

**NOTICE OF REGULAR MEETING OF THE
LAMPASAS ECONOMIC DEVELOPMENT BOARD
OF THE CITY OF LAMPASAS, TEXAS
WEDNESDAY, OCTOBER 18, 2023
JACK CALVERT MUNICIPAL BUILDING
302 EAST THIRD STREET
5:30 PM**

Notice is hereby given that the regular meeting of the Lampasas Economic Development Corporation Board of the City of Lampasas will be held on Wednesday, October 18, 2023 at 5:30 p.m. in the Jack Calvert Municipal Building located at 302 East Third Street, Lampasas, Texas. The Lampasas Economic Development Corporation reserves the right to adjourn into Executive Session at any time during the course of this meeting to discuss any of the matters listed, as authorized by the Texas Government Code sections 551.071 (consultation with the attorney), 551.072 (deliberations about real property), 551.073 (deliberations about gifts and donations), 551.074 (personnel matters), 551.076 (deliberations about security devices), and 551.087 (economic development)

**REGULAR SESSION
5:30 p.m.**

- I. Call to Order
- II. Open forum for citizen comments and questions (limited to five (5) minutes per person).
- III. Discussion and possible action regarding approval of the minutes dated September 20, 2023. pg.4
- IV. Discussion and possible action regarding the reappointment of members to the LEDC board. pg.7
- V. Discussion and possible action regarding signage for the Business Park. n/a
- VI. Discussion and possible action regarding Economic Development Strategic Plan. pg. 14 & pg.15
- VII. Discussion and possible action regarding draft amendments to the LEDC Incentive Guidelines & Principles. n/a
- VIII. Discussion and possible action regarding Financial Statements and Balance Sheet. pg. 25-26
- IX. Update on the following:
 - County Update
 - LISD Update
 - Staff Update pg. 26-27
 - Alamo Coffee
 - TML
 - Business Meetings
 - Courtyard Square Meeting
 - Cobblestone Hotels

X. Adjourn into Executive Session

EXECUTIVE SESSION

The board of the Lampasas Economic Development Corporation will meet in closed Executive Session pursuant to the Texas Government Code, Chapter 551, as follows:

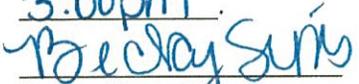
- Section 551.072 (deliberations about real property) – Deliberation concerning the potential purchase, exchange, lease, acquisition, sale and/or value of real property.
- Section 551.087 (economic development) - (1) to receive and evaluate financial information received from a business prospect, to discuss same, and /or to deliberate regarding commercial or financial information that the LEDC has received from a business prospect that the LEDC seeks to have locate, stay, or expand in or near the city, with which the LEDC is conducting economic development negotiations; and/or (2) to deliberate an offer of any financial or other incentives to any business prospect described above.

XI. Adjourn Executive Session into Regular Session

REGULAR SESSION

- XII. Discussion and possible action regarding items discussed in Executive Session
- XIII. Any items that the board members may want to place on the next agenda.
- XIV. Adjourn

I, Becky Sims, City Secretary of the City of Lampasas, Texas, do hereby certify that this Notice of Meeting was posted on the bulletin board/front window of City Hall, 312 East Third Street, Lampasas, Texas, at a place readily accessible to the general public at all times, on the 13 day of October 2023 at

3:00pm

Becky Sims, City Secretary

**MINUTES OF REGULAR MEETING OF THE
LAMPASAS ECONOMIC DEVELOPMENT CORPORATION BOARD
OF THE CITY OF LAMPASAS, TEXAS
JACK CALVERT MUNICIPAL BUILDING BOARD ROOM
302 EAST THIRD STREET
WEDNESDAY SEPTEMBER 20, 2023
5:30 P.M.**

The Lampasas Economic Development Corporation of the City of Lampasas met in regular session on the above date with Vice President Hudson presiding.

LEDC Members Present:

T.J. Monroe
Sid Ball
Fin Erwin
Ryan Shahan- *left at 6:15 p.m.*

LEDC Members Absent:

Bobby Carroll-Ex-Officio
Misti Talbert
Roland Schaub

City Staff Present:

Finley deGraffenried, City Manager/Executive Director
Stacey Ybarra, LEDC Director
Becky Sims, City Secretary
Lupe Charping, Administrative Secretary

**REGULAR SESSION
5:30 p.m.**

I. Call to Order

Vice President Hudson called the meeting to order at 5:30 p.m.

II. Open forum for citizen comments and questions (limited to five (5) minutes per person)

There were no citizen comments

III. Discussion and possible action regarding approval of the minutes dated August 16, 2023.

Board member Monroe moved to approve the minutes as presented, the motion was seconded by Board member Ball and with a unanimous vote, the motion carried. (Talbert and Schaub absent)

IV. Discussion and possible action regarding Business Park Sign and Real Estate Sign.

Stacey Ybarra, LEDC Director advised that Studio 16:19; whom is the contractor working on the City's Wayfinding Master Plan advised that a business park monument sign will cost between \$50,000 to \$75,000 for design specifications, build and install. For sign specifications and renderings, it will cost approximately \$15,000, which would allow the board to seek qualified bids for the build and install.

The board directed staff to continue to research sign options for both medians into the business park and seek options for real estate signs.

V. Discussion and possible action regarding directing Staff to review and recommend amendments to the LEDC Incentive Guidelines & Principles.

Mrs. Ybarra advised the board that she would like to revamp, prioritize, clean-up some of the language, and condense like items in the LEDC Incentive Guidelines and Principles document that was adopted in 2018. The board was in agreement to updating the document to be used as a marketing tool and guideline for business prospects. Board member Shahan moved to direct staff to review and recommend amendments to the LEDC Incentive Guidelines & Principles, the motion was seconded by Board member Ball and with a unanimous vote, the motion carried. (Talbert and Schaub absent)

VI. Discussion and possible action regarding an appointment to the Ad-Hoc Airport Master Plan Committee.

Board member Shahan moved to recommend the appointment of Board member Monroe to the Ad-Hoc Airport Master Plan Committee, the motion was seconded by Board member Ball and with a unanimous vote, the motion carried. (Talbert and Schaub absent)

VII. Discussion and possible action regarding Financial Statements and Balance Sheet.

Board member Monroe moved to approve the Financials and Balance Sheets as presented, the motion was seconded by Board member Shahan and with a unanimous vote, the motion carried. (Talbert and Schaub absent)

VIII. Update on the following

County Update

Commissioner Carroll was not in attendance to provide County updates

LISD Update

Board member Shahan provided LISD updates

- Enrollment up
 - Approximately 30 new middle school and 20 new high school students
- Budget passed, with undetermined State funding to address Property Tax reductions
- Vaping Issues
 - DAEP mandatory 2 weeks
 - Vape detectors in restroom

Staff Update

LEDC Director Stacey Ybarra provided the following updates:

- Mineral Wells Recap
 - Audit
 - History/Storytelling
 - Branding
 - Investments
 - Incentives
 - Chamber, Tourism, EDC all located in one building
 - Market Incubators
 - Grants/Murals

- Leadership Classes
 - Community Projects
- Customer Service Training
- Cultural Arts Designation
- Music Friendly Community Workshop
 - Requires City designee to facilitate
 - Community workshop October 10, 2023 at 6:00 pm
 - Representative from Governor's office will be in attendance
- Action Plan
 - Working together with Chamber
 - Informal SWOT Analysis
 - Music friendly
- Lampasas Networking and/or Event Survey
 - In depth business meetings
 - Courtyard business meetings
 - Survey

IX. Adjourn into Executive Session

Board member Ball moved to adjourn into executive session at 6:15 pm, the motion was seconded by Board member Shahan and with a unanimous vote, the motion carried. Board member Shahan recused himself from executive session and exited the meeting venue. (Talbert and Schaub absent)

EXECUTIVE SESSION

The board of the Lampasas Economic Development Corporation will meet in closed Executive Session pursuant to the Texas Government Code, Chapter 551, as follows:

- Section 551.072 (deliberations about real property) – Deliberation concerning the potential purchase, exchange, lease, acquisition, sale and/or value of real property.
- Section 551.087 (economic development) - (1) to receive and evaluate financial information received from a business prospect, to discuss same, and /or to deliberate regarding commercial or financial information that the LEDC has received from a business prospect that the LEDC seeks to have locate, stay, or expand in or near the city, with which the LEDC is conducting economic development negotiations; and/or (2) to deliberate an offer of any financial or other incentives to any business prospect described above.

Adjourn Executive Session and Reconvene Regular Session.

The board reconvened into Regular Session at 6:35 pm

REGULAR SESSION

X. Discussion and possible action regarding items in Executive Session.

There was no action taken out of executive session.

XI. Items the Board Members may request to be placed on the next agenda.

- *Draft LEDC Incentive Guidelines & Principles*
- *Board appointments*

XII. Adjourn

Board member Monroe moved to adjourn the meeting at 6:36 p.m.; Board member Ball seconded the motion and with a unanimous vote, the motion carried. (Schaub and Talbert absent)

PASSED AND APPROVED this _____ day of _____, 2023.

Misti Talbert, President

Becky Sims, City Secretary



City Secretary's Office

312 East Third Street
Lampasas, Texas 76550
(512) 556-6831
Fax# (512) 556-8083

Email: Becky@cityoflampasas.com

Please indicate board/commission/committee preference(s):

- Airport Advisory Board
- Capital Improvement Program Committee
- Golf Course Advisory Board
- Economic Development Corporation Board
- Construction Board of Adjustments and Appeals
- Library Advisory Board
- Parks & Recreation Advisory Board
- Planning and Zoning Commission
- Zoning Board of Adjustment
- Airport Zoning Board of Adjustment

Name(print): Steve Hudson

Email: guyco@earthlink.net, HUDSON-STEVE@SBCGLOBAL.NET

Home Address:

Home Phone:

Business Address: 175 PR 3020

Business Phone: 512-556-5451

Resident of City of Lampasas -- 43 years / 9 months

Resident of Lampasas County -- 43 years / 9 months

Voter Registration Number: 1001366664

Occupation: Construction Engineer

Education: BS Civil Engineering

Special Knowledge or Experience Applicable to City Board/Commission/Committee Function:

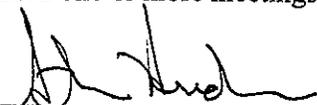
Have served on this board for over 20 years. Bring backstory history as to how and why we function to bring businesses and jobs to Lampasas

Other Information (Civic Activities, etc)

Please attach resume or additional experience to application

I have attended one or more meetings of the board/commission/committee for which I have applied: X yes

no

Signature: 

Date: 9.26.2023

PLEASE RETURN COMPLETED FORM TO THE CITY SECRETARY'S OFFICE AT CITY HALL

Becky Sims

From: noreply@civicplus.com
Sent: Monday, September 25, 2023 11:01 AM
To: Becky Sims; Finley deGraffenried
Subject: Online Form Submittal: Application for Appointment to a City Board or Commission

Caution: This email originated from outside of the City's organization. Do not click links nor open attachments unless you recognize the sender and know the content is safe.

Application for Appointment to a City Board or Commission

Date 9/25/2023

Personal Information

First Name James

Last Name Ball

Address1 P.O. BOX 748

City LAMPASAS

State TX

Zip 76550

Home Phone Number

Mobile Phone Number

Email Address sidball34@hotmail.com

Business Address 2204 S. HWY 281, SUITE A

Business Phone Number 5125562010

Occupation CPA

Please indicate board/commission/committe preference(s): Economic Development Corporation Board

Residency Information

Length of residency in City of Lampasas LAMPASAS

Length of residency of Lampasas County 25 YEARS

Are you a registered voter? Yes

Voter Registration Number 2133290606

Did you vote in the last City Election? No

Organization Membership Information

Are you currently serving on other Boards, Commissions, or Committees? Yes

If yes, please list current service, including dates. LAMPASASAS EDC

Have you served on a Board, Commission, or Committee before? Yes

If yes, please list past service, including dates. LAMPASAS PARKS BOARD

Please state why you wish to serve. *Field not completed.*

What are your top three goals and objectives for the City Board, Commission or Committee you are applying for? *Field not completed.*

Please list any special knowledge or experience applicable to City Board, Commission, or Committee with that you are applying for. *Field not completed.*

Please attach resume or additional experience to application *Field not completed.*

Signature of Applicant

Do you agree? Agree

Becky Sims

From: noreply@civicplus.com
Sent: Thursday, September 21, 2023 10:47 AM
To: Becky Sims; Finley deGraffenried
Subject: Online Form Submittal: Application for Appointment to a City Board or Commission

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Application for Appointment to a City Board or Commission

Date	9/21/2023
Personal Information	
First Name	Ryan
Last Name	Shahan
Address1	
City	Lampasas
State	TX
Zip	76550
Home Phone Number	
Mobile Phone Number	
Email Address	ryan.shahan@cadencebank.com
Business Address	101 E 9th St. Lampasas, TX 76550
Business Phone Number	512-556-3662
Occupation	Lender
Please indicate board/commission/committee preference(s):	Economic Development Corporation Board
Residency Information	

Length of residency in City of Lampasas	0
Length of residency of Lampasas County	16 years
Are you a registered voter?	Yes
Voter Registration Number	<i>Field not completed.</i>
Did you vote in the last City Election?	No

Organization Membership Information

Are you currently serving on other Boards, Commissions, or Committees?	Yes
If yes, please list current service, including dates.	EDC
Have you served on a Board, Commission, or Committee before?	No
If yes, please list past service, including dates.	<i>Field not completed.</i>
Please state why you wish to serve.	Improve the community.
What are your top three goals and objectives for the City Board, Commission or Committee you are applying for?	Enhance the economic environment, potentially boosting job and wage growth.
Please list any special knowledge or experience applicable to City Board, Commission, or Committee with that you are applying for.	I've been a lender in the community and surrounding area for 16 years.
Please attach resume or additional experience to application	<i>Field not completed.</i>
Signature of Applicant	
Do you agree?	Agree

Becky Sims

From: noreply@civicplus.com
Sent: Thursday, October 12, 2023 8:55 AM
To: Becky Sims; Finley deGraffenried
Subject: Online Form Submittal: Application for Appointment to a City Board or Commission

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Application for Appointment to a City Board or Commission

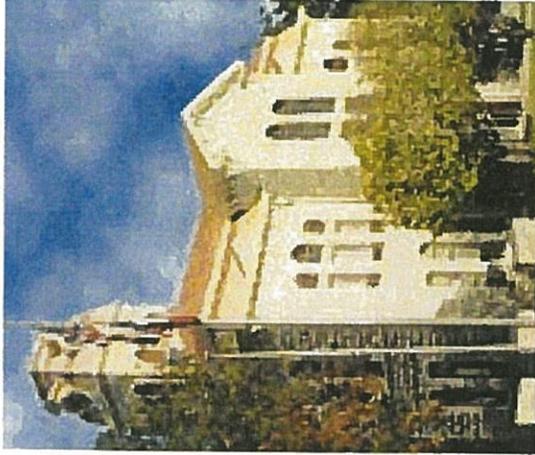
Date	10/12/2023
Personal Information	
First Name	ROLAND
Last Name	SCHAUB
Address1	P.O. BOX 171
City	LAMPASAS
State	TEXAS
Zip	76550
Home Phone Number	N/A
Mobile Phone Number	
Email Address	BLDMART@CEBRIDGE.NET
Business Address	507 NO. KEY AVE LAMPASAS, TEXAS
Business Phone Number	512-556-6291
Occupation	GENERAL MANAGER / CORP. PRES
Please indicate board/commission/committee preference(s):	Economic Development Corporation Board
Residency Information	

Length of residency in City of Lampasas	33 YEARS +
Length of residency of Lampasas County	33 YEARS +
Are you a registered voter?	Yes
Voter Registration Number	<i>Field not completed.</i>
Did you vote in the last City Election?	Yes

Organization Membership Information

Are you currently serving on other Boards, Commissions, or Committees?	Yes
If yes, please list current service, including dates.	LEDC CURRENTLY
Have you served on a Board, Commission, or Committee before?	Yes
If yes, please list past service, including dates.	LEDC
Please state why you wish to serve.	<i>Field not completed.</i>
What are your top three goals and objectives for the City Board, Commission or Committee you are applying for?	1: TO FURTHER ECONOMIC GROWTH AND HELP ECONOMY STAY HEALTHY 2: TO PROMOTE AND CONTINUE TO "BUILD OUT" THE BUSINESS PARK 3: TO MARKET LAMPASAS TO BUSINESSES THAT WILL CONTRIBUTE TO THE LOCAL ECONOMY WHILE MAINTAINING OUR HOME TOWN VALUES
Please list any special knowledge or experience applicable to City Board, Commission, or Committee with that you are applying for.	<i>Field not completed.</i>
Please attach resume or additional experience to application	<i>Field not completed.</i>

Lampasas, Texas Economic Development Master Plan



Prepared for:
Lampasas 4B Economic Development Corporation



Spring 2001

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Executive Summary

Introduction

The city of Lampasas, Texas has long been known for its ideal location and unique natural assets. Historically, early settlers were attracted to the area's abundant wildlife and the alleged healing powers of its beautiful mineral springs. Current residents enjoy the small town atmosphere, exceptional quality of life, and convenient access to many of Central Texas' thriving cities, including Austin, Killeen, Temple, San Antonio and Waco.

Like many other towns across the county, Lampasas' leaders are increasingly faced with important decisions regarding the city's future in light of rapidly changing economic conditions. These issues include how to manage the city's growth, where new residents will live, and, perhaps most significantly, in what businesses and industries they will be employed. Such questions can only be answered in the larger context of identifying Lampasas' role in the broader regional economy.

AngelouEconomics (AE) was hired by the Lampasas 4B Economic Development Corporation (4B EDC) in Fall 2000 to assist in developing an Economic Development Master Plan to address some of these concerns. By identifying target industries to expand locally or recruit externally, this Plan seeks to provide a roadmap for the city to pursue economic diversification to benefit existing residents as well as future generations of Lampasas citizens. This Plan is based on the completion of four phases: Economic Assessment and Target Industry Study, SWOT Analysis, Public Input and Strategic Recommendations. The Plan's objectives include the following: 1) to provide a unified economic development strategy for the city of Lampasas; 2) to link resources to economic development goals and objectives, and; 3) to position Lampasas as a premier economic development location within the Central Texas region.

Community Economic Assessment Highlights

An overview of Lampasas' economic assessment reveals several trends of concern to community leaders. With regard to population, for example, Lampasas County experienced significant growth of 31 percent over the past decade. Based on this level of county growth, the city of Lampasas was expected to have increased by approximately 25 percent during this same time (as reflected in the pre-1999 data presented in this report). However, new 2000 Census data reveals that the city actually grew by only 3.2 percent, adding a net increase in population of just over 200 residents. This rate is significantly lower than any of the regional competitor cities to which Lampasas was compared in this report (Burnet, Copperas Cove, Killeen, Llano, and Marble Falls). These numbers indicate that although the area is experiencing rapid population growth, the city of Lampasas has been unable to capture these new residents. As the city seeks to recruit additional employers and industries, it must find ways of attracting new members to its labor force.

Other areas of concern include household incomes and education attainment levels. Median household incomes in Lampasas County lag behind most of the surrounding communities. Lampasas' household incomes increased only 21 percent over the past decade, a rate much lower than any of its competitor cities. In 1999, over 60 percent of the county's households earned less than \$35,000 a year. These low income levels reflect an average salary per job of only \$18,198 in 1998. These wages were lower than neighboring counties and far below the national average of over \$31,000 that same year. Educational attainment levels for Lampasas residents also generally trail regional and state averages. In 1990, just over 11 percent of the city's adult population held a college degree compared to the state and national average of 20 percent.

Executive Summary

The low average salaries of Lampasas households leave little disposable income available to be spent at local retailers. As a result, retail sales are another troubling area in which the community lags behind its neighbors. Not only do retail sales represent income to area businesses, but tax rebates on retail sales are a vital source of revenue to the city and directly fund its economic development efforts. Sales tax rebates to Lampasas grew by only 71 percent over the past decade. This is far below the growth rates of regional cities such as Llano (129 percent), Burnet (417 percent), Marble Falls (287 percent), and Belton (166 percent.) With rebates for 2001 running approximately 2 percent lower than the previous year, funding for city programs will be limited even greater.

Many of these problems are reflective of employment in Lampasas in predominately low-wage, slow growth industries within a small number of companies. These include food processing, housing and construction, wholesale and retail trade, agriculture, restaurants, government, and health services. While many of these sectors represent Lampasas' traditional economic base, a greater diversity of industries providing value-added employment opportunities is needed. Jobs offering higher wages and skill levels will be essential to attracting and retaining skilled workers and their disposable incomes in Lampasas.

Regional Economic Overview

Understanding the demographics of Lampasas and its existing business infrastructure as identified in the economic assessment is important to identifying target industries and business development efforts. However, economic development in Lampasas cannot be pursued independently of the broader regional economy. Business migration, driven by the search for new markets and employees, extends throughout Central Texas and the nation—even the world. Lampasas must seek to position itself within this larger context.

Ft. Hood/Killeen-Temple MSA

As the largest military training base in the United States, Ft. Hood provides jobs to over 50,000 civilian employees from the area. In addition, vendors from throughout the region are used to supply Ft. Hood's vast operations and military needs. Several of the strong industry sectors in Lampasas, such as construction, materials supplies and industrial supplies, are driven by these contracts to Ft. Hood.

In addition to Ft. Hood, approximately 300,000 residents live in the Killeen-Temple metropolitan area. While primarily supporting Ft. Hood, this area has not witnessed the degree of economic growth experienced by larger Central Texas cities, such as Austin, Dallas-Ft. Worth, or San Antonio. Even so, Lampasas remains intrinsically linked to the Killeen-Temple area as the regional retail and employment center. Efforts to redevelop the Robert Gray Army Airfield into a regional joint-use facility will significantly impact Lampasas and other surrounding communities.

Austin-San Marcos MSA

Dubbed "Silicon Hills," the Austin area emerged in the late 1990's as one of the world's important high tech centers. Home to industry leaders in semiconductors, computers, and electronics, Austin's phenomenal population and job growth ranked it as the second fastest growing economy in the country in 2000. Although the fallout from dot.com failures and fears of an economic downturn will bring slower growth in 2001, the Austin economy is expected to continue to expand based on its strengths in other technology sectors, including semiconductors, Internet applications, data centers and other related industries. Despite significant recent lay-offs, unemployment rates have not significantly increased as skilled employees are being picked up by stronger companies.

Executive Summary

The impact of Austin's continued growth will have significant consequences to surrounding communities such as Lampasas, which is located approximately 70 miles northwest of the city. Although the leveling off of the real estate market and the completion of new commercial and residential space may allow businesses to stay within Austin, some companies will continue to seek an escape from Austin's high prices, increasing density, and traffic congestion. Commuters, especially telecommuters, may be recruited to outlying cities. Although first-ring suburbs such as Round Rock, Cedar Park, and Leander will capture much of this market, cities such as Lampasas will likely be able to attract some of those companies interested in saving on costs and avoiding Austin's congestion.

Texas Hill Country

Lampasas is located on the northern edge of the area within the state known as the Texas Hill Country. In addition to serving as increasingly popular tourist destinations, communities throughout the Hill Country have become meccas for retirees and second-homes for Austin's high tech wealthy. While Lampasas may not desire to become like Fredricksburg or Marble Falls, the city should seek to capture a portion of this market and its related businesses.

SWOT Analysis Summary

Based on the economic assessment and regional economic overview as well as input from stakeholders and the community, an analysis of Lampasas' major economic strengths, weaknesses, opportunities, and threats was compiled. A summary of the city's major economic strengths includes its strategic location at the intersection of three major highways—U.S. 183, U.S. 281 and U.S. 190. These highways allow easy access to major cities and universities within a 150-mile radius including Austin, San Antonio, Waco, Bryan-College Station, Ft. Worth, Dallas, and San Angelo. Its

distribution and transportation assets also include Lampasas' own airport which recently underwent a \$2.5 million expansion. While many communities boast a high quality of life, Lampasas offers a good school system, low cost of living, clean environment, full-service hospital, historic downtown, attractive neighborhoods, various annual festivals, and strong community spirit. Other community amenities include a 140-acre golf course, an expansive city park system, and abundant recreational hunting opportunities. Such factors have become increasingly important to today's highly mobile companies and employees.

While the city seeks to build on these strengths, it faces serious economic weaknesses, including a limited industrial base and a lack of skilled labor. The recruitment of new businesses or expansion of local ones will be severely limited by these factors as well as the need for a new industrial park and other readily available commercial land. Low retail sales rebates limits funding for these economic development efforts. A continued lack of consensus among public, private and community leaders regarding how the city should grow may also stymie efforts to work towards common goals.

STRENGTHS

- Economic Infrastructure
- Economic Development Initiatives/Organizations
- Location
- Quality of Life
- Community Amenities

OPPORTUNITIES

- New Industrial Park for Business Incubator
- Business Attraction & Labor Force Expansion
- Expansion of Retail Packages
- Community Partnerships to Address City Issues
- Coordinated Marketing Campaign

WEAKNESSES

- Revenue Structure
- Limited Diversification of Economic Base
- Low-Wage Jobs/High Unemployment
- Existing Industrial Parks Full
- Competition from Surrounding Areas
- Lack of Land/No Corporate Development Vision
- Limited Funding for Economic Development
- Housing - Limited Housing Stock

THREATS

- Continued Lack of Investment in Infrastructure
- Competition from Regional Neighbors
- Unfavorable Conditions
- Continued Loss of Vision for Economic Growth

Executive Summary

Not addressing some of these weaknesses will be the biggest threats the city faces in the next several years. Other communities with clearer direction and greater financing will undoubtedly have an advantage in the competition with Lampasas for capturing desired businesses, employees and consumer dollars. The opportunities for Lampasas, which are directly derived from these strengths and weaknesses, are reflected in the Master Plan's strategic recommendations.

Target Industry Analysis Summary

Based on the economic assessment, industry analysis and regional economic overview, AE has identified specific industries to be targeted for recruitment to Lampasas. In addition to diversifying the economy, many of these industries serve as vendors to Austin's high tech industries as well as suppliers and contractors to Ft. Hood. In general, recommended target industries were selected based on their capacity to fit the following criteria: 1) complement the existing industrial base or contribute to economic diversification; 2) fit the infrastructure, workforce, and assets available in the community, and; 3) meet the community's vision, needs and desires.

Lampasas Target Industries

- | | | |
|---|---|---|
| Primary
Targets for
New
Industrial
Park | <ul style="list-style-type: none">• Contract Manufacturing
(Electronics, Circuit Boards, etc.)• Electrical Components• Plastic Injection Molding• Logistics and Distribution• Warehousing and Storage | <ul style="list-style-type: none">• Business/Professional/Financial Services• Health Care Services• Services for Senior Citizens/Retirees• Restaurants & Entertainment Venues• General Retail• Travel-related Industries |
|---|---|---|

Executive Summary

While these industries may not themselves provide significantly higher wage jobs than currently available in Lampasas, they represent a needed foundation to build on for expanding the local economy and capturing increased retail sales. As successes are achieved in other areas addressed by the Master Plan, new target industries should be identified within the next three to five years.

Strategic Recommendations Summary

Achieving economic diversification and creating new opportunities in Lampasas will require a committed and comprehensive approach by the city's 4B economic development corporation. Addressing one or two issues while ignoring other factors may bring change, but only in the very long term and at the possible expense of foregoing important opportunities. That said, it is not expected that the 4B Board can solve all of Lampasas' economic challenges on its own or in a short time period. The recommendations outlined below seek to provide a structure for the Board and the community to begin working together to address some of these issues while building on existing economic conditions.

These recommendations are divided into five major areas. The specific goals and action items assigned to each as well as a listing of the responsible entities and a time frame for implementation are outlined in more detail in the report.

1. Economic Development Organizational Issues

The first step in implementing this Economic Development Master Plan is for the Lampasas 4B to agree on a "vision" for the economic growth of the community and to ensure the organizational capacity exists to implement this vision. AE believes that the creation of a committee structure to undertake specific tasks and engage a wide cross-section of the

Executive Summary

community will be far more effective than the seven-member 4B Board working alone. While these committees will conduct most of the planning and implementing of each task, the Board will provide overall guidance in the commissioning of these responsibilities.

In keeping with the goals of this project and the feedback received from the 4B Board and public stakeholders, AE recommends the following provisional vision statement to direct the efforts of the 4B.

Provisional Vision Statement of the Lampasas 4B Economic Development Corporation

To position Lampasas as a progressive and unique community in Central Texas by promoting managed economic growth while maintaining Lampasas' distinct identity and exceptional quality of life.

Economic development initiatives will focus on three areas:

- *Targeting small and medium-sized businesses to locate in Lampasas' new industrial park and future business incubator. Special priority will be given to those companies producing innovative products for Central Texas' technology sector.*
- *Retaining and expanding existing businesses and encouraging local entrepreneurship.*
- *Improving employment opportunities and income for all Lampasas residents.*

II. Real Estate Development

Perhaps the most important task facing the 4B is to address the specific real estate needs of expanding and new Lampasas businesses. Given the competition among communities for high paying, value-added employment, companies being recruited by multiple cities will choose to locate at the most readily available, cost-efficient site. Lampasas will be

limited in its ability to attract these firms without this capacity. Therefore, AE believes the development of a new industrial park should be the first priority of the 4B. In addition to an industrial park, which will provide a location for various manufacturing and light industrial industries, a small business center or incubator can offer opportunities for further diversifying the economy and promoting entrepreneurial activity. Once planning for the industrial park is complete, funding secured, and its implementation underway, establishing such a facility in Lampasas should be explored.

In addition to these specific goals, the 4B and its Real Estate Committee have responsibility for ensuring that all commercial land in Lampasas is developed to its "highest and best use." The organization should address specific development opportunities as they arise as well as plan for general commercial growth throughout the city.

III. Business Development

The need for diversification of Lampasas' economic base was a critical issue identified in the economic assessment and SWOT analysis. Accomplishing this major objective will require a three-pronged approach by the 4B's Business Development Committee. First, this strategy will require the recruitment of new business and industries to the city to improve retail and employment prospects. Existing businesses also need to be retained, strengthened and offered opportunities for expansion. Finally, encouraging local entrepreneurship through new start-ups will contribute to creating meaningful jobs and a diversity of economic activity. Developing effective incentive and marketing programs for target businesses will be critical to all of these efforts. This Committee would also be responsible for hosting site visits to Lampasas by prospective business owners.

IV. *Economic Infrastructure*

Several critical issues identified in the SWOT Analysis as potentially affecting Lampasas' economic growth include many "infrastructure" factors not typically under the direct jurisdiction of the 4B. However, because these issues may directly impact the city's capacity to attract new businesses or expand its existing ones, the 4B must take initiative in ensuring the community addresses these concerns. Such topics include the adequacy of utilities (water, electric, sewer) and telecommunications infrastructure to commercial properties throughout the city and its periphery, workforce development and promotion of educational attainment levels, availability of housing options, transportation issues, and other regional economic opportunities. The Economic Infrastructure Committee should seek to work with appropriate entities from throughout the community in addressing these issues.

Perhaps the most important of these factors in the immediate future is the "connecting" of the city through fiber optics or wireless networks. Without the capacity for sufficient bandwidth, many companies—and residents—operating in today's economy will be unable to locate in Lampasas. Assessing the current infrastructure and developing a strategy to improve this access may be the city's most effective tool in attracting technology-oriented industries and related higher skilled jobs.

V. *Marketing Lampasas*

A final aspect of the strategy to diversify Lampasas' economy and attract new industries will depend on the city's ability to effectively position itself as a unique and desirable place to do business in Central Texas. Although tourism attraction and marketing the city are not within the 4B's direct mission, the community's image is critical to business recruitment efforts. A comprehensive strategy is needed which incorporates promotion of the city's events, festivals, and tourist attractions with the overall campaign to market Lampasas as a place to live and locate a business. A coordinated marketing effort by

the 4B, Chamber of Commerce, City, area businesses, and other community promotional groups that creates synergy and an identifiable "brand" for Lampasas will more effectively promote the city on all levels.

Conclusion

Just as residents need places to work and shop, local businesses need an ever-expanding customer base with spendable income and varied needs. Dealing with problems hindering the city's economic growth is therefore in the interest of all Lampasas citizens. The Lampasas 4B Economic Development Corporation acting alone cannot accomplish these goals. A committed and comprehensive approach by the entire community is required to implement these strategies. By engaging community members directly in 4B EDC committees, the Master Plan provides a structure for the Board and the community to work together in addressing issues impacting all Lampasas residents.

Despite its many economic challenges, AngelouEconomics believes the prospects for economic growth in Lampasas are good if the community encourages and supports these vital efforts. The city's strong civic leadership, strategic location in Central Texas, and exceptional community assets provide Lampasas with many competitive advantages. Community leaders seem clear in their vision of a city prepared for the future yet committed to maintaining the high quality of life and small-town atmosphere attractive to so many of its residents. By pursuing targeted economic development and improved opportunities for its citizens, the Lampasas Economic Development Master Plan seeks to provide a foundation for accomplishing this vision.

Community Economic Assessment

Community Economic Assessment

The purpose of the Community Assessment is to review Lampasas' and the region's current economic and demographic condition. This assessment, in combination with the Cluster Analysis and Public Input, will provide the foundation for determining the target industries and strategies for marketing Lampasas.

Throughout this section of the report, communities, counties, and metropolitan areas are cited to provide distinct economic and demographic comparisons for the city of Lampasas. Communities used in this analysis were chosen based on input from the Lampasas 4B Economic Development Corporation and should serve as a list of Lampasas' regional competitors. To assist the reader, the following list of comparison areas has been included:

Cities:

Lampasas, Burnet, Copperas Cove, Killeen, Llano, Marble Falls

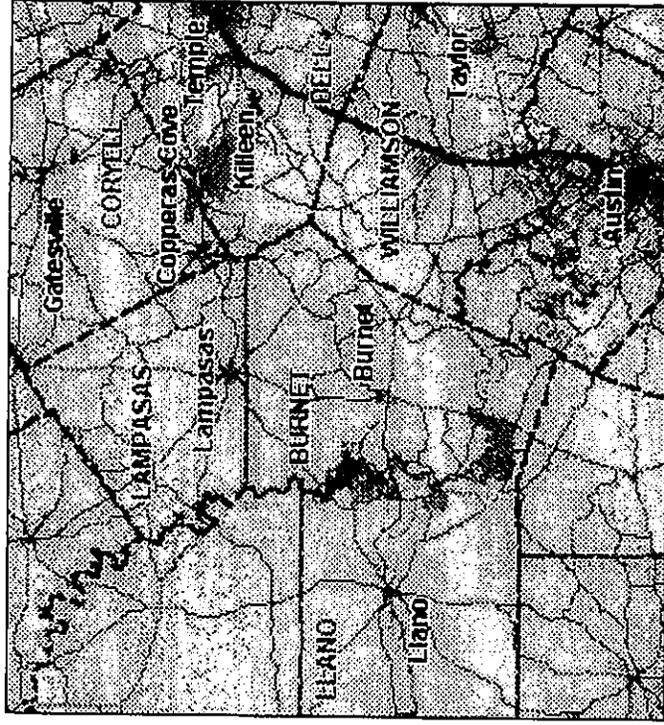
Counties:

Lampasas, Bell, Burnet, Coryell, Llano

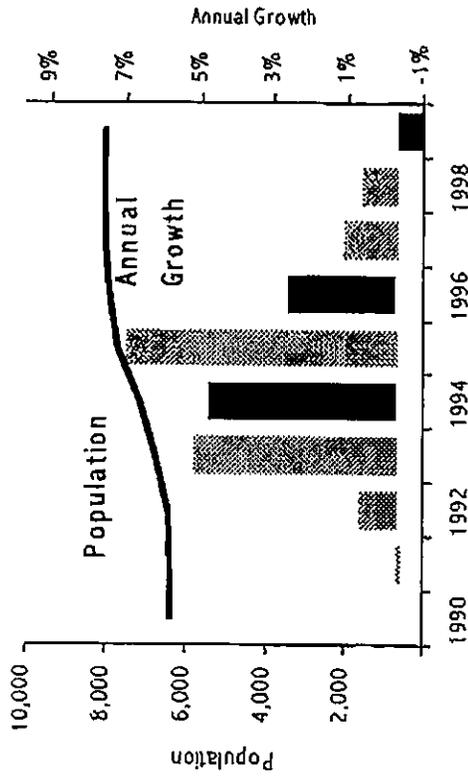
Metropolitan Statistical Areas:

Killeen-Temple MSA is comprised Bell and Coryell Counties

Austin-San Marcos MSA is comprised Bastrop, Caldwell, Hays, Travis, and Williamson Counties

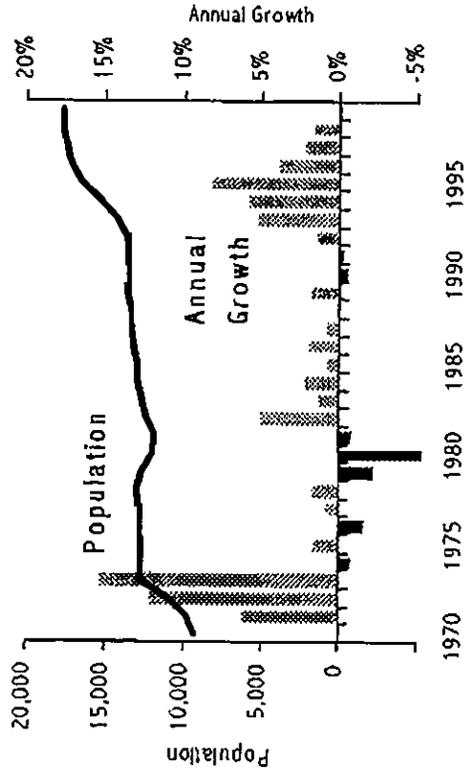


Lampasas City Population, 1990 - 1999



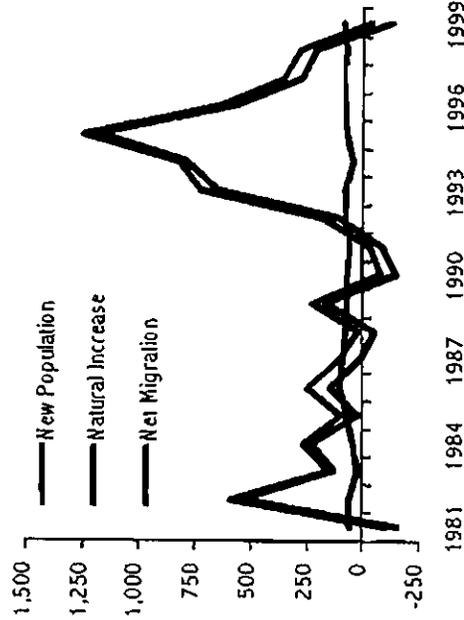
Source: U.S. Census Bureau

Lampasas County Population, 1970 - 1999



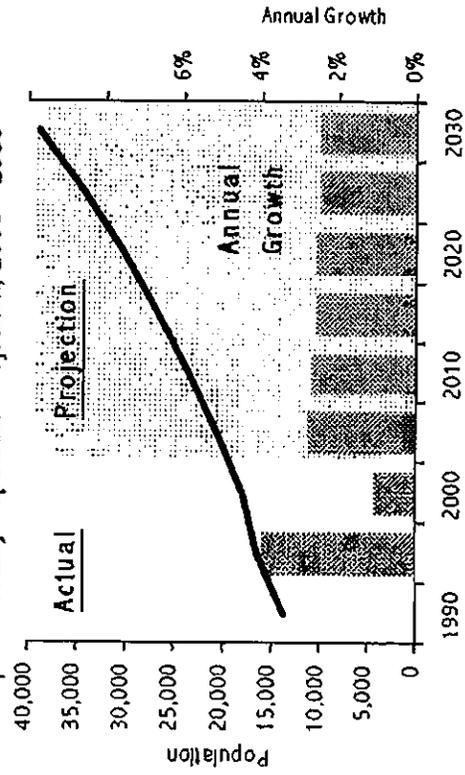
Source: U.S. Census Bureau

Components of County Population Change, 1981 - 1999



Source: U.S. Census Bureau

Lampasas County Population Projection, 2000 - 2030



Source: U.S. Census Bureau; Texas State Data Center

City of Lampasas and Lampasas County Population Growth Trends*

The city of Lampasas' population is estimated to have increased from 6,382 in 1990 to over 8,000 by 1999. This reflects a dramatic growth of 25.7 percent over the past decade compared to a growth of only 4.1 percent between 1970-80 and a growth of 3.5 percent between 1980-90. This growth may be attributed to an increase in residents living in Lampasas but commuting to Killeen or Copperas Cove to work. In addition, the city of Lampasas experienced higher growth rates over the past decade relative to an increase of 18 percent for Texas and 9.6 percent for the nation over the same period. Much of city of Lampasas' growth was a result of in-migration rather than natural increase (births minus deaths).

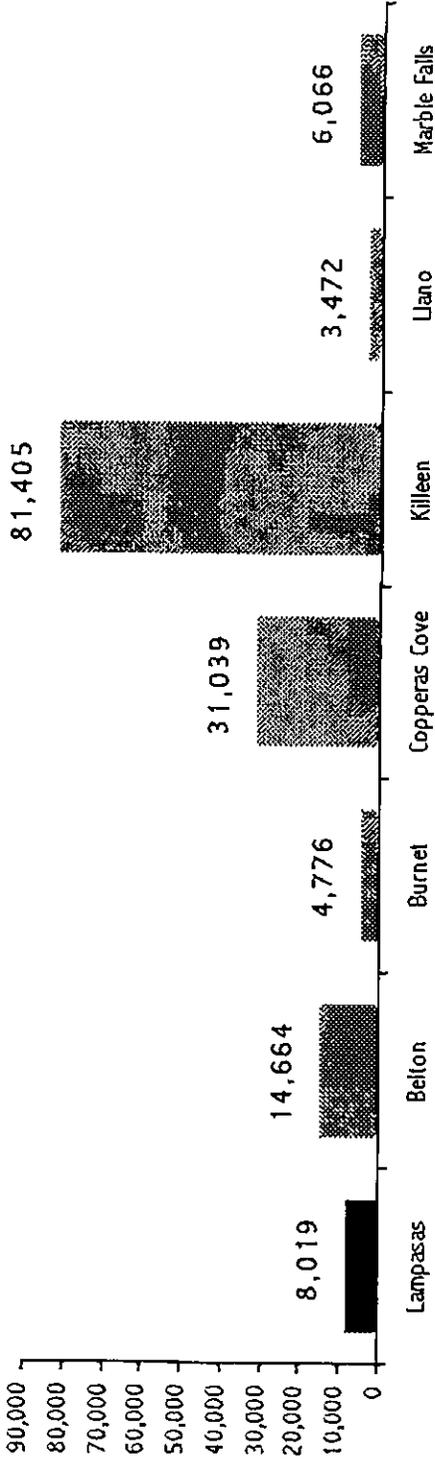
In 1990, Lampasas County had a population of 13,521. By 1999, the population increased approximately 31 percent to 17,700. This growth rate was higher than most surrounding communities with the exception of Burnet County, the Austin MSA and the city of Marble Falls.

