

DUNCAN

AREA ECONOMIC DEVELOPMENT FOUNDATION

EDITION + 2017



Vice President Mark Spradling cuts the ribbon for Duncan Recycling and Refining

MAKING PROGRESS

Diversifying industry while leveraging sales-tax dollars

From when DAEDF first began working with Duncan Recycling and Refining (DR2) in 2012 to its ribbon-cutting ceremony in 2016, DR2 has done a lot in a short period of time. They began the year by installing their equipment. They then hosted a job fair and an open house. Now they are in operation.

As Lt. Gov. Todd Lamb stated during the company's facility open house and ribbon cutting, "This is a platinum day for Duncan and the state of Oklahoma."

"Adding new jobs to the Duncan area is DAEDF's primary goal," said

DAEDF President Lyle Roggow, "Now everything is coming to fruition. This is such a great opportunity for our community."

"We are extremely impressed with the attitude and skill of workforce available in Duncan," said DR2 President David Nichols. "Knowing the work ethic and history of manufacturing in the community was one of the reasons we selected Duncan for our operations. The bonus of working with DAEDF, Red River Technology Center and others is the icing on the cake."





Duncan's new business incubator will be located adjacent to Cameron University-Duncan and Red River Technology Center

DUNCAN'S INCUBATOR & THE COMMUNITY

New business incubator to meet needs of startup companies

DAEDF proposed to build a new incubator to meet the needs of startup companies and help existing companies. The rezoning of the property was approved by City Council in 2016. The new facility, adjacent to Red River Technology Center and Cameron University-Duncan because of the resources and partnerships available, will begin construction in 2017. Both have students who may join an incubator tenant's workforce or decide to start their own businesses. It would be easy and beneficial for incubator tenants to access the talent of both institutions for internships, assistance with prototypes, training and professional staff assistance.

The current incubator, also known as the Duncan Center for Business Development (DCBD), is located at 8100 N. U.S. 81 and houses the DAEDF offices. The DCBD has been open since 2009 to help entrepreneurs start businesses. See Page 4 for more information.



Business incubators stimulate economic development by allowing **small businesses to start and grow** in a controlled environment.”

Lyle Roggow

President for the Duncan Area Economic Development Foundation

Artist rendering of future Duncan Center for Business Development business incubator



UPDATE FROM THE PRESIDENT

Reflecting on 2016, there was a certain sense of nervousness within our local and state economies. Oil prices had dropped to \$37 per barrel and continued toward a lower price per barrel, causing a slowdown in most areas of the energy sector. The unemployment rate for Stephens County during this time was nearly 6.5 percent. Over time, that number grew to a rate of 10.6 percent unemployment. The rate for December 2016 improved to 8.8 percent and will continue to decline as the energy sector adds employees to meet the demands for products and services. The Duncan Area Economic Development Foundation (DAEDF) continued to seek industry diversification, provide opportunities for job seekers by sponsoring job fairs and partnered with education and business on workforce development.

In April, DAEDF's construction was completed for a company that diversifies Duncan's industries. Oklahoma Lt. Gov. Todd Lamb helped us celebrate by attending the open house and ribbon cutting for Duncan Recycling and Refining (DR2) and declaring it a "platinum day for Duncan." He reflected on how the spec building had transformed from his previous visit to the facility during his tour of 77 counties in 77 days. On his prior visit, he had the opportunity to speak inside the dirt-floor building on a very cold day.

Another way we partner with Lt. Gov. Lamb is by annually hosting the Lieutenant Governor's Invitational Turkey Hunt. This event allows us to bring prospects and guests to the community to build relationships that will ideally result in new industries and partnerships within our area. Duncan hosted 15 guest hunters, which included multiple projects or businesses.

One hunter will start inside the Duncan Center for Business Development (DCBD). Another hunter is working with DAEDF to bring his service-contracting business to Duncan. Relationships with other hunters have provided us with a prospect lead that is very promising for our community. Some projects take several years to build the relationship before they develop and are ready to announce.

