

DIVERSIFYING BEYOND OIL AND GAS

The Stephens County area has deep roots within the industry that have built a strong work ethic and skills that set us apart. The skills that benefit the oil and gas industry are adaptable to other industries. We are seeing Duncan continue to invest in our region, while diversifying industries offering employment.

This culture of critical thinking and problem solving began when Halliburton started in Duncan in 1919, and manufacturing excellence still exists at the Halliburton Manufacturing Center in Duncan. Employees continue to be awarded patents because of their research and development. The foundation is people working together to solve problems and serve others.

DR2

Solving the problem of used automobile catalytic converters by refining the precious metal from them

Dream Team Prosthetics

Solving the problem of limb loss by creating customized prosthetics with top technology

Family Dollar

Solving the problem of getting products to a vast area by using a tracking/sorting system and delivery to seven states

Shabby Chick

Solving the problem of cleaning without hazardous chemicals by using natural safe ingredients

UPDATE FROM THE PRESIDENT

erving as the President of the Duncan Area Economic Development Foundation (DAEDF) for the past 11 years has been rewarding, while presenting some challenges. During this time, we have seen three downward cycles impacting the energy-based economy of Duncan. Our community has experienced the impacts of negative energy prices many times. This current energy cycle has been the most dramatic for our community. Two years ago, we were seeing the oil price for a barrel near the low \$30s, and today those prices are in the \$60-\$70 range. Each downward cycle takes a toll on an energy manufacturing community like Duncan.

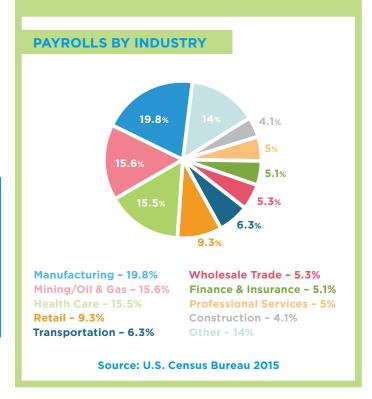
MONTHLY UNEMPLOYMENT RATE DOWN FROM 11.4% to 4.7%

Source: U.S. Bureau of Labor Statistics

Our economy began turning a corner in early 2017 when many companies began hiring. Equipment inventory that had been cold-stacked for lack of use was being put back into the field. DAEDF responded by hosting a job fair with more than 570 individuals attending. Participants had the chance to interview with seven companies. Halliburton, Wilco, Cameron, Rockwater, and other companies began 2017 by hiring employees. The oil-field service industry was once again on the rise. These activities quickly aided in decreasing our county unemployment rate of 11.4% to 4.7%.

We assisted Dream Team Prosthetics and Shabby Chick Cleaning on their location in the North Industrial Park. Through work inside the incubator at the Duncan Center for Business Development, both have been successful in growing their business. Dream Team was recognized by Lt. Governor Todd Lamb during Small Business Week for their impact on those who have suffered limb loss. Shabby Chick debuted on HSN with two natural cleaning products.

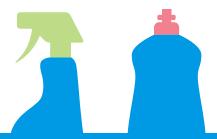
When you look at employment by industry sector, payroll by industry sector, and establishment county by industry sector, it shows that, although retail accounts for the largest number of establishments, payroll is highest for manufacturing, mining and health care.



Other former incubator tenants, such as Completion Science, have found their marketing niche. It's nice to see companies who now understand the steps to starting a business begin ventures. Brad Todd of Completion Science has taken his second passion of shooting sporting clays to a new level. He recognized that there is no sporting clay course near Duncan and decided to open Chisholm Trail Sporting Clays, located near Duncan Lake.

SHABBY CHICK

Debuted two natural cleaning products on HSN!



The focus on STEM and Career Pathways has led to Duncan Public Schools implementing an internship program for high school students. They have partnered with businesses as a platform to help train our future workforce. This allows students to understand the needs of the business community, skills required, purpose for their education, and job expectations. Dream Duncan's Destiny had set the internship program as a goal in the 2006 strategic planning session. We are glad to report that 36 businesses opened their doors to allow 53 Duncan High School students an opportunity to gain from this program.