	City of Lampasas	Lampasas County	Texas	US
1990	6,382	13,521	16,986,335	248,765,170
1999	8,019	17,700	20,044,141	272,690,813
Change	1,637	4,179	3,057,806	23,925,643
% Change	25.7%	30.9%	18.0%	9.6%

* Community Assessment data based on intercensal estimates for county and city areas. While 2000 Census data shows Lampasas County population at 17,772, the city's actual net growth was only 3.2% compared to the estimated intercensal rate of 26%. This rate is significantly less than competitor cities and reveals that the city of Lampasas has failed to capture a significant portion of recent regional population growth. Rather, new residents have chosen to locate in the county outside of city limits. This data also impacts estimates for city labor force rates.

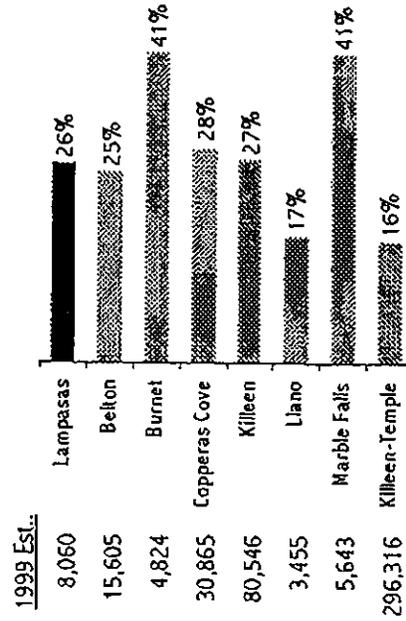
Community Economic Assessment

Regional City Population, 1999



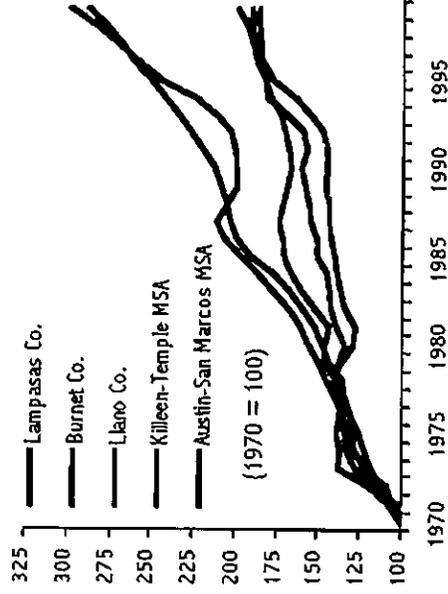
Source: U.S. Census Bureau

Regional City Population Growth, 1990 - 1999



Source: AngelouEconomics; U.S. Census Bureau

Regional County Population Growth Index, 1970-1999



Source: U.S. Census Bureau

Regional Population Trends and Growth, 1980-1999

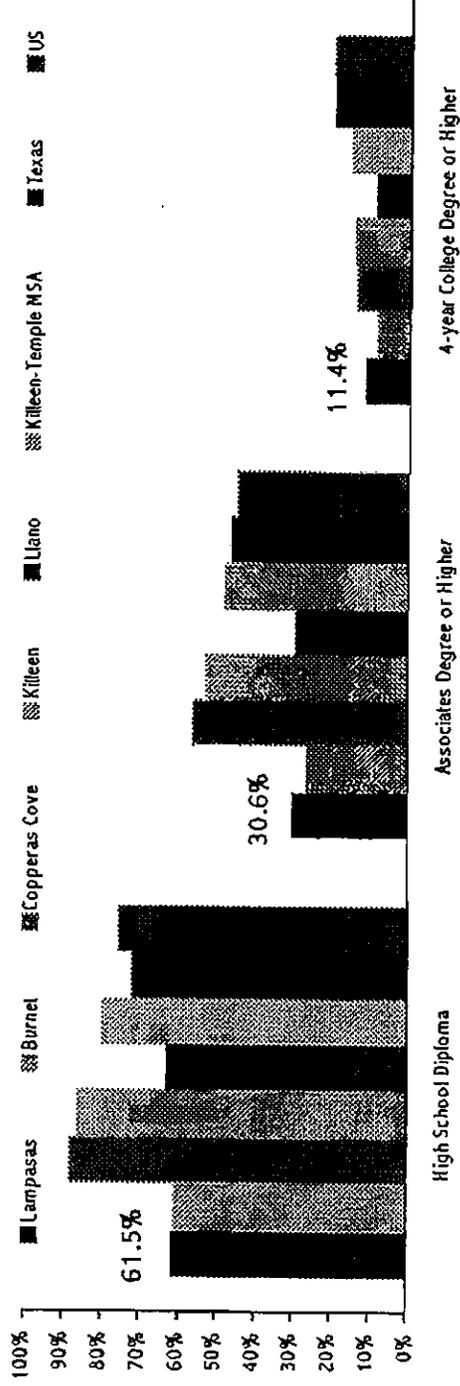
Lampasas' population growth between 1990-1999 averaged 2.6 percent per year, which is comparable to the growth experienced by Copperas Cove and Killeen and higher relative to Belton and Liano. This population growth rate is almost double the Killeen-Temple MSA and state averages. Burnet and Marble Falls exceeded the average annual growth of the city of Lampasas.

Strategic Implications

These statistics are significant indicators of potential demand increase in public services, education facilities, and need for reliable job opportunities to residents. In-migration population increase may indicate that the city of Lampasas may be attracting retirees – this is important to the city in developing its economic development strategies.

Community Economic Assessment

Educational Attainment, 1990, Adults 25+



Source: U.S. Census Bureau; AngelouEconomics

Public School Academic Excellence Indicators

	Lampasas ISD	Belfon ISD	Burnet CISD	Copperas Cove ISD	Killeen ISD	Uano ISD	Marble Falls ISD	Texas
Annual Dropout Rate								
1997-98	1.2%	0.2%	0.9%	1.0%	1.9%	1.2%	0.6%	1.6%
1996-97	0.6%	0.2%	1.7%	0.8%	1.1%	2.4%	0.2%	1.5%
1995-96	0.5%	0.6%	1.6%	1.0%	2.0%	2.3%	1.4%	1.8%
Completion Rate								
Class of 1998	95.5%	96.5%	94.7%	92.7%	91.7%	93.1%	96.1%	91.4%
Class of 1997	97.4%	94.6%	88.0%	90.9%	95.0%	94.6%	93.9%	90.7%
Class of 1996	94.0%	91.3%	91.3%	93.4%	92.6%	95.7%	89.2%	89.3%
Mean SAT I Score								
Class of 1998	1007	1020	991	980	960	1015	1017	992
Class of 1997	968	1064	959	954	963	1021	1029	992
Class of 1996	994	1031	977	947	963	994	993	993

Source: Texas Education Agency

City of Lampasas Education Attainment, 1990 and 1998

In the city of Lampasas in 1990, approximately 31 percent of the adult population 25 years of age or above had a high school diploma, 19 percent had some college education and 11.4 percent had a college degree – a situation comparable to Burnet, Llano, and Belton cities. However, these rates were below the regional communities of Copperas Cove, Killeen and the Killeen-Temple MSA, and the state and national averages.

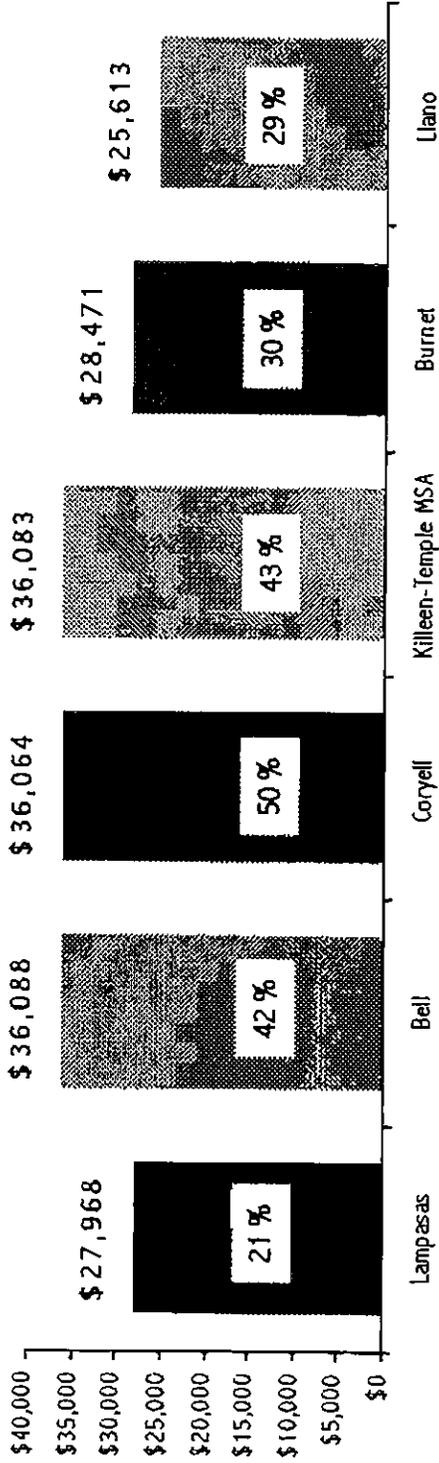
In 1998, the Lampasas Independent School District (ISD) had a lower drop-out rate than the average for the state of Texas, but higher than several of its competitor communities. The rate of completion was higher in 1998 than most of the regional ISD's except for Belton and Marble Falls. SAT scores have been consistently improving over the past several years. This is higher than the rate for many of the surrounding communities and the state average.

Strategic Implications

Many families consider the quality of the public education system when making relocation decisions. As Lampasas schools improve, residential properties within Lampasas ISD may become more attractive to these families with children.

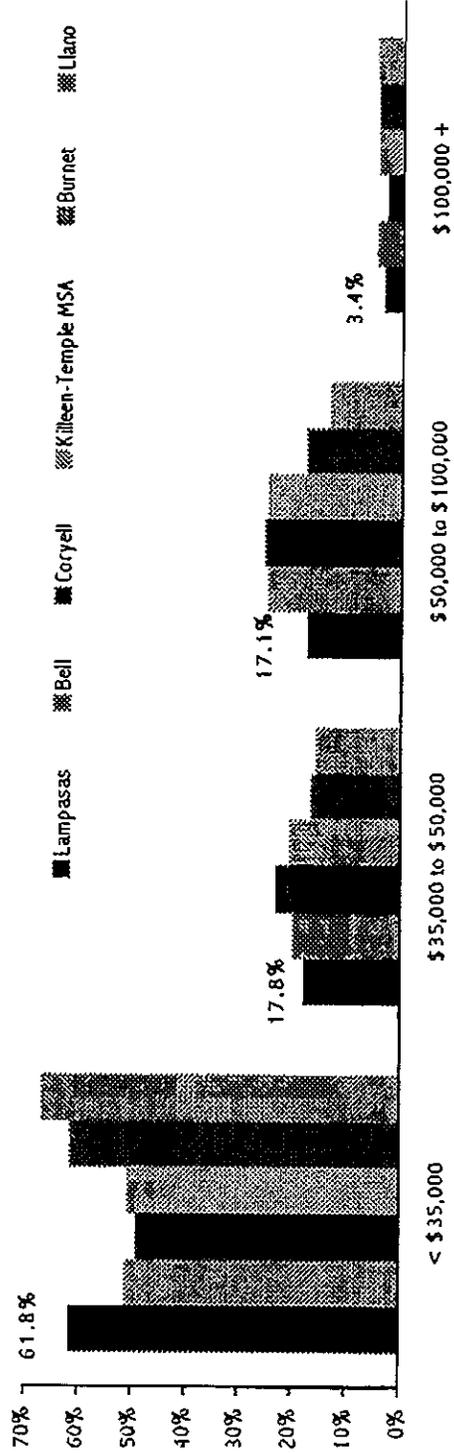
Community Economic Assessment

Median Household Income by County, 1999
Increase 1990 to 1999



Source: AngelouEconomics; Claritas Inc.

Household Income Distribution by County, 1999



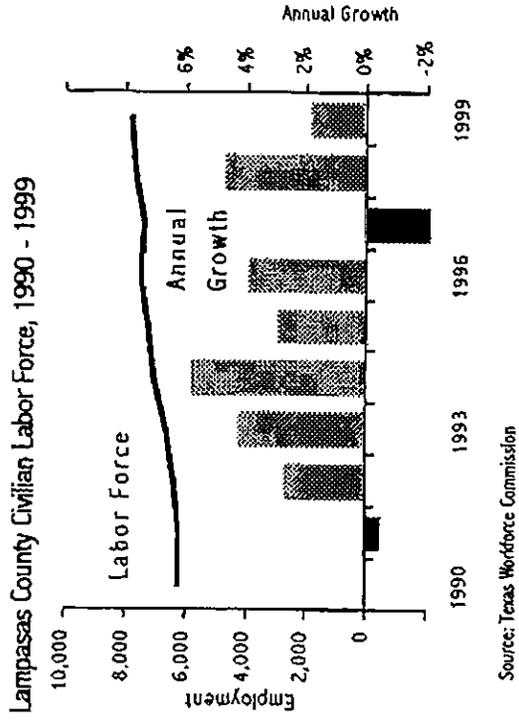
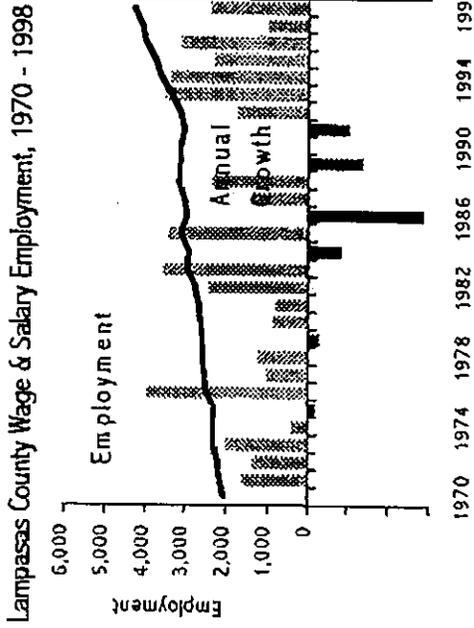
Source: AngelouEconomics; Claritas Inc.

Household Income Distribution for Lampasas County, 1999

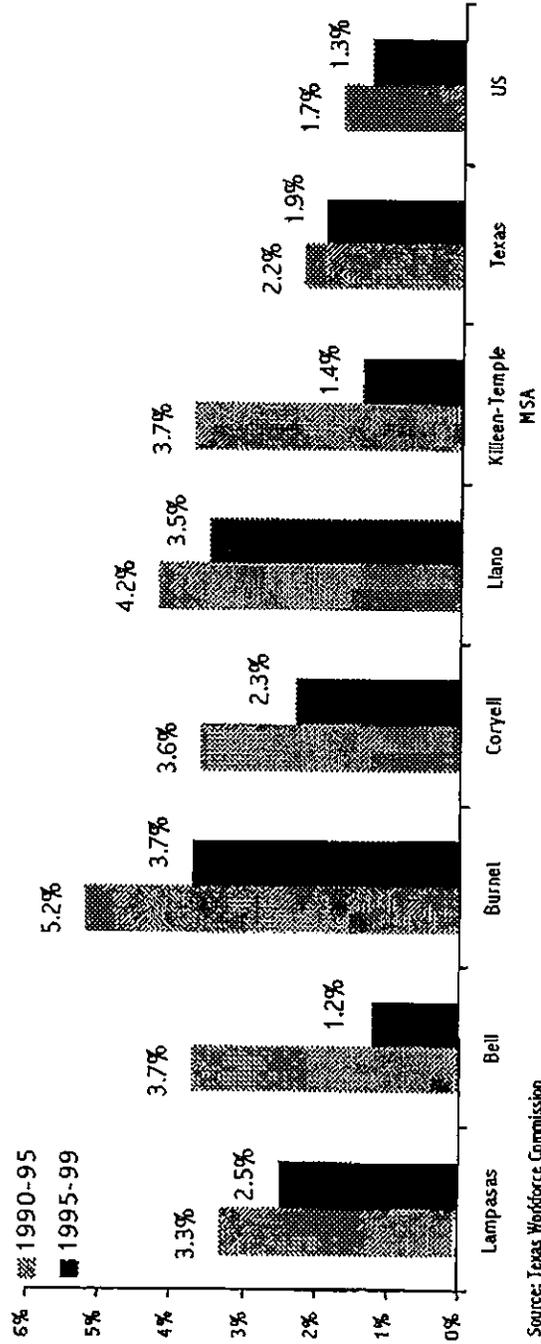
The median household income in Lampasas County was \$27,968 in 1999. Although this level is slightly higher than Llano County (\$25,613), Lampasas County lags behind the rest of the surrounding counties. These median household incomes are approximately 1.3 percent higher, such as Bell County with a median household income of \$36,088. Over the past decade, median household income in Lampasas increased 21 percent, a rate lower than its regional neighbors.

Almost 62 percent of Lampasas County's population earns an income less than \$35,000 per year. Approximately 18 percent earn incomes between \$35,000 and \$50,000. This distribution rate is more comparable to Burnet and Llano counties than Bell and Coryell counties and the Killeen-Temple MSA

Community Economic Assessment



Annualized Employment Growth Comparison, 1990 - 1999



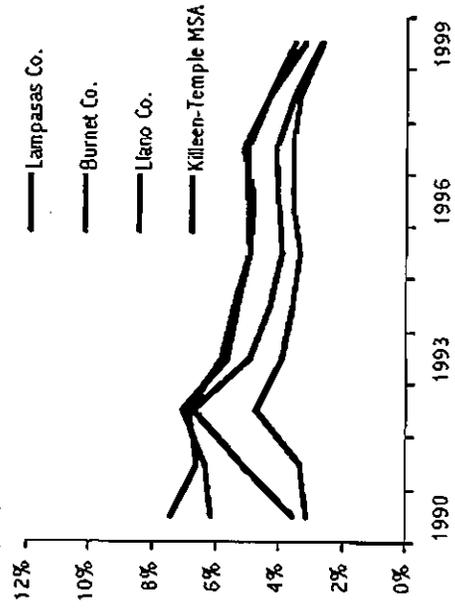
Labor Force trends for the city of Lampasas and Lampasas County, 1990-1999

Between 1990 and 1999, the city of Lampasas labor force grew an average of 2.5 percent per year. This rate is slightly higher than Killeen-Temple MSA and state levels, and more than double the national average.

During the same period, the labor force of Lampasas County increased at a slightly higher rate of 2.6 percent per year relative to the city.

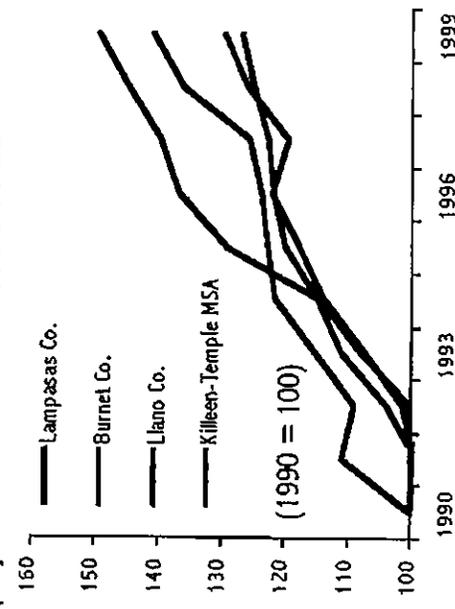
Community Economic Assessment

Unemployment Rates, 1990 - 1999



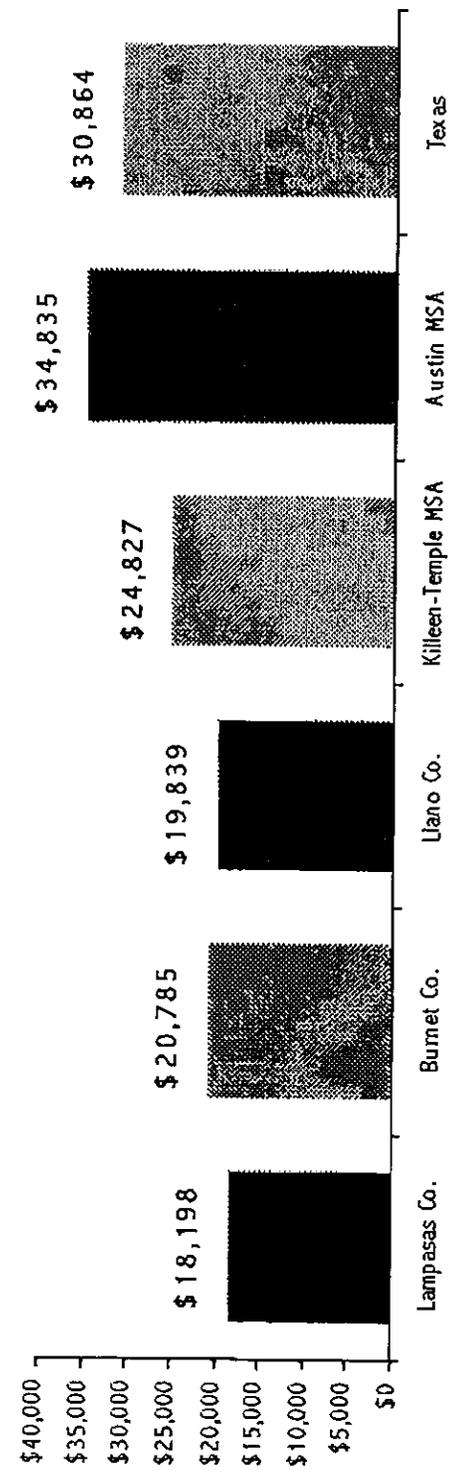
Source: Texas Workforce Commission.

Employment Growth 1990-1999 Indexed



Source: AngelouEconomics; Texas Workforce Commission

Average Wage per Job, 1998



Source: Bureau of Economic Analysis.

City of Lampasas and the Lampasas County Employment Growth Rates, 1990-1999

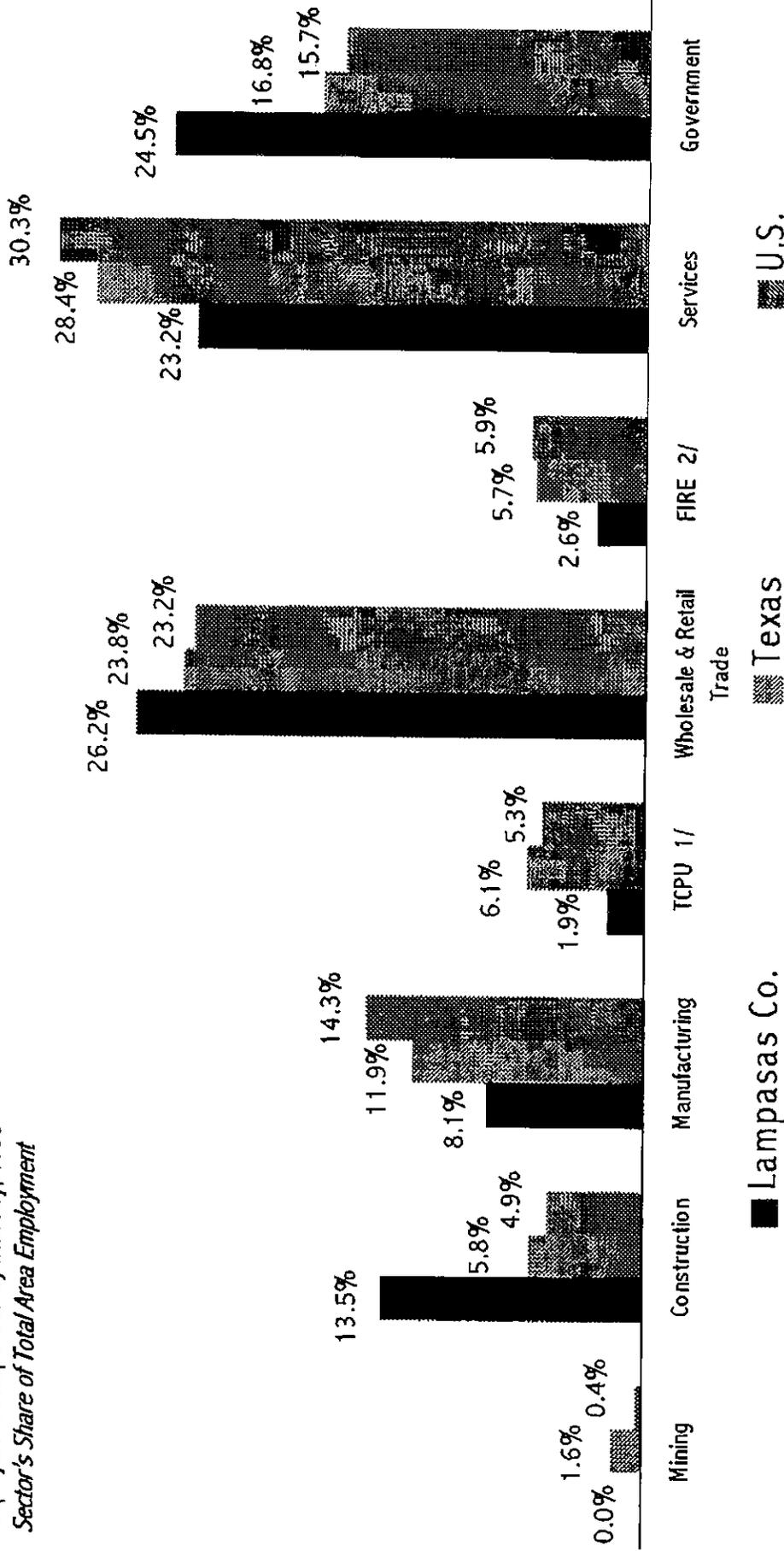
Between 1990 and 1995, both the city of Lampasas and Lampasas County had an average employment growth rate of 3.3 percent per year. This rate is higher than state and national levels, comparable to Bell and Coryell counties and the Killeen-Temple MSA, yet lower than Burnet and Llano. However, between 1995 and 1999 Lampasas County annualized employment growth was 2.5 percent. This is lower than the previous five year growth rate, yet is still higher than the Texas and U.S. levels.

Lampasas County Average Salary Per Job, 1990-1998 (all wages are adjusted to 1998 dollar values)

With the exception of the Austin MSA, Lampasas County experienced a significantly higher average wage growth rate of 11 percent relative to surrounding communities, Texas (10 percent) and national (8 percent) levels. However, the average wage per job of \$18,198 for Lampasas County is the lowest relative to all neighboring counties (e.g. Bell county with an average wage of \$25,000/ job), Texas (average wage of \$30,864/ job) and the U.S. (average wage of \$31,299/job). This may be due to the high share of jobs in the wholesale and retail trade industry sectors which offer jobs at the lower-end of the pay scale.

Community Economic Assessment

Employment Comparison by Industry, 1999
Sector's Share of Total Area Employment



1/ Transportation, Communications and Public Utilities
2/ Finance, Insurance, and Real Estate

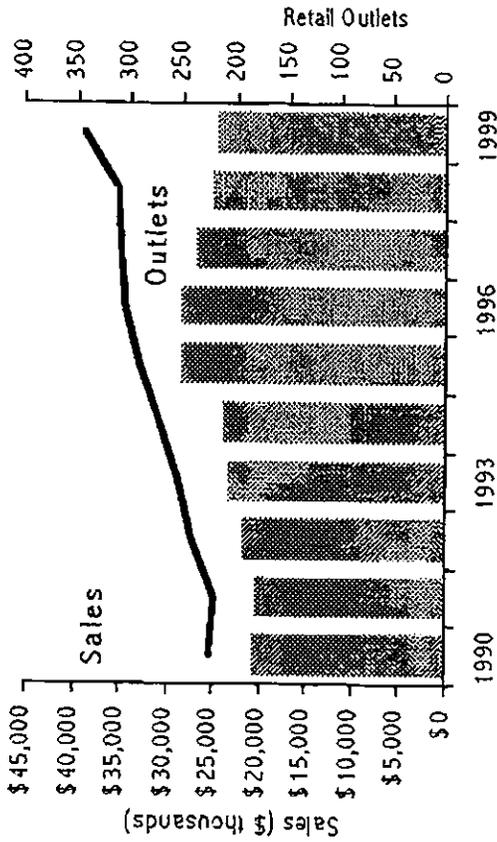
Source: Texas Workforce Commission & U.S. Bureau of Labor Statistics

Lampasas County Employment Comparison by Industry, 1999

Two industry sectors, wholesale and retail trade and government, employ approximately 53 percent of the total labor force in Lampasas County. Specifically, the wholesale and retail/trade industry sector employs approximately 26.2 percent of the total labor force, or 2,049 people. The second largest employer is the government industry sector employing approximately 24.5 percent, or 1,761 people. Both of these industry sectors employ a higher percent of the labor force compared to Texas and the US levels. Lampasas County economy is becoming service-oriented at a slower rate than the rest of Texas and the US. Although the county is experiencing a shift from manufacturing toward more service-oriented industries, it is occurring at a slower rate relative to the state and nation.

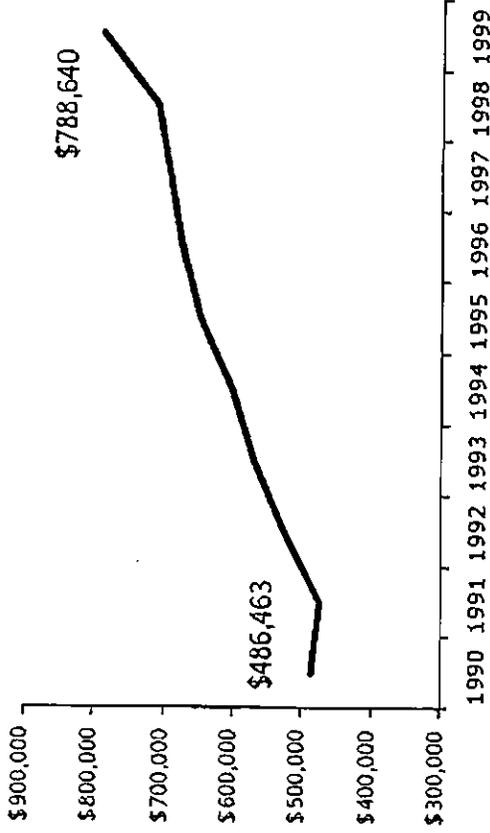
Community Economic Assessment

Lampasas County Retail Sales, 1990 - 1999
(amount subject to sales tax)



Source: Texas Comptrollers Office

Lampasas Sales Tax Rebates, 1990 - 1999



Source: Texas Comptrollers Office

Regional Retail Sales Trends, 1990-1999

In 1999 City of Lampasas had sales of \$36,117,215, which represents an overall increase of 51 percent in net sales since 1990. This is significantly lower relative to Copperas Cove's retail sales growth rate of 128 percent or total sales of \$100,742,312 in 1999.

The Lampasas County sales in 1999 and growth rate over the past decade are comparable to those experienced by the city of Lampasas.

Sales Tax Rebates

The sale tax revenue for the Lampasas County grew by approximately 62.11 percent over the past decade or a net increase of \$302,177 to a total of \$788,640. This indicates an increase in economic activity within the county due to growth in the county and in the Killeen-Temple MSA.

Target Industry Analysis

Cluster Analysis

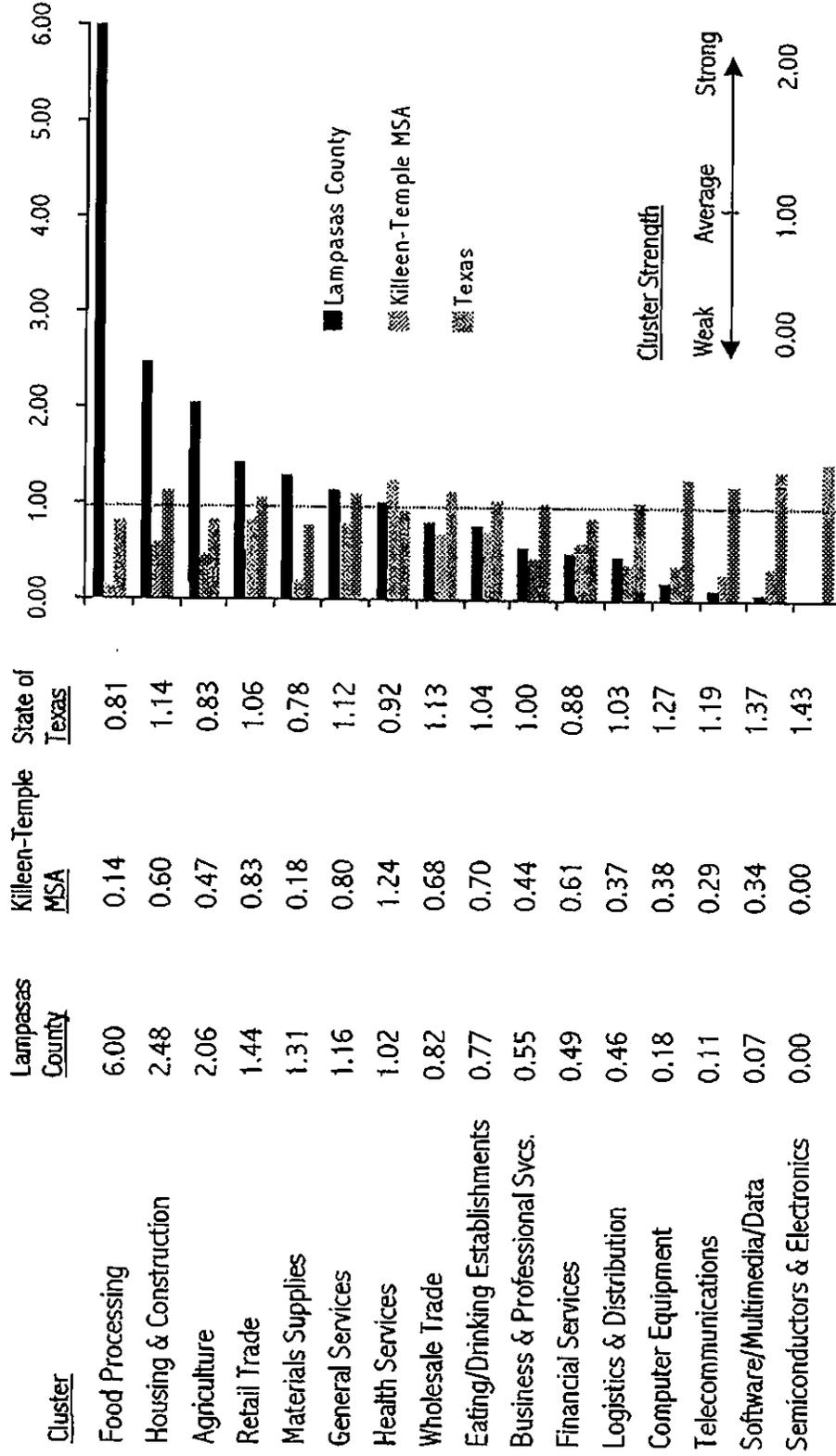
Traditionally, the economic growth of regional economies has been described in terms of the growth of a region's basic (or primary) industries. These industries typically export their goods or services outside the region, supporting ancillary industries such as retail, housing construction, and personal services. The locational distribution of these facilities has historically been largely attributed to natural advantages (e.g., natural resources and climate), cost factors, (e.g., distance to market, labor costs), and existing transportation infrastructure. New economic structures brought on by increased globalization and the growth of technology have, however, framed these competitive factors in a new perspective.

"New economy" businesses seek to build relationships not only with existing specialized supplier firms, but also seek to create a critical mass of production, labor, and information, manufacturers, and related suppliers within a region. These firms develop what is now called "cluster-based economies" to take advantage of this developed human and physical infrastructure. AEA has formulated a general model that examines the relationships between these "clusters" and a city's existing industrial and commercial base. By identifying those firms and industries (under the federal Standard Industrial Classification (SIC) coding system), which form the foundation of these "clusters," and by relating these clusters to national and global trends, we can give insight into their potential for generating wealth and growth in a regional economy.

Cluster location factors are calculated by comparing the cluster's share of total local employment to the cluster's national share, generally yielding a value between 0.50 and 2.00, where 1.00 demonstrates a similar composition to the national economy. Cluster location factors greater than 2.00 indicate a strong cluster agglomeration, while those with less than 0.50 indicate extremely weak clusters. As part of the economic assessment of Lampasas, AE analyzed Lampasas' economic base to identify which industry sectors are currently dominating growth in the county. Lampasas' cluster concentrations were compared to regional competitors and Texas.

Target Industry Analysis

Cluster Distribution Lampasas Co., Killeen-Temple & Texas



Source: AngelouEconomics; Dun & Bradstreet

Target Industry Analysis

County & Metro Cluster Employment, 2000

Cluster	City of Lampasas			Lampasas Co.			Killeen-Temple MSA			Austin-San Marcos MSA			State of Texas		
	Emps.	Bus.	Ratio	Emps.	Bus.	Ratio	Emps.	Bus.	Ratio	Emps.	Bus.	Ratio	Emps.	Bus.	Ratio
Industrial Machinery	5	2	0.22	5	2	0.19	407	8	0.44	6,102	67	1.48	58,462	1,700	0.99
Health Services	398	21	1.09	355	24	1.02	15,464	318	1.24	39,765	2,321	0.71	749,106	38,130	0.92
Medical Supplies	0	0	0.00	0	0	0.00	61	12	0.06	3,716	76	0.88	33,455	902	0.54
Arms	0	0	0.00	0	0	0.00	3	3	0.02	39	5	0.05	4,393	95	0.35
Aerospace	0	0	0.00	0	0	0.00	502	2	0.79	1,763	11	0.62	37,435	287	0.90
Apparel & Textiles	0	0	0.00	2	1	0.04	57	17	0.03	738	174	0.10	62,842	3,035	0.99
Housing & Construction	477	60	2.45	546	87	2.48	4,711	725	0.60	39,369	4,363	1.12	594,477	82,658	1.14
Materials Supplies	105	5	1.36	115	6	1.31	562	60	0.18	8,187	345	0.58	159,055	6,231	0.78
Industrials Supplies	46	5	0.40	46	5	0.36	6,066	40	1.31	10,255	461	0.50	275,308	9,078	0.92
Business & Professional Services	268	63	0.54	311	75	0.55	8,934	1,315	0.44	88,705	11,803	1.08	1,318,008	141,377	1.00
Agriculture	98	39	1.51	152	57	2.06	1,238	405	0.47	6,023	1,371	0.51	141,944	31,547	0.83
Food Processing	322	5	6.80	322	5	6.00	273	18	0.14	2,508	123	0.29	101,503	2,303	0.81
Financial Services	92	20	0.54	94	21	0.49	4,184	346	0.61	25,206	2,147	0.81	397,058	32,889	0.88
Natural Resources	4	1	0.15	4	1	0.14	140	21	0.13	2,443	305	0.52	203,658	12,146	2.98
Consumer Goods	0	0	0.00	0	0	0.00	1,119	70	0.69	4,023	371	0.55	57,169	5,222	0.54
Transportation Equipment	0	0	0.00	0	0	0.00	269	13	0.14	553	48	0.06	39,741	1,218	0.32
Logistics & Distribution	49	10	0.34	74	14	0.46	2,128	231	0.37	10,784	1,042	0.42	388,875	24,419	1.03
Electronics	0	0	0.00	0	0	0.00	1	1	0.00	7,575	128	2.59	37,515	750	0.88
Telecommunications	7	2	0.12	7	2	0.11	694	72	0.29	13,321	540	1.26	183,529	6,462	1.19
Computer Equipment	8	3	0.18	9	4	0.18	671	61	0.38	42,420	829	5.34	146,542	7,428	1.27
Semiconductors	0	0	0.00	0	0	0.00	0	0	0.00	19,496	57	14.69	50,566	178	2.62
Software/Multimedia/Data	1	1	0.03	3	2	0.07	515	36	0.34	14,648	1,065	2.16	135,210	7,884	1.37
Printing & Publishing	36	4	0.73	40	5	0.72	584	62	0.29	7,798	686	0.87	91,076	7,708	0.70
Utilities	6	3	0.17	17	4	0.42	417	45	0.29	5,925	188	0.81	136,698	4,377	1.45
Wholesale Trade	143	28	0.78	170	36	0.82	5,077	372	0.88	32,497	2,837	0.88	547,040	54,217	1.13
General Services	128	53	1.13	148	63	1.16	3,673	988	0.80	18,364	4,146	0.80	332,768	75,802	1.12
Retail Trade	616	114	1.53	661	136	1.44	13,574	1,896	0.83	67,365	8,182	0.92	1,125,058	146,092	1.06
Hotels & Entertainment	51	14	0.46	57	17	0.46	2,167	256	0.48	19,253	1,402	0.96	222,869	19,279	0.76
Eating/Drinking Establishments	148	21	0.86	151	24	0.77	4,931	438	0.70	31,323	2,142	1.00	474,620	34,863	1.04
TOTAL EMPLOYMENT	3,656	529		4,145	660		148,222	8,834		663,867	51,479		9,650,856	807,365	

Target Industry Analysis

Competitor Cities Cluster Employment, 2000

Cluster	City of Lampasas			City of Burnet			City of Copperas Cove			City of Killbuck			City of Llano		
	Emps.	Bus.	Ratio	Emps.	Bus.	Ratio	Emps.	Bus.	Ratio	Emps.	Bus.	Ratio	Emps.	Bus.	Ratio
Industrial Machinery	5	2	0.22	100	1	4.83	0	0	0.00	1	1	0.00	0	0	0.00
Health Services	336	21	1.09	131	16	0.47	335	21	0.71	2,944	102	0.45	368	16	2.25
Medical Supplies	0	0	0.00	6	2	0.28	3	1	0.08	2	2	0.00	0	0	0.00
Arms	0	0	0.00	0	0	0.00	0	0	0.00	1	1	0.01	0	0	0.00
Aerospace	0	0	0.00	0	0	0.00	0	0	0.00	502	2	1.52	0	0	0.00
Apparel & Textiles	0	0	0.00	8	1	0.22	0	0	0.00	12	4	0.01	0	0	0.00
Housing & Construction	477	60	2.45	253	54	1.43	343	80	1.18	942	155	0.23	96	31	0.83
Materials Supplies	105	5	1.35	75	5	1.08	14	4	0.12	37	9	0.02	15	4	0.36
Industrials Supplies	48	5	0.40	18	4	0.17	8	3	0.05	8	4	0.00	0	0	0.00
Business & Professional Services	268	63	0.54	310	68	0.68	614	119	0.81	3,791	451	0.36	123	29	0.46
Agriculture	98	39	1.51	100	22	1.69	87	13	0.88	202	55	0.15	47	25	1.36
Food Processing	322	5	6.80	11	4	0.26	1	1	0.01	59	5	0.06	5	1	0.20
Financial Services	92	20	0.54	89	13	0.57	141	32	0.54	1,616	115	0.45	69	10	0.76
Natural Resources	4	1	0.15	52	4	2.21	2	1	0.05	43	3	0.08	11	2	0.80
Consumer Goods	0	0	0.00	14	6	0.38	9	5	0.15	38	15	0.04	1	1	0.05
Transportation Equipment	0	0	0.00	14	2	0.32	1	1	0.01	31	2	0.03	0	0	0.00
Logistics & Distribution	49	10	0.34	73	11	0.56	111	18	0.51	948	73	0.32	14	5	0.18
Electronics	0	0	0.00	0	0	0.00	0	0	0.00	0	0	0.00	0	0	0.00
Telecommunications	7	2	0.12	7	1	0.13	37	6	0.42	407	32	0.33	3	2	0.10
Computer Equipment	8	3	0.18	1	1	0.03	80	8	1.20	71	19	0.08	0	0	0.00
Semiconductors	0	0	0.00	1	1	0.15	0	0	0.00	0	0	0.00	0	0	0.00
Software/Multimedia/Data	1	1	0.03	1	1	0.03	10	5	0.18	83	8	0.11	3	1	0.15
Printing & Publishing	36	4	0.73	10	4	0.22	19	5	0.25	201	14	0.19	0	0	0.00
Utilities	6	3	0.17	0	0	0.00	53	4	0.97	77	6	0.10	37	2	1.94
Wholesale Trade	143	28	0.78	55	18	0.33	55	22	0.20	268	71	0.07	219	14	2.25
General Services	128	53	1.13	130	54	1.26	285	104	1.66	1,321	348	0.56	81	39	1.36
Retail Trade	616	114	1.53	488	110	1.27	711	175	1.16	5,752	567	0.68	224	67	1.04
Hotels & Entertainment	51	14	0.46	238	26	2.37	93	27	0.55	1,072	100	0.46	50	11	0.85
Eating/Drinking Establishments	148	21	0.86	149	17	0.85	459	40	1.74	2,146	154	0.59	111	21	1.21
TOTAL EMPLOYMENT	3,656	529		3,327	503		5,670	809		76,897	2,618		1,943	320	

Lampasas Industry Clusters

Lampasas has the strongest concentrations relative to the national levels in the **food processing** and **housing & construction** industry clusters. Lampasas's **food processing** industry cluster employs 322 people with Specialty Brands inc. (Lampasas Mexican Foods) employing the vast majority of this number. City Council recently approved a tax abatement for the company to facilitate a \$12 million expansion of their facilities in downtown Lampasas. Other major employers in this cluster are Evergreen Mill and Schwans Sales Enterprises Inc.