We were honored to host Wounded Warrior Staff Sgt. Jonathan Wilson, and Donald J. Trump Jr., son of the President of the United States, as guest hunters during the Turkey Hunt. Mr. Trump Jr. told us what he enjoyed most about Duncan is our down-to-earth hospitality and having fond memories of getting two birds with one shot.

We have continued to assist startup companies at the DCBD in the current location. But with the successful rezoning of land by Cameron University-Duncan and Red River Technology Center, we look forward to building a new facility for the DCBD. Building plans have been drawn and will be put out for bid. Once the new facility is complete, the partnership between Red River Technology Center and Cameron University-Duncan will flourish, along with providing an ideal environment for startup companies. Our goal is to become an innovation center while being a good neighbor to all who surround the property.

Although it is important to seek new businesses, supporting our existing businesses and community is paramount. Last January, DAEDF worked with DR2, Edgewater Technical Associates and Red River Technology Center to host a job fair with attendance over 300. In April,



DAEDF also assisted in organizing a large job fair in partnership with First Baptist Marlow and Connection Church Duncan. The fair had 45 booths, and 350 to 400 people attended. Workforce development also continued with over 550 students entering the DAEDF Youth Engineering Contest.

We are optimistic as we enter 2017. Area employers will continue to hire based upon available work needs. DAEDF's focus will remain on increasing job opportunities and supporting existing companies to be successful. We continue submitting proposals to companies seeking to grow their business footprint. It's important that Duncan remain competitive for the benefit of each prospective company and our community. Projects are bottom-line driven and locate in communities that find creative ways to help them overcome their challenges. If they win, we win! More importantly, it's always good to have leaders who support the economic efforts of our community. It's the only way that communities can grow and prosper.

Thank you for your continued support of economic development in the Duncan area.

Lyle L Roggaw



DUNCAN CENTER FOR BUSINESS DEVELOPMENT

The current facility is located at 8100 N. U.S. 81 in Duncan



Supporting startups is what we do! **Locating in a certified business incubator is a great way to minimize startup expenses and aid in long-term success.**

Nicole Punneo, Certified Business Incubator Manager
Duncan Center for Business Development

DUNCAN CENTER FOR BUSINESS DEVELOPMENT INCUBATOR TENANTS

- ECH Corp.
- Philtek Services LLC
- Raptor Oilfield Controls LLC
- Renegade Transport LLC
- Shabby Chick Cleaners

BENEFITS OF LOCATING IN A CERTIFIED BUSINESS INCUBATOR

- Network of peers and resources assistance available from the Duncan Area Economic Development Foundation, Red River Technology Center, Cameron University and other local/state entities
- Support that will aid in your success – 80 percent success rate for businesses that start in an incubator (source: National Business Incubation Association)
- Five years Oklahoma business-income tax abatement for tenants of a certified incubator, with the potential for 10 years of abatement (source: Oklahoma Tax Commission)
- Affordable furnished office-space rates
- Shared services, equipment and meeting space
- Minimal charges for phone, internet, cleaning and other professional services may apply
- Copier, fax machine, binder, banner printer, conference room and more

GET YOUR BUSINESS ON THE FAST TRACK TO SUCCESS

Start your business at the Duncan Center for Business Development. Contact Nicole Punneo, Certified Incubator Manager Nicole@ok-duncan.com

DUNCAN INCUBATOR WELCOMES SHABBY CHICK CLEANERS

Startup company Shabby Chick Cleaners originally began producing its line of certified all-natural cleaning products at home, but kept growing and selling out at area farmer's markets. Shabby Chick realized it had a valuable product, but it was unable to keep up with demand and needed either to outsource production or find a larger manufacturing space. This is when it chose to maintain control of its product and approached the Duncan Center for Business Development (DCBD) about locating in the business incubator. Since entry into the DCBD, sales and manufacturing have increased over 300 percent.



One of several all-natural cleaning products manufactured by Shabby Chick in the DCBD

Shabby Chick has grown from selling at farmer's markets to boutiques, and sees in the near future growing to a wider assortment of retailers and distributors.