OUR TOP
50
BUSINESSES
EMPLOY NEARLY
40%,
OR
7,200
WORKERS

This past year Duncan co-hosted the OCAST Manufacturing Networking event with Lawton and Chickasha, allowing businesses to build relationships and opportunities that resulted in contracts. This helped us launch a Stephens County employer program to our top 50 businesses who employ nearly 40%, or 7,200 workers, in our area.

Our prospects have been another focal point this past year. Each of these RFP projects has high capital investment and employs many individuals with excellent wages.



Many times these projects stretched our minds on ways to remain competitive. Having a DAEDF board and staff with a can-do spirit keeps us open to ways to solve challenges during the final stages of the site selection process. It is these problem-solving characteristics that keep Duncan in a unique position. Other Oklahomans see us as leaders who know how to manage and solve our own challenges. One must remember that economic development is not a sprint but rather a marathon. Change occurs slowly and with the guidance of a long-term strategic planning process.

Even during these challenging times, many long-term accomplishments have been made for the benefit of Duncan and Stephens County. We have remained focused on the Six Building Blocks to Community Development: Leadership, Workforce, Community Capacity, Existing Businesses, Entrepreneurship, and Targeted Business Recruitment. Successful economic development efforts are always adapting to market conditions and place a premium on the coordination needed to achieve economic prosperity. This only occurs because DAEDF has a board, staff, and membership that are constantly looking at how we can positively impact our community.

Lyle L Roggow



LIEUTENANT GOVERNOR'S TURKEY HUNT

The Lieutenant Governor's Turkey Hunt is a yearly effort to market both the state and Duncan area as an ideal location for business investment. Since the event began in the 1980s, Duncan has been a host, allowing us to build relationships with site consultants and companies from markets across the globe.

AREA PROPERTY INFO

Duncan has more than 500 acres of site-certified and shovel-ready properties and is ready to see any project move quickly from announcement to production. View aerial videos of Duncan's Industrial Parks and available land at ok-duncan.com/videos.

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

Acres on 2nd Street is a greenfield property that is graded and level with grass. There is a paved road, water, sewer, and electric on site. The surrounding land use includes the Halliburton Campus, Family Dollar Distribution Center, and agriculture.

Combined acres located in the North Industrial Park is a 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, NOV - Wilco Machine & Fab, Valco Manufacturing, Completion Science, Duncan Recycling and Refining, Four D Corp, O-Tex, Dream Team Prosthetics, Shabby Chick, and others.

Acres on Eastland is a greenfield site in close proximity to four-lane divided Highway 7.



RELATIONSHIP BUILDING 101

The Better Business Bureau verified what we already know. The most important asset in business is the relationships you build along the way. This social capital creates a level of trust and understanding that makes people want to do business with you. The DAEDF staff works with various organizations to nurture relationships that benefit Duncan.



#INVESTDUNCAN MARKETING DUNCAN FOR INVESTMENT

Over the past 1 1/2 years Duncan has presented 21 proposals for consideration to companies looking to expand or locate. These proposals highlight our location, incentives, workforce, and utilities.





HALLIBURTON

The Oklahoma Department of Commerce (ODOC) toured Halliburton's 1-million-square-foot manufacturing center in Duncan. The facility manufactures and services equipment to efficiently control the production of oil and gas from the time a well is drilled until the producing formation is completed. During the tour, ODOC saw the operations and spoke with plant officials about workforce, training, production, and more. The company's successful public-private partnerships with Duncan Public Schools and Red River Technology Center have been instrumental in developing the area's workforce.



DREAM TEAM PROSTHETICS

Oklahoma-owned and operated, Dream Team Prosthetics LLC in Duncan is a world-class organization that specializes in the field of artificial limb design. The business was envisioned in 2016 by owners Randy Richardson, assistant prosthetist, director of marketing communications, and native of Duncan, Brandy Simpson, office manager, and Chad Simpson, clinical director. The team met with Lyle Roggow, President of the Duncan Area Economic Development Foundation (DAEDF) and Duncan Center for Business Development (DCBD) business incubator. The DCBD serves as the incubator assisting area entrepreneurs in business start-ups. After working with the company, DAEDF placed them in a 6,300-square-foot building located in the North Industrial Park, which was perfectly designed to match their business and client needs.