The top five companies out of a total of 60 firms present in the **housing & construction** industry cluster employ 255 people or one half of all employment in this cluster. The strength of this cluster is largely due to many of the companies serving as subcontractors to Ft. Hood. The two largest of these are Guyco Inc., which had almost \$50 million in revenue in 1999, and Rex K. Johnson Construction, each with over 100 employees. Pauls Electric Company Inc., in business since 1949, has over 70 workers. Lampasas holds the strongest concentration in this cluster compared to neighboring communities.

The **agriculture** industry cluster in Lampasas is largely comprised of individual farmers and ranchers. The 39 companies within this industry employ less than 100 workers in the city. Although agriculture has historically been one of Lampasas' most important industries, its significance in the city's economy has declined.

Target Industry Analysis

Lampasas's **retail and trade** industry cluster is the number one employer in the area with 114 companies employing 616 workers or 17 percent of the total workforce. Wal-Mart is the largest retailer in Lampasas with over 100 workers. Other large retailers include HEB Food Store, Benny Boyd CPDJ, and Jim Hoffpauir Inc.

The **health services** industry cluster is the third largest employer in Lampasas. The two largest employers in this industry are Spring Oaks Terrace (Texas Health Enterprises, Inc.) and Rollins-Brook Community Hospital, each with over 70 employees. Rollins-Brook recently completed a \$2.5 million expansion and now offers 36 beds and a full range of services to the community. Other major companies providing health-related services include Lampasas Nursing Rehabilitation Center and Leisure Lodge. There are 63 companies in the **business & professional services** industry cluster employing a total of 268 workers. National Services Company of Iowa, a staffing services provider, is the largest employer in this industry cluster.

Notable industry clusters less developed in Lampasas relative to neighboring communities are **financial services, hotels & entertainment, and natural resources**.

Regional Cluster Observations

Lampasas County

The Lampasas County's industry cluster concentration is similar to the city of Lampasas in many areas. In particular, Lampasas County shows high concentrations in **food processing, materials supplies, housing & construction, agriculture, and retail trade** industry clusters. However, with the exception of **agriculture**, these ratios largely reflect employment and company locations in the city of Lampasas and do not represent mature industry clusters within the county independent of the city.

Killeen-Temple MSA

Although a much larger market area than Lampasas, the Killeen-Temple MSA has few developed industry clusters. The only industries with concentrations above the national level are **health services, industrials supplies, and government**, which employs over one-third of the workers considered in this analysis.

The Killeen-Temple MSA is weak in many industry clusters. Most notable of these are **retail trade, housing & construction, business & professional services, logistics & distribution, and materials supplies**. The MSA lowest ranking industry clusters are those in the high tech industries (**computer equipment, telecommunications, software/multimedia/data, and semiconductors**.) This may be considered surprising given the area's proximity to the technology centers of Austin and Dallas as well its relationship to the military at Ft. Hood.

Recommended Target Industries

The recommended target industries were selected based on the following criteria:

- Complement the existing industrial base or contribute to economic diversification
- Fit the infrastructure, workforce, and assets available in the community
- Meet the community's vision, needs, and desires

The following industries meet those criteria and should be targeted for recruitment

- **Contract Manufacturing (i.e. Electronic Components, Consumer Electronics, Circuit Boards, etc.):** Contract manufacturing generally represents a community's first foray into high technology manufacturing. As segments of the industry mature, corporations are increasingly outsourcing manufacturing operations. These plants need not be located in the expensive technology centers, but can locate anywhere.
- **Plastic Injection Molding:** Molded or injected plastics are required in many industrial sectors, with strong and rising demand in the computer, telecommunications, and information technology hardware. These low pollution, capital-intensive plants often operate on three shifts, generating significant employment at the entry level.
- **Logistics and Distribution:** Logistics is the process of planning, implementing and controlling the efficient flow of goods and services through the supply chain, from producer to consumer. Distribution includes all freight carriers—air, water, trucking, and intermodal. Trucking operations include all ground-based delivery both local and regional. Passenger carriers, such as shuttle and busing services, are also included. Such operations

would be appropriate targets given Lampasas' economic infrastructure (excellent highway access and location, airport, labor availability and low property tax burden).

- **Warehousing and Storage:** Firms within this industry are often considered as a component of Logistics and Distribution. The warehousing and storage of goods that have been transported by air, water, freight, and rail. In the case of Lampasas, the community should target those firms which warehouse goods transported by freight and rail. Until recently, most manufacturing firms took responsibility for the warehousing and coordination of their flow of materials. Third-party firms now commonly contract with corporations to store and deliver their goods and materials and often work closely with firms to operate an efficient just-in-time delivery system.
- **Business/Professional/Financial Services:** Firms within these categories are critical to supporting a diversified economy. Business Services include accounting, auditing, bookkeeping, and tax filing services; credit reporting and collection services; holding companies; investment offices: real estate operations; advertising services, photography; employment services. Professional services include legal, engineering, architectural and surveying, commercial training, management consulting, research, public relation, and business consulting firms. Financial Services include financial leasing firms, insurance companies, stockbrokers, investment bankers, back-office credit operations and saving institutions. (Commercial banks are also included in this cluster but with four already in operation, they should not be considered target industries.)
- **Health Care Services:** Firms within this industry include institutions such as hospitals, offices and clinics of medical doctors, nursing homes, home health care facilities, and managed care organizations. The health care industry includes thousands of independent medical practices and partnerships as well as public and nonprofit institutions and major private corporations. (Nursing homes and home health care services and facilities are

also included within the Health Care Services industry but are treated separately for this report under Services for Senior Citizens/Retirees.)

- **Services for Senior Citizens/Retirees:** Firms within this industry include those that are a sub-sector of the Health Care Services industry (nursing homes and home health care facilities) as well as recreation and entertainment firms which specialize in services for the elderly.
- **Restaurants & Entertainment Venues:** Firms within these industries include eating and drinking establishments and amusement and recreation services. Venues may include amusement parks, membership sports and recreation clubs, motion picture theaters, and music and dance halls. While the focus of these venues should be to act as an export industry in terms of attracting money from outside the immediate area, these establishments would also heighten the quality of life for local citizens.
- **General Retail:** Firms classified as general retail include such categories as general merchandise and department stores, apparel and accessory shops, and home furniture, furnishings, and equipment stores.
- **Travel-related Industries:** Firms within this industry include service, retail, and manufacturing establishments. Service establishments include hotels, motels, and bed and breakfast establishments. Travel-related retail includes jewelry, gift, antique, and souvenir shops. Tourism- and travel-related manufacturing includes craft and jewelry making and recreation equipment manufacturing, such as boat building.

SWOT Analysis

As part of the comprehensive planning process, the consulting team and 4B EDC conducted an assessment of Lampasas' economic strengths and weaknesses as well as its opportunities and threats (SWOT). This analysis is based on data acquired for the community and target industry assessments, feedback from the extensive community input process, and research on local and regional issues. This assessment directly informs the recommended strategies of this comprehensive Economic Development Master Plan.

STRENGTHS

1. Economic Infrastructure

"Economic infrastructure" refers to those elements which form the basis of the city's economy, such as its labor force, transportation and distribution systems, telecommunications and utilities infrastructure, educational facilities, and existing business community. For a city of its size and location, Lampasas is doing well in many of these areas. It is located at the intersection of three major highways—U.S. 183, U.S. 281 and U.S. 190. In addition to a commuter airport in Killeen and a proposed regional airport in Temple, Lampasas' airport recently underwent a \$2.5 million expansion. Much of the city is "wired" with fiber optic cable.

Lampasas' growing population and close proximity to two major metropolitan areas contribute to the city's available labor force as does the approximately 1000 soldiers "retiring" from military service from Ft. Hood each month. Nearby schools include Central Texas College and Tarleton University System Center in Killeen and Temple Junior College in Temple as well as The University of Texas at Austin, St. Edwards University and Austin Community

College in Austin, and Baylor University and Texas State Technical College in Waco. The Lampasas ISD ranks well among its peer communities. Lampasas is also home to several highly successful companies, such as Guyco Engineering, Oil States Rubber Company, Metzger Enterprises, and Specialty Brands, and four local banking institutions with combined assets of over \$3.5 billion. Lampasas also serves as the county seat which allows for greater cooperation among city and county officials in addressing local issues.

2. **Community Initiatives for Economic Development**

In 1998, the Lampasas community indicated its willingness to promote economic development initiatives through its passage of a Section 4B Sales Tax. Proceeds from this tax may be spent on land, buildings, equipment and improvements for various projects promoting new or expanded business enterprises. The Lampasas 4B Economic Development Corporation (4B EDC) is authorized and funded through this program. The Lampasas County Development Foundation promotes economic development on the county level.

In addition to these organizations, current city government officials, including the mayor, city manager and city council, have provided vital support of these initiatives and recent economic development efforts.

3. Location

Lampasas is located in the Texas Hill Country within a hundred and fifty miles of the following major cities: San Antonio to the south; Austin, Temple, Waco, and Bryan-College Station to the east; Ft. Worth, Dallas, and Abilene to the north, and; San Angelo to the west.

4. Quality of Life

Given the mobility of today's labor force and employers, quality of life has become an increasing important community attribute. Lampasas ranks high in this area. Most notably, the community offers an excellent local school system, low cost of living, low crime rate, clean environment, full-service modern hospital, attractive neighborhoods, and a friendly community spirit.

5. Community Amenities

Once known as the "Saratoga of the South," Lampasas has a variety of community amenities which promote a positive image of the city and generate awareness of the community. These assets can be important to business attraction efforts. Lampasas' attractions include natural sulphur springs which run through the city. The historic downtown is affiliated with the Texas Main Street program and features the third oldest "working" courthouse in the state. Community festivals are held throughout the year. The city is a popular gateway for seasonal hunting opportunities. Other nearby destinations within the Hill Country include Colorado Bend State Park, Lake Buchanan, Marble Falls, and Fredericksburg as well as a variety of wineries, recreational areas, and resorts. Other community amenities also include a 140-acre golf course and an expansive city park system.

WEAKNESSES

1. Economic Structure

a. Limited Diversification of Economic Base

An analysis of industries within Lampasas reveals little diversification of the economic base. The strongest industry clusters by employment were in food processing, housing & construction, agriculture, retail trade and materials supplies. With only five companies each, food processing and materials supplies are not complete clusters. Agriculture is a mature industry unlikely to grow in coming years. Lampasas' most significant industry—housing and construction—can be dependent on existing economic conditions. High employment in limited industries, or with a small number of firms, leaves the local economy vulnerable should these industries decline or a major employer shut down or relocate.

Despite moderate clusters in health services, retail, and general services, Lampasas is lacking significant employment in those sectors which traditionally support the industries of a diverse economy. Such businesses include professional and financial service firms, industrial suppliers, wholesale trade, printing and publishing, telecommunications, electronics and software providers, and medical suppliers. In addition to difficulties supporting a range of business needs, the capacity of Lampasas to expand its tourism industry may be limited by insufficient hotel rooms and few eating and drinking establishments.

b. Low Wage Industry Employment

The average salary in Lampasas is significantly lower than the Killeen-Temple MSA average. This income level reflects the majority of residents being employed in low wage industries such as agriculture, retail, construction and support services. An economy based on low wage industries will be limited in its capacity to grow or diversify. Low wage employment also indicates in a generally unskilled labor force.

2. Existing Industrial Park is Full

Lampasas' existing industrial park has reached its capacity. This situation will severely limit the attraction of new enterprises or the expansion of existing businesses. Identification of a new site within the city limits has been identified as an economic development priority but has proven difficult.

3. Commercial Land Limited

Although land is abundant throughout Lampasas, the concentration of activity along only one major business district (Key Avenue) provides few opportunities for new commercial projects. Limited parcels and inflated market values have stymied developments seeking to locate along this strip. Although the DOWNTOWN is an active business district, it cannot support a large development. An additional business corridor is necessary to create new desirable space for commercial projects and to relieve traffic congestion from Key Avenue.

Land suitable for commercial use is also limited by insufficient utilities to certain sites within the city. Municipal utilities of water, sewage, and electricity are often unavailable outside of the city limits.

4. Lack of a Unified Economic Development Vision

Prior economic development efforts in Lampasas have been hindered by the lack of a unified long-term vision for the community and a strategy for reaching these goals. As a result, coordination among city agencies, public and private organizations, and business and community leaders has been difficult to achieve. Without such agreement, the implementation of future strategies will be limited. Related to this problem is a widespread apathy among the general population towards economic development as well as an underlying resistance among some residents toward economic growth or change.

5. Limited Funding For Economic Development

Despite the passage of a Section 4B Sales Tax, a small tax base, modest retail sales and other budgetary demands limit funding for economic development initiatives. Such restrictions may affect the hiring of economic development and planning professionals, business attraction and retention incentive programs, acquisition of property, marketing strategy implementation, beautification and infrastructure improvements, and other potential public sector-sponsored initiatives. Alternative sources of funding through state and federal programs, as well as public and private partnerships, will need to be explored.

6. Housing—Limited Medium/High End Housing Stock

Lampasas' housing stock is comprised predominately of older, smaller homes which may be considered inadequate in today's housing market. As the city attracts more professionals, commuters and retirees with greater disposable incomes, medium- to high-end housing is increasingly in demand. For example, two new developments in west Lampasas offering almost 90 lots are reaching sell-out before construction is even complete. The scarcity of single family homes and rental properties for new workers may eventually impact Lampasas' capacity for job creation.

OPPORTUNITIES

1. New Industrial Park and/or Business Incubator

The attraction of new industrial users and the expansion of local companies will be dependent on the city's ability to provide appropriate facilities and infrastructure. The creation of a new industrial park is therefore critical to Lampasas' future economic development efforts.

In addition to an industrial park, Lampasas could also create an incubator to foster local small business development. Such a facility would offer start-ups shared expenses in office space, administrative services and equipment, and training to create synergy within targeted industries and increase business success rates. Assistance to such enterprises would diversify Lampasas' economy, promote new skills, and create needed higher wage jobs.

2. Business Attraction and Labor Force Expansion

Lampasas' proximity to Austin and lower cost of business presents an opportunity to attract companies within its target industries to relocate in Lampasas. The city should also encourage residents who may be commuting to the Austin area to establish offices in Lampasas. Focusing on technology-oriented businesses, professional firms and their suppliers will further create higher paying jobs in Lampasas and help diversify the local business mix.

3. Expanded Regional Linkages

In addition to Austin, Lampasas should build on regional linkages throughout the area to promote Lampasas' goods and services. Ft. Hood and the Killeen-Temple MSA represent the most immediate markets for these products as well for attracting new businesses and employees. County-wide economic development efforts serve to improve the area around Lampasas and expand new markets. Strengthening its ties with other Hill Country communities can help promote Lampasas as a regional destination. Encouraging telecommuting to the major employment centers of Austin, Waco, Dallas and San Antonio create additional opportunities to increase Lampasas' exposure in the region and attract a wider range of businesses and residents.

4. Community Partnerships to Address City-wide Issues

The creation of an economic development plan for Lampasas creates an opportunity to engage area stakeholders in determining the future of the city's growth. In addition to their valuable input, the plan also seeks their commitment to assist in its implementation. The 4B EDC Board alone will be unable to address all the issues in the community that affect economic development. Partnerships with other city organizations, local businesses and community leaders allow opportunities and challenges to be addressed in a comprehensive manner and lead to more successful efforts.

For example, improving the city's telecommunications infrastructure will require the cooperation of the City and Southwestern Bell. Acquiring a site for a new industrial park and promoting new commercial development will

require working with Lampasas' real estate community and property owners. Workforce development efforts may involve the local school district, regional educational facilities, human resource personnel, and major area employers. Developing the city's potential for tourism includes the Chamber of Commerce, the City, the County and the local business community.

5. Coordinated Marketing Campaign

A coordinated city-wide marketing campaign can be used to create a consistent message of Lampasas as a desirable place to live, work and shop. This would involve such actions as including a similar "logo" on promotional materials, printed collaterals, and websites of all entities affiliated with the city or seeking to promote it. This effort could help establish Lampasas' image as a regional business and tourism destination.

THREATS

1. Continued Lack of Economic Diversification

The most significant threat facing Lampasas is the continued lack of diversification of its economy. Without new businesses and industries, job creation and improved wage rates will be limited. The expansion of the tax base will also be restricted. The city's economy will remain dependent on a few major employers in a limited range of industries. There will be little opportunity for improvement in the skills and income level of its workforce.

2. Competition from Regional Neighbors

As Lampasas seeks to attract new industries, it faces intense competition from neighboring communities which may be able to offer more incentives, superior facilities and infrastructure, higher skilled labor force and better location. Suppliers may choose to locate in cities closer to the Ft. Hood, Killeen-Temple, and Austin areas. Other Hill Country communities may continue to capture the majority of the tourism dollars as well as commuters to Austin and retirees.

3. Undesirable Growth

Without a carefully designed and implemented strategic plan, Lampasas may be faced with undesirable economic growth. This may include the attraction of industries hiring predominately low-wage, unskilled workers or environmentally hazardous manufacturers. Growing too fast is also a risk for the city. This situation could strain municipal utilities, overburden the school system, tax limited community resources and threaten the local identity. Growing too fast often results in poorly planned commercial developments which can negatively impact future land uses throughout the city.

4. Continued Lack of Vision for Economic Growth

The continued lack of a long-term vision for economic growth in Lampasas will limit the effectiveness of strategic planning. Economic development efforts will lack direction and collaboration among city agencies, businesses and community leaders will be difficult. The current apathy within the community toward planning for the city's future will likely continue. Attracting new industries and increasing economic opportunities will be complicated.

STRENGTHS

Economic Infrastructure
Economic Development Initiatives/Organizations
Location
Quality of Life
Community Amenities

OPPORTUNITIES

New Industrial Park &/or Business Incubator
Business Attraction & Labor Force Expansion
Expanded Regional Linkages
Community Partnerships to Address City Issues
Coordinated Marketing Campaign

WEAKNESSES

Economic Structure
Limited Diversification of Economic Base
Low-Wage Industry Employment
Existing Industrial Park is Full
Commercial Land Limited
Lack of a Unified Economic Development Vision
Limited Funding for Economic Development
Housing—Limited Medium-High End Housing Stock

THREATS

Continued Lack of Economic Diversification
Competition from Regional Neighbors
Undesirable Growth
Continued Lack of Vision for Economic Growth

Recommendations

Recommendations

AngelouEconomics has prepared recommendations for the Lampasas 4B EDC based on the results of the Community Assessment, Target Industry Analysis, SWOT Analysis and Public Input. Each recommendation includes goals and specific action items as well as a listing of the primary groups responsible for implementation. *(A detailed breakdown of these tasks and the organizational structure is found in Appendix A and B. A 24-month timeline for implementing these tasks is found in Appendix C.)*

The recommendations focus on the following areas:

- I. Economic Development Organizational Issues**
- II. Real Estate Development**
- III. Business Development**
- IV. Economic Infrastructure**
- V. Marketing Lampasas**

I. Economic Development Organizational Issues

Overview

The success of recommended economic development initiatives for Lampasas is largely dependent on two factors— agreement on a “vision” for the economic growth of the community and the organizational capacity to implement this vision. This agreement ensures that the players involved in the city’s economic development are working together toward similar goals and are willing to collaborate on economic programs. These players include the Lampasas 4B EDC Board as well as other civic leaders, business owners and residents throughout the community.

Goal 1: Agree on a Vision for Economic Growth in Lampasas

Goal 2: Organize 4B EDC for Implementing Strategies

Goal 3: Prepare for Future Growth of 4B EDC

Goal 1: Agree on a Vision for Economic Growth in Lampasas

The establishment of an agreed upon “vision” for the economic growth of Lampasas is a critical first step. While this vision may be a simple statement, it can help focus economic development efforts on achieving a desired end goal. For example, a community interested in tripling its population in the next ten years will have a very different strategy for recruiting businesses than one that is seeking to limit its growth to high value-added jobs.

Based on the community meeting held January 15, 2001, personal interviews with community stakeholders, and the results of the analysis, **a desired vision emerged of Lampasas as a progressive small city prepared for the future yet committed to its high quality of life.** This implies that the focus of economic development efforts should be on promoting economic opportunities for the city’s current residents rather than attracting significant numbers of external jobs. This sentiment fits with the current 4B EDC Mission: “Seek to stabilize existing businesses and promote controlled economic growth by employing sound economic development strategies while maintaining the quality of life to which our citizens have become accustomed.”

AE recommends the following provisional vision statement reflecting the goals of this report:

Provisional Vision Statement for the Lampasas 4B EDC:

To position Lampasas as a progressive and unique community in Central Texas by promoting managed economic growth while maintaining Lampasas' distinct identity and exceptional quality of life.

Economic development initiatives will focus on three areas:

- *Targeting small and medium-sized businesses to locate in Lampasas' new industrial park and future business incubator. Special priority will be given to those companies producing innovative products for Central Texas' technology sector.*
- *Retaining and expanding existing businesses and encouraging local entrepreneurship.*
- *Improving employment opportunities and income for all Lampasas residents.*

While agreement on this vision seemed pervasive throughout AE's community input process, others in the Lampasas community may disagree. The 4B EDC Board should seek to share this vision with the community-at-large and work to mitigate differing opinions.

Group Responsible: Lampasas 4B EDC Board

Goal 2: Organize 4B EDC for Implementing Strategies

Once a vision for economic growth has been agreed upon, the organizational strategy for implementing the recommendations of this plan needs to be determined. It is not feasible to assume that the members of the 4B EDC Board working alone can effectively address the many community-wide issues affecting Lampasas' economic growth.

Action Item 1: Create 4B EDC Organizational Committees

The most effective means of accomplishing this work is the creation of organizational committees comprised of 4B EDC Board members and community representatives. Each committee should be chaired (or co-chaired depending on the issue) by a 4B EDC board member and staffed by the executive director. Possible committees include Business Development, Real Estate Development, Economic Infrastructure, and Marketing. Ad hoc committees with well-defined missions should be created to research specific issues and make recommendations as necessary.

Group Responsible: 4B EDC Board of Directors

Recommendations

Action Item 2: Develop Partnerships among Community Organizations

The 4B EDC should develop collaborative partnerships with organizations within the community (i.e, Chamber of Commerce, Development Foundation, City Council, School District, neighborhood organizations) to effectively implement the work of the strategic plan. Representatives from these organizations should serve on the 4B EDC's standing and ad hoc committees as appropriate. The 4B EDC will be the point organization for coordinating all communication and activities among the various entities for all issues related to economic development.

Group Responsible: 4B EDC Board in collaboration with various community entities

Goal 3: Prepare for Future Growth of 4B EDC

Currently, the Lampasas City Manager serves as Executive Director and provides an office for the 4B EDC. This situation is more than adequate and appropriate as the organization builds its programs. However, in the long term once successes are achieved and tax revenues begin to increase, the need for a permanent office space and full-time staff may be necessary. This will greatly enhance the community's capacity for economic development activities. The long-term strategic planning of the 4B EDC should include preparations for this possibility. Options such as sharing space and staff resources with other community organizations may be considered.

Group Responsible: 4B EDC Board

II. Real Estate Development

Overview

Real estate development is critical to economic growth, especially in communities such as Lampasas which face a scarcity of developable land for new and expanding businesses. The 4B EDC and the City are charged with ensuring that commercial land is developed to its "highest and best use" and economic opportunities for Lampasas are maximized. In addition to planning for general commercial growth, the 4B EDC must also address specific development opportunities as they arise.

Goal 1: Develop a new Industrial Park site

Goal 2: Establish the Lampasas Small Business Incubator

Goal 3: Plan for Future Commercial Development

Goal 1: Develop New Industrial Park Site

The presence of an industrial park in a community can be a critical factor in the site selection decision of many businesses. Locating in an established industrial park ensures companies access to needed infrastructure, mitigated environmental concerns, and proper zoning. Benefits to the city include a competitive edge in attracting industries as well as the consolidation of industrial uses within a specified area. With Lampasas' existing industrial park at capacity, AE recommends that Lampasas designate a new park site as a means of attracting needed industrial users. Establishing this park should be the top economic development priority of the 4B EDC Board.

Action Item 1: Assess Top Potential Sites for New Industrial Park

The first step in establishing a new park will be to identify the most feasible sites for its location. Factors to be considered include easy road access for distribution, infrastructure capacity, adequate parcel size, environmental sensitivities, land acquisition costs, and compatibility with surrounding uses. Possible sites should also be considered in relation to the city's comprehensive land use planning. Although none of the potential sites in Lampasas currently meets all of these requirements, some are more desirable than others for various reasons. The following options are possible sites that the 4B EDC is currently considering. A detailed feasibility study should be conducted for each of these sites, if one has not already been done. The sites should then be ranked by cost, feasibility, and desirability.

Recommendations

- North 281 Quadrant: Several potential sites exist north of the city along U.S. 281 near the Lampasas Airport. Advantages to these sites are the potential for joint uses at the airport, an abundance of land, and easy highway access and possible rail. Disadvantages include the cost of land acquisition and the costly extension of public utilities.
- Extension of Existing Park: The city has considered purchasing land adjacent to the current park, which would be nearly tripled in size by this extension. Advantages to this site include the presence of established industrial users. Disadvantages include that the parcel is essentially “land-locked” with no access to a major highway, several existing residential structures would need to be relocated, acquisition costs, and costly infrastructure improvements are required. In fact, a recent feasibility study determined almost \$1 million in infrastructure improvements would be needed, including the “punching through” of a road from the site to U.S. 281 through difficult topography.
- East 190 Quadrant: Located off of U.S. 190, this parcel lies adjacent to an old landfill. As with the existing park, there are currently industrial users in the area. An additional advantage to this site is its proximity towards the Ft. Hood/Killeen/Temple area. Site disadvantages include possible environmental concerns in conjunction with the landfill, costly infrastructure improvements, and impediments to land acquisition for creating a through road from the site to U.S. 190.
- South Lampasas Quadrant: Although no parcels were identified in the southern portion of Lampasas, a site south of the city along U.S. 281 or U.S. 183 oriented towards Austin might be beneficial in capturing

Recommendations

suppliers to the high tech market. This would also alleviate heavy truck traffic through Lampasas in accessing a site. Problems with a southern location include the trend for residential and commercial development within the city occurring in this region as well as the undesirability of visitors from Austin and other Hill Country locations seeing an industrial park as their first impression of Lampasas. Land acquisition costs in this area may also be prohibitive.

Group Responsible: 4B EDC Real Estate Committee

Action Item 2: Develop an Acquisition/Implementation Plan

Once a preferred site is determined, a plan for acquisition and implementation of the new industrial park needs to be developed. This plan should include the following components at a minimum:

- Funding Sources: The most important factor in developing the industrial park will be access to a range of financing tools. Various sources of federal, state and local funding may be available for all phases of acquisition, construction, and operation. (Examples of these sources can be found in Appendix D.)
- Services & Management: The on-site services offered will determine the level of management required by the 4B EDC in operating the industrial park. This function may only be to serve as "landlord," approving tenants and collecting rent. The 4B EDC may also consider having a professional management firm to acquire the park and oversee its operations.

Recommendations

- Targeted Users: Targeted users include those businesses listed for recruitment to Lampasas in Recommendation III. In keeping with the goal of diversifying the economy and improving the economic standing of its citizens, the 4B EDC must determine if it will accept any qualifying business or only those providing higher wage and skill level employment. As much as possible, specific businesses and industries should be recruited.
- Marketing Strategy: Once target users are determined, the new industrial park will need to be marketed both within the Lampasas region and beyond. The 4B EDC should market and network within desired industries. Existing industrial businesses already operating in Lampasas that may be willing to expand their operations should be priority targets. In addition to a Web page promoted through the 4B EDC, City and Chamber sites, promotional materials should be designed and included in all marketing mailings. (See Recommendation V, Goal 2.)
- Timetable: A realistic timetable for constructing the new industrial park should be determined. The process could take 15 to 20 months or longer from the time a site is selected, funds secured, facilities constructed, and tenants begin operations.

Group Responsible: 4B Real Estate Committee

Goal 2: Establish Lampasas Small Business Incubator

Given the need for economic diversification in Lampasas as well as the expressed public desire to stimulate local innovation and business development, the 4B EDC may consider establishing a small business incubator after the industrial park is underway and resources allow. Distinct from industrial parks, incubators have become popular assistance programs for nurturing small businesses by providing new or struggling firms access to training, below-market rate space, and shared office services and equipment. While nearly half of all incubators target high tech businesses, many offer opportunities for a broad mix of entrepreneurs. Successful businesses “graduate” from an incubator typically within three years. Rural communities in particular are utilizing incubators as a means of diversifying their economic base and generating local jobs and income. There are approximately 30 incubators operating in Texas.

Action Item 1: Assess Demand for Incubator in Lampasas

The potential demand from local start-ups or struggling businesses which would locate in an incubator needs to be determined. In addition to the industries to be targeted, the type of services, space requirements, and fee scales to be offered should also be assessed. The 4B EDC Real Estate Committee should survey local entrepreneurs as well as conduct site visits of incubators located in similar-sized communities (i.e. Early) to help determine what Lampasas’ demand might be.

Group Responsible: 4B EDC Real Estate Committee, 4B EDC Business Development Committee

Recommendations

Action Item 2: Develop an Implementation Plan

Once it is determined that demand exists for a Lampasas incubator, the 4B EDC should devise a realistic implementation plan. This plan should address at least the following components:

- Potential Sites: The expected number of tenants and their space requirements will largely determine potential sites. A location near or onsite of the new industrial park may be an option. This would allow for a mix of tenants, including light industrial. Redevelopment of an existing building may also be considered. If the targeted tenants are expected to be entirely non-industrial, a downtown location in a new or rehabilitated building could be beneficial to the community.
- Services & Management: The assessed demand of tenants should help determine the type and level of services to be provided. Examples of services include technical assistance and business training, management consulting, centralized administrative services, shared equipment, common space (conference rooms, computer center, kitchen, library, etc.), and various on-site services (day care, health care, etc.) The level of services offered will determine the degree of on-site management required by the 4B EDC. The 4B EDC may also seek to attract a master developer to construct and manage the site.
- Funding Sources: Various sources of federal, state and local funding may be available for all phases of implementing the incubator. (Examples of these sources can be found in Appendix D.)

Recommendations

- Targeted Users: While many incubators currently target only high tech companies, the 4B EDC should consider allowing a mix of businesses. The purpose of this facility should be to stimulate local business development, thus promoting a variety of local entrepreneurs to locate their businesses in Lampasas and help diversify the economy.
- Marketing Strategy: Like the industrial park, the incubator will need to be marketed to targeted users both within the Lampasas region and beyond. The 4B EDC should identify entrepreneur associations, support services and networking groups to attract potential clients. Home-based businesses already operating in Lampasas should be especially targeted. In addition to a Web page promoted through the 4B EDC, City and Chamber sites, promotional materials should be designed and included in all marketing mailings (see Recommendation V, Goal 2.)
- Timetable: A realistic timetable for establishing the incubator should be determined. The process could take from 12-18 months to several years from the time a site is selected, funds secured, facilities constructed, and tenants begin operations.

Group Responsible: 4B EDC Real Estate Committee

Goal 3: Plan for Future Commercial Development Growth

Currently, commercial activity in Lampasas is concentrated along one major road—Key Avenue. Serving as the temporary convergence of U.S. Highways 190, 183, and 281, Key Avenue is a major thoroughfare for travelers through the city as well as local traffic. As land is increasingly built out along the district, the city must plan for future commercial development. Businesses locating in Lampasas will be limited in their site selection choices without the development of new commercial nodes. Developing other commercial districts will help to relieve land value pressures along Key Avenue and provide economic opportunities to other areas of the city. While existing patterns suggest that development will continue out Key Avenue towards the Lampasas Airport (U.S. 281), the city should seek to encourage business growth in other areas of the city, such as Downtown or Plum Street (U.S. 190). The 4B EDC and City should work with real estate developers and property owners on identifying available land and possible incentives to promote this development.

Group Responsible: 4B EDC Real Estate Committee

III. Business Development

Overview

The need for diversification of Lampasas' economic base was one of the critical issues identified in the SWOT Analysis. The attraction of target businesses and industries will improve retail and employment opportunities in Lampasas as well as expand the current tax base. The recruitment of businesses will require an effective marketing campaign and a competitive incentive program. Retaining existing businesses and encouraging start-ups will also be critical to the 4B EDC's business development efforts.

Goal 1: Identify Target Businesses

Goal 2: Develop Incentive Program for Business Recruitment

Goal 3: Develop Marketing Strategy for Target Businesses

Goal 4: Develop Business Retention Plan for Existing Businesses

Goal 5: Encourage Local Entrepreneurship

Goal 1: Identify Target Businesses

The 4B EDC should identify existing businesses to be targeted for business retention (such as its recent efforts for Specialized Foods) and businesses to be targeted for business attraction. Every effort should be made to become familiar with these industries, including how they operate, how site selection decisions are made, the major players, and industry trends. A special focus should be on vendors and suppliers to Austin's high tech industries as well as suppliers and contractors to Ft. Hood. Based on AE's industry cluster analysis of Lampasas and a local inventory of businesses, the following industries should be targeted by the 4B EDC:

- Primary
Targets for
New
Industrial
Park*
- Contract Manufacturing (i.e. Electronics, Circuit Boards, etc.)
 - Electrical Components
 - Plastic Injection Molding
 - Logistics and Distribution
 - Warehousing and Storage
 - Business/Professional/Financial Services Firms
 - Health Care Services
 - Services for Senior Citizens/Retirees
 - Restaurants & Entertainment Venues
 - General Retail
 - Travel-related Industries

Recommendations

- Hotels/Motels/Bed & Breakfast Establishments
- Travel-related Retail and Services

Group Responsible: 4B EDC Business Development Committee

Goal 2: Develop Incentive Program for Business Recruitment

Once targets have been decided, the 4B EDC should develop an incentive program for attracting these businesses to Lampasas. Businesses appreciate assistance in various ways beyond just financial incentives. Therefore, an effective incentive program will be creative and require coordination among the 4B EDC, Lampasas City Council, Lampasas Chamber of Commerce, Texas Department of Economic Development, local workforce development service providers and other area business resources.

According to policies established by the 4B EDC Board, businesses may qualify for incentives based on the following criteria:

- Capital investment-increased tax base
- Annual payroll
- Job creation
- Overall benefit to the welfare of the community

Recommendations

The 4B EDC may consider some of the following activities as part of its comprehensive incentive program:

- Property Tax Abatement – discounting or revoking property taxes for a specific time period to encourage new business location at a particular site or for a particular business use
- Sales Tax Sharing – sharing a portion of sales tax rebates with a company responsible for generating significant retail sales within the city
- Site Selection Assistance – determining needs, identifying available land, facilitating land acquisition or rental, assisting with zoning and city code requirements
- Rent Subsidies – subsidizing a portion of monthly rent for a desired tenant which would not otherwise be able to afford or choose to locate at a particular targeted site
- Tax Increment Financing – assisting the city in designating a Tax Increment Reinvestment Zone (TIRZ) which would allow the use of property tax increment funds to finance improvements and encourage private development or redevelopment for variety of uses (industrial, commercial or residential)
- Liaison to the City – working with the city to assist with zoning and code regulations, waive certain fees and expedite permits and licenses

Recommendations

- Technical Assistance/Financing Option Referrals - advising on available resources for business organizational development
- Workforce Recruitment and Development Assistance – assisting with employee recruitment and job training through partnerships with local workforce development service providers

Group Responsible: 4B EDC Business Development Committee, Lampasas City Council

Goal 3: Develop Marketing Strategy for Target Businesses

The 4B EDC should approve a marketing strategy to attract target businesses to Lampasas. This marketing strategy should include the following activities:

Action Item 1: Develop Media Relations and Collateral

The 4B EDC should build its printed and on-line materials promoting Lampasas as a business location. These materials should stress that Lampasas is pursuing business recruitment as part of a strategic plan for economic growth. These materials should provide information on available sites and incentives as well as include statistics on the recent growth and demographics of the area, available workforce and community profile. Printed materials should be presented in an organized folder or binder. (See Recommendation V, Goal 2.)

Group Responsible: 4B EDC Business Development Committee, 4B EDC Marketing Committee

Recommendations

Action Item 2: Distribute Targeted Mailings

Printed marketing materials should be mailed directly to businesses within the targeted industries as well as commercial realty companies representing these businesses. Efforts should be concentrated on businesses within the target industries located in the regional Austin and Temple-Killeen markets. These include local and regional firms as well as national companies with operations/franchises already in the area. National chains may include restaurants, retailers, hotels/motels, professional service providers and entertainment venues.

Group Responsible: 4B EDC Business Development Committee

Action Item 3: Attend Industry Conferences and Networking Events

Representatives from the 4B EDC's Business Development Committee should attend regional and national trade conferences and networking events of the targeted industries.

Group Responsible: 4B EDC Business Development Committee

Recommendations

Action Item 4: Prepare for Site Visits from Target Businesses

Because first impressions can never be underestimated, the 4B EDC should be thoroughly prepared for site visits from prospective businesses to make them as productive and favorable as possible. The 4B EDC should coordinate meetings with representatives from the city, chamber of commerce, workforce development providers, and neighborhood organizations as appropriate. Visitors should be greeted with an agenda and collateral materials on Lampasas. The prospective site and surrounding area should be clean and well maintained, as should other areas of the city to be toured.

Group Responsible: 4B EDC Business Development Committee, Lampasas Marketing Committee

Goal 4: Develop Business Retention Plan for Existing Businesses

As the 4B EDC works to recruit new businesses, it should also be aware of the needs of existing businesses. Efforts should be made to help these businesses be as viable and competitive as possible.

Action Item 1: Identify Local Businesses Needing Assistance

In almost all instances, the closing or relocation of an existing business can have greater negative impacts on the local economy and its employees than the positive impacts associated with the recruitment of a new business. The

Recommendations

4B EDC's Business Development Committee should therefore identify existing businesses that may be experiencing difficulties or are interested in expanding. This will require a basic familiarity with each business, its owners and its operations. Staff or committee members should work to visit each business within the 4B EDC service area. Site visits should be pre-arranged and conducted at least once a year. The 4B EDC should work closely with the Chamber of Commerce, which currently has approximately 200 business members, in monitoring businesses' needs as well as with related business associations.

Group Responsible: 4B EDC Business Development Committee with the Lampasas Chamber of Commerce

Action Item 2: Develop a Business Retention/Assistance Strategy

The 4B EDC must be able to offer businesses the appropriate assistance depending on their concerns. Some of these needs may be greater than others. For example, the 4B EDC was able to work with other city officials in putting together a tax abatement package for Specialty Brands to not only stay in Lampasas, but to increase its operations and investment. At a minimum, a business assistance program should include the following components:

- Technical Assistance -- consultation on business plans, cash flow analysis, site selection, marketing, merchandising, corporate structure, human resources, taxes, licensing, and legal issues

Recommendations

- Financing Option Referrals – referrals to appropriate private and public financing resources, loans, grants, and microenterprise funds

These services are increasingly provided in communities through local small business development centers (SBDC). The closest such center to Lampasas is the McLennan Community College SBDC located in Copperas Cove. Services, which are usually offered free or for a minimal charge, include business training and counseling, referrals, government contracting assistance, and Internet access. An important component of the 4B EDC's business assistance strategy will therefore be working with the Copperas Cove Economic Development Corporation in marketing these services to Lampasas area businesses.

Group Responsible: 4B EDC Business Development Committee, Lampasas City Council, Lampasas Chamber of Commerce

Goal 5: Encourage Local Entrepreneurship

In addition to assisting existing businesses, the 4B EDC should work to promote local entrepreneurship. Technical assistance and financing option referrals offered to existing businesses can also be used to assist start-up companies seeking to locate in Lampasas. Self-employment and home-based businesses can also be important sources of increasing the economic self-sufficiency of Lampasas' residents. These businesses should be targeted to locate in a possible small business incubator.