“ The DAEDF Team directed me to Jackie Jacobi with Red River Technology Center, who helped me form my company. Jackie put me in touch with people all over the country in regards to marketing, social media, manufacturing, packaging, business plans, etc. ”

Amber Malcolm

Founder, Shabby Chick Cleaners

PARTNERS IN BUSINESS ASSISTANCE

Red River Technology Center (RRTC) is committed to helping area businesses succeed.

Jackie Jacobi with the Business Development Services program provides entrepreneurs with the resources they need to start and grow a successful business venture.

Industrial Coordinator Jacob Johnson provides customized training and services to new and existing business and industries to meet current and future needs.



Incubator Manager Nicole Punneo meets with Red River Technology Center Industrial Coordinator Jacob Johnson.

#INVESTDUNCAN

MARKETING DUNCAN FOR INVESTMENT



DAEDF received one of the International Economic Development Council's Silver Excellence in Economic Development awards for its 2015 annual newsletter for communities with populations of less than 25,000. Demonstrating that DAEDF is at the forefront of the economic development profession, it raised awareness of Duncan among peers in the economic development field, media and companies looking to expand or relocate.

PURSUING EVERY OPPORTUNITY

The economy picked up in 2016, with more site selectors and businesses considering locations. DAEDF presented 23 proposals for consideration, highlighting locations, incentives, workforce and utilities.

DAEDF is seeing projects from several different industries, with leads coming from the Oklahoma Department of Commerce, ROI, Oklahoma Lieutenant Governor's Turkey Hunt, Community Matters LLC and SelectUSA.

“ **Having a building available was a major factor in our decision to locate in Duncan.** ”

David Nichols
President, Duncan Recycling and Refining

Duncan has over **500 acres of site-certified and shovel-ready properties** and is ready to see any project quickly from announcement to production.

View aerial videos of Duncan's Industrial Parks and available land at ok-duncan.com/videos

290
ACRES

Greenfield site with adjacent utilities. The surrounding land use includes the Halliburton Campus, Family Dollar Distribution Center and agriculture.

70
ACRES

Greenfield property is graded and level with grass. There is a paved road, water, sewer, and electric on site. The surrounding land use is the Halliburton Campus, Family Dollar Distribution Center and agriculture.

NORTH
INDUSTRIAL PARK

Greenfield property zoned light industrial with all utilities on site, paved roads and bordered by the Union Pacific Railroad. Park is home to Cameron (a Schlumberger Company), Rockwater, Wilco Machine & Fab, Solitaire Homes, Valco Manufacturing, Completion Science, Duncan Recycling and Refining, Four D Corp., O-Tex and others.



Oklahoma Lt. Gov. Todd Lamb's turkey hunt is a yearly effort to market both the state and the Duncan area. Duncan has been involved since the 1980s, and by hosting, DAEDF can build relationships with consultants from several major market areas and companies planning to expand their operations. It's a valuable opportunity for DAEDF to demonstrate our friendly, welcoming environment and educate our guests on the advantages of being in Oklahoma.



For the second year in a row, Duncan was fortunate to host a Wounded Warrior at the turkey hunt. Thank you for your service, Staff Sgt. Jonathan Wilson. We also appreciate Randy West for coordinating Jon's visit, and Hal and Matt Labyer for being Jon's hunting guides. (Pictured above: Staff Sgt. Jonathan Wilson, left, and Randy West.)

DAEDF also welcomed Donald Trump Jr., left, to Duncan for the hunt.

A LOOK AT ECONOMIC DEVELOPMENT INCENTIVES

Growing the economy with new jobs paying higher wages

Over the past several years, there has been much discussion surrounding incentives to industry. Economic development incentives are drivers to meet a desired outcome for the community or state. These types of incentives typically benchmark requests that require the company to achieve thresholds on higher wages, increased capital investment and a minimum number of jobs.

Due to budget concerns, the Oklahoma Legislature began an effort to analyze the incentives offered by the state of Oklahoma several years ago. Its decision was to create a working committee to investigate the outcomes for each incentive. From this legislative act, the Incentive Evaluation Commission was created.

