

GREATER WACO ECONOMY

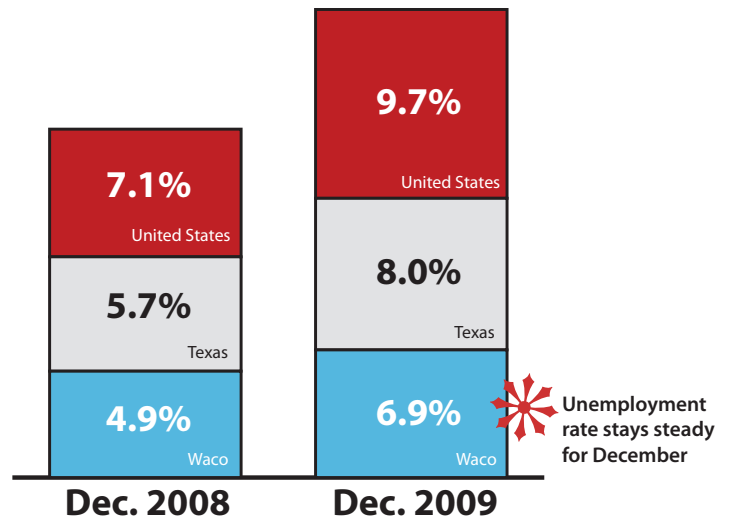
January 2010

EMPLOYMENT GROWTH

Jan. 2009 104,894
Dec. 2009 105,369

 **745 new jobs
in Waco MSA**

UNEMPLOYMENT RATE



WACO MSA LOW COST OF LIVING ANNUAL 2009

| | |
|------------------------|------|
| Overall | 88.2 |
| Grocery | 80.3 |
| Housing | 83.3 |
| Utilities | 88.3 |
| Transportation | 94.0 |
| Healthcare | 94.6 |
| Misc. Goods & Services | 92.7 |

U.S. average is 100

Forbes.com names Waco No. 3 among best cities in America for new jobs (Oct. 2009)

 **PROJECTS ANNOUNCED SINCE 2006**
 18 new companies attracted
 25 expansions by existing firms
 3,970 new jobs
 3,029 retained jobs
 \$535 million capital invested
 4.6 million square feet of development

City of Waco

Annual Sales Tax Receipts
(in millions)

| | |
|------|---------|
| 2006 | \$26.78 |
| 2007 | \$27.55 |
| 2008 | \$28.08 |
| 2009 | \$27.45 |



Central Texas Technology and Research Park



PROJECT UPDATE

Fourth Quarter 2009

Caterpillar Work Tools announced plans to construct a \$33 million precision manufacturing center creating 60 new jobs, including an increased engineering presence. This is the company's fourth new facility in Waco in four years.

Central Texas Technology and Research Park will renovate a 300,000-square-foot facility for advanced research led by Baylor University. The more than \$50 million project is in collaboration with Texas State Technical College, McLennan Community College, McLennan County, the cities of Waco and Bellmead and areas Chamber of Commerce.

Fleetwood's Waco operation, recently acquired by Phoenix-based Cavco Industries, will launch a \$2 million expansion that will create an additional 75 jobs in Waco and retain 140 jobs.

Associated Hygienic Products executives, customers and community leaders commemorated the company's 25th anniversary at the Nov. 8 grand opening for its new 310,000-square-foot advanced manufacturing facility in Texas Central Park that will be home to more than 115 new jobs.

Third Quarter 2009

National Pharmacy Contact Center hiring is underway, and the project is anticipated to reach 224 new full- and part-time jobs by October 2010. The initial construction of a two-phase renovation project began in September.

Clearview's data center and critical services facility in downtown Waco opened September 2009. The \$28 million project includes renovation of a 42,000-square-foot facility and will initially create six technology jobs in downtown Waco.

Heritage Quarters has opened with students moving into the 374-bed student housing project in Waco Town Square. The project is expected to attract more than 300 new residents to downtown Waco this fall.

L-3 Integrated Systems began operations in July in their new 87,000-square-foot, \$10 million hangar located in its 1.4 million-square-foot headquarters at TSTC airport to support the growth in the company's aircraft integration and modification business. L-3 projects 100 new jobs at the new hangar in addition to the 100 new jobs added at the wing refurbishment facility in Texas Central Park in 2008.

Waco Veterans Administration Hospital opened Building 93 Center of Excellence Research Facility and held a groundbreaking for the new 32-bed psychiatry unit in Building 8 in July. Both are part of the \$49 million expansion and renovation projects projected to add 200 jobs at the Waco campus.

Second Quarter 2009

Coca-Cola North America launched a \$30 million hot-fill production line expansion that will produce *FUZE*, *POWERADE* and *vitaminwater* beverage brands as part of continued growth at the 600,000-square-foot facility in Texas Central Park. Since 1995, Coca Cola has increased production capacity, adding 15 new lines and growing employment to more than 300.

Texon Polymer, a division of Myers Industry Lawn & Garden, is expanding its manufacturing operation as the result of a corporate consolidation. The additional production line is a \$2.2 million investment that will create 50 new jobs for the Waco facility and triple the site's sales volume.

Flint Hill Resources, a division of Koch Industries, has begun a \$2.5 million expansion of their fuel resources, including ethanol capabilities, in east Waco.

Allergan, Inc. launched the second phase of a multiyear expansion plan at its pharmaceutical production site in Waco. The company is investing \$10 million that includes a state-of-the-art production line after completing the \$14 million first-phase production line upgrade in 2008.

Texas Machine Tool International held in June 2009 the grand opening for its new \$1.8 million, 24,000-square-foot plant near Interstate 35 and Loop 340 in the Bellmead Industrial Park and will add 10 new jobs.

Environmental Quality Management Associates launched initial operations after receiving the Waco region's first Emerging Technology Fund award for the commercialization of its proprietary process that transforms waste from agriculture and other industrial operations to generate alternative fuel.

Family Health Center is expanding their health and dental clinic network with campuses in south Waco and east Waco. The projects will create 90 new health professional jobs.

First Quarter 2009

Caterpillar Logistics Services began operations at their new a \$38.9 million, 750,000-square-foot parts distribution center in the new Gateway area of Texas Central Park. The facility employs more than 220.

Austin Avenue Flats opened in March 2009 the first phase of the 17-acre, \$60 million mixed-use development in downtown Waco.

Carter BloodCare has acquired 6.5 acres in the Colonnade office park to build a 20,000-square-foot operations center. The new Central Texas headquarters will consolidate some local services and add 50 employees to their existing staff of 50.

Hillcrest Baptist Medical Center opened its new \$185 million campus at Waco's southern gateway, Interstate 35 and Highway 6, in April.