Group Responsible: 4B EDC Business Development Committee, Lampasas Chamber of Commerce

Unique Business Development Opportunity

The 4B EDC should look for creative ways to promote business development throughout the Lampasas area. One unique opportunity may be through the growing number of wineries locating in the area. As Texas wines gain prestige, tours of the Hill Country wineries have become increasingly popular. The Texas Hill Country Wine Trail currently features two wineries in the Lampasas area. Pillar Bluff Winery is located a few miles south of the city and Alamosa Wine Cellars is located in Bend, just over the San Saba/Lampasas County border.

According to the owners, the region is well suited for growing traditional grapes, such as Merlot, Chardonnay, and Cabernet Sauvignon, as well as less traditional ones like Syrah, Sangiovese (Chianti), and Viognier. While wineries are extremely labor-intensive and require a long start-up period, the return on investment is much higher than many traditional local agricultural crops. For example, cotton farmers approximately \$250/acre compared to grapes which generate approximately \$4000/acre. Vintners across the country are being attracted to the region to take advantage of the Hill Country's abundant land and growing reputation. Although Texas currently ranks fifth in the nation in wine production, this ranking is expected to improve in coming years.

As Lampasas' local wineries seek to grow, they are limited by existing county laws forbidding the sale of wine from the winery location. They can offer tours and tastings on site, but cannot sell their product to visitors. Instead, Pillar Bluff and Alamosa as well as others in the area sell their wines primarily in Fredericksburg and Austin. The only way to change the existing law is through a Local Options Election at the city, precinct, or county level, each of which is difficult to achieve. Texas associations for grape growers and wineries are working on possible solutions at the state level.

In the meantime, this creates a business development opportunity for Lampasas. Opening a shop in Downtown Lampasas would provide a unique outlet for the region's wineries to sell their product locally as well as allow the city to capture retail sales from visitors to the wineries. The store could be marketed by the wineries as well as the Texas Hill Country Wine Trail. The promotion of the region to other potential vintners could improve Lampasas' agricultural economic opportunities in general.

**Alamosa Wine Cellars was featured in the October 2000 issue of Texas Monthly in an article on the future of Texas wines. Both wineries can be visited online at www.pillarbluff.com and www.alamosawinecellars.com.*

IV. Economic Infrastructure Issues

Overview

Several critical infrastructure issues were identified in the SWOT Analysis as potentially affecting Lampasas' economic growth. The community's capacity to attract new businesses may be limited by a shortage of skilled workers, local and regional traffic congestion, an inadequate telecommunications infrastructure, and a lack of housing. While most of these issues do not fall under the 4B EDC's direct jurisdiction, the organization should work with the appropriate entities in addressing these community concerns.

A. Utilities & Telecommunications

Goal 1: Monitor Utilities Infrastructure Affecting City/County Commercial Development Opportunities

Goal 2: Assist in "Connecting" Lampasas

B. Workforce Development

Goal 1: Develop Partnerships to Promote Workforce Development

Goal 2: Promote Efforts to Increase Educational Attainment Levels

C. Transportation

Goal 1: Monitor Redevelopment of Key Avenue and Other Local Transportation Issues

Goal 2: Advocate for U.S. Highway 183 Improvements (183A)

Goal 3: Monitor Other Regional Transportation Issues

D. Housing

Goal: Assist City in Promoting New Residential Development

E. Regional Issues

Goal 1: Build on Working Relationship with Lampasas County Development Foundation

Goal 2: Monitor Status of Robert Gray Airport, Ft. Hood

A. Utilities & Telecommunications

Future commercial and residential development in Lampasas will require access to a full utilities infrastructure, including water, electric, sewer and wastewater, gas, and telecommunications. Currently, this infrastructure is lacking in certain locations within the city as well as much of the immediate area outside the city limits. Providing this infrastructure adds significant expense to the cost of new development.

Goal 1: Monitor Utilities Infrastructure Affecting City/County Business Development Opportunities

Given the need for utilities at future business development sites as well as the new industrial park, the 4B EDC Infrastructure Committee should work closely with city and county officials in planning for infrastructure expansions throughout the area. The organization should help the city in identifying possible financing sources through federal and state grant programs.

Group Responsible: 4B EDC Infrastructure Committee, Lampasas City Council

Goal 2: Assist in “Connecting” Lampasas

Conducting business in today’s economy requires efficient access to the Internet both in the workplace and at home. Ensuring that Lampasas can meet the telecommunications needs of its citizens and companies may be the most effective tool in attracting more technology-oriented industries and related higher skilled jobs. Telecommuters to Austin and other regional communities will require this access as well.

Recommendations

Lampasas is currently partially wired with fiber-optic cable. However, IVIT Communications Group recently established wireless Internet service in Lampasas, enabling high-speed access unique to a community of its size.

Action Item 1: Work with Local Providers in Improving Service

Because telecommunication services are increasingly important to area businesses, the 4B EDC Infrastructure Committee should be aware of the city's telecommunication capacity and develop working relationships with area service providers, such as IVIT Communications and their wireless system. The 4B EDC may assist providers and the city in exploring sources of funding for improvements. For example, the Telecommunications Infrastructure Fund (TIF) awards grants to public entities in partnership with organizations and businesses to provide technology upgrades for rural areas. The grants are awarded in two phases—an initial \$20,000 to develop a plan and two-year grants of up to \$500,000 to fund it. The awards also mandate training in technology and management of the program.

Group Responsible: 4B EDC Infrastructure Committee

Action Item 2: Promote Lampasas Online

The more local demand created for Internet services, the greater the demand will be for improved telecommunications in Lampasas. One way to increase demand is to encourage area businesses to create their own Web pages. This increased presence of Lampasas and its businesses on the Internet will also serve to promote the city in its business attraction and tourism efforts.

Group Responsible: 4B EDC Infrastructure Committee

B. Workforce Development

With an average unemployment rate in 2000 of 3.8 percent and the predominance of low-wage employment in the city, workforce development is a major issue in Lampasas. The capacity of new businesses locating in the city to employ local workers with advanced skills will be important. Workforce development efforts will be largely driven by the attraction of these higher wage opportunities to Lampasas.

Goal 1: Develop Partnerships to Promote Workforce Development

The 4B EDC should develop partnerships with local educators, service providers offering GED programs and job training, and major area employers to establish workforce development initiatives. Through establishing these relationships, the 4B EDC can assist existing and prospective employers in developing needed skill sets and hiring local employees.

Group Responsible: 4B EDC Economic Infrastructure Committee

Goal 2: Promote Efforts to Increase Educational Attainment Levels

In 1990, just over 31 percent of Lampasas' adult population held a high school diploma and only 19 percent had attended college. Increasing these educational attainment levels is therefore critical to workforce development efforts. While education is not within the 4B EDC's direct mission, the organization should assist city leaders on targeted initiatives. For example, the 4B EDC and the Lampasas Chamber of Commerce should assist local high

Recommendations

school officials in implementing a mentorship program linking high school students with local business and community leaders. Such programs have proven effective in other cities in encouraging students to graduate from high school and pursue college degrees. Other programs, such as Junior Achievement, introduce students to practical business and economic issues and promote entrepreneurship.

Group Responsible: 4B EDC Economic Infrastructure Committee

C. Transportation

Like other communities across Central Texas, traffic congestion and transportation issues can impact future economic development efforts if not addressed. Two major issues directly affecting Lampasas are the redevelopment of Key Avenue and proposed improvements to U.S. 183.

Goal 1: Monitor Redevelopment of Key Avenue and Other Local Transportation Issues

Given the importance of Key Avenue as the city's major commercial district, the proposed reconstruction of the street will have significant impacts on area businesses. Although the project is not going to bid until the fall of 2003, the city has major issues to resolve in preparing for these improvements. The 4B EDC should remain involved in addressing these issues and be willing to act as an advocate for impacted businesses.

Group Responsible: 4B EDC Infrastructure Committee

Goal 2: Advocate for U.S. Highway 183 Improvements (183A)

Perhaps the most significant deterrent to Lampasas' connection to Austin businesses is the extreme traffic congestion experienced along U.S. 183 through Cedar Park and Leander. The Texas Turnpike Authority has commissioned a Major Investment Study (MIS) and Environmental Impact Study (EIS) to assess improvements through this area. A 10-½ mile controlled access toll road known as 183A has been recommended to bypass the two cities, which would significantly decrease travel times between Lampasas and Austin. The 4B EDC should monitor these proposed improvements and assist lobbying efforts to the Texas Turnpike Authority for the funding of 183A.

Group Responsible: 4B EDC Infrastructure Committee, City of Lampasas

Goal 3: Monitor Other Regional Transportation Issues

Another regional highway project with potential significant impacts on Lampasas is the proposed redevelopment of U.S. 281 as an official truck route. This change would require the reconstruction of 281 to a four-lane highway from Lampasas to San Antonio. The 4B EDC should remain aware of all proposed improvements throughout the region and their impact on Lampasas businesses.

Group Responsible: 4B EDC Infrastructure Committee

Recommendations

D. Housing

Another major issue identified as a weakness for Lampasas is its lack of medium to high-end housing stock. As the city seeks to attract higher wage employment, the lack of adequate market-rate housing may deter some new industries and employees from relocating to the city. Although approximately 80 units are currently under construction, these are not enough to meet the current market demand.

Goal: Assist City in Promoting New Residential Development

While housing is not within the mission of the 4B EDC, the organization should work with city leaders, community development organizations, and local real estate developers in promoting new residential development. This effort should also include the rehabilitation of older housing structures as they come on the market. Many rural communities across Texas have established Tax Increment Reinvestment Zones (TIRZ) as a means of successfully recruiting major housing developers to their cities.

Group Responsible: Lampasas City Council, 4B EDC Infrastructure Committee

E. Regional Issues

In addition to transportation issues, Lampasas' economic development efforts will be impacted by many other developments outside of its city limits. Two current ongoing efforts include the work of the Lampasas County Development Foundation and the proposed Joint-Use facility at Robert Gray Army Airfield.

Recommendations

Goal 1: Build on Working Relationship with Lampasas County Development Foundation

Prior to the passage of the 4B sales tax, the Lampasas County Development Foundation was the point organization for economic development in the Lampasas area. The 4B EDC has taken over responsibility for business recruitment within the city. The Development Foundation continues to meet monthly to address development issues within the county. The 4B EDC should develop a working partnership with the Development Foundation to address area-wide issues affecting economic development. This relationship will be increasingly important as the 4B EDC moves forward with plans to acquire and develop a new industrial park.

Group Responsible: 4B EDC Board, 4B EDC Infrastructure Committee

Goal 2: Monitor Status of Joint-Use Facility at Robert Gray Airfield, Ft. Hood

The possible development of a Joint-Use facility at Ft. Hood's Robert Gray Army Airfield would provide needed industrial and non-commercial air services to the region. Located within 30 miles of the airfield, Lampasas was included in the primary impact area of a recent economic impact analysis. The economic impacts throughout the region are expected to be significant, especially given the possibility of extending a Foreign Trade Zone (FTZ) through the area. The increased level of air service and a possible FTZ would be extremely beneficial to Lampasas' businesses, particularly tenants of its new industrial park.

Recommendations

Given the economic opportunities presented by this project, the 4B EDC Infrastructure Committee should continue to monitor these regional efforts. Working relationships should also be maintained with other regional organizations within the impact area, including the Greater Killeen Chamber of Commerce which authorized the recent study.

Group Responsible: 4B EDC Infrastructure Committee

V. Marketing Lampasas

Overview

As Lampasas seeks to position itself as a unique community in the Austin and Killeen-Temple metropolitan areas, the city must promote itself as an exceptional place to live, work and shop. Although Lampasas tourism attraction and marketing are not within the 4B EDC's direct mission, the projected image of the community is critical to business attraction efforts. A comprehensive strategy should incorporate promotion of the city's events and festivals, area tourist attractions, and Downtown's Main Street and Courthouse Revitalization Programs with the overall campaign to market the city as a place to live and locate a business. The key to this strategy will therefore be a coordinated marketing effort by the 4B EDC in conjunction with the Chamber of Commerce, City, area businesses, and other community promotional groups.

Goal 1: Collaborate with the Chamber of Commerce on a Lampasas Marketing Committee

Goal 2: Develop a Comprehensive Marketing Campaign

Goal 3: Explore Regional Marketing Opportunities

Goal 1: Collaborate with the Chamber of Commerce on Lampasas Marketing Committee

The marketing of Lampasas falls within the jurisdiction of the Lampasas Chamber of Commerce. However, other organizations, such as the 4B EDC and the City, engage in their own marketing activities as part of their business attraction efforts. A single message is needed to create a strong, cohesive image of the city. The 4B EDC should work with the Chamber of Commerce in establishing a Lampasas Marketing Committee. This Committee should have representatives from all Lampasas entities engaged in marketing the community.

Group Responsible: 4B EDC Board in conjunction with the Lampasas Chamber of Commerce

Goal 2: Develop Marketing Materials for Lampasas

AE recommends that a professional regional marketing firm be contracted to create a brand image for Lampasas and to produce new marketing materials. This will require a targeted fundraising campaign to raise additional monies specifically for this purpose. This campaign should be under the direction of the Lampasas Marketing Committee.

Action Item 1: Create a Brand Image for Lampasas

One of the first steps in marketing a "product" is the creation of a brand image or logo to be included in all aspects of the marketing strategy. Based on the desired "vision" of Lampasas, a central theme should be chosen that reflects Lampasas' quality of life and progressive business environment. Currently, several logos are used to represent Lampasas. For example, the City and 4B EDC websites feature the tag line "Remembering the Past with Vision for the Future." Many of the city's tourism promotions feature the line "Lampasas: Don't Pass Us." The logo and tag line should be used in *all* marketing materials, including stationary and business cards, to present a united vision of Lampasas.

Group Responsible: Lampasas Marketing Committee

Recommendations

Action Item 2: Develop and Expand Marketing Materials

Once the logo and tag line are chosen, marketing materials will need to be developed. These should include the following features:

- Websites – The websites of the 4B EDC, the City, the Chamber of Commerce and other community entities should be updated to incorporate the new community identity and should continue to be linked to one another as well as local businesses. Improving the quality of its interactive features and providing the most informative websites can position Lampasas above its neighboring communities. The 4B EDC's website already has several interactive features designed to promote economic opportunities in Lampasas. These should include listings of all available commercial space, community demographics, RFQ's for real estate developers and industry recruitment materials. This information must be updated on a regular basis.
- Brochure – a 4-color call-to-action brochure designed to provide a fresh perspective of Lampasas should be included with all collaterals and should direct readers to the respective websites.
- Folder/Portfolio - serves as a delivery system for the materials to be sent by mail or presented to visitors. The design should include the central theme and logo as previously identified.

Group Responsible: Lampasas Marketing Committee

Recommendations

Action Item 3: Organize Marketing Materials into a Comprehensive Campaign

The portfolios of marketing materials should be organized to maximize their effectiveness to target audiences. All folders would include the Lampasas brochure as well as other useful information. The Lampasas Chamber of Commerce should disseminate marketing materials and other relevant information to prospective residents and tourists; the 4B EDC should be responsible for coordinating materials for prospective businesses.

- Residents Package – includes information on the community, schools, property tax rates, housing, recreational activities and parks, city services, utilities, grocery stores, hospitals, map, and a “welcome package” offering listings and coupons for local businesses.
- Tourists Package – includes tourist attraction information, festival and event schedule, motel/B&B information, restaurant guide, antique stores listing, hunting season guidelines, Hill Country information, map, and travel directions to/from Austin, Dallas, San Antonio and other nearby cities.
- Business Package – includes information on available commercial sites, industrial park/incubator availability, 4B EDC, Chamber of Commerce, relevant city agencies, travel directions to/from major nearby cities, airport information, community and regional demographics, incentive options, workforce data, applicable tax rates as well as all residential and tourism materials.

Group Responsible: Lampasas Marketing Committee

Goal 3: Explore Regional Marketing Opportunities

Just as the Infrastructure Committee needs to explore regional situations affecting Lampasas' economic development, so should Lampasas explore regional opportunities for marketing. Besides the obvious Hill Country/tourism potential, opportunities exist for joint regional promotion of the area as a business location. Possible connections include other nearby communities in the Hill Country (Marble Falls, Burnet, Llano), near Ft. Hood (Kempner, Copperas Cove, Belton, Gatesville) or Austin (Austin, Round Rock, Georgetown, Leander, Briggs, Bertram).

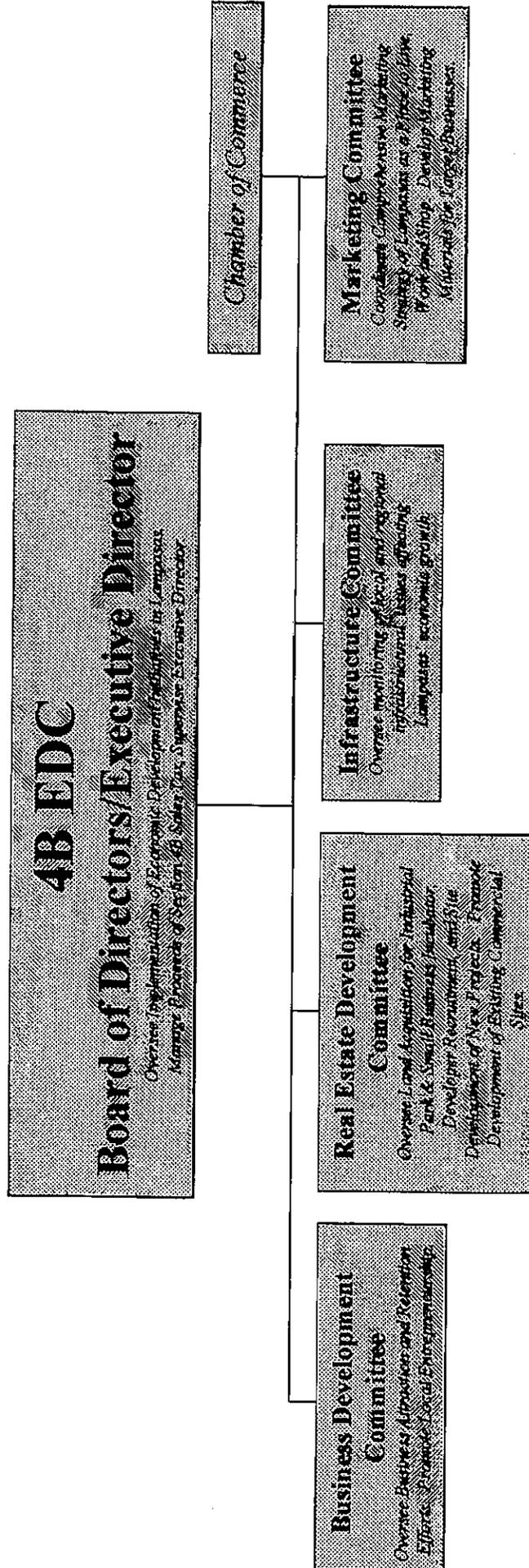
Group Responsible: Lampasas Marketing Committee

Recommendations

Appendices

Lampasas 4B EDC

PROPOSED ORGANIZATIONAL STRUCTURE



Lampasas 4B EDC STRATEGIC PLAN TASKS

4B EDC
Board of Directors/Executive Director

Strategic Plan Tasks

- Approve Vision Statement
- Organize and Oversee 4B Standing Committees
- Prepare for Future Growth of EDC

Chamber of Commerce

Business Development Committee

Strategic Plan Tasks

- Identify Target Businesses
- Develop Incentive Plan
- Develop Media Relations & Collateral
- Distribute Targeted Marketing Materials
- Attend Industry Conferences & Networking Events
- Host Site Visits of Targeted Businesses
- Identify Emerging Businesses Needing Assistance
- Develop Business Retention/Assistance Strategy
- Encourage Local Entrepreneurship

Real Estate Development Committee

Strategic Plan Tasks

- Develop New Industrial Park Site
- Identify Top Potential Sites
- Develop Implementation Plan
- Establish Small Business Incubator
- Assess Demand for Infill/Infill
- Develop Incentive Plan
- Plan for Future Commercial Growth in City

Economic Infrastructure Committee

Strategic Plan Tasks

- Develop Partnerships to Promote Workforce Development
- Promote Efforts to Increase Education Levels
- Monitor Existing Business Center in City/County
- Assist in Connecting Lampasas by Working with Local Service Providers and Promoting Lampasas Campus
- Assist City in Pursuing New Residential Development
- Monitor Re-development of Key Avenue
- Advocate for U.S. 183A
- Monitor Regional Transportation Issues
- Build on Working Relationship with County Industrial Foundation
- Monitor Status of Joint Use Facility at Robert Gray Airfield

Marketing Committee

Strategic Plan Tasks

- 4B and Chamber Collaborate on Lampasas Marketing Committee
- Conduct Research for Marketing Firm to Produce Collateral
- Create a Brand Image for Lampasas
- Research and Export Marketing Materials
- Encourage the Promotion of Lampasas Online
- Organize Materials into Comprehensive Campaign
- Explore Potential Marketing Opportunities

Funding Sources

Federal Government

Department of Commerce-Economic Development Administration (EDA)

Economic Development Technical Assistance Grant Program: The EDA provides communities grants targeted to solving specific economic development problems, determining development opportunities, and expanding local organizational capacity in distressed areas. EDA also issues Public Works Grants for various infrastructure improvements.

Department of Commerce-National Telecommunications & Information Administration

Telecommunications and Information Infrastructure Assistance Program (TIAP): TIAP provides matching grants to non-profit organizations and state local governments for advanced communications and information technology to improve their services. Working in partnership with other public and private sector organizations, grantees demonstrate innovative uses of information infrastructure, plan for future uses, and provide access to the "information superhighway" for traditionally under-served communities, regions, and populations.

Department of Labor-Employment and Training Administration

School-to-Work Urban/Rural Opportunities Grants: This program is designed to help in- and out-of-school youth prepare for high-skill, high-wage careers and further education and training. The grants enable local partnerships in high poverty urban and rural areas to develop and implement School-to-Work Opportunities initiatives for youth who reside or attend school in these areas.

Housing and Urban Development (HUD)

Community Development Block Grant (CDBG) CDBG provides eligible communities with direct grants for neighborhood revitalization, economic development, affordable housing or community facilities and services. CDBG funds must (i) benefit the "targeted income group;" (ii) aid in the prevention or elimination of blight, or (iii) meet a community development need having particular urgency. Funds can also be used to pay for publicly owned infrastructure.

Section 108 Loan Guarantee Program: Section 108 assists CDBG participants in receiving federally guaranteed loans to support large economic development projects. This program allows local governments access to larger pools of capital by allowing them to pledge future CDBG grants as support for the loans. Communities can borrow up to three times their annual CDBG allotment which is repaid over a period up to six years.

Economic Development Initiative The Economic Development Initiative (EDI) offers local governments that use Section 108 loan guarantees as a mechanism to reduce the level of risk to their CDBG funds. Section 108 requires a grantee to pledge up to five years of CDBG funds to support the loan.

Community and Individual Investment Corporation (CIIC) Initiative: The CIIC initiative provides financing for community-based organizations that invest in low-income areas. This CIIC provides initial capital for forgivable loans for workforce development, job creation, business growth, and rental housing rehabilitation.

Home Investment Partnership Program (HOME): HOME is the largest federal block grant program for affordable housing. Home Investment Trust Funds set up by HUD provide local governments a line of credit for various housing assistance programs.

Small Business Administration

SBA Section 504 Loans: This program provides financing for acquisition of fixed assets and real property to individual businesses, usually through a local SBA-certified development corporation. Affected businesses in the target areas needing to upgrade their appearance or inventory or to expand may be able to access these loans.

State of Texas

Texas Department of Economic Development (TDED)

Small Business Industrial Revenue Bonds: This program provides tax-exempt financing to fund land and depreciable property for eligible industrial or manufacturing projects. The Development Corporation Act allows cities, counties, conservation and reclamation districts to form non-profit industrial development corporations or authorities on their behalf. The purpose is to issue taxable and tax-exempt bonds for eligible projects in their jurisdictions. The industrial development corporation acts as a conduit through which all monies are channeled. Generally, all debt services on the bonds are paid by the business under the terms of a lease, sale, or loan agreement. As such, it does not constitute a debt or obligation of the governmental unit, the industrial development corporation, or the State of Texas.

Texas Leverage Fund (TLF): The TLF acts as an "economic development bank" offering an added source of financing to communities that have passed the economic development sales tax. TDED may loan funds directly to a local Industrial Development Corporation to finance eligible projects. Sales tax revenues pledged need to be sufficient to cover projected annual debt service at the required debt service coverage ratio specified in the TLF Program Guidelines. Loan proceeds must be used to pay eligible "costs" of "projects" as defined by the Development Corporation Act of 1979. Under Section 4A of the Act, examples of eligible costs include land, buildings, machinery and equipment for manufacturing and industrial operations. Under Section 4B of the Act, examples of eligible costs include sports, athletic, entertainment and public park purposes and events.

Texas Capital Fund Real Estate Development Program: This program provides financial resources to non-entitlement communities. Funds must be used for real estate development to assist a business that commits to create and/or retain permanent jobs, primarily for low and moderate-income persons. This program encourages new business development and expansions. Projects are evaluated based on community need, jobs, business emphasis, and matching funds. The minimum award is \$50,000 and the maximum is \$750,000 inclusive of administrative costs.

Texas Capital Fund Infrastructure Development Program: Funds from this program can be utilized for public infrastructure needed to assist a business which commits to create and/or retain permanent jobs, primarily for low and moderate income persons in non-entitlement communities. This program encourages new business development and expansions. Funds can be used for the following: water and sewer, road/street improvements, natural gas lines, electric,

telephone, & fiber optic lines, purchase of real estate related to infrastructure, drainage channels and ponds, pre-treatment facilities, traffic signals and signs, and railroad spurs (full repayment required). The minimum award is \$50,000 and the maximum is \$750,000 inclusive of administrations costs. The award may not exceed fifty percent of the total project costs and a minimum equity injection of ten percent by the business is required. Projects are evaluated based on community need, jobs, business emphasis, and matching funds.

Texas Enterprise Zone Program: An enterprise zone designation allows a community to partner with the State to offer a package of local and state tax and regulatory benefits to new or expanding businesses in economically distressed areas. A zone is a geographic area nominated by a city or county or a combination of cities and/or counties through an application to TDED. The area must meet at least one of two possible primary distress criteria (high unemployment or population loss) and one of seven secondary distress criteria that are currently considered. The enterprise zone governing body can nominate businesses that commit to create or retain permanent jobs, make capital investments, and fill at least 25% of these jobs with economically disadvantaged or residents of an enterprise zone to receive local and state benefits.

Telecommunications Infrastructure Fund Board (TIFB)

TIFB develops competitive and non-competitive grant initiatives for technology advancement for public schools, public libraries, healthcare facilities, and colleges and universities. These programs include Internet connectivity, distance learning, and innovative opportunities.

Texas Water Development Board

State Revolving Fund Intended Use Plan for Wastewater Projects and Drinking Water Projects: The SRF Intended Use Plan provides loans at interest rates lower than the market can offer to any political subdivision with the authority to operate a sewage system.

Texas Historical Commission (THC)

Texas Preservation Trust Fund (TPTF): TPTF funds are distributed annually as matching grants (or up to one-third of project costs) to public and private owners of eligible historical properties and archeological sites. Funds may be used for acquisition, development and planning of preservation projects, such as commercial or public buildings, unique historical structures, or Comprehensive Preservation Plans, Visionaries in Preservation (VIP) or Preservation Education Training (PET) projects.

Local Economic Development Financing Tools

- Tax increment financing
- Loan guarantees
- Direct loans
- Predevelopment funding
- General Obligation Bonds
- Revenue Bonds
- Tax concessions
- Provision of Infrastructure and Public Facilities
- Certificates of Participation
- Public Improvement Districts/Special Assessment District

Tax Increment Financing (TIF): TIFs are a mechanism allowing cities to capture the increase in property taxes resulting from redevelopment of a designated area. Because these areas must meet minimum standards for “blight,” it is assumed that significant investment would not occur without public improvements and developer incentives. The annual increment of revenue, which would otherwise be divided among taxing districts, is used to pay for the infrastructure needed to make

the reinvestment occur. Eligible expenses for reimbursement also include costs for capital, financing, land assembly, administration, and project operation.

Recent changes by the Texas Legislature making it difficult for local school districts to participate have discouraged many communities from establishing TIFs. However, by extending the term of the TIF and including creative long-term financial and capitalization plans, TIFs can still be a viable tool for communities to attract needed investment.

Loan Guarantees: To help offset the risks to local lenders for a project, the city can guarantee the loan, full or partial, to assist developers in obtaining private funds. The city could also agree to lease or purchase the project if projected returns do not occur. This makes the project more attractive to prospective investors.

Direct Loans: Loans are made by the local government at below-market rate when the investment may be viewed by the private sector as too risky. These loans also allow the city a degree of control in encouraging desired development. In many cases, a local CDC/EDC can act as the intermediary for city loans, grants and contracts to private sector entities.

Predevelopment Financing: Local government can take on some of the initial costs of a desired project as a means of encouraging private developers to get involved. These initial costs may include feasibility studies, infrastructure work or land assembly which private investors may be unwilling to commit to in a risky market.

General Obligation Bonds: Ad valorem tax revenues are used to retire bond debt issued to finance general public improvements. The interest rate charged depends on the city's bond rating.

Revenue Bonds: Bonds are directly tied to a specific project and are retired using project revenues. For example, parking fees may help pay for a public garage or hotel and sales taxes for visitor facilities.

Tax Concessions/Abatement: Property taxes on a project are fully or partially frozen at predevelopment levels for a specific period of time. The purpose of this tool is to encourage private investment in a specific project or targeted area.

Provision of Infrastructure and Public Facilities: The city can provide improvements adjacent to or on the project site as a means of encouraging development of specific land uses. Public projects can include major capital improvements, public facilities or other public amenities such as open spaces, landscaping, or pedestrian walkways.

Certificates of Participation (COP): A tax-exempt body (government entity or other public authority) finances the acquisition or construction of a facility and then makes installment payments to the developer until the project cost is paid off. An important advantage of COPs is to allow the public entity and the developer to bypass governmental procurement procedures, resulting in lower development costs to the public sector and faster turnaround time for approvals. Examples of public facilities include civic and convention centers, parking garages, transportation facilities, and parks.

Public Improvement District/Special Assessment District: In a PID, the city levies a special assessment on properties within a defined district to pay for various types of allowable improvements, acquisitions or construction. Establishing a PID also creates an advisory board to administer funds, calls for public hearings to allow for feedback and engage the public, and requires the development of a five-year service and assessment plan on how funds should be spent. Creating the PID requires a formal plan for the expenditure of funds as well as a signed petition from affected property owners agreeing to the additional assessment.



An Assessment of the Potential Impact of Developing a Business Park on Economic Activity in Lampasas



January 2007





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OVERVIEW



Overview

- The location of economic activity has always been **driven by the need to optimize outcomes**.
 - The earliest civilizations formed around great rivers that provided water, fertile land, and transportation arteries. As commerce expanded, natural ports had an era of prominence.
 - Once business activity became more prevalent, advanced, and integrated, locations tended to follow points of economic interaction such as stagecoach and railroad depots, terminal points of cattle trails, and major crossroads.
 - In the contemporary world of instant global communication and multiple modes of rapid transportation, the process of choosing sites for new or expanded activity has become more complex and sophisticated.

- While companies seek ideal locations for conducting their business, communities seek companies that promote maximum increments to economic development and prosperity.

The interaction of companies and communities as they seek to optimize outcomes can be thought of as a “market” for prosperity.



Essential Nature of Business Park Facilities

- In today's marketplace, companies have no choice but to bring new facilities into operation in a timely manner.
- The presence of a business park with appropriate zoning, utilities, transportation infrastructure, and other amenities is a key factor in facilitating this process.
- Without such space, locating companies face the additional potential problems of
 - finding available land;
 - acquiring necessary permits; and
 - waiting and possibly paying for needed infrastructure such as roads, communications lines, water mains, and sewer lines.

As a practical matter, this added time and cost will preclude the vast majority of desirable facilities from locating in an area.

- Simply stated, business parks are essential to successfully competing for quality corporate locations. Most areas that are even moderately competitive have such improved land available; cities that do not often have virtually no chance of consistently attracting significant concentrations of export-oriented businesses.



Highlights of Study Findings

- The location of business activity is a complex and dynamic process. Virtually all decisions are now made in a global context as a result of enhancements in communications and transportation, as well as intense pressure for efficiency and profitability.
- Within this environment, communities are compelled to be responsive to the needs of potential employers, often having to redefine their economic development strategies.
- Although Lampasas enjoys an excellent location for many types of business and a growing population, proactive economic development efforts are essential to enabling the area to achieve sustainable prosperity. Many communities have recently rejuvenated their efforts to attract new activity. Lampasas has reinvented itself several times over its long history; changing economic conditions demand that it do so again.
- In the absence of concerted efforts to boost corporate locations and expansions, the Lampasas-area economy is projected to experience modest growth at a pace lagging many areas of Texas. In particular, the local tax base will not expand sufficiently to meet the needs of the population, and local residents will increasingly find employment in other areas.



Highlights of Study Findings (cont.)

- Development of the proposed Lampasas Business Park would significantly enhance the area's competitive position. In the current corporate location environment, "shovel-ready" sites are essential for success.
- The prior decision to acquire an appropriate and well-situated parcel of land was an important and visionary first step. Without taking the next step and developing viable sites, the potential for success is severely limited.
- Operations of a likely mix of tenant firms also has the capacity to lead to a substantial economic stimulus. Once the development is fully in place, operations of firms locating in the business park could contribute over \$1.5 billion in annual spending and more than 9,800 jobs to the local area.
- The potential benefits of the proposed industrial park are quite impressive. Every dollar invested in developing the facility yields hundreds of dollars in local economic activity each year once the various phases are operational.
- For the project as a whole, a new job is created for every \$350 in outlays.
- The annual rate of return to taxpayers in the area over the entire project is about 300%.



The Perryman Perspective

- The Perryman Group (TPG) is a Texas-based economic research and analysis firm with more than 20 years of experience in assessing the economic impact of corporate expansions, regulatory changes, real estate developments, and myriad other types of events affecting business activity.
- TPG has conducted hundreds of impact analyses for the US and Texas economies as well as all Texas metro areas and counties.
- TPG has maintained an extensive set of economic models for more than two decades, including econometric, impact assessment, demographic, occupational, and real estate absorption models developed to specifically reflect the underlying structure of the Lampasas County economy. TPG has a long history of analyzing the local economies of Lampasas and the surrounding areas.
- Impact studies have been performed for hundreds of clients including many of the largest corporations in the world, governmental entities at all levels, educational institutions, major health care systems, utilities, and economic development organizations.
- TPG has extensive experience in economic development work, including studies for dozens of communities and a major study for the state of Texas which now provides guidance for public policy. In particular, TPG has been actively involved in the analysis and creation of numerous business parks and industrial facilities and has conducted myriad target industry studies.



HISTORICAL PERSPECTIVE



A Legacy of Change

- Lampasas has a long and proud heritage. It has reoriented its economic base on several occasions in response to changing conditions. A few key highlights are summarized below.
- Early Indian tribes made frequent pilgrimages to the mineral springs in the area; by the mid-1850s, families began moving nearby, drawn by claims of miraculous healing powers of the springs.
- A town was soon developed and named Burleson. The area was organized into Lampasas County in 1856, and Burleson became the county seat. The town name of Burleson was changed to Lampasas.
- Shortly after the Civil War, Lampasas had grown significantly, boasting up to 20 businesses. Molasses, wool, and mohair sales were among the most successful industries. Lampasas also benefited from cattle drives, county government offices, stagecoach operations, a bank, and a hotel.



A Legacy of Change (cont.)

- In the mid-1880s, the Gulf, Colorado, and Santa Fe Railway extended its tracks, and Lampasas became the western terminus of the line. This led to the establishment of new businesses and real estate development; however, when the railway continued westward, the business and population boom collapsed.
- In the 1890s, agriculture became a mainstay of the economy.
- During World War II, Lampasas was a popular recreation respite for military personnel stationed at Fort Hood; the population reached approximately 3,500. Following the war, attempts were made to develop the city's popularity as a vacation center. Hunting and fishing opportunities were emphasized as were rodeos and rock and Indian artifact collecting. Recreational activities and nearby educational institutions drew families into the area, and by the 1950s, the number of residents was approaching 5,000.
- The business community continued to diversify and experienced moderate expansion, approaching 150 firms by the late 1980s. Agrarian endeavors, including cattle, goats, sheep, and exotic animal ranches located in the area and remain a key source of economic activity.
- Recent expansion of recreation, transportation, and medical facilities is proving greatly beneficial, as is a limited presence in manufacturing (primarily food processing).



The Time is Right for New Directions

- Agriculture, tourism, and services businesses have long been a mainstay of the Lampasas-area economy and continue to be dominant today.
- While these sectors should remain a part of the local business complex, they are not sufficient to achieve sustainable prosperity.
- In particular, these industries are not experiencing growth at an adequate pace to generate
 - employment opportunities for area residents or
 - tax receipts necessary for local government entities to meet the requirements of a rising population.
- Expansion in other sectors of the economy is essential to the long-term vitality of the area, including those that are export oriented, offer above average wages, and bring notable infusions of capital investment.



**NEED FOR PROACTIVE
ECONOMIC DEVELOPMENT
EFFORTS AND
COMPETITIVE FACILITIES**



The Current Environment

- With the deregulation of transportation and retail electric power in recent years, the role of railroads and utilities in recruiting industrial prospects has greatly diminished.
- Increased availability and reduced costs of information have enhanced the competition among countries, states, and communities for new locations.
- Corporations have come under heightened scrutiny from investors and analysts with regard to all major decisions, including site selection. The pressure to minimize costs and optimize productivity is relentless. They have also come to recognize the level of competition among communities and have developed strategies to leverage local areas for concessions and other mechanisms to reduce overall costs.
- Recent surveys indicate that companies are seeking to significantly shorten the time between making a location decision and having a facility up and running. The length of time required to achieve operations is thus becoming an increasingly important factor in site selection.
- Site selection consultants have brought a higher level of sophistication and analysis to key location decisions.
- Viewing economic development initiatives within a market framework can be useful.



The Market for Prosperity

- Companies and communities may be thought of as participants in a relatively well-organized market—the market for prosperity.
- The firms are “suppliers” of economic activity; the communities are “demanders.”
- Given the large number of areas seeking to attract, enhance, or expand facilities relative to the available opportunities, it is clearly a “seller’s” market and likely to remain so for the foreseeable future.
- Thus, it is imperative that
 - local areas be aggressive and innovative in their efforts, and
 - resources be utilized efficiently to optimize expected returns.



Success in the Market for Prosperity

- In any market, it is possible (though not desirable) to pay too much, sell for too little, or fail to participate effectively. For communities to maximize prosperity, they must become successful players in the market for prosperity.

- When viewed in this context, many aspects of a proper economic development strategy become clearly defined, and many “dos” and “don’ts” unambiguously emerge.

- A key factor in successful corporate recruitment and retention strategies is a favorable environment for business. This includes
 - a competitive tax burden;
 - available infrastructure and other essential factors (such as transportation access, communications, power, wastewater treatment, and workforce); and
 - additional considerations related to cost, proximity to major markets, and other factors.



Success in the Market for Prosperity (cont.)

- For communities, keys to successful participation in the market for prosperity include
 - not losing sight of the overarching goal of locating companies,
 - understanding community comparative advantages, and
 - using incentives wisely.

- While they are often a critical element of the final decision, **incentives tend to be considered near the end of the process**. Any company seeking to locate or expand is going to be initially concerned with the **fundamental factors** that impact costs and revenues. Economic development resources should not be invested in projects for which the firm's essential conditions in the areas of costs and revenues cannot be met.

- Identifying ideal sectors for a **focused recruitment** effort is an admittedly imprecise and dynamic process; nonetheless, through systematic and realistic evaluation, it is possible to greatly enhance the efficiency and rate of return associated with investments in economic development. Some factors, **such as the availability of suitable sites**, are almost universally required.



Realities of the Modern Economy

- Traditionally, the focus of economic development efforts has been job creation. In today's economy, however, a broader set of objectives may be justified.
 - High levels of capital investment are often more important to future prosperity than the number of direct jobs created.
 - As the global economy has evolved, there has been a definitive pattern toward the outsourcing of lower-skilled manufacturing and service jobs to other countries.
 - Locations which bring large numbers of relatively low-wage jobs are particularly vulnerable to international competition.

- Substantial investment, on the other hand, tends to be associated with technology-oriented industries that bring long-term benefits and opportunities for growth.

While a healthy dose of common sense is clearly required in recruitment efforts, capital investment is often an excellent barometer of the value of a new or expanded location.



Effect of Multipliers

- When deciding the best allocation of economic development resources, it is important to optimize the “bang for the buck,” by focusing efforts on projects exhibiting high “multiplier” effects.
 - The gains from securing a facility increase with the value of local purchases and spending, and an area receives more benefits if it has networks of suppliers and the capacity to provide needed services.
 - This pattern is one of the key reasons for concentrating on “clusters” of activity.

Because of transportation costs, compatible labor requirements, and other synergies, an emphasis on maximizing multipliers is typically synonymous with providing companies with a cost minimizing strategy, thus heightening the chances for success.



Determinants of Success

- Economic development success is critically dependent on:
 - being aggressive in providing infrastructure, education, and other key dimensions of the business climate within the context of a favorable regulatory environment and fair, equitable, and efficient taxation mechanisms;
 - enhancing areas of development resources (such as job training) if they are not yet fully competitive; and
 - maintaining effective programs of incentives while ensuring that the resulting resources are used in a proper and efficient (though not perfect) manner.

Through such efforts, diverse communities can be assured of a meaningful opportunity to pursue their destiny and achieve sustained prosperity.