The commission is composed of five individuals with varied backgrounds; two CPAs, a layperson, an economist and a representative from the Oklahoma Economic Development Council (OEDC). Lyle Roggow was selected by OEDC members to serve on behalf of the organization – a decision based on his knowledge, experience and understanding of the comprehensive nature of how incentives work.

The Duncan Area Economic Development Foundation (DAEDF) has guidelines, which are followed for offering an incentive. Typically, the incentives offered by DAEDF are performance-based rebates that are given to the company after it has provided evidence of the expense. For example, a company must create

at least 10 new jobs and pay a rate near or above the county-average wage. DAEDF will give the company up to two years to create the jobs, but only pays the incentive over four consecutive quarters or until the incentive amount per employee is met before the contract ends.

For both the state of Oklahoma and DAEDF, the company must provide documentation to receive benefits. These incentives are offered to new and existing companies that are growing. It is important to understand that in the recruiting process, DAEDF competes with other states and communities that are offering incentives. Furthermore, an economic organization can only offer what is reasonable and accountable.

MANUFACTURING DIVERSIFICATION

Some local manufacturers are stabilizing components of our economy. Among them are Valco and Duncan Machine Products who work in the defense industry and provide consistent employment to our highly skilled workforce. Another manufacturer bridging the gap to industry diversity is Wilco Machine & Fab to make a positive outlook for 2017.

Center of Excellence

In 2016, Cameron Measurement Systems was purchased by Schlumberger and their new name is Cameron, a Schlumberger Company. Cameron dedicated the facility to be the center of excellence for measurements and have proven this by moving multiple product lines to Duncan. These new products resulted in the need to change the flow of the plant to accommodate the growth. The Duncan facility has undergone consolidation and additional lean flow for efficiency, which has positioned them for growth opportunities in 2017.

Cautious Excitement in 2017

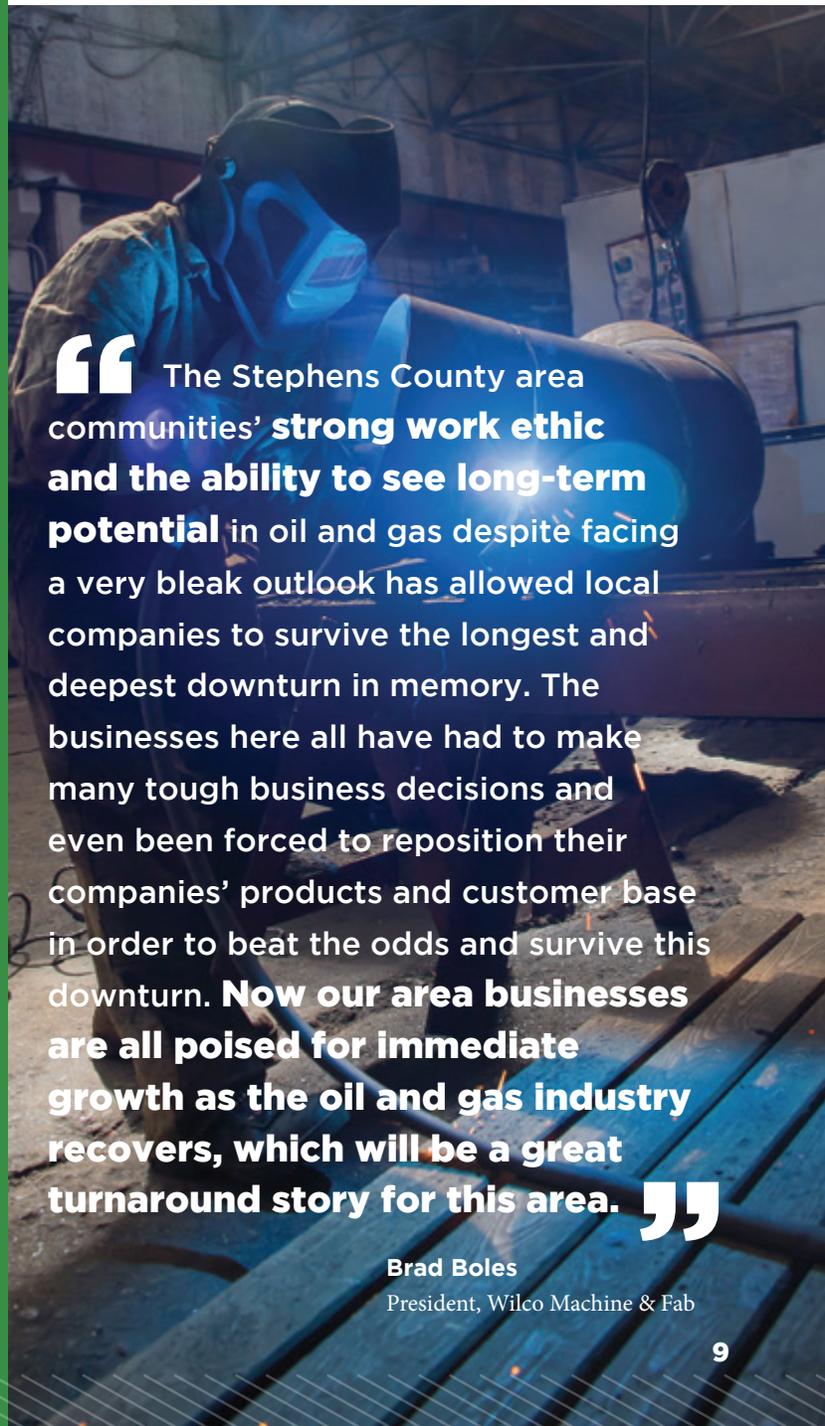
Our oil and gas manufacturers, and therefore our community, have gone through a difficult year in 2016. However, we are thankful for the many businesses that have retained as many employees as they could and have remained in business. We look forward to 2017 with cautious excitement that it will be a brighter year and better than the past two. At the end of 2016, some interviewing was taking place, and employees will be added based upon available work. Much is dependent on oil prices.

