining children ranging from babies to teenagers.

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