THE PROPOSED LAMPASAS BUSINESS PARK



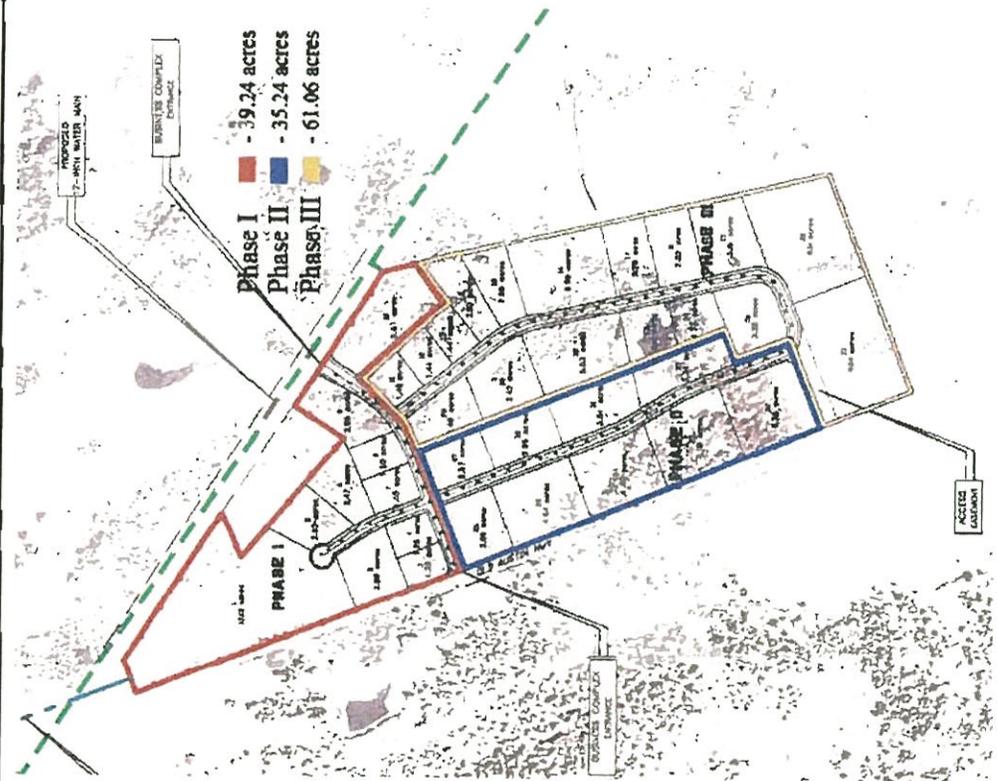
The Proposed Lampasas Business Park

- The proposed Lampasas Business Park consists of approximately 150 acres of land along US Highway 183 southeast of the City of Lampasas. It is envisioned to be a multi-use park with emphasis on distribution and light industry.

- The construction of the development is expected to occur in three phases. Phase I includes roadway connections, a water supply line, and a wastewater lift station. Phase II includes an extension to the business complex roadway, water, and wastewater utilities. Phase III includes the final installation of the proposed roadway and utilities. The completion of each phase opens up a significant segment of land for development and site locations, thus allowing for measured absorption at levels appropriate to the size of the area.
 - Phase I – 39.24 acres
 - Phase II – 35.24 acres
 - Phase III – 61.06 acres



The Proposed Lampasas Business Park





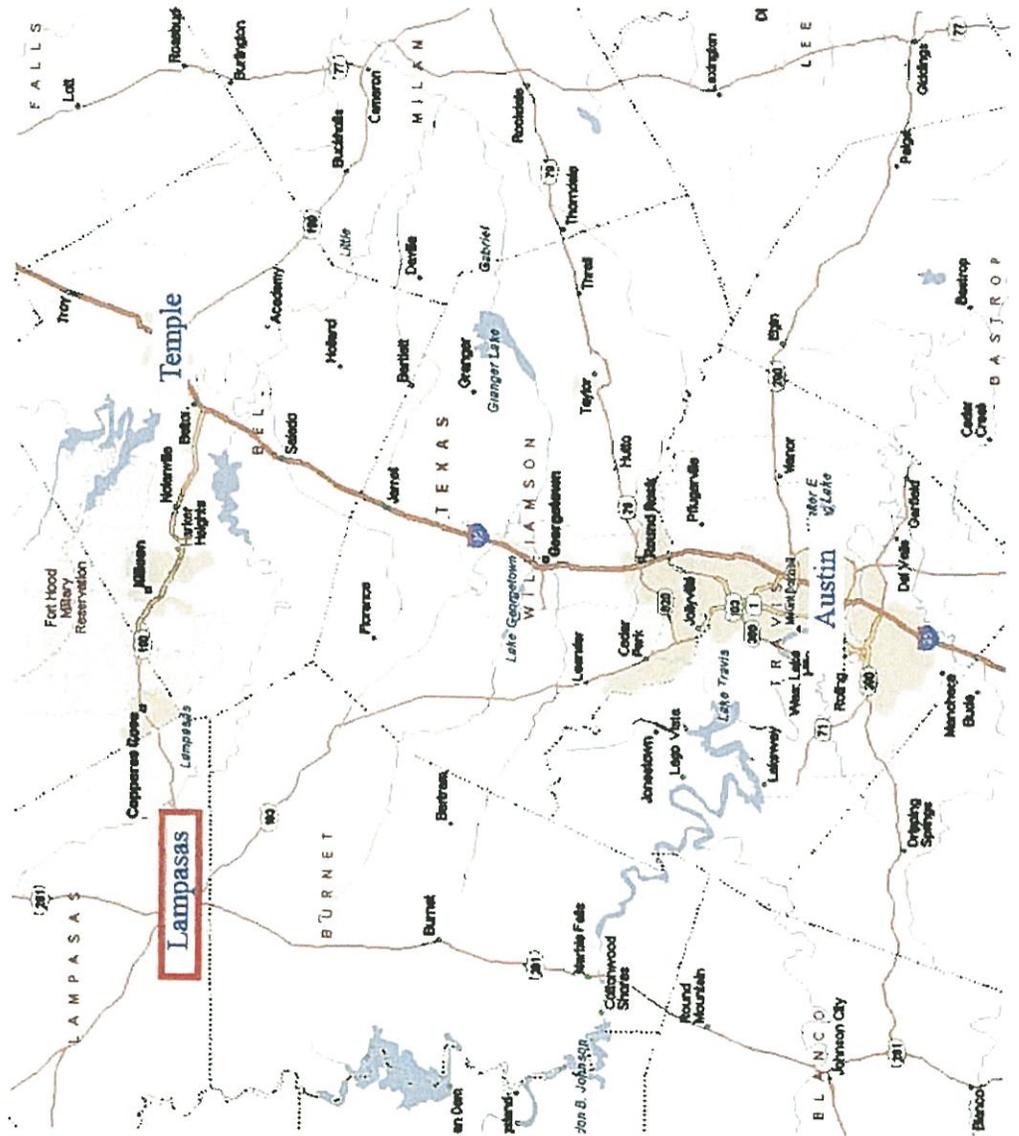
LAMPASAS AREA ECONOMY



Lampasas Economic Overview and Challenges

- Lampasas is a mid-sized community located near the large military training base at Fort Hood, the recreational and scenic areas of the Texas Hill Country, and some of the fastest-growing metro areas in the state.
- Located just 70 miles from Austin, and within 150 miles of other metropolitan areas (including the major urban centers of the Dallas-Fort Worth Metroplex and San Antonio, as well as numerous mid-sized cities), Lampasas is set to grow significantly with regard to population in the coming decades. In fact, Lampasas County is already experiencing in-migration from those who work in larger nearby cities. This expansion will increase the need for roads, water treatment and delivery facilities, police and fire protection, additional space in schools, and many other types of public services.
- Desirable development of commercial and industrial enterprises is essential to defraying the tax burden upon local residents. Moreover, such operations bring about new employment opportunities for people in the area and potential sales for local businesses. They also stimulate investment and, hence, the local tax base.
- While Lampasas has notable strengths in terms of proximity to markets, transportation infrastructure, schools, and quality of life, there is a clear need for additional development in manufacturing enterprises and other commercial operations in order for the area to continue to prosper. Lampasas has a higher proportion of persons living in poverty than the state as a whole. Average wages in Lampasas are also below statewide levels. These patterns largely reflect the current employment composition and opportunities within the area.

Location of Lampasas Relative to Key Areas of Access and Influence



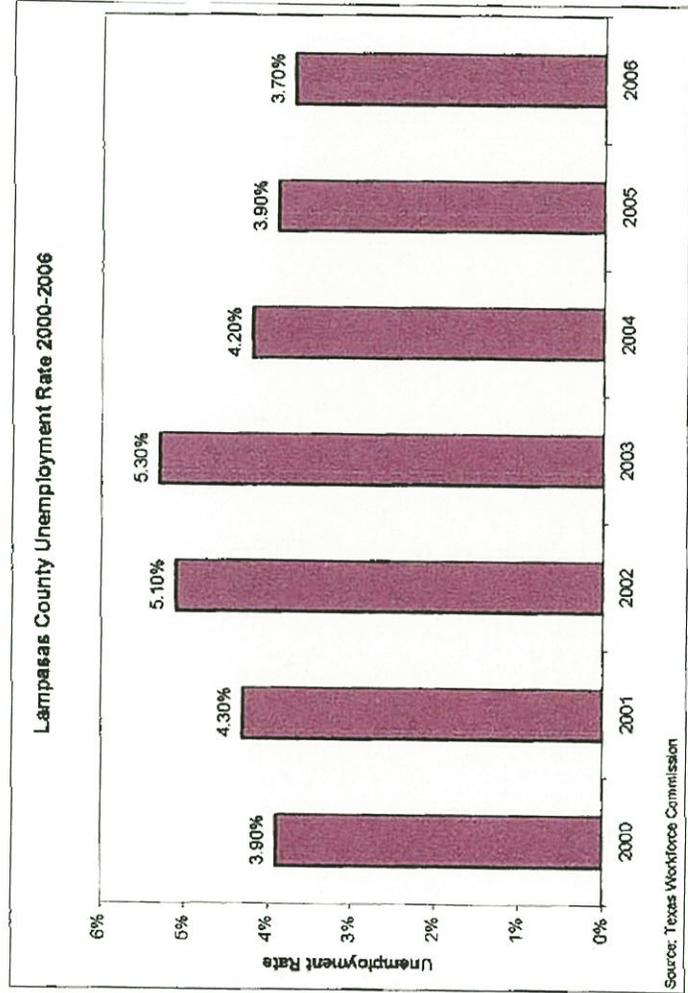


Lampasas Economic Outlook

- The past few years have brought modest economic expansion to Lampasas.
- Recent projections by The Perryman Group indicate continued moderate growth for the Lampasas-area economy.
- A detailed forecast methodology is provided in Appendix A.

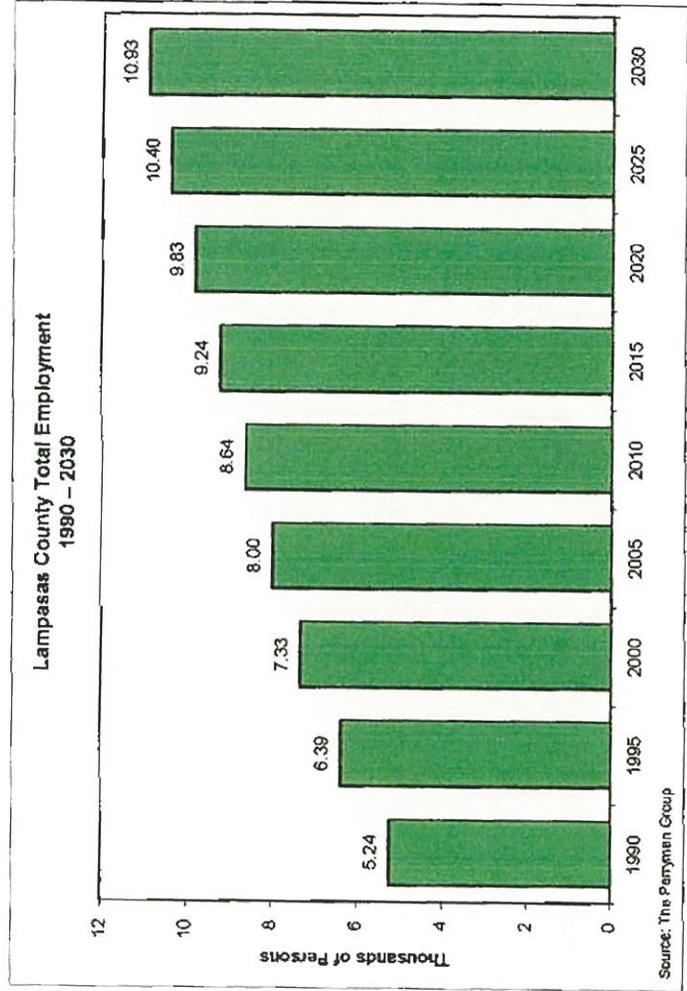
Lampasas Unemployment Rate

- The unemployment rate in Lampasas County has been falling recently.



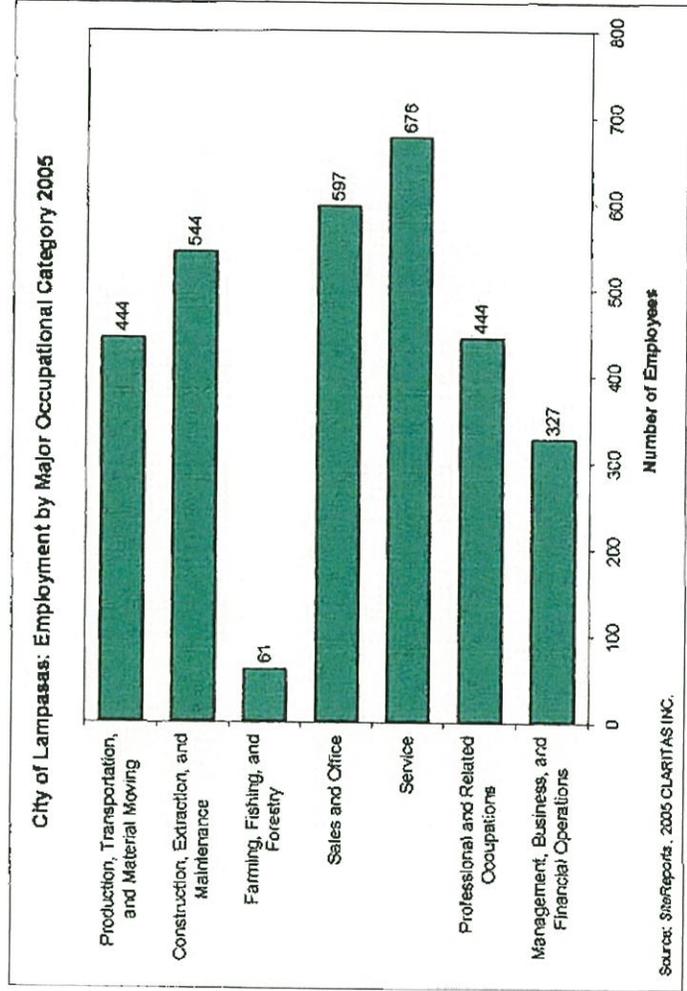
Lampasas County Total Employment Growth

Assuming infrastructure needs keep pace with underlying expansionary trends, total employment in Lampasas County is projected to expand from 7,997 to 10,932 over the next 25 years, an addition of more than 2,935 jobs. This market level of expansion represents a baseline projection in the absence of the proposed industrial park. While this steady pattern of increase is encouraging, it will not be sufficient to meet the fiscal requirements of the enhanced population or to notably improve local standards of living.



Lampasas Employment by Major Occupational Category 2005

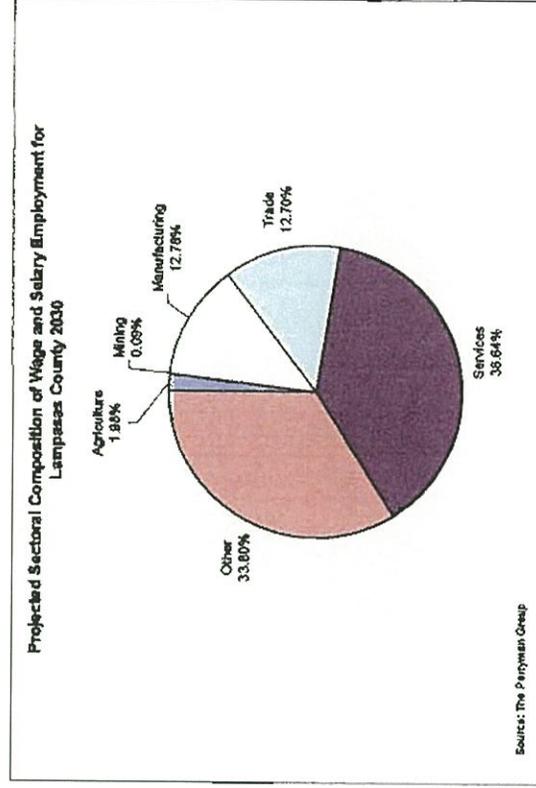
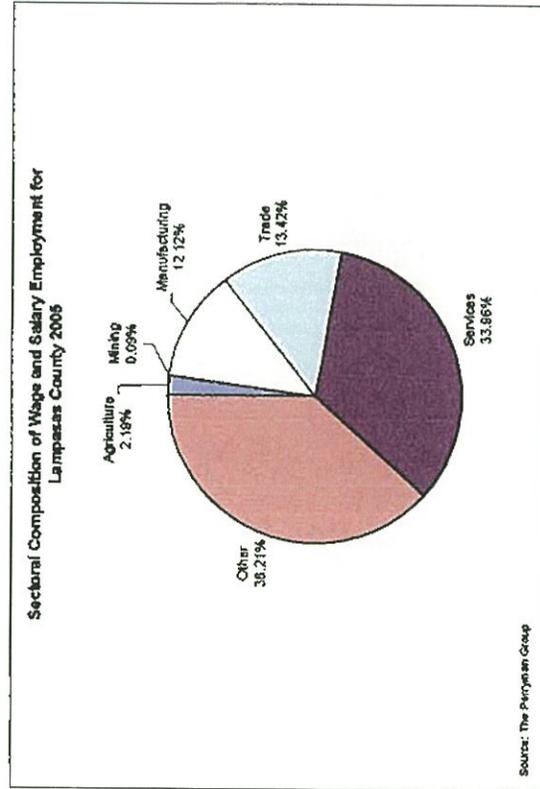
■ Occupation patterns in Lampasas reveal a relatively diverse employment base.





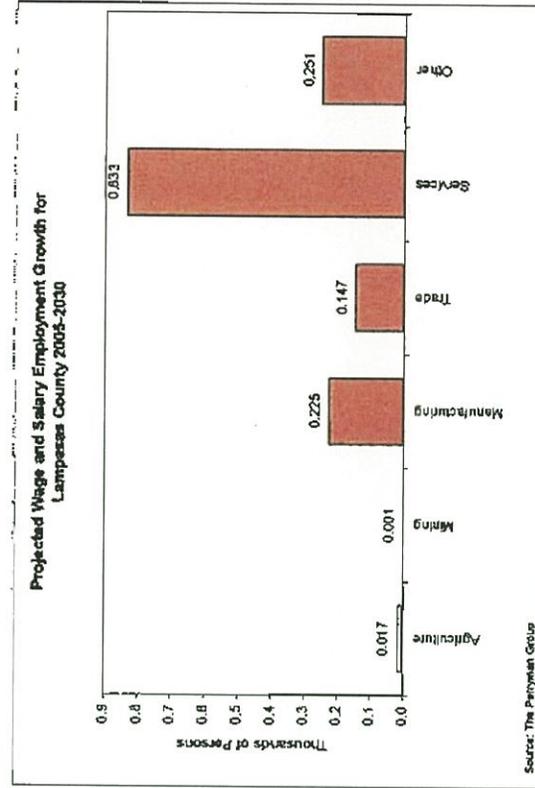
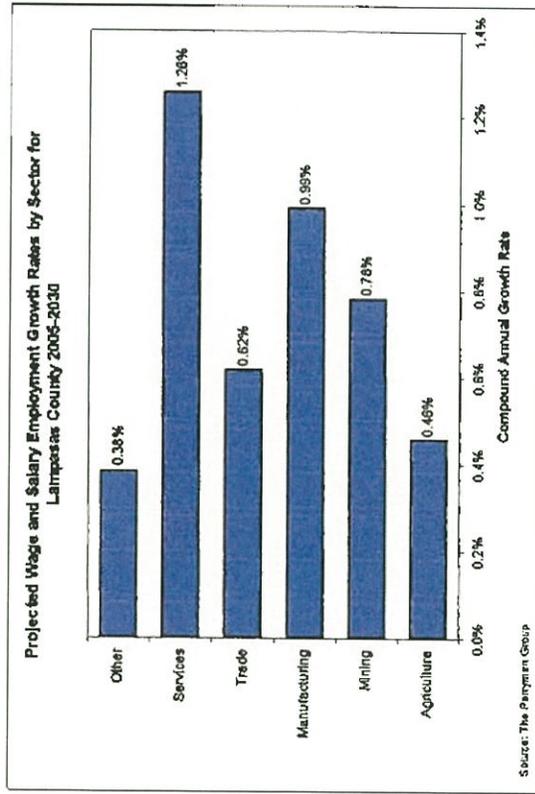
Sectoral Composition of Employment for Lampasas County: 2005 and 2030

- Over time, the dominance of the services sector as a source of employment will grow (assuming baseline expansion).



Employment Growth by Sector for Lampasas County

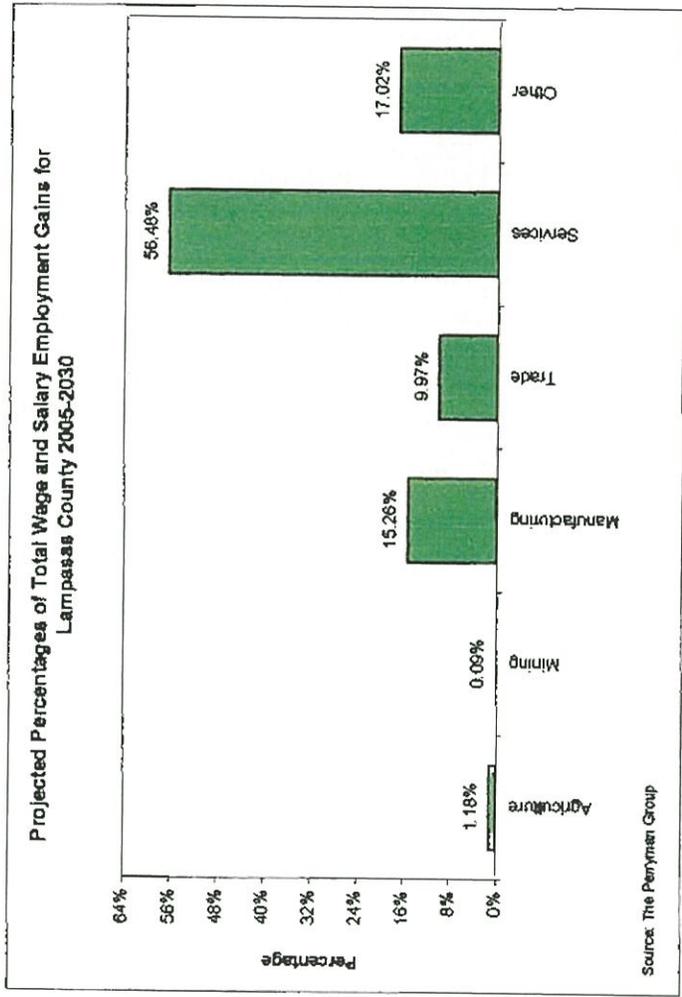
- In the decades to come, the services sector is projected to account for the majority of new positions in Lampasas (under baseline conditions).





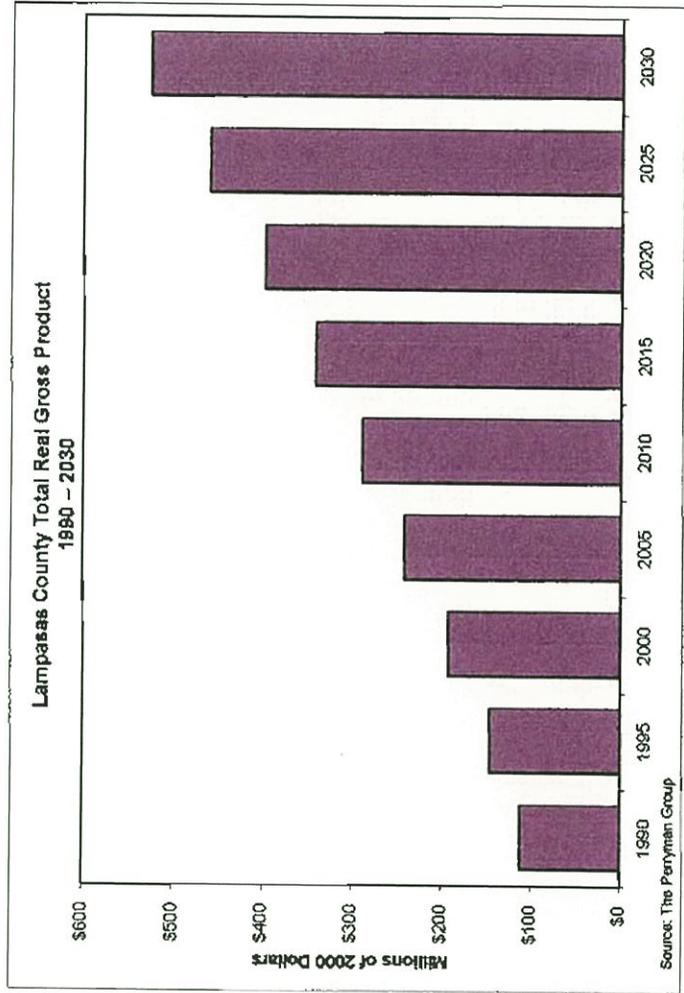
Sources of Employment Growth for Lampasas County

- More than half of all new positions in Lampasas will be attributable to the services sector under a baseline set of assumptions.



Lampasas County Total Output Growth

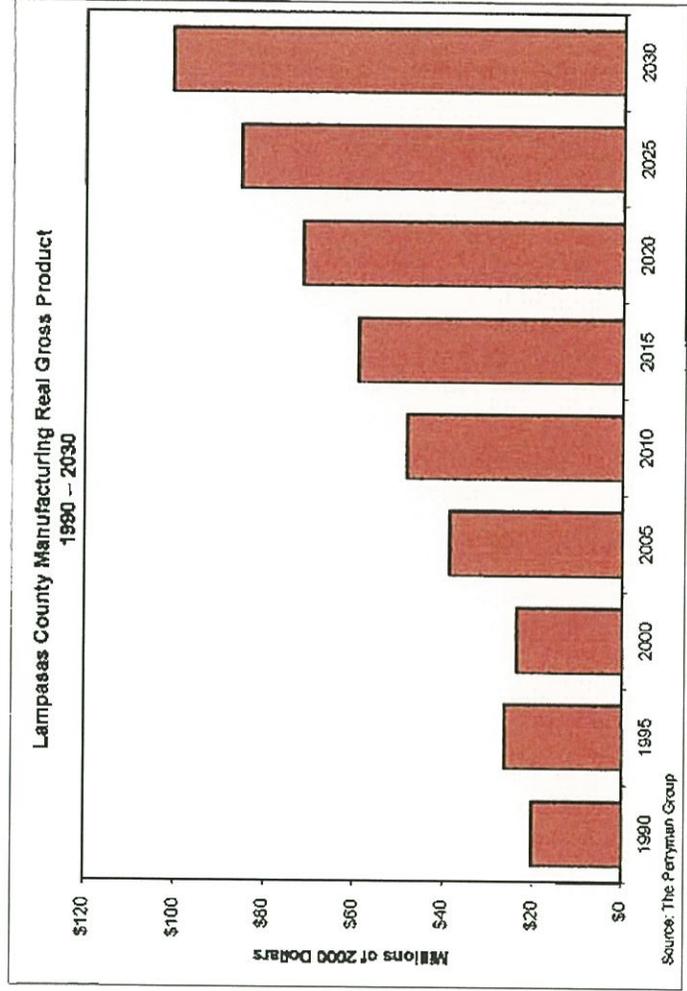
- Output (real gross product—RGP) is forecast to grow from a level of \$241.509 million in 2005 to \$525.207 million in 2030 (in constant 2000 dollars). This \$283.698 million gain represents a compound annual growth of 3.16%. Again, appropriate infrastructure development is integral to this expansion, although it does not assume that the proposed business park is developed.





Lampapas County Manufacturing Output Growth

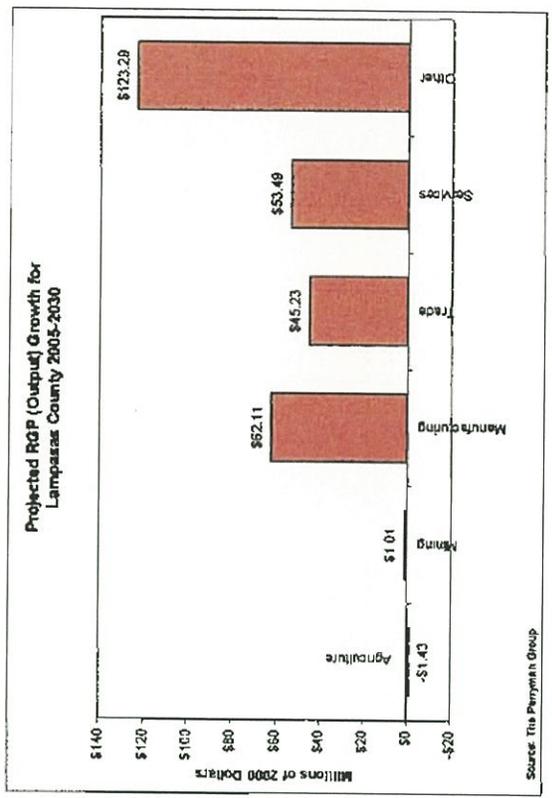
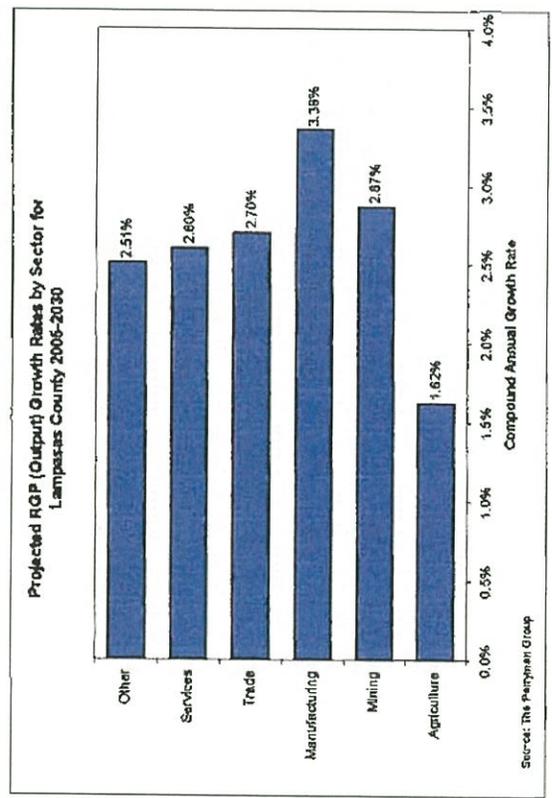
- The manufacturing real gross product for Lampapas County is projected to expand by \$62.109 million (in constant 2000 dollars) between 2005 and 2030 if the area develops infrastructure as required for new activity. In the absence of the park and a positive growth strategy, this increase will largely be concentrated in lower wage segments of the manufacturing sector.





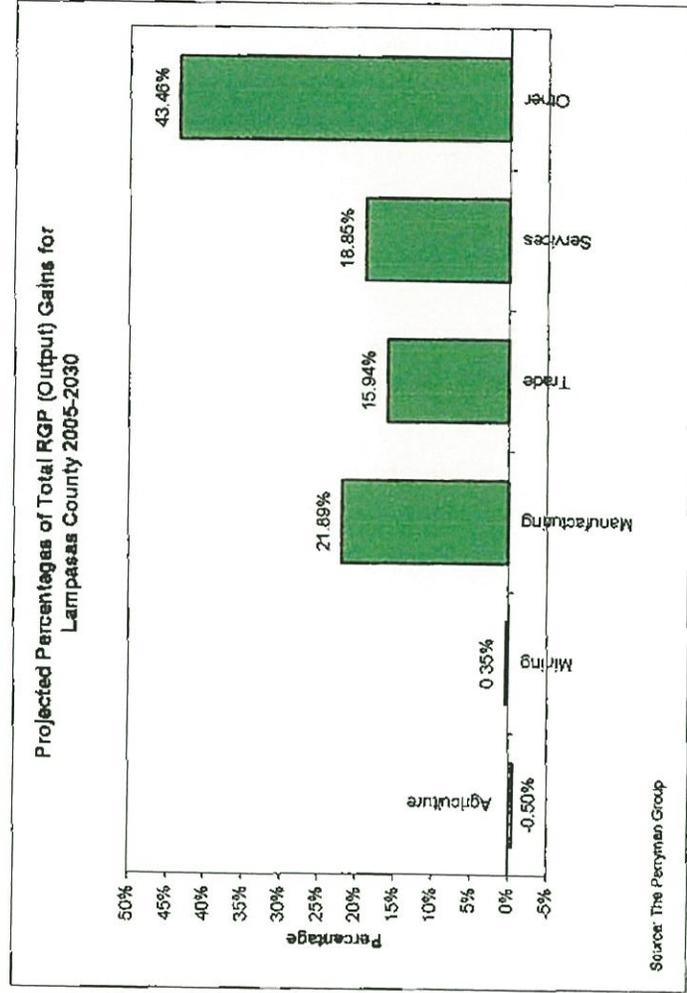
Output Growth by Sector for Lampasas County

- Through 2030, output in the manufacturing sector is anticipated to expand at a more rapid pace than other segments of the economy (under baseline conditions).



Sources of Output Growth for Lampasas County

- The manufacturing sector is projected to contribute over 21% of total output growth over the next 25 years (under a baseline scenario).





QUALITY OF LIFE INDICATORS



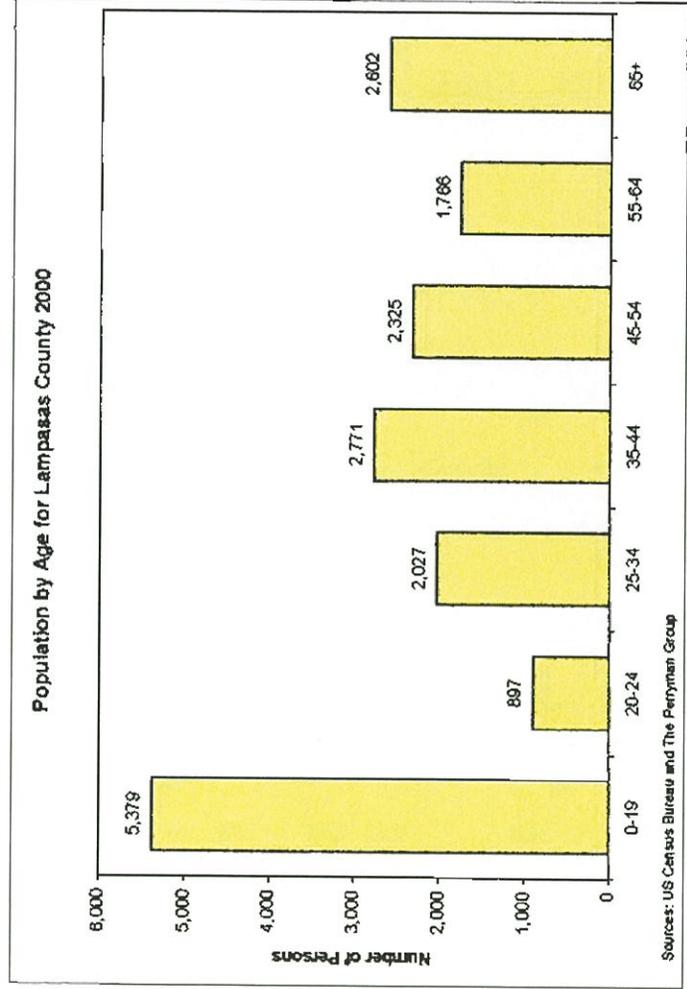
Quality of Life Indicators

- An important consideration in any economic development effort is the quality of life of the area. There are two perspectives to this analysis:
 - For people already in the area, it is crucial that new economic activity enhance quality of life, or at least not detract from it. Proactive efforts increase the likelihood of attracting desirable corporate locations.
 - For companies considering an area, the available amenities are a consideration in the location decision. Quality schools and low crime, for example, are particularly important.
- By most measures, the Lampasas area offers an enviable quality of life.
- The following slides offer further detail for selected quality of life indicators.



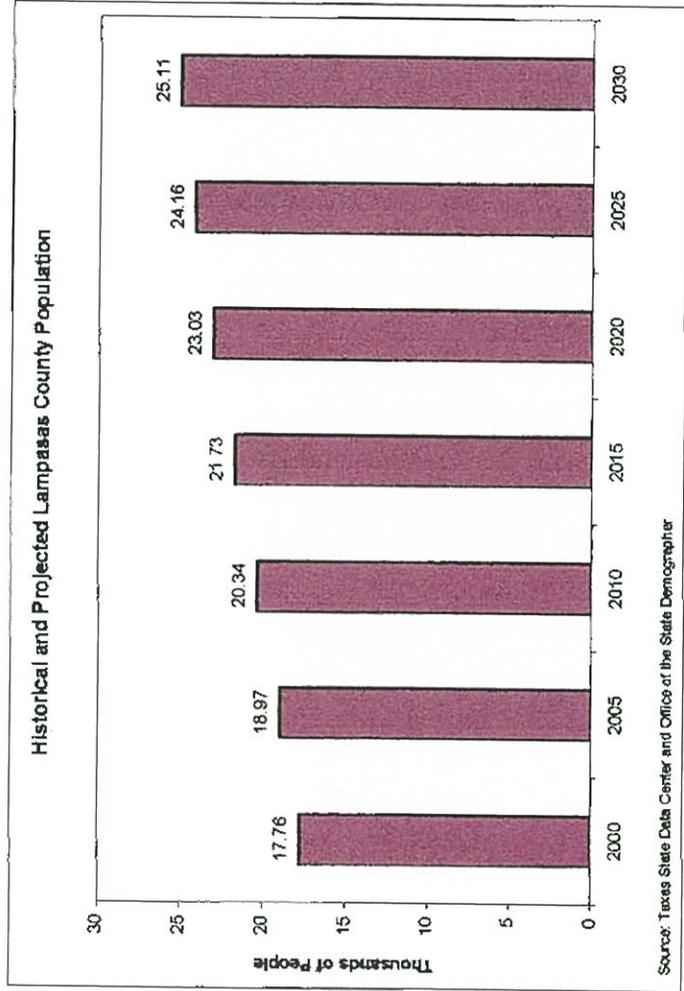
Lampasas County Population by Age

- While there is a relatively large number of persons in younger age groups, there is also a significant component of the population age 65 or older.



Lampasas County Population Growth Projections

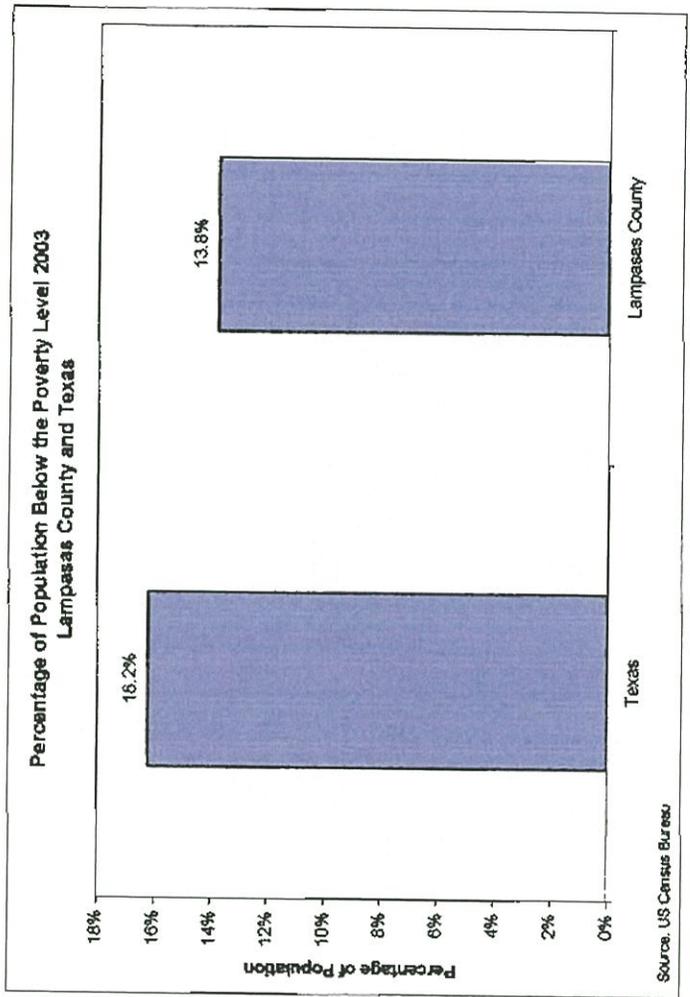
- Population growth has been concentrated in the area of Lampasas County which is not incorporated in the city. Lampasas County is anticipated to grow significantly over the next 25 years.





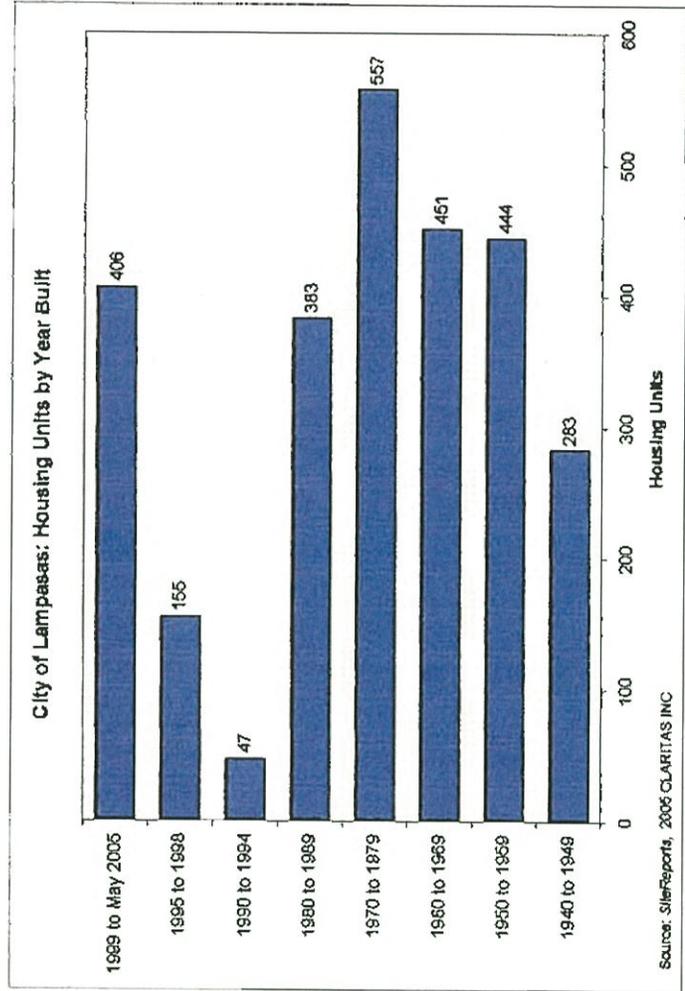
Lampasas County Population Below Poverty

- The percentage of the population of Lampasas County living below the poverty level is lower than the rate for the state as a whole.