Some of the skill sets that are needed are not as easily found in part because some laid-off employees have decided to leave the energy industry. There is concern that the machining skill set is critical, yet young people do not express interest in it. This provides opportunity for students who don't want to go to college to make a good income with benefits as a machinist. A new high school internship program will prove valuable in order to continue to sustain the pipeline for machining and manufacturing.

FAMILY DOLLAR GROWING ACROSS NATION

Dollar Tree purchased Family Dollar in the summer of 2015. At that time, the company expected combined sales over \$19 billion a year and planned to operate over 13,000 stores, making it the largest dollar-store chain in the U.S. by store count.

Duncan's Family Dollar Distribution Center (FDDC) provides product to 822 stores located in Texas, western Louisiana, western Arkansas, southwest Missouri, Kansas and Oklahoma.



“ The Stephens County area communities’ **strong work ethic and the ability to see long-term potential** in oil and gas despite facing a very bleak outlook has allowed local companies to survive the longest and deepest downturn in memory. The businesses here all have had to make many tough business decisions and even been forced to reposition their companies’ products and customer base in order to beat the odds and survive this downturn. **Now our area businesses are all poised for immediate growth as the oil and gas industry recovers, which will be a great turnaround story for this area.** ”

Brad Boles
President, Wilco Machine & Fab

**THE HEALTH OF
OUR COMMUNITY**

**LARGEST
HEALTH CARE
EMPLOYER**

Duncan Regional Hospital has a statewide reputation as one of the premier Oklahoma hospitals. As the largest health-care employer in the Duncan area, we are proud to have such an outstanding facility that offers a much-needed service to our community and provides job opportunities to our citizens.



DUNCAN REGIONAL HOSPITAL

990+

EMPLOYEES

Duncan Regional Hospital (DRH) is Stephens County's largest health-care employer.

The downturn in oil and gas, which resulted in loss of jobs, health insurance and the state no longer accepting federal funds from the Affordable Care Act has adversely affected our local health-care industry and put a larger burden on local doctors and DRH. It is payments from the insured and employers that offer health insurance that provide stability for DRH.