The building provides ample room for administration. patient fitting rooms, gait training, and open access to a climate-controlled manufacturing lab for the design and fabrication of the custom-made prosthetic limbs, all of which are completed on site. The grounds around the campus also are utilized by patients to further their skills to help navigate daily life situations, such as ramps, hills, curbs, steps, and uneven terrain. Dream Team clients come from not only Oklahoma but many other states across the nation as well as other countries. Clients include wounded service members and allied forces members who come to this unique clinical facility for their cutting-edge patient care and expertise. Their goal is to make a positive impact on their patients' lives, daily function, and improve mobility with advanced prosthetic technologies.

CHISHOLM TRAIL SPORTING CLAYS



located in the Duncan Center for Business Development business incubator, in 2016 they grew to their current location at 7145 Nix Drive. This is in one of DAEDF's three lab buildings built in Duncan's North Industrial park. Completion Science continues to grow and offer oil and gas industry solutions and engineering help. As a successful entrepreneur, Brad is busy with his primary business; however he has decided to reinvest in the community with an additional entity that adds to the area's quality of life. Chisholm Trail Sporting Clays Range has been described as "golf with a shotgun," and that's a fair comparison. Like golf courses, no two sporting clays courses are alike, and terrain and background have a lot to do with how targets are presented. Recently leasing a beautiful piece of property from the City of Duncan for 25 years, the range has 12 stations with more in the works and is now open to the public.

KOCHENDORFER BREWING COMPANY

Chris and Laura Kochendorfer and Lenny and Kathryn Cripps are the co-owners of the soon-to-break-ground Kochendorfer Brewing Company.

Kochendorfer Brewing Company has been in the works for several years. When the Kochendorfers and Cripps first met, it was obvious they shared the same dream of one day opening a brewery. With the Kochendorfer's entrepreneurial spirit and the Cripps' vast knowledge of the craft beer industry, Kochendorfer Brewing Company was born. After some disappointments in starting the brewery in Oklahoma City it became apparent that with the Cripps residing near Duncan and Laura's family ties to the area, Duncan would be the perfect place to begin this journey. This beer manufacturer will be located at 1155 McCurdy Road in Duncan. It will sit on five wooded acres of land and will be a destination for friends and families to get together. The brewery will host tours, as well as maintain a taproom for craft beer



purchases. Plans include a large covered patio space, bandstand, food trucks, family-friendly outdoor games, walking trails, as well as a fenced-in playground so that families can get away for the day and enjoy the outdoors together. Kochendorfer Brewing Company hopes to open its doors in 2019.

INCUBATOR

WHAT IS A BUSINESS INCUBATOR?

It's all in the name: They help "hatch" companies and keep them alive until they're strong enough to survive alone. That could involve anything from plugging new companies into an influential network, training them in business strategy, gifting hard-won, industry-specific knowledge, or providing a workspace. Incubated companies are twice as likely to succeed. The Duncan Center for Business Development (DCBD) is Duncan's certified business incubator and works with area entrepreneurs to help them start companies and succeed through a variety of resources.



INCUBATOR BENEFITS:

Network of Peers and Resources

Support That Will Aid in Your Success

Five Years Oklahoma Business Income Tax Abatement

Affordable Furnished Office Space

Shared Services, Equipment & Meeting Space

LIVEPLAN

LivePlan is a virtual business plan network that helps start-up companies create financial forecasts, marketing plans, write pitches to grab investors' attention, and every other essential piece of a business plan. DCBD provides this tool at no cost to entrepreneurs getting started.



CERTIFIED BUSINESS INCUBATOR MANAGER

Nicole Punneo is a certified business incubator manager through the International Business Innovation Association (InBIA). When entrepreneurs visit the Duncan Center for Business Development (DCBD) they will receive one-on-one assistance to help them succeed, regardless of their company's stage of development.