City of Lampasas Growth in Housing

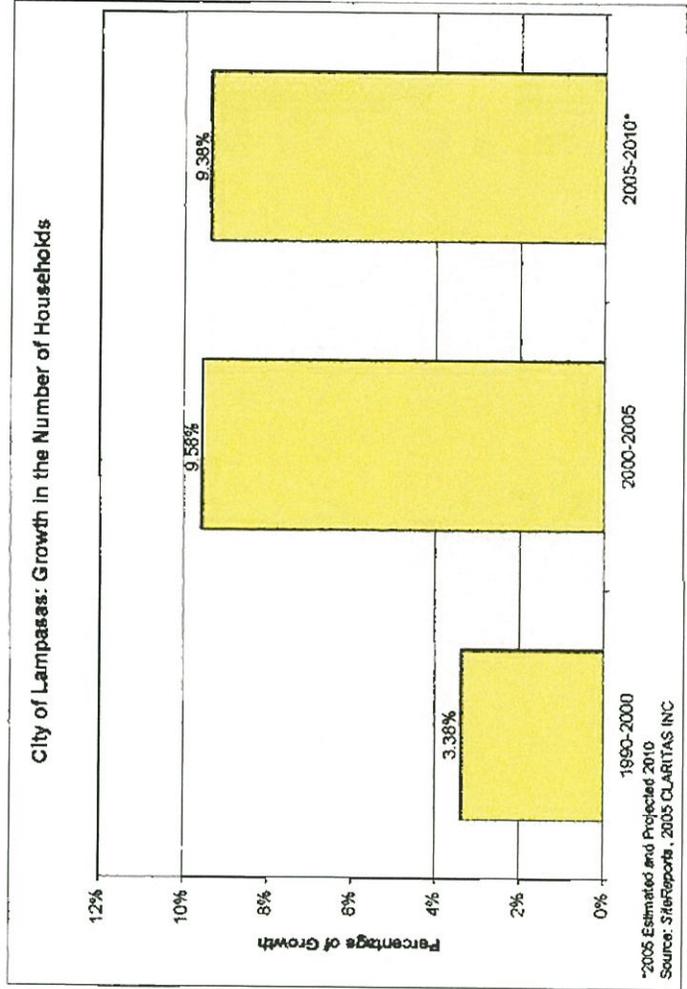
- A significant proportion of the houses in the City of Lampasas have been built since 1999; this pattern provides one indication of the area's rapid growth.





City of Lampasas Household Growth

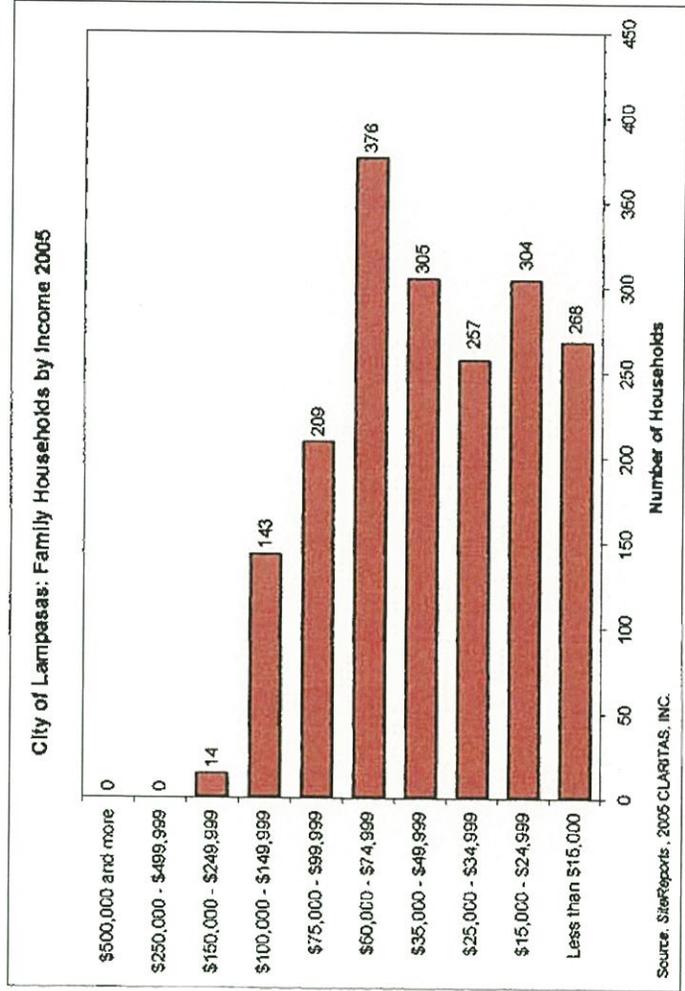
- Growth in the number of households in Lampasas has been escalating.





City of Lampasas Households by Income Level

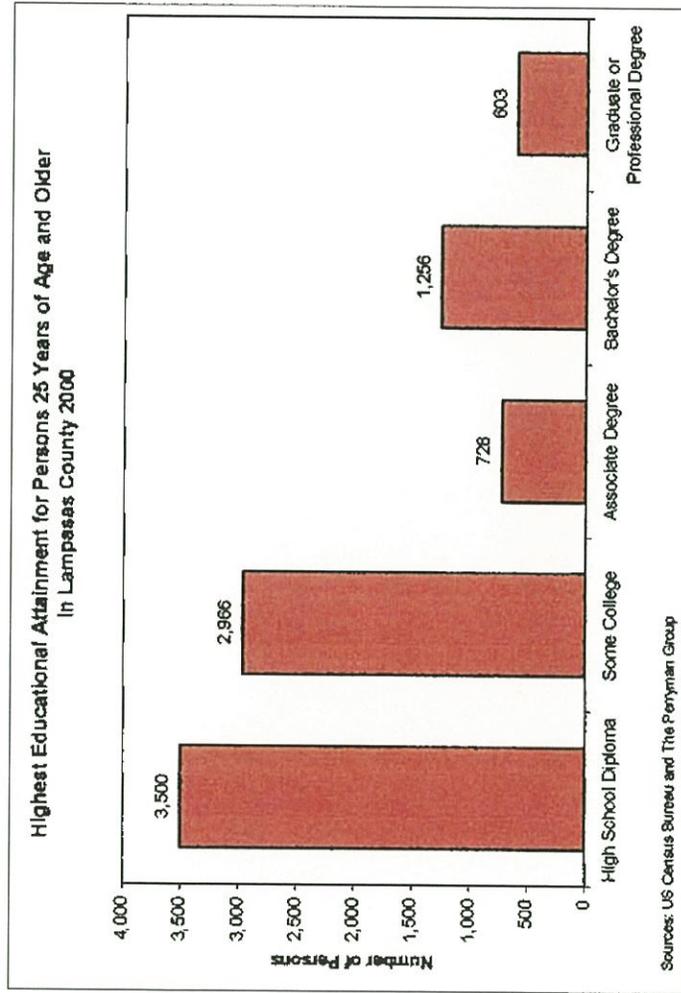
- Household income in the Lampasas area is concentrated in the middle range, though a significant number of households earn less than \$25,000 per year.





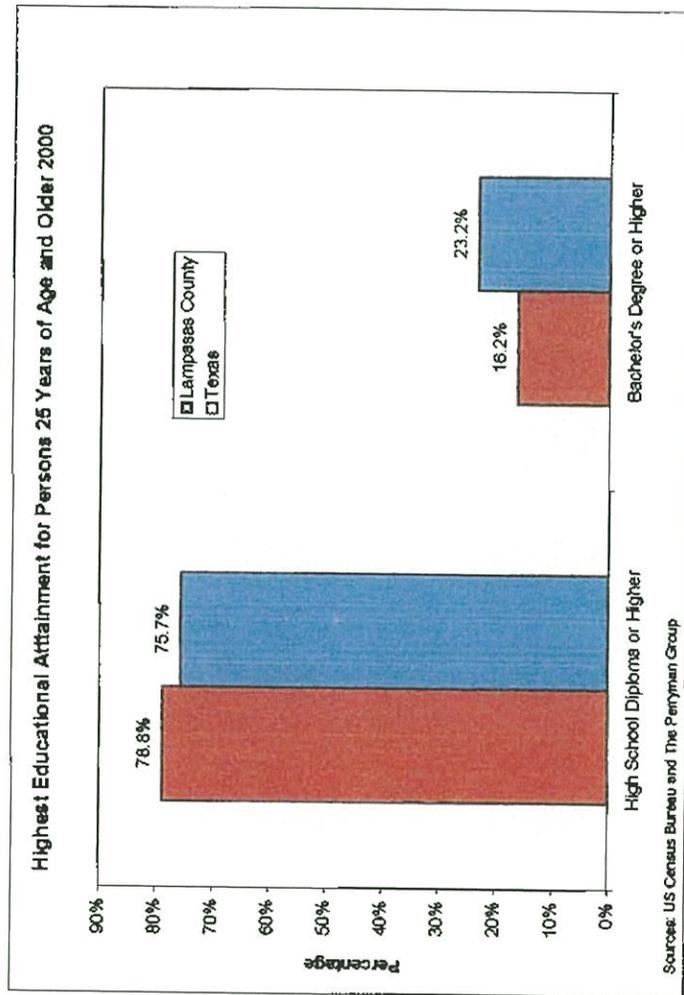
Lampasas County Educational Attainment

- Almost 6,500 persons in Lampasas County age 25 or older have a high school diploma or some college.



Lampasas County Education Level Compared to State

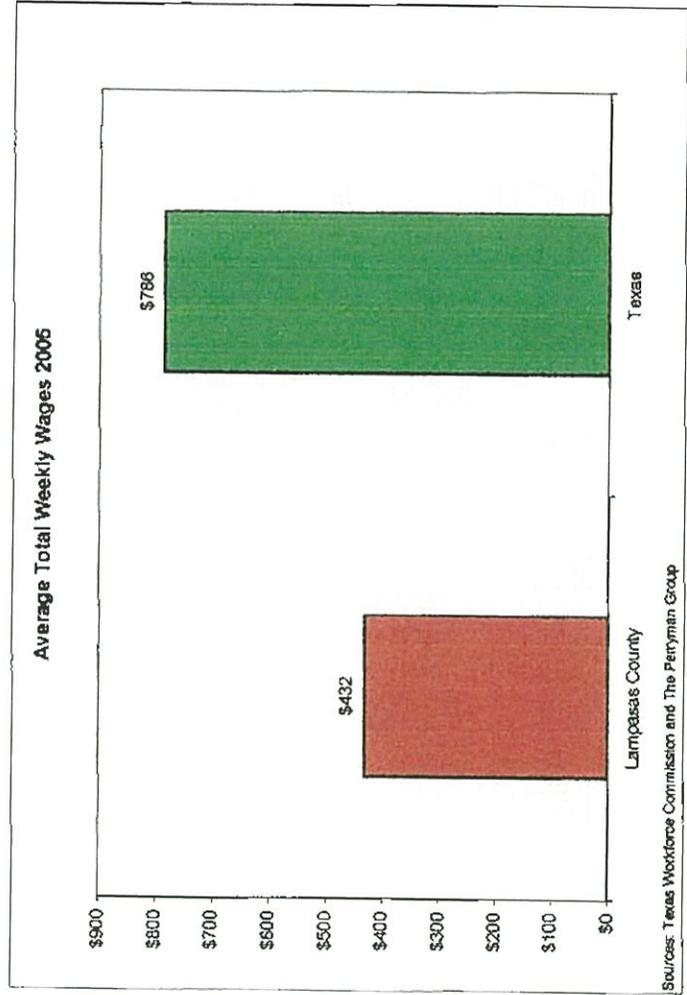
- A higher percentage of persons age 25 or older have a high school diploma or higher in Lampasas than in the state as a whole. However, the proportion of persons with bachelor's degrees or higher is lower than the Texas figure.





Weekly Wages in Lampasas County and Texas

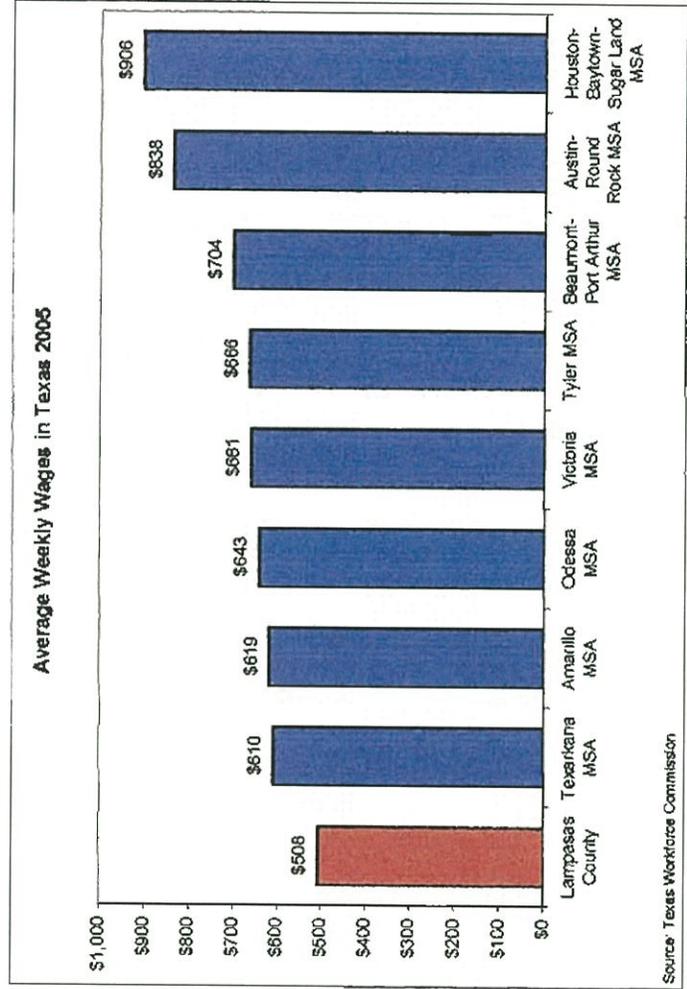
- Weekly wages in Lampasas County are significantly lower than the statewide average.





Weekly Wages in Other Metro Areas

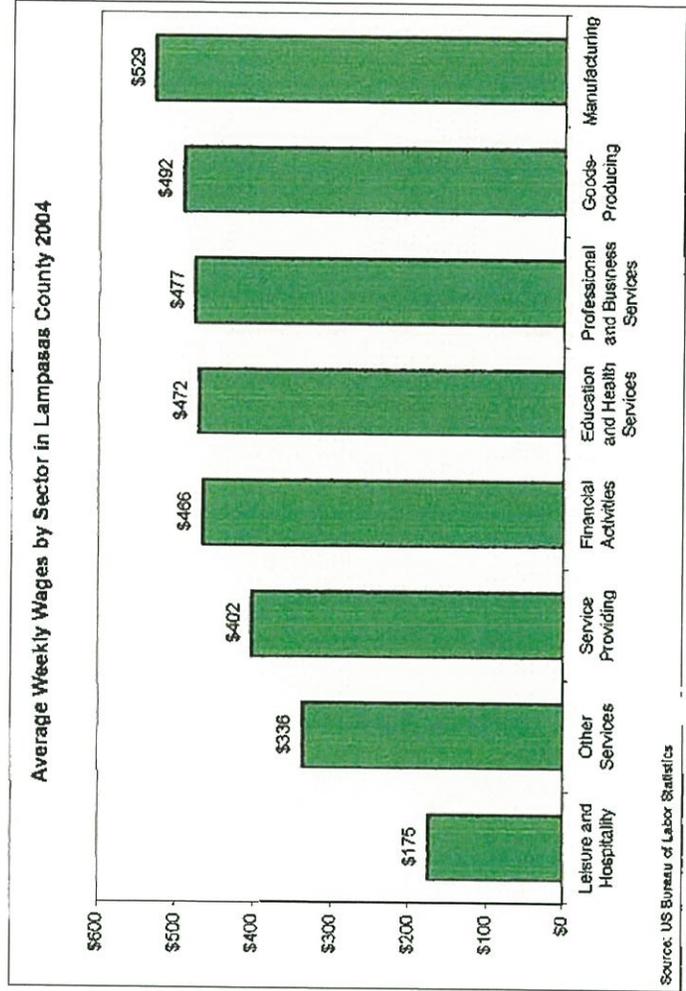
- In fact, Lampasas County trails the weekly wage averages for other small-to-midsized population centers, illustrating the need for proactive economic development efforts.





Wages by Sector for Lampasas County

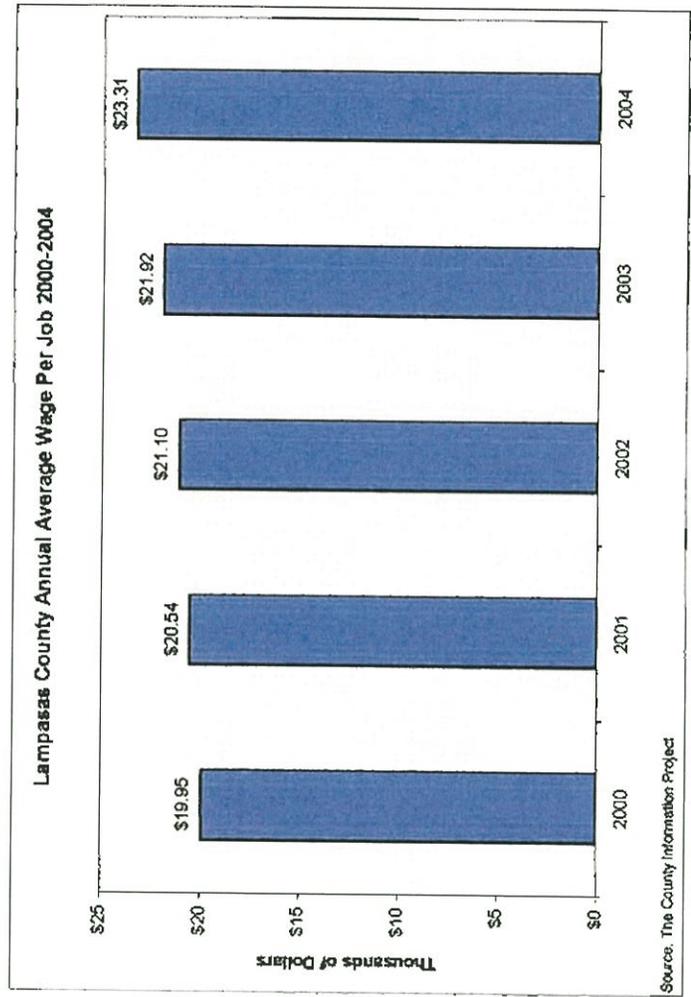
- The highest weekly wage rates for Lampasas County are found in the manufacturing sector.





Average Wage Per Job in Lampasas County

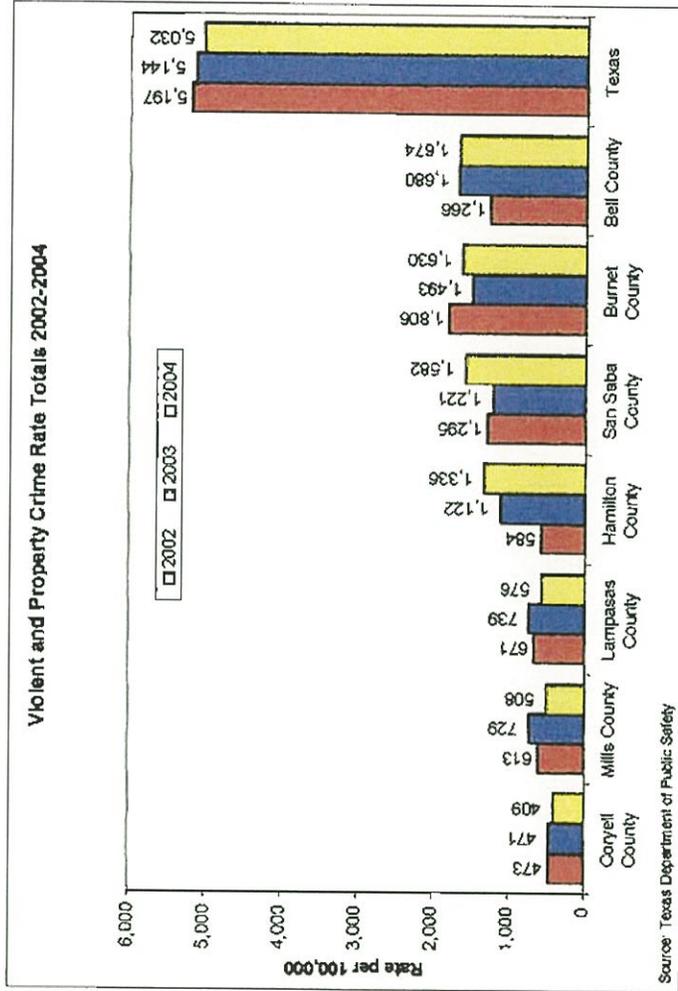
- Viewed on a per-job basis, wages in Lampasas County have risen slightly over the past several years.





Crime Rates

The rate of crime in Lampasas and the surrounding counties is substantially lower per 100,000 population than for the state as a whole. This factor is particularly important in perceptions of communities for desirable corporate locations.





Lampasas Area Quality of Life Summary

- The Lampasas area demonstrates both strengths and weaknesses in quality of life indicators.
- On the positive side are the low crime rates and the higher proportion of persons with at least a high school diploma.
- However, wages in the area are notably lower than in other, comparable population centers.
- A proactive economic development strategy can build on local strengths and help alleviate problems such as low wage rates.



TARGET INDUSTRIES FOR THE LAMPASAS AREA



The Rationale for Target Industries

- As noted, in the current environment, communities must be aggressive and proactive in their recruitment and retention of new economic activity.
- To be successful, communities must invest resources in specific initiatives designed to attract new locations and expansions.
- In order to maximize the effectiveness of the resources allocated to economic development, it is necessary to determine the avenues most likely to yield positive outcomes. Although prospects can come from other sources, a systematic approach is essential for consistent, long-term success.
- Target industry selection is an analytical process. It should focus on identifying the sectors with the best combination of competitive advantage for the community and outlook for future expansion. A comprehensive approach requires detailed assessment of the local economy, as well as an evaluation of the relevant industries.



Lampasas Area Target Industry Selection Process

- Target industries were developed based on a comprehensive analysis of
 - the current industrial base in the Lampasas area,
 - potential supplier network synergies with existing producers,
 - proximity to customers and markets,
 - workforce capabilities of local residents,
 - relative competitive advantages and costs for particular industries,
 - projected growth in key sectors, and
 - other factors which can contribute to success in site selection.

The process involves use of an extensive set of models and systems developed by TPG, all of which are specifically required to reflect the underlying structure of the Lampasas-area economy.

Target Industries for the Lampasas Business Park

- Based on the analytical process previously described, TPG determined that the following sectors would constitute the most viable prospects for the Lampasas Business Park.
 - Contract Manufacturing (primarily of “high-tech” components). The substantial presence of microelectronics and computer production in nearby urban centers creates an opportunity to provide cost-effective locations for the manufacture of input components. Such patterns are frequently observed in communities with similar locational characteristics around the country.
 - Construction Materials. The presence of raw materials in the surrounding area, a very high level of demand in a proximate region, the success of other nearby communities, and favorable transportation cost parameters combine to provide solid prospects for this sector.
 - Logistics and Distribution. The location on US 183 and proximity to several major corridors create promising opportunities for wholesale distribution facilities and related types of activity.
 - Plastics Manufacturing. An existing market presence, a viable workforce, ongoing demand from nearby technology firms, and emerging products stemming from advances in materials science offer opportunities to attract firms from this sector to the Lampasas area.
- The Lampasas area can adequately support numerous other sectors, including those related to professional services, health care, and tourism. Other types of manufacturing are also viable. Nonetheless, the “targets” identified above represent the best overall prospects for locations within the business park. Each of these sectors has competitive advantages in the area, as well as prospects for future expansion of small and medium-sized facilities.



Contract Manufacturing



Contract Manufacturing

- The contract manufacturing cluster identified as a target for industrial recruitment for the Lampasas area involves high-tech operations such as
 - 3325 Hardware Manufacturing,
 - 3326 Spring and Wire Product Manufacturing,
 - 3341 Computer and Peripheral Equipment Manufacturing,
 - 3344 Semiconductor and Other Electronic Component Manufacturing,
 - 3353 Electrical Equipment Manufacturing, and
 - 3359 Other Electrical Equipment and Component Manufacturing.



Outlook for Contract Manufacturing

- According to recent long-term projections by The Perryman Group, the Texas durable manufacturing sector is expected to grow from an estimated \$68.90 billion in output (real gross product in 2000 dollars) and over 561,300 jobs in 2005 to \$201.83 billion in output and more than 732,400 jobs by 2030.
- Technology-oriented segments are anticipated to see particularly strong gains.
- Firms within the industry will continue to outsource pieces of the manufacturing process in efforts to maximize efficiency. Specialized manufacturing enterprises that contract with larger firms for specific projects can play an important role in the ongoing expansion of the Texas manufacturing complex.



Lampasas as a Site for Contract Manufacturing

- Components needed for growth in the advanced technologies and manufacturing cluster include an adequate workforce with sufficient training and a strategic location with regard to potential contracting companies.
- Centers of activity in the advanced technologies and manufacturing cluster include Dallas-Fort Worth, Houston and the surrounding area, Austin, and San Antonio. These metropolitan areas have notable concentrations of high-tech manufacturers and R&D firms in growth industries such as semiconductors, nanotechnology, electronic and medical devices, and defense contractor manufacturing.
- The location of Lampasas in reasonable proximity and easy access to these areas (particularly Austin) contribute to the area's ability to attract contract manufacturing operations.



Construction Materials



Construction Materials

- Construction materials industries include
 - 2361 Residential Building Construction,
 - 2362 Nonresidential Building Construction,
 - 2371 Utility System Construction,
 - 238 Specialty Trade Contractors,
 - 321992 Prefabricated Wood Building Manufacturing,
 - 32412 Asphalt Paving, Roofing and Saturated Materials Manufacturing,
 - 32551 Paint and Coating Manufacturing,
 - 32712 Clay Building Material and Refractories Manufacturing, and
 - 3273 Cement and Concrete Product Manufacturing.

- Texas' construction sector gained 26,800 jobs from April 2005 to April 2006. This annual growth rate of 4.7% ranked second only to natural resources and mining in terms of the pace of expansion.



Outlook for Construction Materials

- The key factor underlying the positive outlook for the construction materials cluster is the ongoing health of the Texas economy. Strong population and economic growth contribute to the initiation of construction projects such as roadways, residences, commercial buildings, schools, hospitals, and myriad others.
- The state budget for public construction projects in Texas for 2006-2007 is 20% larger than it was in the previous year, and private permits continue to show signs of vitality.
- The Perryman Group's projections for the construction sector in Texas indicate notable expansion in the decades to come, with output (real gross product in 2000 dollars) rising from an estimated \$33.13 billion in 2005 to \$59.67 billion in 2030.



Lampasas as a Site for Construction Materials

- The Central Texas area is projected to see healthy growth in the construction sector in the coming decades.
- Lampasas' strategic location yields a competitive advantage in attracting firms supplying the construction sector in Central Texas and beyond.
- Raw materials for some types of construction inputs are available in areas proximate to Lampasas.



Logistics and Distribution



Logistics and Distribution

- The logistics and distribution sector involves transportation, warehousing, and related activity. Industry groups falling within this sector include
 - 48-49 Transportation and Warehousing,
 - 481 Air Transportation,
 - 482 Rail Transportation,
 - 483 Water Transportation,
 - 484 Truck Transportation,
 - 485 Transit and Ground Passenger Transportation,
 - 487 Scenic and Sightseeing Transportation,
 - 488 Support Activities for Transportation,
 - 491 Postal Service,
 - 492 Couriers and Messengers, and
 - 493 Warehousing and Storage.



Logistics and Distribution (cont.)

- The transportation, warehousing, and utilities segment accounts for some 4.2% of total Texas employment. The sector has recently seen relatively rapid expansion in employment in the state, ranking seventh among all industries in terms of growth from April 2005 to April 2006 (1.9%).
- Several Texas metro areas are among the most logistics-friendly in the US. *Logistics Today* magazine ranked Houston, Dallas-Fort Worth, and San Antonio as #2, #21, and #33, respectively, among the most logistic-friendly cities in the US in 2005. Other Texas areas were also noted in the rankings. This statewide strength in logistics and distribution enhances the potential for growth in the cluster in all geographic areas, including Lampasas.



Outlook for Logistics and Distribution

- Companies thinking about moving to Texas rank transportation second only to schools in choosing locations.
- Truck transportation is classified by the Texas Workforce Commission as among the industries with potential comparative advantage in the Central Texas workforce development area (Bell, Coryell, Hamilton, Lampasas, Milam, Mills, and San Saba counties), and employment in the industry has grown 75% from 1990 to 2005.
- Truck transportation employment is expected to grow 33% from 2002 to 2012 in the Central Texas area, significantly faster than the national average of 19%.
- Transportation and material moving occupations in the Central Texas area are projected to grow 12.8% between 2002 and 2012.
- About 70% of Texas goods are shipped exclusively by road. As the state economy continues to be a growth leader, the need for logistics and distribution operations will expand.



Lampasas as a Site for Logistics and Distribution

- Successful recruitment of firms in this industry typically requires low land and/or real estate costs, proximity to major markets or sufficient inbound and outbound transportation, and adequate infrastructure (particularly highways and roadways).
- The City of Lampasas is located in the heart of Central Texas, with three major US highways (183, 190, and 281) connecting to several large metro areas including the Dallas-Fort Worth Metroplex, San Antonio, Austin, Killeen, Temple, and Waco.
- Several regional airports serve the area including the Lampasas Municipal Airport, Killeen-Fort Hood Regional Airport (36 miles), Draughon-Miller Central Texas Regional Airport (55 miles), and Burnet Municipal Kate Craddock Field Airport (24 miles). Delta Airlines has announced that it will be making two daily flights between the world's largest airline hub at Hartsfield-Jackson Atlanta International Airport and the Killeen-Fort Hood Regional Airport beginning this fall. Growth of this kind will boost the logistics sector throughout the region.
- Lampasas can offer the advantages of a lower-cost, smaller-city operation together with proximity to large population and manufacturing centers.



Plastics Manufacturing



Plastics Manufacturing

- This industry cluster involves fabricating various products from plastics, and includes these industries:
 - 32521 Resin and Synthetic Rubber Manufacturing,
 - 325211 Plastics Material and Resin Manufacturing,
 - 325212 Synthetic Rubber Manufacturing,
 - 32522 Artificial and Synthetic Fibers and Filaments Manufacturing, and
 - 326 Plastics and Rubber Products Manufacturing.



Plastics Manufacturing (cont.)

- There are currently about 106 plastics and resin firms (124 establishments) in Texas, with employment of 9,787.
- The value of shipments of the plastics and resin industry in Texas is \$20.0 billion, and the total capital investments is \$591.3 million. Texas ranks #1 in the plastics and resin industry in terms of production workers, value added, value of shipments, and capital investments.
- The state's plastics and rubber industry includes some 823 firms, 918 establishments, and a workforce of 46,282 employees as of 2005. Texas ranks 6th in production workers, 5th in value added (\$100,608 per employee), and 4th in value of shipments (\$10.9 billion) and capital investments (\$368.9 million) for the plastics and rubber industry.
- One of the major employers in Texas, Pactiv Corporation (which produces plastic bags and foam products), is located in Temple.
- Plastics manufacturing is a large and growing industry in Texas, with a notable presence in the Central Texas area.



Outlook for Plastics Manufacturing

- Plastics and rubber products manufacturing employment is expected to grow 58% from 2002 to 2012 in the Central Texas area, significantly higher than the national pace of expansion of 35%.
- Output for the plastics products industry is expected to increase in the US by 51.5% between 2000 and 2010.
- Plastics companies in Texas are benefiting from the presence of large manufacturing operations such as the \$800 million Toyota plant scheduled to open in San Antonio this year. Toyota Gosei North America, which produces a variety of plastic automotive components, is expected to hire 145 workers this year in its new plant in San Antonio. In addition, Avanzar Interior Technologies Ltd will produce seating and interior parts and plans to hire more than 500 workers. Such large operations lead to opportunities for smaller firms to find niches where they can prosper.
- In addition, growing demand for consumer products and convenience products such as processed food and beverages is increasing the need for plastic packaging.
- Growth in total world consumption of plastics materials is expected to double from 2003 to 2015. US demand for plastics products is also likely to expand substantially, with sales of film projected to rise 5% in 2006, sheet by 8%, and bottles by 5%.



Lampasas as a Site for Plastics Manufacturing

- The large and growing plastics manufacturing industry cluster makes it a good candidate for recruitment.
- Key requirements for the industry include a suitable workforce and proximity to markets, suppliers, and vendors.
- Lampasas is well positioned for successful recruitment within this industrial cluster.



METHODS AND SYSTEMS USED TO EVALUATE THE POTENTIAL IMPACT OF THE LAMPASAS BUSINESS PARK



Basic Methodology

- To evaluate the potential impact of the proposed Lampasas Business Park, TPG initially reviewed site plans and consulted with project designers to determine the number of net acres available in each phase of the development. Coverage ratios were then applied to estimate the number of square feet of space available for production and distribution facilities.
- TPG then selected a representative composition of facilities from the selected industrial targets, with the relative weights based on the growth prospects and locational characteristics of the area. The Texas Econometric Model, a national economic model, and extensive industry research were used in this process.
- Using the information above, TPG conducted simulations of the appropriate Lampasas County submodel of the Texas Multi-Regional Industry-Occupation System to determine the likely workforce mix associated with representative plants in each targeted sector.



Basic Methodology (cont.)

- Given the occupational patterns, it is possible to use the Lampasas County submodel of the Texas Multi-Regional Real Estate Absorption System to estimate square footage requirements and, thus, the number of direct jobs in each sector accommodated by the Lampasas Business Park.
- Once the direct jobs were determined, the overall effects on the area were estimated for each phase using the Lampasas County submodel of the Texas Multi-Regional Impact Assessment System. A more detailed methodology is provided in Appendix D of this report.
- Finally, the results were tested for reasonableness using the projected local and regional growth patterns within the Texas Econometric Model.
- Each of the systems used in this process is briefly described in the following pages. More detailed descriptions of all methods used in this study may be found in the Appendices of this report.



Texas Econometric Model

- In order to evaluate overall baseline growth (without the business park) in the local economy and to provide context for the proposed development, TPG prepared long-term forecasts of local business activity using the Lampasas County Econometric Model. The overall system and an associated national model were also used to evaluate future prospects in the various sectors, with regional submodels being employed to examine the reasonableness of the results.
- This Lampasas County system, which was developed and has been maintained by TPG for the past 25 years, is a submodel of the Texas Econometric Model designed to project detailed industrial patterns in the area. It also allows simulations of performance under alternative economic conditions.
- The model revolves around the simultaneous determination of income, output, and employment by production category, but also projects a variety of additional information (retail sales, population, and other variables). It is designed to allow a wide variety of factors to interact in preparing projections and simulations.
- As noted, a more detailed statement regarding this model is provided in Appendix A.



Texas Multi-Regional Industry-Occupation System

- The Texas Multi-Regional Industry-Occupation System translates employment data by industry into employment by occupation for more than 700 detailed sectors. The Lampasas County submodel reflects the specific characteristics of the local area.
- This system was developed and is maintained by TPG and has been used in hundreds of applications over the past two decades. It is widely used in economic development initiatives.
- In the present instance, this system is used both to assess target industry workforce requirements relative to local capacity and to aid in determining the ability of the business park to support local activity.
- Further detail regarding this system is provided in Appendix B.



Texas Multi-Regional Real Estate Absorption System

- The Perryman Group's Real Estate Absorption System was used to estimate the likely development pattern of the proposed business park. This system, created and maintained by TPG, has been used in real estate valuations, development plans, and many other contexts.
- The Real Estate Absorption System essentially translates growth in economic and demographic variables into increased demand for commercial and industrial buildings, as well as housing.
- Using TPG's projections related to business activity, population, and other relevant variables, estimates of the need for various types of real estate assets can be obtained through the Real Estate Absorption System. Typical development ratios (such as square footage needs per employee and the proportion of raw land ultimately developed into building square footage) are utilized within the system to determine the levels of employment in various sectors that can be accommodated by the various phases of the proposed business park.
- Additional information about this system is provided in Appendix C.



Texas Multi-Regional Impact Assessment System

- Once the square footage needs and, thus, direct jobs to be expected were calculated, TPG analyzed the impact of operational spending by a reasonable allocation of the types of companies that would locate in the development. In this way, the likely effects of these companies on local business activity were measured.
- The basic modeling technique employed in assessing the economic impact of the business park development is known as dynamic input-output analysis. This methodology essentially uses extensive survey data, industry information, and a variety of corroborative source materials to create a matrix describing the various goods and services (known as resources or inputs) required to produce one unit (a dollar's worth) of output for a given sector. Once the base information is compiled, it can be mathematically simulated to generate evaluations of the magnitude of successive rounds of activity involved in the overall production process.
- The present study was conducted within the context of the Texas Multi-Regional Impact Assessment System (TXMR/IAS) which was developed and is maintained by The Perryman Group. This model has been used in hundreds of diverse applications across the country and has an excellent reputation for accuracy and credibility. In addition, the model has been in operation and continually updated for over two decades. The systems used in the current simulations reflect the unique industrial structure of Lampasas County. A detailed methodology is provided in Appendix D.



**IMPACT OF THE
PROPOSED BUSINESS PARK ON
BUSINESS ACTIVITY IN
LAMPASAS COUNTY**



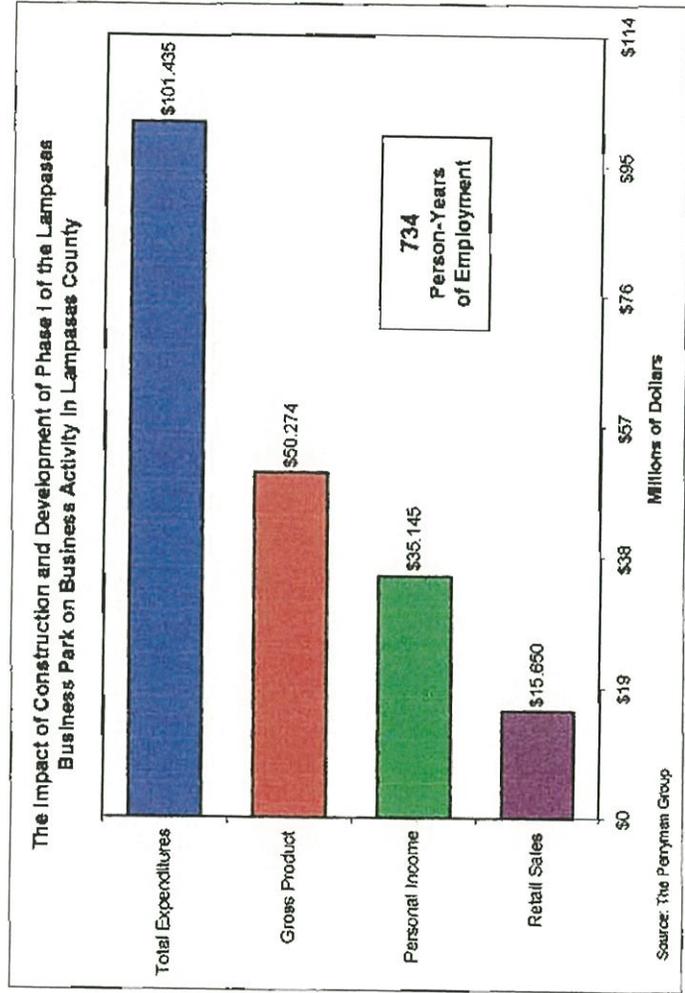
Impact of the Proposed Business Park

- The Impact of the proposed business parks stems from
 - construction and development and
 - ongoing operations of firms locating in the business park.

- The Perryman Group measured the impact of the park through the three phases currently under consideration, as well as a total for all phases.

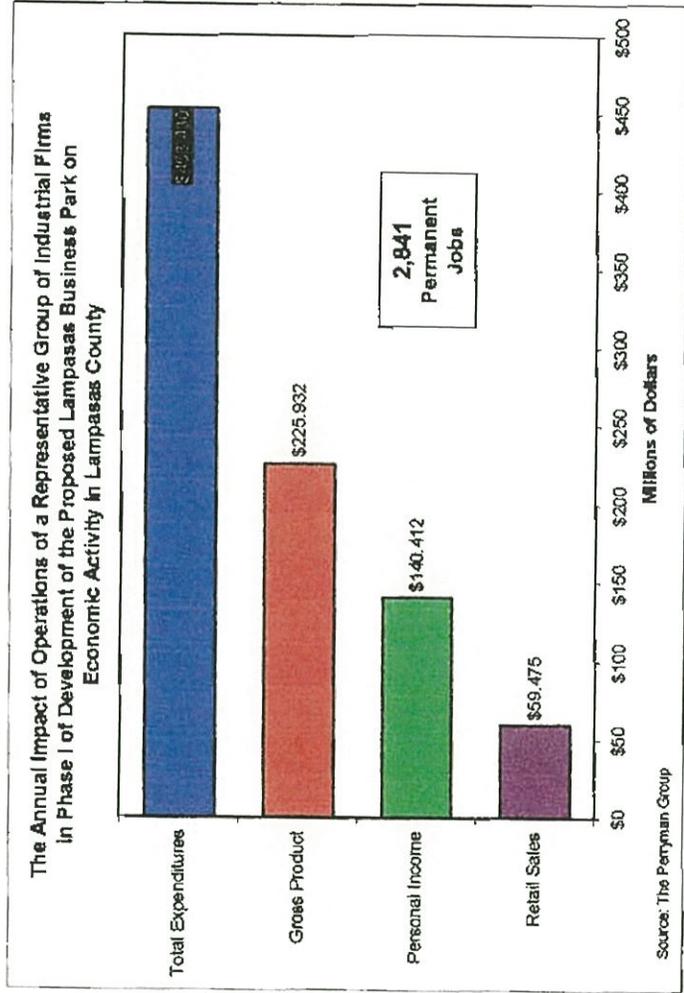
Phase I Construction and Development

- Construction and development of Phase I of the Lampasas Business Park would generate an estimated \$101.4 million in spending in the local economy.
- Detailed sectoral results are found in Table 1 of Appendix E.