RECORD NUMBERS

Patient experiences delivered in the emergency room (ER) and the hospital are comparable to the top 25th percentile of hospitals in the United States. DRH has record volume in deliveries, surgeries and imaging. The local primary-care coverage is very good and possibly the best supply of providers ever in Stephens County.

NURSING DEGREES

DRH's investment in the partnership with Oklahoma City University and the University of Oklahoma will allow DRH to graduate 25 to 50 nurses with a bachelor of science in nursing degree per year.



DRH will continue to recruit physicians in areas like ER, ENT, surgery, internal medicine, cardiology and OB/GYN. **There are around 150 careers available at DRH.** Not only does DRH need doctors, nurses and therapists, but we also need electricians, security guards and people to run the boilers/chillers and generators.

Jay Johnson

President, Duncan Regional Hospital

92%

EMPLOYEE ENGAGEMENT

The board and staff continually strive to make DRH a great place to work. In 2012, DRH was in the 76th percentile, and in 2016, employees rated DRH at the 92 percentile as a great place to work.

SERVICE TERRITORY

DRH provides services in Duncan, Comanche, Marlow, Velma, Waurika, Chickasha, Ringling and Ryan. Services are also provided at the Cancer Centers of Southwest Oklahoma in Lawton and Altus. DRH continues to provide leadership in southwest Oklahoma and has recently begun management of the Jefferson County Hospital. Much of the recent growth has been with Solutions Physician Practice Management, a service of Duncan Regional Hospital. They work with doctors and other providers to provide a support system for their office practice.

LOOKING TO THE FUTURE WITH WORKFORCE DEVELOPMENT

Duncan an Oklahoma STEM Community

DAEDF continues to work as a liaison to connect industry and education. Duncan Public Schools, under the direction of Superintendent Melonie Hau, is working on Career Pathways 2.0 and partnering to prepare students for work and/or a career.

Oklahoma House Bill 2535 was passed in 2016 to allow high school students to receive an elective credit for an internship. Local businesses are considering and working toward developing internships.

HELP A STUDENT DISCOVER THEIR CAREER INTERESTS!