DCBD TENANTS

- EmiLee Express (virtual tenant)
- LostSoldier's Workshop Foundation
- Philtek Services
- Renegade Transport
- Shabby Chick Smart Clean (not in the incubator office due to needing more space, but still in the incubator program)
- SV Mac Pack

SV MACK PACK AND HUBZONE CHAMBER OF COMMERCE

Through the support of DAEDF, Neil McDonnell started a federal government, IT-focused consulting firm in Duncan. A technology services entrepreneur with more than 25 years of professional experience, Neil lives near Washington, D.C. However, Neil's company is based in Duncan, where his niece lives, because he believes that it is better to rejuvenate her rural community than watch her seek employment and economic security far from home. "I've always believed that there are good people everywhere that would make great employees if they could just get the opportunity. Bringing SV Mac Pack to Duncan was me putting that belief into action." Neil worked with the DAEDF staff to understand the unique requirements of starting a business in Oklahoma, then shortly after that began to hire locally - his goal is to have 80% of his employees living in Oklahoma.

"I couldn't have done what I have done, at the speed I have done it, without the unhesitating support of Nicole, Jeannie, and Lyle. They only want to see businesses succeed."

Neil McDonnell, founder of SV Mac Pack and **HUBZone Chamber of Commerce**

In addition to starting SV Mac Pack out of Duncan, in January 2018 Neil founded the HUBZone Chamber of Commerce. HUBZone is an SBA federal program designed to help small businesses. Through his nonprofit organization, Neil intends to help the more than 6,000 HUBZone firms throughout the country, more than 300 of which are in Oklahoma, win some of the \$13 billion earmarked specifically for small businesses in historically under-utilized business zones such as Duncan and most of Oklahoma. He has an aggressive goal of helping Oklahoma small businesses learn how to win enough federal business to bring in more than \$100 million new dollars annually, which will go a very long way to improving the economic conditions of communities throughout Oklahoma.

VIRTUAL TENANTS



The DCBD is here to help new businesses get started. Not all businesses need an actual office; some tenants are virtual tenants. These tenants start their business plan in the LivePlan account provided by the DCBD and have bi-weekly to monthly meetings with the incubator manager.



Emilee Express is another innovative company that recently launched services in Duncan, Emilee **Express partners with**

45 local restaurants, delivering food to Duncan, Marlow, and Comanche. People interested in food delivery can download their free app to order dinner, surprise a friend with brownies, or even cater a business lunch. Want to deliver flowers and candy to your loved one, have lunch taken to your kid at school, or have your groceries delivered? They do that, too!

"We are excited to be the Duncan **Center for Business Development's** first virtual incubator tenant. We are using LivePlan to write our business plan and meeting monthly with Nicole to help our business grow."

- Lee Lipscomb, owner of Emilee Express

CO-WORKING SPACE

@theOffice is Duncan's new co-working space opening in late 2018. Co-working spaces are great for productivity and work-life balance. They help entrepreneurs feel more confident, tap into huge networks, and innovate with other like-minded people.

"Forty percent of the workforce will be freelancers, temps, independent contractors, and solopreneurs by 2020." Source: officevibe.com



Duncan Regional Hospital (DRH) is very proud to be one of the first hospitals in the state working collaboratively with two schools of nursing, the University of Oklahoma (OU) and Oklahoma City University's (OCU) Kramer School of Nursing. More opportunities for professional nurses exist now due to the ongoing national shortage of Registered Nurses (RN) and their expanding roles. The preferred gateway into a nursing profession is the Bachelor of Science in Nursing (BSN) degree, which provides eligibility for RN licensure.

DRH has an education program like no other in the state. This nursing school allows students to attend classes in Duncan, graduate with a BSN, and receive their diploma from OCU or OU.

The partnership with DRH and OCU Kramer School of Nursing provides competitive scholarships and loans awarded at the start of each academic year, with students agreeing to work at DRH for two years following graduation. Cameron University's (CU) Associate in Science in Allied Health Sciences satisfies general education requirements for the OCU program.

The Accelerated Bachelor of Science in Nursing (ABSN) program with OU is tailored for individuals already have a bachelor's or higher degree in a non-nursing major. Graduates receive a BSN degree.