Phase I Ongoing Impact

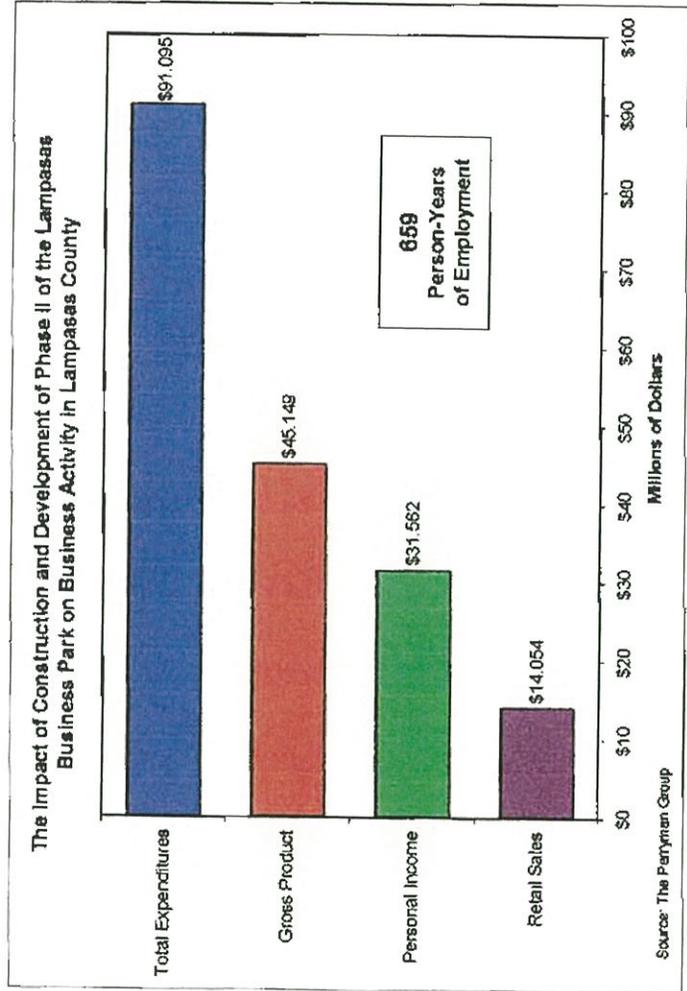
- Once Phase I of the Lampasas Business Park is completed and occupied, incremental business activity stemming from development at the park leads to significant annual gains as described in the graph below.
- Detailed sectoral results are found in Table 5 of Appendix E.





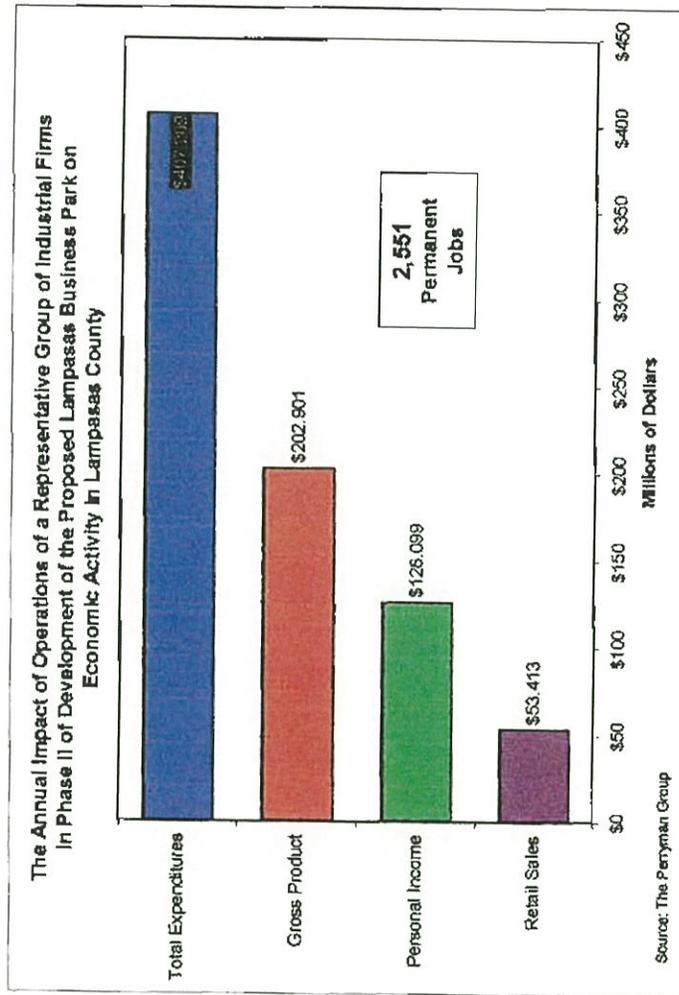
Phase II Construction and Development Impact

- Construction and development of Phase II of the Lampasas Business Park would likely yield an additional \$91.1 million in spending in the local area.
- Detailed sectoral results are found in Table 2 of Appendix E.



Phase II Ongoing Impact

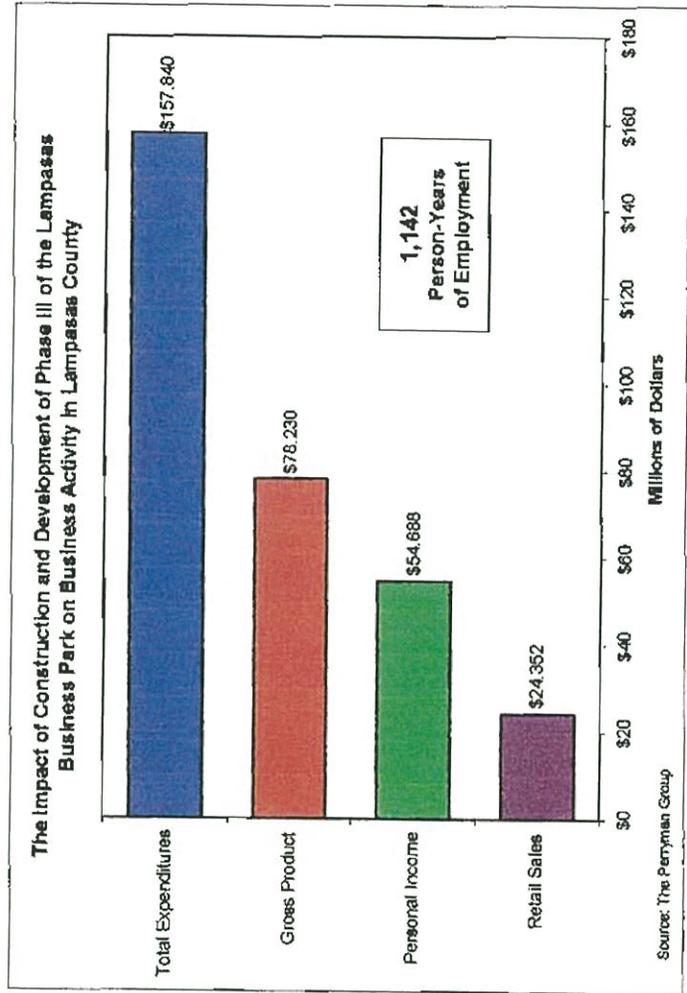
- Phase II could reasonably be expected to contribute to the addition of another 2,551 Permanent Jobs once it is fully developed and occupied.
- Detailed sectoral results are found in Table 6 of Appendix E.





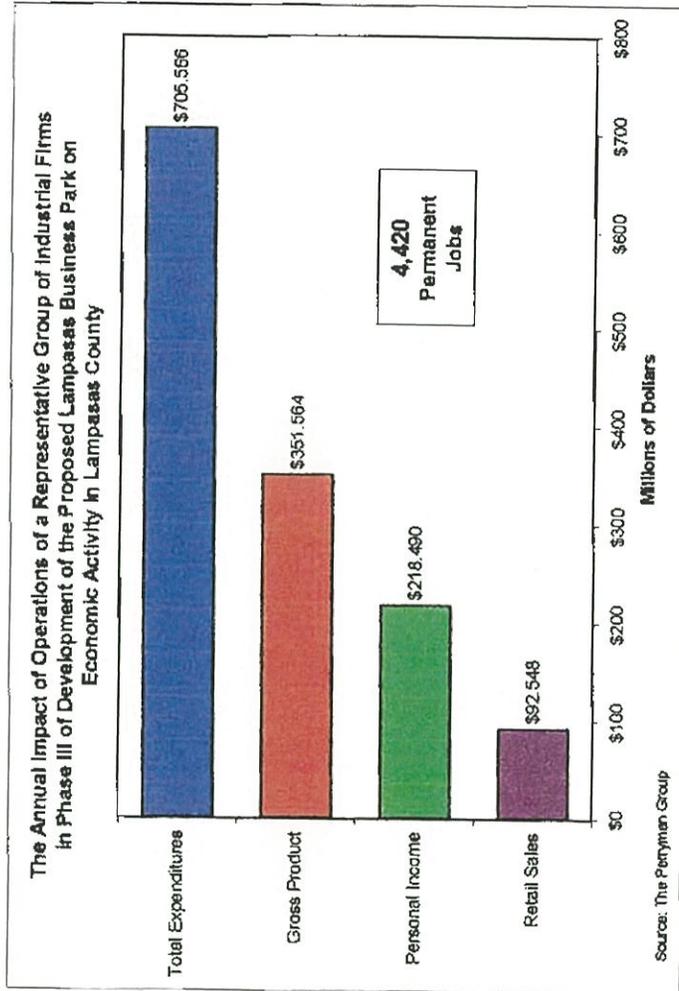
Phase III Construction and Development Impact

- Construction and development of Phase III would generate additional activity of an estimated \$157.8 million in spending in the local area.
- Detailed sectoral results are found in Table 3 of Appendix E.



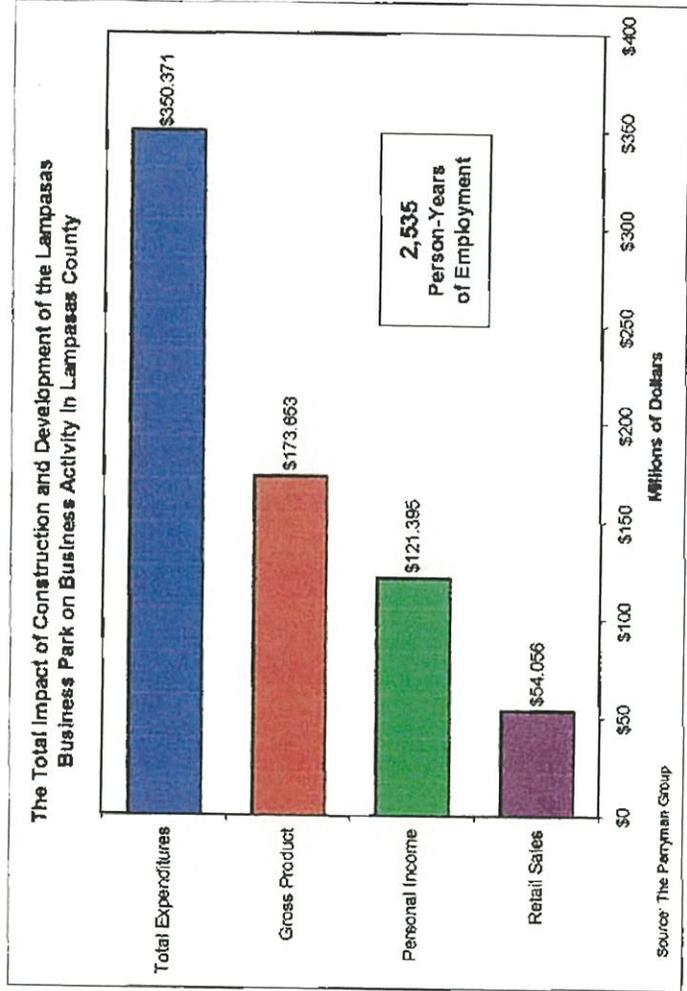
Phase III Ongoing Impact

- Full development and occupation in Phase III of the business park leads to the creation of another 4,420 Permanent Jobs in Lampasas County.
- Detailed sectoral results are found in Table 7 of Appendix E.



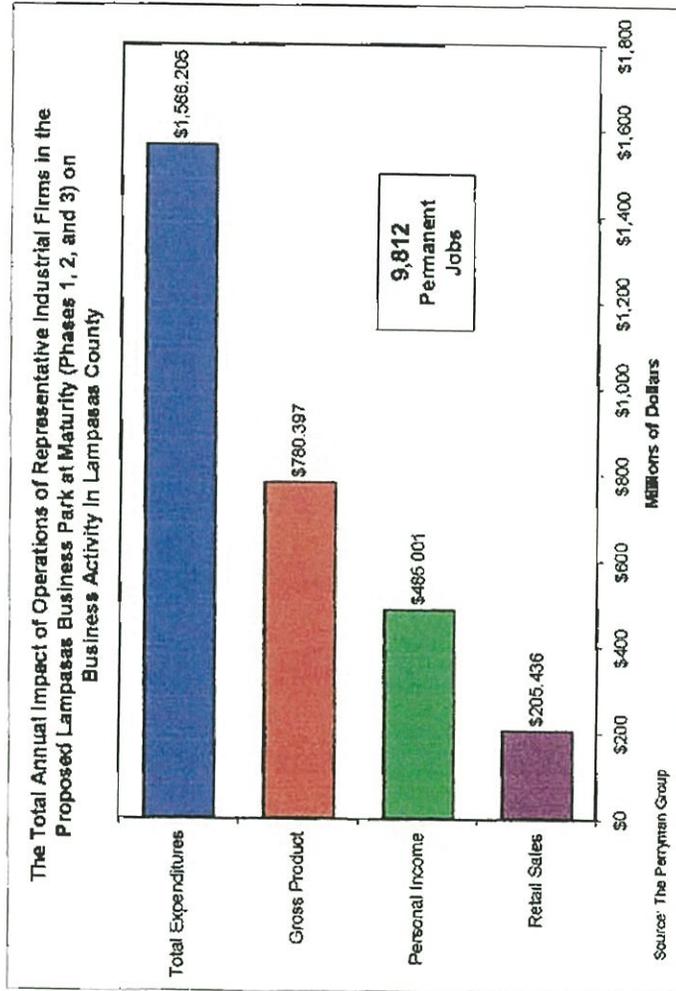
Total Impact of Construction and Development

- The build-out of the entire Lampasas Business Park project would lead to gains in business activity in the local area of some \$350.4 million. These effects would occur over an extended period of time.
- Detailed sectoral results are found in Table 4 of Appendix E.



Total Ongoing Impact

- The operations of companies locating in the proposed Lampasas business complex stand to significantly alter the baseline growth path of the local area, adding some 9,812 Permanent Jobs and more than \$1.5 billion in Total Expenditures once all phases are fully occupied. It should be noted that this level of activity, which would essentially double the size of the economy, would occur over an extended period of time. While the degree of expansion is well above baseline levels, it is quite consistent with the patterns observed in other communities which have adequate business facilities and aggressive development programs and are located near high-growth urban centers.
- Detailed sectoral results are found in Table 8 of Appendix E.





THE LAMPASAS ECONOMY
WITH
AND WITHOUT THE
PROPOSED BUSINESS PARK

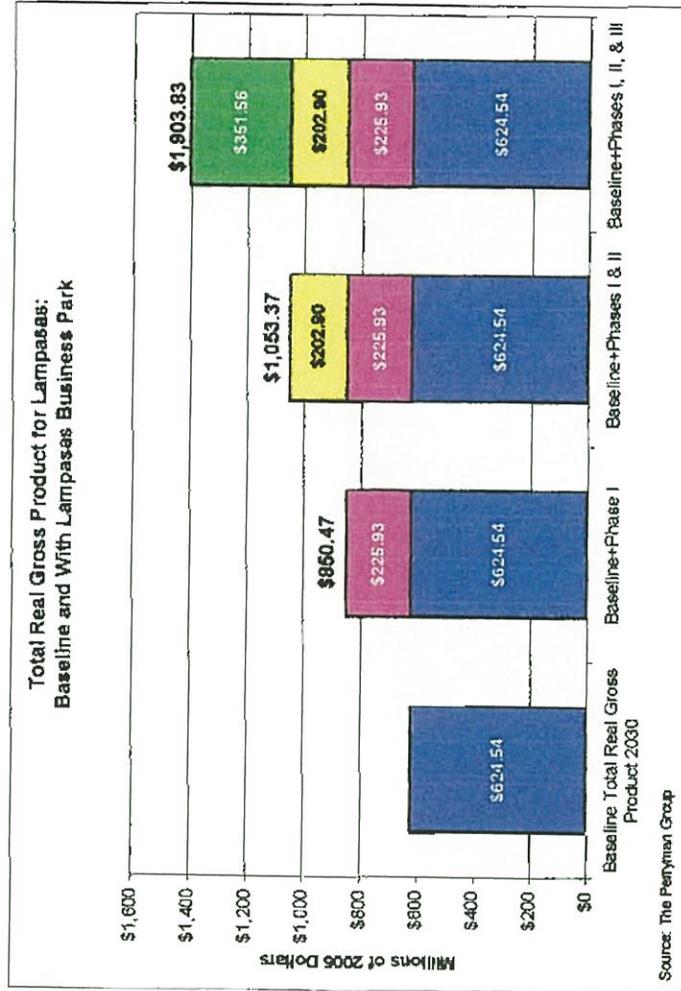


The Lampasas Economy With and Without the Proposed Business Park

- As noted, The Perryman Group is predicting modest expansion of the Lampasas-area economy under baseline conditions. This forecast assumes adequate infrastructure, but not the development of the proposed business park.
- Examination of the likely path of the Lampasas economy both with and without the Lampasas Business Park reveals that the proposed park would significantly enhance the long-term economic performance of the area.

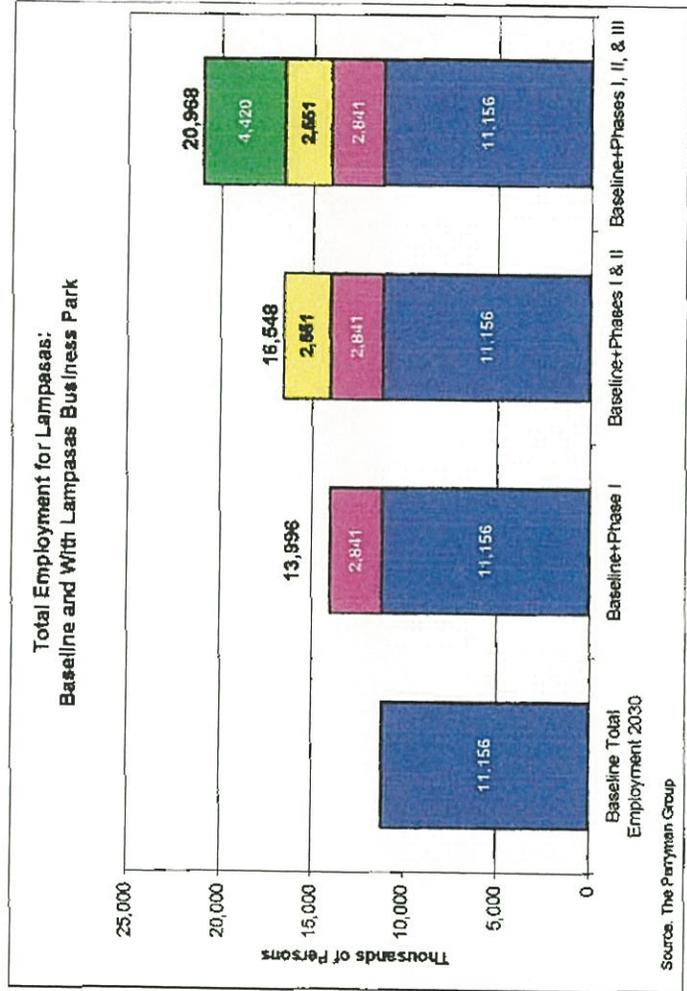
Output in Lampasas: Baseline and With the Park

- Adding each phase to the baseline forecast for output (real gross product) in Lampasas illustrates the importance of each to prosperity.



Total Employment in Lampasas: Baseline and With the Park

- Growth in total employment (which includes proprietors as well as wage and salary workers) also is notably enhanced by the presence of the Lampasas Business Park.





BENEFIT-COST ANALYSIS



Benefit-Cost Analysis

- The total cost of the business park development is estimated to include
 - \$998,709 for Phase I,
 - \$860,669 for Phase II, and
 - \$866,517 for Phase III.

- Clearly, it is desirable to analyze these outlays of taxpayer dollars in the context of the benefits they will involve.

- The Perryman Group performed a benefit-cost analysis by reviewing the economic benefits relative to these projected investments. A variety of measures were utilized, including expenditures, output, income, employment, and local taxes. In the interest of conservatism, TPG conducted this analysis assuming only 80% of the potential build-out in each phase.

Benefit-Cost Analysis

- As illustrated in the table below, the potential benefits of the proposed industrial park are quite impressive. Every dollar invested in developing the facility yields hundreds of dollars in local economic activity each year once the various phases are operational.
- For the project as a whole, a new job is created for every \$350 in outlays.
- The annual rate of return to taxpayers in the area over the entire project is about 300%.

Projected Benefit-Cost Analysis of the Proposed Lampasas Industrial Park*				
	Phase I	Phase II	Phase III	Composite
Annual Expenditures per Dollar of Public Investment	\$363.21	\$378.50	\$651.40	\$459.65
Annual Gross Product per Dollar of Public Investment	\$180.98	\$188.60	\$324.58	\$229.03
Annual Personal Income per Dollar of Public Investment	\$112.47	\$117.21	\$201.72	\$142.34
Public Investment per Permanent Job	\$439.47	\$421.71	\$245.04	\$347.26
Annual Rate of Return to Local Governments**	237.27%	247.26%	425.53%	300.27%

* All Calculations Assume 80% of Full Absorption at maturity of each segment.

** Calculations Assume Modest Property Tax Abatement Incentives.



CONCLUSION



Conclusion

- A key aspect of healthy economic development is the right combination of business conditions, incentives, and other amenities. Competition is fierce, and being proactive is essential to success.
- The lack of business park space has been identified as a hindrance to desirable corporate locations and expansions. While such a facility does not guarantee success, the absence of suitable sites virtually eliminates an area from consideration.
- The development of the proposed Lampasas Business Park has the potential to contribute to the addition of more than \$1.5 billion in annual economic activity (expenditures) and more than 9,800 jobs in the local area over an extended time horizon. It would also help defray costs of public services and other infrastructure required by the growing population in the area.
- This initiative is clearly worthy of substantial support.





APPENDICES



APPENDIX A:
Texas Econometric Model Methodology



Texas Econometric Model Methodology

■ **Model Logic and Structure**

■ The economic modeling system used to generate the forecasts for future business activity in Texas is formulated in an internally consistent manner and is designed to permit the integration of relevant global, national, state, and local factors into the projection process. It is the result of more than 20 years of continuing research in econometrics, economic theory, statistical methods, and key policy issues and behavioral patterns, as well as intensive, ongoing study of all aspects of the global, US, Texas, and regional economies. The system has been continually expanded and updated over the past two decades and is widely used by thousands of corporations, utilities, governmental entities, and financial institutions.

■ The Texas Econometric Model revolves around a core system which projects output (real and nominal), income (real and nominal), and employment by industry in a simultaneous manner. For purposes of illustration, it is useful to initially consider the employment functions. Essentially, employment within the system is a derived demand relationship obtained from a neo-Classical production function. In other words, the need for workers in any given sector reflects the demand for the product or service they generate. The expressions are augmented to include dynamic temporal adjustments to changes in relative future input costs, output and (implicitly) productivity, and technological progress over time. The typical equation includes output, the relative real cost of labor and capital, dynamic lag structures, and a technological adjustment parameter. The functional form is generally logarithmic, thus preserving the theoretical consistency with the neo-Classical formulation.



Texas Econometric Model Methodology (cont.)

- The income segment of the model is divided into wage and non-wage components. The wage equations, like their employment counterparts, are individually estimated at the three-digit North American Industry Classification System (NAICS) level of aggregation. Hence, income by place of work is measured for approximately 90 distinct production categories. The wage equations measure real compensation, with the form of the variable structure differing between “basic” and “non-basic.”
- The basic industries, comprised primarily of the various components of Mining, Agriculture, and Manufacturing, are export-oriented, i.e., they bring external dollars into the area and form the core of the economy. The production of these sectors typically flows into national and international markets; therefore, the labor markets are influenced by conditions in areas beyond the borders of the particular region. Thus, real (inflation-adjusted) wages in the basic industry are expressed as a function of the corresponding national rates, as well as measures of local labor market conditions (such as the reciprocal of the unemployment rate), dynamic adjustment parameters, and ongoing trends.
- The non-basic sectors are somewhat different in nature, as the strength of their labor markets is linked to the health of the local export sectors. Consequently, wages in these industries are related to those in the basic segment of the economy. The relationship also includes the local labor market measures contained in the basic wage equations.

Texas Econometric Model Methodology (cont.)

- Note that compensation rates in the export or basic sectors provide a key element of the interaction of the regional economies with national and international market phenomena, while the non-basic or local industries are strongly impacted by area production levels. Given the wage and employment equations, multiplicative identities in each industry provide expressions for total compensation; these totals may then be combined to determine aggregate wage and salary income. Simple linkage equations are then estimated for the calculation of personal income by place of work.
- The non-labor aspects of personal income are modeled at the regional level using straightforward empirical expressions relating to national performance, dynamic responses, and evolving temporal patterns. In some instances (such as dividends, rents, and others), national variables (for example, interest rates) directly enter the forecasting system. These factors have numerous other implicit linkages into the system resulting from their simultaneous interaction with other phenomena in national and international markets which are explicitly included in various expressions.
- The output or gross area product expressions are also developed at the three-digit North American Industrial Classification System (NAICS) level. Regional output for basic industries is linked to national performance in the relevant industries, local and national production in key related sectors, relative area and national labor costs in the industry, dynamic adjustment parameters, and ongoing changes in industrial interrelationships (driven by technological changes in production processes).

Texas Econometric Model Methodology (cont.)

- Output in the non-basic sectors is modeled as a function of basic production levels, output in related local support industries (if applicable), dynamic temporal adjustments, and ongoing patterns. The inter-industry linkages are obtained from the input-output (impact assessment) system which is part of the overall integrated modeling structure maintained by The Perryman Group. Note that the dominant component of the econometric system involves the simultaneous estimation and projection of output, income, and employment at a disaggregated industrial level.
- Several other components of the model are critical to the multi-regional forecasting process. The demographic module includes (1) a linkage equation between wage and salary (establishment) employment and household employment, (2) a labor force participation rate function, and (3) a complete age-cohort-survival population system with endogenous migration. Given household employment, labor force participation (which is a function of economic conditions and evolving patterns of worker preferences), and the working age population (from the age-cohort-survival model), the unemployment rate and level become identities.
- The population system uses Census information, fertility rates, and life expectancy tables to determine the "natural" changes in population by age group. Migration, the most difficult segment of population dynamics to track, is estimated in relation to relative regional and extra-regional economic conditions over time. Because evolving economic conditions determine migration in the system, population changes are allowed to interact simultaneously with overall economic conditions.

Texas Econometric Model Methodology (cont.)

- Retail sales is related to income, interest rates, dynamic adjustments, and patterns in consumer behavior on a store group basis. Inflation at the state level relates to national patterns, indicators of relative economic conditions, and ongoing trends.
- A final significant segment of the forecasting system relates to real estate absorption and activity. The short-term demand for various types of property is determined by underlying economic and demographic factors, with short-term adjustments to reflect the current status of the pertinent building cycle. In some instances, this portion of the forecast requires integration with the Multi-Regional Industry-Occupation System which is maintained by The Perryman Group.
- The Texas Econometric Model contains numerous additional specifications, and individual expressions are modified to reflect alternative lag structures, empirical properties of the estimates, simulation requirements, and similar phenomena. Moreover, the system is continually updated to reflect new data and evolving empirical relationships. Nonetheless, the above synopsis offers a basic description of the overall structure and underlying logic of the system.
- **Model Simulation and Multi-Regional Structure**
 - The initial phase of the simulation process is the execution of a standard non-linear algorithm for the state system and that of each of the individual subareas (regions, metropolitan statistical areas, and counties). The external assumptions are derived from scenarios developed through national and international models and extensive analysis by The Perryman Group. In this instance, the national models, which reflect similar underlying logic but are not as complete, were used to drive some of the projections. These results were compared with those of other major models for overall reasonableness.



Texas Econometric Model Methodology (cont.)

- Once the initial simulations are completed, they are merged into a single system with additive constraints and interregional flows. Using information on minimum regional requirements, import needs, export potential, and locations, it becomes possible to balance the various forecasts into a mathematically consistent set of results. This process is, in effect, a disciplining exercise with regard to the individual regional (including metropolitan and rural) systems. By compelling equilibrium across all regions and sectors, the algorithm ensures that the patterns in state activity are reasonable in light of smaller area dynamics and, conversely, that the regional outlooks are within plausible performance levels for the state as a whole.
- The iterative simulation process has the additional property of imposing a global convergence criterion across the entire multi-regional system, with balance being achieved simultaneously on both a sectoral and a geographic basis. This approach is particularly critical in non-linear dynamic systems, as independent simulations of individual systems often yield unstable, non-convergent outcomes.
- It should be noted that the underlying data for the modeling and simulation process are frequently updated and revised by the various public and private entities compiling them. Whenever those modifications to the database occur, they bring corresponding changes to the structural parameter estimates of the various systems and the solutions to the simulation and forecasting system. The multi-regional version of the Texas Econometric Model is automatically re-estimated and simulated with each such data release, thus providing a constantly evolving and current assessment of state and local business activity.



Texas Econometric Model Methodology (cont.)

■ The Final Forecast

- The process described above is followed to produce the preliminary forecast. Through the comprehensive multi-regional modeling and simulation process, a systematic analysis is generated which accounts for both historical patterns in economic performance and inter-relationships and best available information on the future course of pertinent external factors. While the best available techniques and data are employed in this effort, they are not capable of directly capturing "street sense," i.e., the contemporaneous and often non-quantifiable information that can materially affect economic outcomes. In order to provide a comprehensive approach to the prediction of business conditions, it is necessary to compile and assimilate extensive material regarding current patterns both across the state of Texas and elsewhere.
- This critical aspect of the forecasting methodology includes activities such as (1) daily review of hundreds of financial and business publications and electronic information sites; (2) review of all major newspapers in the state on a daily basis; (3) dozens of hours of direct telephone interviews with key business and political leaders in all parts of the state; (4) face-to-face discussions with representatives of major industry groups; and (5) frequent site visits to the various regions of the state. The insights arising from this "fact finding" are analyzed and evaluated for their effects on the likely course of future activity.



Texas Econometric Model Methodology (cont.)

- Another vital information resource stems from the firm's ongoing interaction with key participants in the international, domestic, and state economic scenes. Such activities include visiting with corporate groups on a regular basis and being consistently involved in the policy process at all levels. The firm is also an active participant in many major corporate relocations, economic development initiatives, and regulatory proceedings.
- Once organized, this information is carefully assessed and, when appropriate, independently verified. The impact on specific communities and sectors that is distinct from what is captured by the econometric system is then factored into the forecast analysis. For example, the opening or closing of a large facility, particularly in a relatively small area, can cause a sudden change in business performance that will not be accounted for by either a modeling system based on historical relationships or expected (primarily national and international) factors.
- The final step in the forecasting process is the integration of this material into the results in a logical and mathematically consistent manner. In some instances, this task is accomplished through "constant adjustment factors" which augment relevant equations. In other cases, anticipated changes in industrial structure or regulatory parameters are initially simulated within the context of the Texas Multi-Regional Impact Assessment System to estimate their ultimate effects by sector. Those findings are then factored into the simulation as constant adjustments on a distributed temporal basis (see Appendix D for more detail). Once this scenario is formulated, the extended system is again balanced across regions and sectors through an iterative simulation algorithm analogous to that described above.



APPENDIX B:
Texas Multi-Regional Industry-Occupation
System Methodology



Texas Multi-Regional Industry Occupation System

- The Texas Multi-Regional Industry-Occupation System translates standard data on employment by industry into estimates of occupational categories at a highly detailed level.
- The modeling process begins with the industry-occupation coefficients compiled by the US Department of Labor based on extensive surveys of operating patterns in thousands of firms and other secondary sources. As an example, a typical tire plant of a given size requires machinists, mechanics, plant managers, administrative staff, custodial staff, shipping personnel, and numerous other types of workers. By compiling this information across the entire economy, a matrix is created which allows the data on employment by industry (which is regularly compiled) to be translated into employment by occupation.
- The Perryman Group takes this basic structure and links it specifically to the economy of Texas and its various metropolitan areas, regions, and counties. The Texas system accounts for productivity and production patterns in each area. It is also regularly updated to reflect evolving patterns. The system can be fully integrated with historical employment data and the projections obtained from the Texas Econometric Model. It can also be linked to results from the Texas Multi-Regional Impact Assessment System. Thus, the industry-occupation system is a flexible mechanism to allow extensive evaluations of workforce characteristics and patterns.
- The system is highly detailed, providing results for approximately 700 occupational categories.



APPENDIX C:
Texas Multi-Regional Real Estate Absorption
System Methodology

Texas Multi-Regional Real Estate Absorption System

- The Texas Multi-Regional Real Estate Absorption System is a model developed by The Perryman Group which allows such applications as (1) historical characterization of real estate absorption by category (office, industrial, retail, distribution, housing, etc.); (2) projections of future absorption; and (3) measurement of the impact of specific economic activity (such as the development of an industrial park in Lampasas) on absorption.
- The system is based on the simple notion that the economic activity ultimately determines the need for space. Industrial space is needed when production increases; retail space is needed when purchasing expands; office space demands depend on the number of office workers, and housing is required when population expands. Although real estate is subject to cycles, long-term patterns are highly correlated with business activity.
- The first step in the process is to obtain the requisite information on employment by industry. This information may be derived from historical data, forecasts, or an impact assessment. This information is then simulated for the relevant area to obtain employment by occupation using the relevant submodel of the Texas Multi-Regional Industry-Occupation System. The results are then linked to estimates of the square footage requirements for various types of occupations and activities obtained from the National Association of Industry and Office Parks and other primary sources. These estimates are frequently updated to reflect changing patterns in space utilization.
- With regard to housing, the system links employment growth to new housing requirements based on local patterns, as well as allocations to single and multi-family categories.



APPENDIX D:
Texas Multi-Regional Impact Assessment
System Methodology



Impact System Methodology

- The basic modeling technique employed in this study is known as dynamic input-output analysis. This methodology essentially uses extensive survey data, industry information, and a variety of corroborative source materials to create a matrix describing the various goods and services (known as resources or inputs) required to produce one unit (a dollar's worth) of output for a given sector. Once the base information is compiled, it can be mathematically simulated to generate evaluations of the magnitude of successive rounds of activity involved in the overall production process.
- There are two essential steps in conducting an input-output analysis once the system is operational. The first major endeavor is to accurately define the levels of direct activity to be evaluated. The second step is the simulation of the input-output system to measure overall economic effects. In the case of a prospective evaluation, it is necessary to first calculate reasonable estimates of the direct activity. Once the direct input values were determined, the present study was conducted within the context of the US Multi-Regional Impact Assessment System (USMRIAS) which was developed and is maintained by The Perryman Group. This model has been used in hundreds of diverse applications across the country and has an excellent reputation for accuracy and credibility. In addition, the model has been in operation and continually updated for over two decades. The systems used in the current simulations reflect the unique industrial structures of the Texas and Lampasas County economies.

Impact System Methodology (cont.)

- The USMRIAS is somewhat similar in format to the Input-Output Model of the United States and the Regional Input-Output Modeling System, both of which are maintained by the US Department of Commerce. The model developed by TPG, however, incorporates several important enhancements and refinements. Specifically, the expanded system includes (1) comprehensive 500-sector coverage for any county, multi-county, or urban region; (2) calculation of both total expenditures and value-added by industry and region; (3) direct estimation of expenditures for multiple basic input choices (expenditures, output, income, or employment); (4) extensive parameter localization; (5) price adjustments for real and nominal assessments by sectors and areas; (6) measurement of the induced impacts associated with payrolls and consumer spending; (7) embedded modules to estimate multi-sectoral direct spending effects; (8) estimation of retail spending activity by consumers; and (9) comprehensive linkage and integration capabilities with a wide variety of econometric, real estate, occupational, and fiscal impact models. The models used for the present investigation have been thoroughly tested for reasonableness and historical reliability.
- As noted earlier, the impact assessment (input-output) process essentially estimates the amounts of all types of goods and services required to produce one unit (a dollar's worth) of a specific type of output. For purposes of illustrating the nature of the system, it is useful to think of inputs and outputs in dollar (rather than physical) terms. As an example, the construction of a new building will require specific dollar amounts of lumber, glass, concrete, hand tools, architectural services, interior design services, paint, plumbing, and numerous other elements. Each of these suppliers must, in turn, purchase additional dollar amounts of inputs. This process continues through multiple rounds of production, thus generating subsequent increments to business activity. The initial process of building the facility is known as the *direct effect*. The ensuing transactions in the output chain constitute the *indirect effect*.



Impact System Methodology (cont.)

- Another pattern that arises in response to any direct economic activity comes from the payroll dollars received by employees at each stage of the production cycle. As workers are compensated, they use some of their income for taxes, savings, and purchases from external markets. A substantial portion, however, is spent locally on food, clothing, healthcare services, utilities, housing, recreation, and other items. Typical purchasing patterns in the relevant areas are obtained from the *ACCRA Cost of Living Index*, a privately compiled inter-regional measure which has been widely used for several decades, and the *Consumer Expenditure Survey* of the US Department of Labor. These initial outlays by area residents generate further secondary activity as local providers acquire inputs to meet this consumer demand. These consumer spending impacts are known as the *induced effect*. The USMIRIAS is designed to provide realistic, yet conservative, estimates of these phenomena.
- Sources for information used in this process include the Bureau of the Census, the Bureau of Labor Statistics, the Regional Economic Information System of the US Department of Commerce, and other public and private sources. The pricing data are compiled from the US Department of Labor and the US Department of Commerce. The verification and testing procedures make use of extensive public and private sources. Note that all monetary values, unless otherwise noted, are given in constant (2005) dollars to eliminate the effects of inflation.



Impact System Methodology (cont.)

- The USMRIAS generates estimates of the effect on several measures of business activity. The most comprehensive measure of economic activity used in this study is **Total Expenditures**. This measure incorporates every dollar that changes hands in any transaction. For example, suppose a farmer sells wheat to a miller for \$0.50; the miller then sells flour to a baker for \$0.75; the baker, in turn, sells bread to a customer for \$1.25. The Total Expenditures recorded in this instance would be \$2.50, that is, $\$0.50 + \$0.75 + \$1.25$. This measure is quite broad, but is useful in that (1) it reflects the overall interplay of all industries in the economy, and (2) some key fiscal variables such as sales taxes are linked to aggregate spending.
- A second measure of business activity frequently employed in this analysis is that of **Gross Product**. This indicator represents the regional equivalent of Gross Domestic Product, the most commonly reported statistic regarding national economic performance. In other words, the Gross Product of, say, Amarillo is the amount of US output that is produced in that area. It is defined as the value of all final goods produced in a given region for a specific period of time. Stated differently, it captures the amount of value-added (gross area product) over intermediate goods and services at each stage of the production process, that is, it eliminates the double counting in the Total Expenditures concept. Using the example above, the Gross Product is \$1.25 (the value of the bread) rather than \$2.50. Alternatively, it may be viewed as the sum of the value-added by the farmer, \$0.50; the miller, \$0.25 ($\$0.75 - \0.50); and the baker, \$0.50 ($\$1.25 - \0.75). The total value-added is, therefore, \$1.25, which is equivalent to the final value of the bread. In many industries, the primary component of value-added is the wage and salary payments to employees.

Impact System Methodology (cont.)

- The third gauge of economic activity used in this evaluation is **Personal Income**. As the name implies, Personal Income is simply the income received by individuals, whether in the form of wages, salaries, interest, dividends, proprietors' profits, or other sources. It may thus be viewed as the segment of overall impacts which flows directly to the citizenry.
- The fourth measure, **Retail Sales**, represents the component of Total Expenditures which occurs in retail outlets (general merchandise stores, automobile dealers and service stations, building materials stores, food stores, drugstores, restaurants, and so forth). Retail Sales is a commonly used measure of consumer activity.
- The final aggregates used are **Permanent Jobs and Person-Years of Employment**. The Person-Years of Employment measure reveals the full-time equivalent jobs generated by an activity. It should be noted that, unlike the dollar values described above, Permanent Jobs is a "stock" rather than a "flow." In other words, if an area produces \$1 million in output in 1999 and \$1 million in 2000, it is appropriate to say that \$2 million was achieved in the 1999-2000 period. If the same area has 100 people working in 1999 and 100 in 2000, it only has 100 Permanent Jobs. When a flow of jobs is measured, such as in a construction project or a cumulative assessment over multiple years, it is appropriate to measure employment in Person-Years (a person working for a year). This concept is distinct from Permanent Jobs, which anticipates that the relevant positions will be maintained on a continuing basis.