visit www.okcareerguide.org

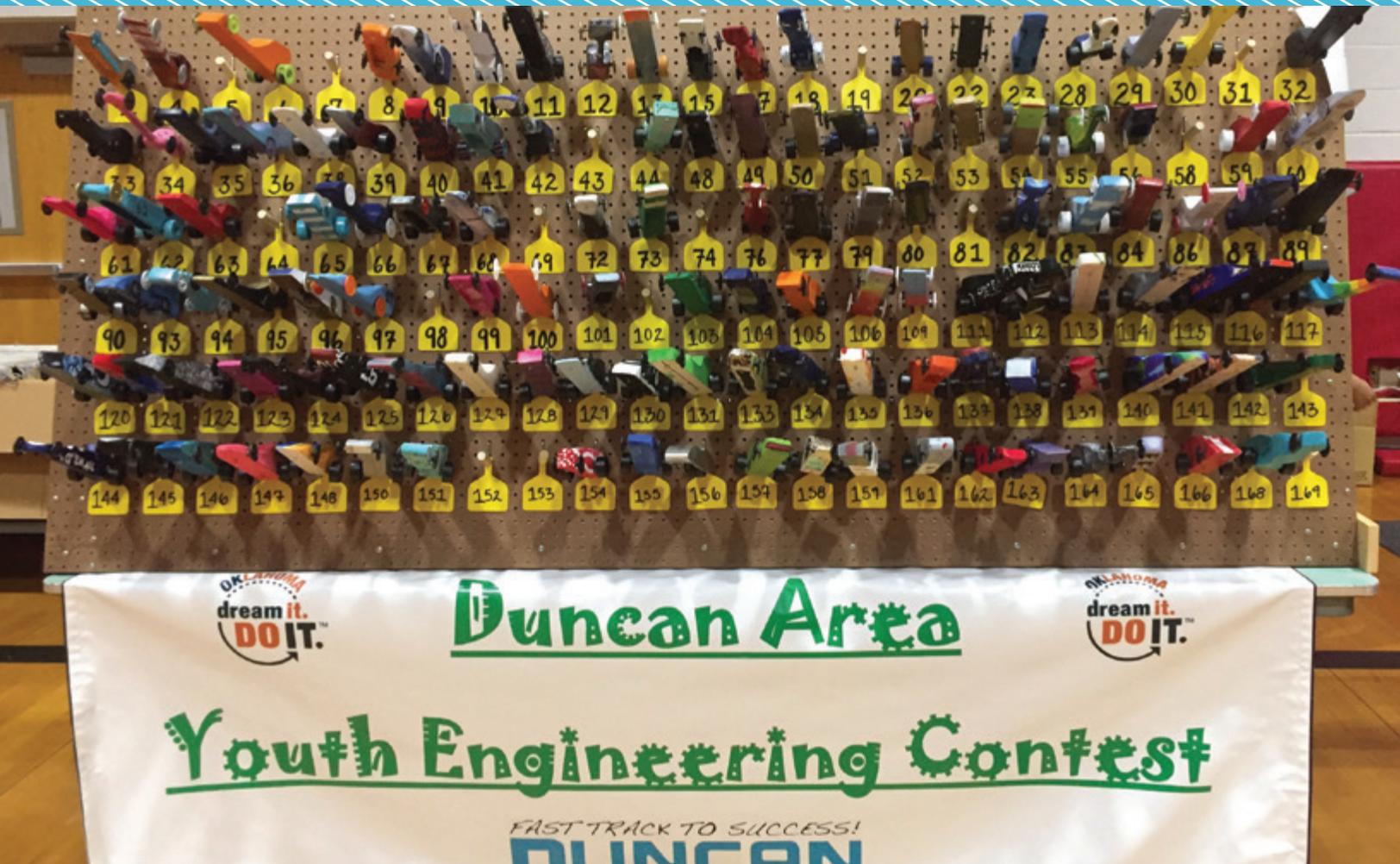
STUDENTS TOUR INDUSTRY

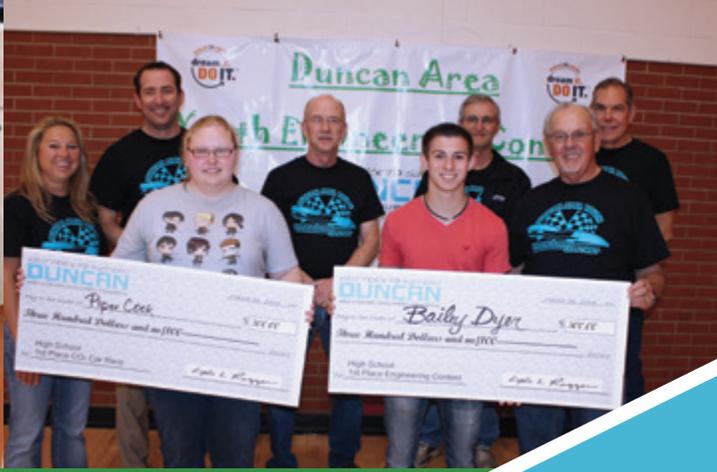
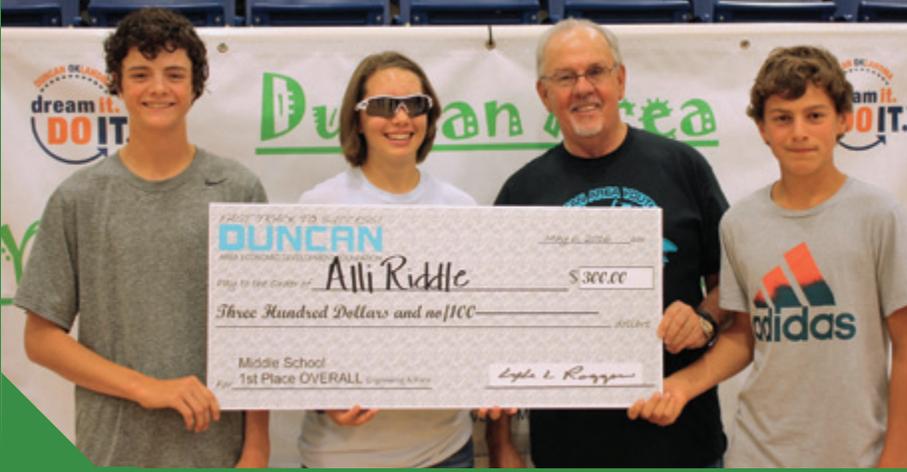
Duncan Middle School students participated in industry tours as part of Duncan's Career Pathway initiative to familiarize youth with various occupations.