Adult and high school students work toward the required prerequisites for health careers by attending CU and/or Red River Technology Center (RRTC). High school juniors and seniors can attend CU concurrent classes and/or RRTC classes. Duncan Public Schools (DPS) also provide a health careers internship through DRH.

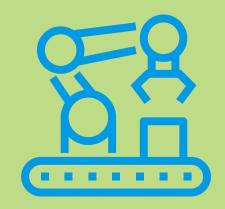


These DRH nursing programs have no problem retaining students and boast a 100% GRADUATION RATE.

Duncan Regional Hospital is Stephens County's second-largest employer, with approximately 1,000 full-time employees and locations in nine communities in southwest Oklahoma.

CONGRATULATIONS

TO HALLIBURTON MANUFACTURING CENTER FOR WINNING "BEST MANUFACTURING CENTER" ACROSS ALL OF HALLIBURTON'S GLOBAL MANUFACTURING CENTERS. WE ARE PROUD HALLIBURTON CONTINUES TO INVEST IN OUR COMMUNITY.



ELK CROSSING & REHAB, DUNCAN MACHINE, AND DR2 RECEIVE HELP TO EXPAND

LOCAL AND STATE INCENTIVES HELP EXISTING COMPANIES EXPAND

Companies looking to expand have many decisions to make. Financial incentives can make all the difference in how and when they move forward.

This was the case with three Duncan companies that received Duncan Quality Jobs Incentives. Duncan Machine has increased from five to 33 quality job employees over the last four years and has a total of 41 employees. Elk Crossing Nursing & Rehab was able to add jobs and finish its building. Elk Crossing started in October 2015 with 15 employees and today has around 130 employees. Whereas, Duncan Recycling & Refining (DR2) is now employing 39, with plans to add more as they continue to grow their operations.

"Incentives being in place allowed each of these companies to move forward sooner and served a critical role to grow and add jobs," said Lyle Roggow, DAEDF president.

State of Oklahoma and local Duncan incentives are performance-based rebates that are given to a company after it provides evidence of expense. These incentives are offered to new and growing existing companies.

"When you are starting a new business and the expenses are going crazy, this incentive program greatly impacted our ability to keep up with the fast pace."

- Jeff Gregston, Elk Crossing Nursing & Rehab



LOCAL CHANGES

CAMERON MEASUREMENT SYSTEMS, A SCHLUMBERGER COMPANY

In 2016, Houston based Schlumberger completed a merger with Cameron Measurement Systems; the Duncan facility continues to concentrate on efficiencies (LEAN) and increased thru-put. In addition, Schlumberger has invested in the Duncan facility and equipment, with new tables, tooling, and touch screen monitors for shop floor daily management. In the future, additional third-party Bluetooth technological advances will reduce the waste of raw materials, increase efficiencies, and offer market leading measurement technologies to customers worldwide. Cameron currently has 105 employees located at the Duncan Facility.

NOV PURCHASES WILCO MACHINE & FAB

Congrats to Wilco Machine & Fab and the Boles family for their three generations of commitment to the community; that commitment now continues with National Oilwell Varco (NOV). NOV, who purchased the Wilco business earlier this year, understands the commitment Wilco has had to Stephens County, and NOV is committed to continuing that commitment by remaining in Marlow. NOV is a leading worldwide manufacturer of equipment and components used in oil and gas. NOV will be able to leverage their global sales team, increasing production and manufacturing. Kris and Brad Boles have signed commitments to remain working for the company.

FAMILY DOLLAR ADDS JOBS

Dave Clevenger, with Family Dollar, and Lyle Roggow, with DAEDF, review Family Dollar expansion plans.

Family Dollar, which was purchased by Dollar Tree in 2015, continues to grow across the country and expand in our community to 450 employees. Family Dollar is adding more trucks and shifts to accommodate increased demand. Duncan's Family Dollar Distribution Center provides product to 1,055 stores located in Texas, Louisiana, Arkansas, Missouri, Kansas, Colorado, and Oklahoma.