Thank you to Cameron (a Schlumberger Company), Completion Science, Southern Machine Works and Duncan Regional Hospital for welcoming students and teachers into your facilities.



Stan Heath with Completion Science demonstrates a test to middle school students.





DAEDF hosted three Youth Engineering competitions this year for students in 7th-12th grade. Two were hosted in spring and one in the fall. Students won prize money along with scholarships to Cameron University. Winning students pictured above and below.

YOUTH ENGINEERING CONTEST

“It was exciting to have so many schools participate in this year’s Youth Engineering Contest. Between all the races, we had over 550 cars,” race coordinator Jeannie Bowden said.

Students competed for money awards in the areas of engineering, the fastest CO2 racecar, overall and people’s choice. In addition, Cameron University presented scholarships to the top three overall high school winners, and teachers received an appreciation gift.

The contest is challenging for students, teachers and parents. It requires critical thinking, design, drafting and manufacturing a CO2 racecar. This contest is possible because of DAEDF’s partnership with local middle schools, high schools, Red River Technology Center, Cameron University, area businesses and PITSCO. Duncan’s Dream It! Do It! initiative is a manufacturing career pathway associated with the Manufacturing Institute and the National Association of Manufacturers (NAM).



The partnership between educators, volunteers and our area employers shows the value all groups place on **educating youth for their place in the workforce** following graduation.

Jeannie Bowden
Business & Industry Specialist,
Duncan Area Economic
Development Foundation



CONNECTING EMPLOYERS WITH EMPLOYEES



DR2 worked with DAEDF, RRTC and a private hiring company when it hosted its hiring event. DR2 employees are now actively extracting platinum group metals as seen in “pour” picture to the right.

During the downturn in employment, DAEDF worked with companies and community partners by hosting job fairs to assist those out of work.

The largest employment event held was the There’s Hope Job Fair sponsored by First Baptist Marlow in conjunction with Connection Church Duncan and DAEDF.

Employers from across the region participated. In addition to job opportunities, resources related to training, retraining, education, veteran programs, health screenings and services to assist families were in attendance.

Another hiring event that garnered a large response was the Duncan

Recycling and Refining (DR2) job fair. Over 300 people applied and were interviewed during the event.

In the coming year, DAEDF looks forward to helping companies succeed and connect skilled employees with employers.

TUNE IN TO KSWO’S PUBLIC ACCESS CHANNEL

Host Lyle Roggow speaks with guests from the Duncan Chamber of Commerce, City of Duncan, Main Street Duncan, United Way of Stephens County, Duncan Tourism, Red River Technology Center, Cameron University-Duncan, Chisholm Trail Arts Council,

Stephens County Fair & Expo Center, Duncan Public Schools and other organizations to learn more about what’s happening in our area. Inside Duncan airs 12:30 p.m. on Sundays.



DAEDF MEMBERSHIP

Become a Member

DAEDF membership is open to anyone with an interest in economic development. Our membership network primarily consists of local individuals and businesses collaborating to grow the local economy.

The Duncan Area Economic Development Foundation (DAEDF), a 501(c)3 nonprofit organization, was formed in 1993 to improve the economy of Stephens County. DAEDF is focused on growing existing companies while attracting new industries that complement Duncan's community.



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DAEDF STAFF



Lyle Roggow, President

Jeannie Bowden, Business & Industry Specialist

Nicole Punneo, Operations Manager
and Certified Incubator Manager

MISSION STATEMENT:

To continually increase job opportunities and the development of a favorable business climate and workforce-development programs.