INTERNSHIP PROGRAM FACILITATES WORKFORCE DEVELOPMENT IN DUNCAN

In 2016, Oklahoma House Bill 2535 passed, allowing high school students to receive an elective credit for an internship. In 2017, following a series of business and education community meetings and through the efforts of the Duncan Area Economic Development Foundation (DAEDF), Duncan Public Schools (DPS), and area employers, **Duncan Public Schools' Pathways to Future** Careers Internship Program was launched. In this first year, 36 organizations/businesses have hosted 53 Duncan High School students. Through the Duncan High School Internship Program, students learn employability skills and receive career training in the occupation they select. For instance, DAEDF intern Savannah Reynolds learned about economic development, how to manage financial information using QuickBooks, and in particular how the DPS Internship Program facilitates workforce development in the Duncan community.



"It is always thrilling to see hard work and planning result in positive outcomes. Through this Career Pathways initiative, Duncan is investing in itself by investing in our future workforce."

> - Jeannie Bowden, Business and Industry Specialist, DAEDF



OFF TO THE RACES

The Duncan Area Economic Development Foundation (DAEDF) began hosting their Duncan Area Youth Engineering Contest for 7th-12th grade students in the Red River Technology Center school district in 2008. The first contest had 17 car entries, and 10 years later the contest has grown with an average of 350 cars competing each year and seven schools participating annually.

"DAEDF is committed to the development of workforce in our area. It is an honor to receive The Partners for Progress award from the Oklahoma Association of Technology Centers."

-Jeannie Bowden, Business and Industry Specialist, Duncan Area Economic Development Foundation



PARTNERS FOR PROGRESS AWARD

The Partners for Progress award recognizes businesses and industries that have made outstanding contributions to the improvement, promotion, development, and progress of career and technology centers.



AREA ECONOMIC DEVELOPMENT FOUNDATION

CHAIRMAN
Dennis Loafman
Red River Technology Center

VICE-CHAIRMAN Robert Petersen First Bank & Trust Co.

TREASURER Marilyn Hugon Mack Energy Co.

SECRETARY Terry Snider Perkins Energy Co.

Chris Billings
Duncan Machine Products, Inc.

D.B. Green *Marlow Economic Development Authority*

Jeff Gregston *Gregston Nursing & Rehab*

Joe Hill The Chickasaw Nation

Tommy Jones Stephens County Industrial Authority

Dr. John McArthur *Cameron University*

Kim Meek City of Duncan

Jay Watkins Leach & Sullivan "I am a member because I absolutely believe in DAEDF's mission. DAEDF has made it so simple for me to fOcus on my core competencies and not on the challenges of getting up and running in Oklahoma."

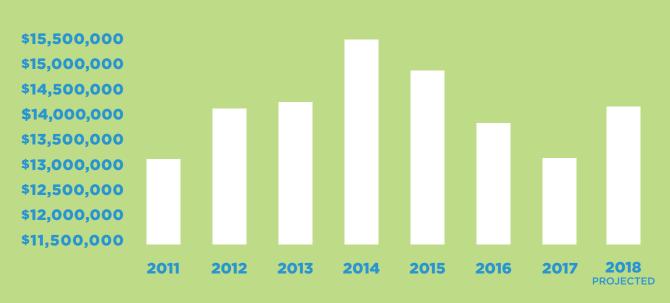
Neil McDonnell, SV Mac Pack

JOIN TODAY!

Join DAEDF's 70-plus members, local individual and businesses, who are collaborating to grow the local economy. If you believe in economic development and DAEDF's mission of helping businesses in the Duncan area, we want you to join.

ECONOMIC DEVELOPMENT UPDATE

CITY OF DUNCAN SALES TAX COLLECTIONS



Source: Oklahoma Tax Commission

STEPHENS COUNTY UNEMPLOYMENT RATE

(YEARLY AVERAGE)



Source: U.S. Bureau of Labor Statistics

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Mission Statement:

TO CONTINUALLY INCREASE JOB OPPORTUNITIES AND THE DEVELOPMENT OF A FAVORABLE BUSINESS CLIMATE AND WORKFORCE-DEVELOPMENT PROGRAMS.

Lyle Roggow - President

Jeannie Bowden - Business & Industry Specialist

Nicole Punneo - Operations Manager and Certified Incubator Manager

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