APPENDIX E:
Detailed Sectoral Results

Detailed Sectoral Results

Table 1
The Impact of Construction and Development of Phase I of the Lampasas Business Park on Business Activity in Lampasas County
Detailed Sectoral Results

Sector	Total Expenditures	Gross Product	Personal Income	Employment (Person-Years)
Agricultural Products & Services	\$0	\$0	\$0	0
Furinary & Fishery Products	\$16,110	\$12,988	\$4,937	0
Coal Mining	\$0	\$0	\$0	0
Crude Petroleum & Natural Gas	\$13,878	\$28,086	\$13,227	0
Miscellaneous Mining	\$0	\$0	\$0	0
New Construction	\$36,456,160	\$18,380,283	\$15,150,691	249
Maintenance & Repair Construction	\$1,803,801	\$1,011,380	\$833,895	14
Food Products & Tobacco	\$3,748,840	\$870,438	\$486,746	10
Texile Mill Products	\$0	\$0	\$0	0
Apparel	\$0	\$0	\$0	0
Paper & Allied Products	\$0	\$0	\$0	0
Printing & Publishing	\$484,337	\$261,618	\$157,710	3
Chemicals & Petroleum Refining	\$0	\$0	\$0	0
Rubber & Leather Products	\$761,269	\$318,546	\$186,222	4
Lumber Products & Furniture	\$979,287	\$283,363	\$206,144	5
Stone, Clay, & Glass Products	\$2,464,351	\$1,177,881	\$816,037	12
Primary Metal	\$357,628	\$77,828	\$77,828	1
Fabricated Metal Products	\$1,280,305	\$477,401	\$306,211	6
Machinery, Except Electrical	\$497,188	\$188,783	\$134,887	2
Electric & Electronic Equipment	\$0	\$0	\$0	0
Motor Vehicles & Equipment	\$0	\$0	\$0	0
Transp. Equip., Exc. Motor Vehicles	\$0	\$0	\$0	0
Instruments & Related Products	\$0	\$0	\$0	0
Miscellaneous Manufacturing	\$0	\$0	\$0	0
Transportation	\$3,897,201	\$2,021,869	\$1,482,887	27
Communication	\$816,577	\$588,261	\$242,668	2
Electric, Gas, Water, Sanitary Services	\$1,843,305	\$437,320	\$190,835	1
Wholesale Trade	\$2,068,052	\$1,381,368	\$922,288	10
Retail Trade	\$1,031,083	\$8,141,748	\$5,486,472	187
Finance	\$1,348,088	\$726,818	\$423,288	4
Insurance	\$710,588	\$426,360	\$264,287	4
Real Estate	\$1,110,820	\$1,589,878	\$266,132	3
Hotels, Lodging Places, Amusements	\$843,307	\$440,878	\$289,232	4
Personal Services	\$2,027,201	\$1,246,573	\$880,078	18
Business Services	\$3,066,530	\$1,882,272	\$1,543,609	22
Eating & Drinking Places	\$4,618,525	\$2,680,133	\$1,440,871	76
Health Services	\$3,684,243	\$2,480,218	\$2,105,503	40
Miscellaneous Services	\$3,150,170	\$1,313,887	\$1,138,337	32
Households	\$188,888	\$188,888	\$188,888	13
Total	\$191,436,465	\$58,274,028	\$38,144,847	734

SOURCE: US Multi-Regional Impact Assessment System, The Perryman Group

Table 2
The Impact of Construction and Development of Phase II of the Lampasas Business Park on Business Activity in Lampasas County
Detailed Sectoral Results

Sector	Total Expenditures	Gross Product	Personal Income	Employment (Person-Years)
Agricultural Products & Services	\$0	\$0	\$0	0
Furinary & Fishery Products	\$14,478	\$11,084	\$4,328	0
Coal Mining	\$0	\$0	\$0	0
Crude Petroleum & Natural Gas	\$118,436	\$25,861	\$11,968	0
Miscellaneous Mining	\$0	\$0	\$0	0
New Construction	\$34,538,760	\$18,511,130	\$13,808,169	223
Maintenance & Repair Construction	\$1,702,734	\$808,492	\$748,830	12
Food Products & Tobacco	\$3,387,503	\$871,515	\$445,211	8
Texile Mill Products	\$0	\$0	\$0	0
Apparel	\$0	\$0	\$0	0
Paper & Allied Products	\$0	\$0	\$0	0
Printing & Publishing	\$434,985	\$216,889	\$141,833	3
Chemicals & Petroleum Refining	\$0	\$0	\$0	0
Rubber & Leather Products	\$874,768	\$288,078	\$187,239	4
Lumber Products & Furniture	\$879,452	\$285,450	\$187,825	5
Stone, Clay, & Glass Products	\$2,304,171	\$1,057,812	\$663,240	10
Primary Metal	\$321,170	\$82,800	\$62,895	1
Fabricated Metal Products	\$1,159,778	\$428,738	\$276,783	6
Machinery, Except Electrical	\$448,505	\$182,539	\$121,119	1
Electric & Electronic Equipment	\$0	\$0	\$0	0
Motor Vehicles & Equipment	\$0	\$0	\$0	0
Transp. Equip., Exc. Motor Vehicles	\$0	\$0	\$0	0
Instruments & Related Products	\$0	\$0	\$0	0
Miscellaneous Manufacturing	\$0	\$0	\$0	0
Transportation	\$3,418,188	\$2,284,816	\$1,487,888	24
Communication	\$822,246	\$510,334	\$217,878	2
Electric, Gas, Water, Sanitary Services	\$1,745,210	\$382,741	\$171,382	1
Wholesale Trade	\$1,846,485	\$1,249,553	\$720,503	9
Retail Trade	\$9,908,811	\$8,208,886	\$4,909,238	150
Finance	\$1,208,881	\$652,818	\$380,138	4
Insurance	\$838,161	\$392,001	\$228,375	3
Real Estate	\$8,078,040	\$1,427,832	\$230,022	2
Hotels, Lodging Places, Amusements	\$757,243	\$366,837	\$250,748	7
Personal Services	\$1,820,808	\$1,118,803	\$870,261	17
Business Services	\$2,763,040	\$1,869,880	\$1,388,260	20
Eating & Drinking Places	\$4,147,728	\$2,432,675	\$1,283,884	88
Health Services	\$3,200,816	\$2,238,374	\$1,880,875	38
Miscellaneous Services	\$2,628,546	\$1,179,238	\$1,022,289	28
Households	\$152,888	\$152,888	\$149,438	12
Total	\$81,083,488	\$46,148,237	\$21,642,387	658

SOURCE: US Multi-Regional Impact Assessment System, The Perryman Group

Detailed Sectoral Results (cont.)

Table 3
The Impact of Construction and Development of Phase III of the Lampasas Business Park on Business Activity in Lampasas County
Detailed Sectoral Results

Sector	Total Expenditures	Gross Product	Personal Income	Employment (Person-Years)
Agricultural Products & Services	\$0	\$0	\$0	0
Forestry & Fishery Products	\$25,083	\$20,211	\$7,496	0
Coal Mining	\$0	\$0	\$0	0
Crude Petroleum & Natural Gas	\$205,212	\$44,895	\$20,738	0
Miscellaneous Mining	\$0	\$0	\$0	0
New Construction	\$59,844,870	\$28,698,824	\$23,575,268	367
Maintenance & Repair Construction	\$7,942,434	\$1,574,681	\$1,287,141	21
Food Products & Tobacco	\$5,034,080	\$1,510,050	\$771,412	15
Textile Mill Products	\$0	\$0	\$0	0
Apparel	\$0	\$0	\$0	0
Paper & Allied Products	\$763,659	\$375,974	\$245,406	5
Printing & Publishing	\$0	\$0	\$0	0
Chemicals & Petroleum Refining	\$1,180,182	\$485,691	\$289,173	7
Rubber & Leather Products	\$1,523,832	\$455,478	\$325,442	8
Lumber Products & Furniture	\$3,818,136	\$1,632,857	\$988,582	18
Stone, Clay, & Glass Products	\$559,488	\$162,700	\$121,106	2
Primary Metal	\$7,007,795	\$742,899	\$479,595	10
Fabricated Metal Products	\$773,853	\$283,756	\$200,897	3
Machinery, Except Electrical	\$0	\$0	\$0	0
Electric, Except Electrical	\$0	\$0	\$0	0
Motor Vehicles & Equipment	\$0	\$0	\$0	0
Transp. Equip., Exc. Motor Vehicles	\$0	\$0	\$0	0
Instruments & Related Products	\$0	\$0	\$0	0
Miscellaneous Manufacturing	\$0	\$0	\$0	0
Transportation	\$5,924,400	\$3,824,217	\$2,585,337	42
Communication	\$1,424,665	\$884,246	\$377,514	4
Electric, Gas, Water, Sanitary Services	\$3,023,304	\$690,486	\$298,951	4
Wholesale Trade	\$3,189,348	\$7,185,084	\$1,288,407	18
Retail Trade	\$17,165,058	\$14,205,131	\$6,508,173	258
Finance	\$2,084,913	\$1,131,129	\$468,869	7
Insurance	\$1,105,718	\$651,887	\$395,702	4
Real Estate	\$17,288,922	\$2,473,839	\$398,357	4
Hotels, Lodging Places, Amusements	\$1,312,238	\$689,035	\$450,063	13
Business Services	\$3,154,545	\$1,308,189	\$1,507,843	34
Personal Services	\$4,770,157	\$2,944,494	\$2,401,953	34
Eating & Drinking Places	\$7,186,718	\$4,214,026	\$2,242,088	118
Health Services	\$5,546,188	\$3,874,938	\$3,278,284	63
Miscellaneous Services	\$4,982,718	\$2,043,248	\$1,771,326	49
Household	\$264,527	\$254,527	\$268,028	21
Total	\$157,839,999	\$78,228,843	\$34,487,746	1,142

SOURCE: US Multi-Regional Impact Assessment System, The Perryman Group

Table 4
The Total Impact of Construction and Development of the Lampasas Business Park on Business Activity in Lampasas County
Detailed Sectoral Results

Sector	Total Expenditures	Gross Product	Personal Income	Employment (Person-Years)
Agricultural Products & Services	\$0	\$0	\$0	0
Forestry & Fishery Products	\$55,878	\$44,893	\$16,839	0
Coal Mining	\$0	\$0	\$0	0
Crude Petroleum & Natural Gas	\$456,527	\$89,612	\$46,033	0
Miscellaneous Mining	\$0	\$0	\$0	0
New Construction	\$132,842,700	\$63,505,018	\$52,332,688	859
Maintenance & Repair Construction	\$8,575,989	\$3,484,123	\$2,878,325	47
Food Products & Tobacco	\$12,863,418	\$3,352,016	\$1,712,370	33
Textile Mill Products	\$0	\$0	\$0	0
Apparel	\$0	\$0	\$0	0
Paper & Allied Products	\$1,877,981	\$834,581	\$564,750	11
Printing & Publishing	\$0	\$0	\$0	0
Chemicals & Petroleum Refining	\$2,595,288	\$1,160,305	\$843,233	15
Rubber & Leather Products	\$3,382,581	\$1,013,278	\$722,411	17
Lumber Products & Furniture	\$8,477,871	\$4,069,548	\$2,127,968	40
Stone, Clay, & Glass Products	\$1,235,284	\$361,150	\$269,870	5
Primary Metal	\$4,458,877	\$1,649,004	\$1,084,588	21
Fabricated Metal Products	\$1,717,344	\$652,080	\$465,848	6
Machinery, Except Electrical	\$0	\$0	\$0	0
Electric, Except Electrical	\$0	\$0	\$0	0
Motor Vehicles & Equipment	\$0	\$0	\$0	0
Transp. Equip., Exc. Motor Vehicles	\$0	\$0	\$0	0
Instruments & Related Products	\$0	\$0	\$0	0
Miscellaneous Manufacturing	\$0	\$0	\$0	0
Transportation	\$13,150,899	\$8,716,822	\$6,781,093	63
Communication	\$3,182,517	\$1,962,844	\$839,001	9
Electric, Gas, Water, Sanitary Services	\$9,712,419	\$1,510,580	\$658,188	3
Wholesale Trade	\$7,181,892	\$4,800,023	\$2,771,180	30
Retail Trade	\$38,102,754	\$31,576,743	\$18,861,863	578
Finance	\$4,648,563	\$2,510,895	\$1,482,084	15
Insurance	\$2,454,454	\$1,490,248	\$870,375	12
Real Estate	\$38,377,482	\$5,480,849	\$984,711	8
Hotels, Lodging Places, Amusements	\$2,912,880	\$1,523,851	\$889,043	28
Business Services	\$7,802,414	\$4,302,365	\$3,247,308	69
Personal Services	\$10,686,726	\$8,500,148	\$5,331,628	89
Eating & Drinking Places	\$15,982,870	\$9,354,233	\$4,878,951	282
Health Services	\$12,311,344	\$8,801,528	\$7,272,831	140
Miscellaneous Services	\$10,882,965	\$4,534,569	\$3,351,981	100
Household	\$587,183	\$587,183	\$574,789	48
Total	\$356,379,892	\$173,652,828	\$121,394,890	2,535

SOURCE: US Multi-Regional Impact Assessment System, The Perryman Group

Detailed Sectoral Results (cont.)

Table 5
The Annual Impact of Operations of a Representative Group of Industrial Firms
in Phase I of Development of the Proposed Laramie Business Park on
Economic Activity in Laramie County
Detailed Sectoral Results

Sector	Total Expenditures	Gross Product	Personal Income	Employment (Permanent Jobs)
Agricultural Products & Services	\$0	\$0	\$0	0
Forestry & Fishery Products	\$62,005	\$64,470	\$2,944	0
Coal Mining	\$0	\$0	\$0	0
Crude Petroleum & Natural Gas	\$930,278	\$137,237	\$63,300	0
Miscellaneous Mining	\$0	\$0	\$0	0
New Construction	\$0	\$0	\$0	0
Maintenance & Repair Construction	\$8,763,003	\$4,706,932	\$3,878,898	64
Food Products & Tobacco	\$17,889,433	\$4,577,941	\$2,338,932	45
Tobacco Mill Products	\$0	\$0	\$0	0
Apparel	\$0	\$0	\$0	0
Paper & Allied Products	\$0	\$0	\$0	0
Printing & Publishing	\$2,200,245	\$1,133,812	\$740,984	15
Chemicals & Petroleum Refining	\$0	\$0	\$0	0
Rubber & Leather Products	\$40,871,430	\$15,903,537	\$8,287,136	215
Lumber Products & Furniture	\$25,568,548	\$7,780,773	\$5,545,258	134
Stone, Clay, & Glass Products	\$22,016,428	\$13,577,232	\$7,100,849	135
Primary Metal	\$79,1150	\$163,433	\$143,880	2
Fabricated Metal Products	\$1,153,125	\$465,492	\$300,607	6
Machinery, Except Electrical	\$42,843,018	\$16,586,900	\$11,829,751	146
Electric & Electronic Equipment	\$49,520,899	\$26,993,000	\$15,890,200	154
Motor Vehicles & Equipment	\$0	\$0	\$0	0
Transport. Equip., Exc. Motor Vehicles	\$0	\$0	\$0	0
Instruments & Related Products	\$0	\$0	\$0	0
Miscellaneous Manufacturing	\$0	\$0	\$0	0
Transportation	\$24,034,145	\$23,075,532	\$15,261,336	245
Communication	\$3,849,881	\$2,382,789	\$1,017,278	10
Electric, Gas, Water, Sanitary Services	\$9,988,081	\$7,187,768	\$919,748	4
Wholesale Trade	\$31,911,727	\$21,323,418	\$12,286,275	160
Retail Trade	\$9,910,931	\$2,326,424	\$1,626,872	90
Finance	\$0,380,628	\$3,453,622	\$2,911,063	21
Insurance	\$2,896,398	\$1,726,727	\$1,033,200	14
Real Estate	\$44,368,254	\$8,778,844	\$1,097,234	11
Hotels, Lodging Places, Amusements	\$3,742,114	\$1,881,166	\$1,284,608	37
Personal Services	\$9,298,982	\$5,087,239	\$3,895,734	78
Business Services	\$9,826,705	\$5,004,896	\$4,818,513	88
Eating & Drinking Places	\$20,484,694	\$11,887,202	\$8,377,833	336
Health Services	\$14,012,243	\$9,782,369	\$9,378,553	158
Miscellaneous Services	\$13,584,355	\$5,670,269	\$4,972,307	136
Household	\$708,725	\$708,725	\$483,728	18
Total	\$459,430,885	\$226,831,789	\$149,412,868	2,841

SOURCE: UM Multi-Regional Impact Assessment System, The Perriman Group

Table 6
The Annual Impact of Operations of a Representative Group of Industrial Firms
in Phase II of Development of the Proposed Laramie Business Park on
Economic Activity in Laramie County
Detailed Sectoral Results

Sector	Total Expenditures	Gross Product	Personal Income	Employment (Permanent Jobs)
Agricultural Products & Services	\$0	\$0	\$0	0
Forestry & Fishery Products	\$73,873	\$80,713	\$18,009	0
Coal Mining	\$0	\$0	\$0	0
Crude Petroleum & Natural Gas	\$568,028	\$123,268	\$58,848	0
Miscellaneous Mining	\$0	\$0	\$0	0
New Construction	\$0	\$0	\$0	0
Maintenance & Repair Construction	\$7,890,761	\$4,227,123	\$3,482,410	67
Food Products & Tobacco	\$15,884,313	\$4,111,280	\$2,100,238	41
Tobacco Mill Products	\$0	\$0	\$0	0
Apparel	\$0	\$0	\$0	0
Paper & Allied Products	\$0	\$0	\$0	0
Printing & Publishing	\$2,068,785	\$1,018,235	\$664,825	13
Chemicals & Petroleum Refining	\$0	\$0	\$0	0
Rubber & Leather Products	\$36,525,538	\$14,282,383	\$9,348,415	183
Lumber Products & Furniture	\$22,773,581	\$4,887,827	\$4,881,788	121
Stone, Clay, & Glass Products	\$20,313,878	\$12,184,214	\$6,337,101	121
Primary Metal	\$874,880	\$173,715	\$120,303	2
Fabricated Metal Products	\$1,035,878	\$418,014	\$269,874	5
Machinery, Except Electrical	\$38,475,742	\$14,870,841	\$10,823,865	131
Electric & Electronic Equipment	\$43,574,859	\$23,882,187	\$14,277,580	138
Motor Vehicles & Equipment	\$0	\$0	\$0	0
Transport. Equip., Exc. Motor Vehicles	\$0	\$0	\$0	0
Instruments & Related Products	\$0	\$0	\$0	0
Miscellaneous Manufacturing	\$0	\$0	\$0	0
Transportation	\$30,564,817	\$20,723,268	\$13,705,846	228
Communication	\$3,457,419	\$2,138,878	\$813,561	9
Electric, Gas, Water, Sanitary Services	\$9,440,854	\$1,882,856	\$825,893	4
Wholesale Trade	\$28,209,528	\$16,149,780	\$11,041,825	144
Retail Trade	\$35,034,196	\$29,028,378	\$17,259,640	530
Finance	\$6,712,246	\$3,101,571	\$1,800,853	18
Insurance	\$2,892,169	\$1,650,710	\$827,079	13
Real Estate	\$39,837,418	\$6,087,820	\$680,890	10
Hotels, Lodging Places, Amusements	\$3,380,858	\$1,781,288	\$1,185,455	33
Personal Services	\$7,453,911	\$4,871,643	\$3,581,480	70
Business Services	\$8,826,904	\$5,304,786	\$4,327,330	81
Eating & Drinking Places	\$18,378,564	\$10,785,285	\$8,727,888	301
Health Services	\$12,583,881	\$8,794,184	\$7,435,563	143
Miscellaneous Services	\$12,308,591	\$5,047,367	\$4,375,640	122
Household	\$638,480	\$638,480	\$403,812	50
Total	\$407,208,817	\$282,891,856	\$128,898,871	2,691

SOURCE: UM Multi-Regional Impact Assessment System, The Perriman Group

Detailed Sectoral Results (cont.)

Table 7
The Annual Impact of Operations of a Representative Group of Industrial Firms in Phase III of Development of the Proposed Lampasas Business Park on Economic Activity in Lampasas County
Detailed Sectoral Results

Sector	Total Expenditures	Gross Product	Personal Income	Employment (Permanent Jobs)
Agricultural Products & Services	\$0	\$0	\$0	0
Forestry & Fishery Products	\$127,651	\$87,671	\$32,690	0
Coal Mining	\$0	\$0	\$0	0
Crude Petroleum & Natural Gas	\$690,749	\$713,981	\$68,469	0
Miscellaneous Mining	\$0	\$0	\$0	0
New Construction	\$0	\$0	\$0	0
Maintenance & Repair Construction	\$13,670,223	\$7,324,263	\$8,035,669	58
Food Products & Tobacco	\$27,536,875	\$7,123,693	\$3,636,050	70
Textile Mill Products	\$0	\$0	\$0	0
Apparel	\$0	\$0	\$0	0
Paper & Allied Products	\$0	\$0	\$0	0
Printing & Publishing	\$3,583,765	\$1,784,282	\$1,151,687	23
Chemicals & Petroleum Refining	\$0	\$0	\$0	0
Rubber & Leather Products	\$53,287,315	\$24,745,803	\$14,466,828	335
Lumber Products & Furniture	\$36,486,494	\$12,167,372	\$8,031,862	208
Stone, Clay, & Glass Products	\$35,197,253	\$21,127,027	\$11,049,623	208
Primary Metal	\$1,198,838	\$300,884	\$224,042	4
Fabricated Metal Products	\$1,794,335	\$724,288	\$467,807	8
Machinery, Except Electrical	\$69,886,429	\$26,726,890	\$18,407,819	228
Electric, Electronic Equipment	\$75,691,257	\$41,380,378	\$24,719,598	238
Motor Vehicles & Equipment	\$0	\$0	\$0	0
Trucks, Equip., Exc. Motor Vehicles	\$0	\$0	\$0	0
Instrument & Related Products	\$0	\$0	\$0	0
Miscellaneous Manufacturing	\$0	\$0	\$0	0
Transportation	\$52,959,270	\$35,905,878	\$23,747,598	382
Communication	\$5,980,825	\$3,707,718	\$1,582,960	16
Electric, Gas, Water, Sanitary Services	\$14,620,974	\$3,279,727	\$1,431,168	7
Wholesale Trade	\$46,034,226	\$33,180,569	\$19,132,220	248
Retail Trade	\$60,763,304	\$50,298,835	\$30,077,065	918
Finance	\$7,897,538	\$5,374,053	\$3,128,335	32
Insurance	\$4,481,401	\$2,988,880	\$1,905,338	22
Real Estate	\$65,025,787	\$10,548,462	\$1,899,585	18
Hotels, Lodging Places, Amusements	\$5,822,885	\$3,051,729	\$2,002,043	57
Personal Services	\$12,813,737	\$7,931,623	\$6,170,631	121
Business Services	\$15,290,872	\$6,181,501	\$7,497,009	108
Eating & Drinking Places	\$31,844,304	\$16,652,839	\$8,924,308	622
Health Services	\$21,800,800	\$15,237,571	\$12,893,865	248
Miscellaneous Services	\$1,102,821	\$8,745,482	\$7,581,616	211
Households	\$0	\$0	\$1,076,485	87
Total	\$705,565,709	\$351,584,878	\$219,488,989	4,420

SOURCE: US Multi-Regional Impact Assessment System, The Payman Group

Table 8
The Total Annual Impact of Operations of Representative Industrial Firms in the Proposed Lampasas Business Park at Maturity (Phases I, II, and III) on Business Activity in Lampasas County
Detailed Sectoral Results

Sector	Total Expenditures	Gross Product	Personal Income	Employment (Permanent Jobs)
Agricultural Products & Services	\$0	\$0	\$0	0
Forestry & Fishery Products	\$283,359	\$186,054	\$72,343	0
Coal Mining	\$0	\$0	\$0	0
Crude Petroleum & Natural Gas	\$2,177,053	\$474,104	\$216,647	0
Miscellaneous Mining	\$0	\$0	\$0	0
New Construction	\$0	\$0	\$0	0
Maintenance & Repair Construction	\$30,233,877	\$18,268,538	\$13,307,895	220
Food Products & Tobacco	\$81,132,823	\$15,812,784	\$8,077,828	168
Textile Mill Products	\$0	\$0	\$0	0
Apparel	\$0	\$0	\$0	0
Paper & Allied Products	\$0	\$0	\$0	0
Printing & Publishing	\$7,810,706	\$3,916,228	\$2,556,276	50
Chemicals & Petroleum Refining	\$0	\$0	\$0	0
Rubber & Leather Products	\$140,494,289	\$64,832,822	\$32,113,476	744
Lumber Products & Furniture	\$87,591,822	\$28,875,772	\$16,160,828	464
Stone, Clay, & Glass Products	\$78,130,351	\$48,897,473	\$24,827,573	485
Primary Metal	\$2,594,540	\$868,142	\$487,328	8
Fabricated Metal Products	\$3,983,040	\$1,807,784	\$1,007,987	20
Machinery, Except Electrical	\$147,865,189	\$57,198,530	\$46,891,451	506
Electric & Electronic Equipment	\$167,568,614	\$81,955,977	\$54,914,387	531
Motor Vehicles & Equipment	\$0	\$0	\$0	0
Trucks, Equip., Exc. Motor Vehicles	\$0	\$0	\$0	0
Instrument & Related Products	\$0	\$0	\$0	0
Miscellaneous Manufacturing	\$0	\$0	\$0	0
Transportation	\$117,559,233	\$76,705,797	\$52,714,576	847
Communication	\$13,287,505	\$8,230,865	\$3,513,810	35
Electric, Gas, Water, Sanitary Services	\$32,482,080	\$7,260,281	\$3,176,931	15
Wholesale Trade	\$109,845,481	\$73,853,778	\$42,489,430	652
Retail Trade	\$134,748,330	\$111,652,638	\$68,764,707	2,037
Finance	\$21,870,410	\$11,829,248	\$8,946,432	72
Insurance	\$9,049,249	\$5,004,334	\$3,505,726	50
Real Estate	\$153,272,458	\$23,415,307	\$3,772,716	30
Hotels, Lodging Places, Amusements	\$12,825,735	\$6,774,185	\$4,444,108	126
Personal Services	\$28,865,730	\$17,698,504	\$13,698,145	268
Business Services	\$33,842,882	\$20,493,163	\$16,843,752	236
Eating & Drinking Places	\$70,887,532	\$41,405,306	\$22,029,659	1,159
Health Services	\$46,400,084	\$33,024,144	\$26,988,022	559
Miscellaneous Services	\$48,095,918	\$19,413,118	\$18,829,563	488
Households	\$2,445,027	\$2,446,027	\$2,396,225	182
Total	\$1,588,204,711	\$780,396,832	\$488,060,787	9,812

SOURCE: US Multi-Regional Impact Assessment System, The Payman Group

BALANCE SHEET

AS OF: SEPTEMBER 30TH, 2023

75 -LAMPASAS ECONOMIC DEV CRP

ACCT# ACCOUNT NAME

ASSETS

=====

1020	FSB CHECKING 7001092 LEDC	1,165,522.50	
1021	FSB CAPITAL FD CHECKING7002363	165,023.15	
1025	FSB LEDC LOAN 2678	0.00	
1026	BUSINESS BANK OF TX 4001561	0.00	
1030	CLAIM ON CASH	50,452.79	
1210	ACCOUNTS RECEIVABLE	0.00	
1222	ACCOUNTS RECEIVABLE	0.00	
1235	NOTE RECEIVABLE BACHMAYER	0.00	
1236	NOTE RECEIVABLE-PECAN CRK HVM	0.00	
1300	LAND PURCHASE/IMPROVEMENTS	1,725,616.61	
1310	FAG-BUILDINGS & IMPROVEMENTS	1,762,637.87	
1396	ACCUMULATED DEPRECIATION	(199,955.00)	
1499	DUE FROM CASH & CONCENTRATION	0.00	
1999	LEDC CLEARING ACCOUNT	<u>0.00</u>	
	TOTAL ASSETS		4,669,297.92

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LIABILITIES & FUND BALANCE

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2209	ACCOUNTS PAYABLE CAPITAL ACCT	0.00	
2210	ACCOUNTS PAYABLE	798,633.37	
2220	ACCOUNTS PAYABLE PENDING	0.00	
2225	ACCRUED INTEREST PAYABLE	4,420.00	
2283	UNAPPLIED CREDIT	0.00	
2284	BONDS PAYABLE	248,081.00	
2285	NOTES PAYABLE	2,309,800.00	
2310	RETAINAGE PAYABLE	87,065.73	
3009	DESIGNATED RE/DONATIONS	0.00	
3010	UNASSIGNED FUND BALANCE	1,658,599.77	
3030	ASSIGNED FUND BALANCE	180,730.47	
	CURRENT INCREASE / (DECREASE) IN FUND BALANCE	<u>(618,032.42)</u>	

TOTAL LIABILITIES & FUND EQUITY 4,669,297.92

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FINANCIAL STATEMENT

AS OF: SEPTEMBER 30TH, 2023

75 -LAMPASAS ECONOMIC DEV CRP

FINANCIAL SUMMARY

ACCT#	ACCOUNT NAME	ANNUAL BUDGET	CURRENT PERIOD	Y-T-D ACTUAL	% OF BUDGET	Y-T-D ENCUMB.	BUDGET BALANCE
REVENUE SUMMARY							
OPERATING REVENUE							
	TAX REVENUE	431,500.00	37,853.57	487,471.79	112.97	0.00	(55,971.79)
	SERVICE REVENUE	0.00	0.00	0.00	0.00	0.00	0.00
	OTHER REVENUE	1,500.00	190.48	36,423.47	428.23	0.00	(34,923.47)
	TRANSFERS	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
	TOTAL OPERATING REVENUE	433,000.00	38,044.05	523,895.26	120.99	0.00	(90,895.26)
BOND FUND REVENUE							
	OTHER REVENUE	1,500,350.00	0.00	6,933.62	0.46	0.00	1,493,416.38
	TRANSFERS	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
	TOTAL BOND FUND REVENUE	<u>1,500,350.00</u>	<u>0.00</u>	<u>6,933.62</u>	<u>0.46</u>	<u>0.00</u>	<u>1,493,416.38</u>
	FUND TOTAL REVENUE	1,933,350.00	38,044.05	530,828.88	27.46	0.00	1,402,521.12
EXPENDITURE SUMMARY							
LEDC OPERATING FUNDS							
	SUPPLIES	350.00	0.00	322.66	92.19	0.00	27.34
	CONTRACTUAL SERVICES	28,956.00	2,362.99	35,025.42	120.96	0.00	(6,069.42)
	MAINTENANCE	2,400.00	0.00	2,440.48	101.69	0.00	(40.48)
	OTHER EXPENSES	31,725.00	881.40	4,068.61	12.82	0.00	27,656.39
	CAPITAL EXPENDITURES	0.00	0.00	0.00	0.00	0.00	0.00
	CONTINGENCY AND RESERVES	106,355.00	0.00	0.00	0.00	0.00	106,355.00
	TRANSFERS	58,896.00	0.00	0.00	0.00	0.00	58,896.00
	DEBT SERVICE	<u>204,318.00</u>	<u>81,347.22</u>	<u>202,693.98</u>	<u>99.21</u>	<u>0.00</u>	<u>1,624.02</u>
	TOTAL LEDC OPERATING FUNDS	433,000.00	84,591.61	244,551.15	56.48	0.00	188,448.85
LAMPASAS EDC BOND FUNDS							
	CONTRACTUAL SERVICES	50,000.00	0.00	11,590.00	23.18	0.00	38,410.00
	MAINTENANCE	0.00	0.00	0.00	0.00	0.00	0.00
	CAPITAL EXPENDITURES	1,450,000.00	0.00	892,720.15	74.22	183,431.58	373,848.27
	CONTINGENCY AND RESERVES	<u>350.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>350.00</u>
	TOTAL LAMPASAS EDC BOND FUNDS	<u>1,500,350.00</u>	<u>0.00</u>	<u>904,310.15</u>	<u>72.50</u>	<u>183,431.58</u>	<u>412,608.27</u>
	FUND TOTAL EXPENDITURES	1,933,350.00	84,591.61	1,148,861.30	68.91	183,431.58	601,057.12
	TOTAL PROFIT / (LOSS)	0.00	(46,547.56)	(618,032.42)	0.00	(183,431.58)	801,464.00

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FINANCIAL STATEMENT

AS OF: SEPTEMBER 30TH, 2023

75 -LAMPASAS ECONOMIC DEV CRP

FINANCIAL SUMMARY

ACCT#	ACCOUNT NAME	ANNUAL BUDGET	CURRENT PERIOD	Y-T-D ACTUAL	% OF BUDGET	Y-T-D ENCUMB.	BUDGET BALANCE
		=====	=====	=====	=====	=====	=====

FINANCIAL STATEMENT

AS OF: SEPTEMBER 30TH, 2023

75 -LAMPASAS ECONOMIC DEV CRP

REVENUES

ACCT#	ACCOUNT NAME	ANNUAL BUDGET	CURRENT PERIOD	Y-T-D ACTUAL	% OF BUDGET	Y-T-D ENCUMB.	BUDGET BALANCE
OPERATING REVENUE							
=====							
TAX REVENUE							
400-4017	SALES TAX	431,500.00	37,853.57	487,471.79	112.97	0.00	(55,971.79)
	TOTAL TAX REVENUE	431,500.00	37,853.57	487,471.79	112.97	0.00	(55,971.79)
SERVICE REVENUE							
400-4330	LEASE REVENUE	0.00	0.00	0.00	0.00	0.00	0.00
400-4330.01	LEASE REVENUE (QUONSET HUT)	0.00	0.00	0.00	0.00	0.00	0.00
400-4335	WEBSITE REVENUES	0.00	0.00	0.00	0.00	0.00	0.00
400-4383	DONATIONS	0.00	0.00	0.00	0.00	0.00	0.00
	TOTAL SERVICE REVENUE	0.00	0.00	0.00	0.00	0.00	0.00
OTHER REVENUE							
400-4710	BONDS	0.00	0.00	0.00	0.00	0.00	0.00
400-4820	INTEREST & DIVIDENDS	1,500.00	190.48	36,423.47	428.23	0.00	(34,923.47)
400-4821	INTEREST NOTE BACHMAYER	0.00	0.00	0.00	0.00	0.00	0.00
400-4822	INTEREST NOTE - HVM PECAN CR	0.00	0.00	0.00	0.00	0.00	0.00
400-4830	SALE OF FIXED ASSETS	0.00	0.00	0.00	0.00	0.00	0.00
400-4897	DESIGNATED RE/DONATIONS	0.00	0.00	0.00	0.00	0.00	0.00
400-4898	UNDESIGNATED RETAINED EARNIN	0.00	0.00	0.00	0.00	0.00	0.00
	TOTAL OTHER REVENUE	1,500.00	190.48	36,423.47	428.23	0.00	(34,923.47)
TRANSFERS							
400-4910	TRANSFER FROM GENERAL FUND	0.00	0.00	0.00	0.00	0.00	0.00
400-4999	MISCELLANEOUS REVENUES	0.00	0.00	0.00	0.00	0.00	0.00
	TOTAL TRANSFERS	0.00	0.00	0.00	0.00	0.00	0.00
	TOTAL OPERATING REVENUE	433,000.00	38,044.05	523,895.26	120.99	0.00	(90,895.26)
=====							
BOND FUND REVENUE							
=====							
OTHER REVENUE							
410-4520	LOAN PROCEEDS	0.00	0.00	0.00	0.00	0.00	0.00
410-4710	BOND FUNDS	0.00	0.00	0.00	0.00	0.00	0.00
410-4820	INTEREST EARNED	350.00	0.00	6,933.62	981.03	0.00	(6,583.62)
410-4898	DESIGNATED RE/BOND FUNDS	1,500,000.00	0.00	0.00	0.00	0.00	1,500,000.00
	TOTAL OTHER REVENUE	1,500,350.00	0.00	6,933.62	0.46	0.00	1,493,416.38
TRANSFERS							
410-4999	MISCELLANEOUS REVENUE	0.00	0.00	0.00	0.00	0.00	0.00
	TOTAL TRANSFERS	0.00	0.00	0.00	0.00	0.00	0.00
	TOTAL BOND FUND REVENUE	1,500,350.00	0.00	6,933.62	0.46	0.00	1,493,416.38
=====							

FINANCIAL STATEMENT

AS OF: SEPTEMBER 30TH, 2023

75 -LAMPASAS ECONOMIC DEV CRP

REVENUES

ACCT#	ACCOUNT NAME	ANNUAL BUDGET	CURRENT PERIOD	Y-T-D ACTUAL	% OF BUDGET	Y-T-D ENCUMB.	BUDGET BALANCE
*** FUND TOTAL REVENUE ***		1,933,350.00	38,044.05	530,828.88	27.46	0.00	1,402,521.12

FINANCIAL STATEMENT

AS OF: SEPTEMBER 30TH, 2023

75 -LAMPASAS ECONOMIC DEV CRP
 LEDC OPERATING FUNDS
 DEPARTMENT EXPENSES

ACCT#	ACCOUNT NAME	ANNUAL BUDGET	CURRENT PERIOD	Y-T-D ACTUAL	% OF BUDGET	Y-T-D ENCUMB.	BUDGET BALANCE
<u>SUPPLIES</u>							
500-5230	UNIFORMS	0.00	0.00	46.00	0.00	0.00	(46.00)
500-5250	HAND TOOLS & SMALL EQUIPMENT	100.00	0.00	0.00	0.00	0.00	100.00
500-5260	POSTAGE	0.00	0.00	0.00	0.00	0.00	0.00
500-5265	COMPUTER SOFTWARE & EQUIPMEN	0.00	0.00	0.00	0.00	0.00	0.00
500-5270	SUPPLIES	250.00	0.00	276.66	110.66	0.00	(26.66)
500-5295	BOOKS & PUBLICATIONS	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
	TOTAL SUPPLIES	350.00	0.00	322.66	92.19	0.00	27.34
<u>CONTRACTUAL SERVICES</u>							
500-5300	CONTRACT LABOR	0.00	0.00	0.00	0.00	0.00	0.00
500-5316	BOND AGENT FEES	0.00	0.00	0.00	0.00	0.00	0.00
500-5320	TELEPHONE SERVICES	456.00	0.00	227.94	49.99	0.00	228.06
500-5325	UTILITIES	0.00	0.00	0.00	0.00	0.00	0.00
500-5346	ENGINEERING/SURVEYING SERVIC	0.00	0.00	0.00	0.00	0.00	0.00
500-5355	INSURANCE-PROPERTY	0.00	0.00	0.00	0.00	0.00	0.00
500-5361	LEGAL SERVICES	2,500.00	0.00	2,315.00	92.60	0.00	185.00
500-5373	PROMOTION AND ADVERTISING	6,000.00	12.99	5,386.38	89.77	0.00	613.62
500-5388	TAXES ON PROPERTY	0.00	0.00	0.00	0.00	0.00	0.00
500-5395	PROFESSIONAL SERVICES	8,000.00	1,350.00	15,096.10	188.70	0.00	(7,096.10)
500-5397	ADMIN & OVERHEAD	12,000.00	1,000.00	12,000.00	100.00	0.00	0.00
500-5398	VISION LAMPASAS	0.00	0.00	0.00	0.00	0.00	0.00
500-5399	OTHER SERVICES	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
	TOTAL CONTRACTUAL SERVICES	28,956.00	2,362.99	35,025.42	120.96	0.00	(6,069.42)
<u>MAINTENANCE</u>							
500-5405	BUILDING & GROUNDS MAINTENAN	0.00	0.00	0.00	0.00	0.00	0.00
500-5425	OFFICE EQUIPMENT MAINTENANCE	<u>2,400.00</u>	<u>0.00</u>	<u>2,440.48</u>	<u>101.69</u>	<u>0.00</u>	<u>(40.48)</u>
	TOTAL MAINTENANCE	2,400.00	0.00	2,440.48	101.69	0.00	(40.48)
<u>OTHER EXPENSES</u>							
500-5451	BUSINESS EXPENSES	2,000.00	0.00	470.68	23.53	0.00	1,529.32
500-5452	TRAVEL & TRAINING	4,000.00	881.40	2,992.93	74.82	0.00	1,007.07
500-5453	DUES & MEMBERSHIPS	725.00	0.00	605.00	83.45	0.00	120.00
500-5499	ECONOMIC DEVELOPMENT PROGRAM	25,000.00	0.00	0.00	0.00	0.00	25,000.00
500-5499.01	ECON DVLPMT PROGRAM	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
	TOTAL OTHER EXPENSES	31,725.00	881.40	4,068.61	12.82	0.00	27,656.39
<u>CAPITAL EXPENDITURES</u>							
500-5505	BUILDING & GROUNDS	0.00	0.00	0.00	0.00	0.00	0.00
500-5530	WATER SYSTEMS	0.00	0.00	0.00	0.00	0.00	0.00
500-5535	ELECTRIC SYSTEMS	0.00	0.00	0.00	0.00	0.00	0.00
500-5540	SEWER SYSTEMS	0.00	0.00	0.00	0.00	0.00	0.00
500-5545	STREETS & DRAINAGE	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
	TOTAL CAPITAL EXPENDITURES	0.00	0.00	0.00	0.00	0.00	0.00

FINANCIAL STATEMENT

AS OF: SEPTEMBER 30TH, 2023

75 -LAMPASAS ECONOMIC DEV CRP

LEDC OPERATING FUNDS

DEPARTMENT EXPENSES

ACCT#	ACCOUNT NAME	ANNUAL BUDGET	CURRENT PERIOD	Y-T-D ACTUAL	% OF BUDGET	Y-T-D ENCUMB.	BUDGET BALANCE
<u>CONTINGENCY AND RESERVES</u>							
500-5600	CONTINGENCY/RESERVES	106,355.00	0.00	0.00	0.00	0.00	106,355.00
500-5601	DONATION RESERVES	0.00	0.00	0.00	0.00	0.00	0.00
500-5610	DEPRECIATION	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
	TOTAL CONTINGENCY AND RESERVES	106,355.00	0.00	0.00	0.00	0.00	106,355.00
<u>TRANSFERS</u>							
500-5710	TRANSFER TO GENERAL FUND	0.00	0.00	0.00	0.00	0.00	0.00
500-5722	TRANSFER TO FUND 22	58,896.00	0.00	0.00	0.00	0.00	58,896.00
500-5751	TRANSFER TO FUND 51 (EDUCATI	0.00	0.00	0.00	0.00	0.00	0.00
500-5759	TRANSFER TO FUND 59	0.00	0.00	0.00	0.00	0.00	0.00
500-5776	TRANSFER TO LEDC DESIGNATED	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
	TOTAL TRANSFERS	58,896.00	0.00	0.00	0.00	0.00	58,896.00
<u>DEBT SERVICE</u>							
500-5800	PRINCIPAL PAYMENT	116,948.00	43,664.54	114,743.56	98.12	0.00	2,204.44
500-5801	INTEREST PAYMENT	<u>87,370.00</u>	<u>37,682.68</u>	<u>87,950.42</u>	<u>100.66</u>	<u>0.00</u>	<u>(580.42)</u>
	TOTAL DEBT SERVICE	204,318.00	81,347.22	202,693.98	99.21	0.00	1,624.02
<hr/>							
	TOTAL LEDC OPERATING FUNDS	<u>433,000.00</u>	<u>84,591.61</u>	<u>244,551.15</u>	<u>56.48</u>	<u>0.00</u>	<u>188,448.85</u>

FINANCIAL STATEMENT

AS OF: SEPTEMBER 30TH, 2023

75 -LAMPASAS ECONOMIC DEV CRP

LAMPASAS EDC BOND FUNDS

DEPARTMENT EXPENSES

ACCT#	ACCOUNT NAME	ANNUAL BUDGET	CURRENT PERIOD	Y-T-D ACTUAL	% OF BUDGET	Y-T-D ENCUMB.	BUDGET BALANCE
CONTRACTUAL SERVICES							
510-5316	BANK CHARGES	0.00	0.00	0.00	0.00	0.00	0.00
510-5346	ENGINEERING/SERVEYING SERVIC	50,000.00	0.00	11,590.00	23.18	0.00	38,410.00
510-5361	LEGAL SERVICES	0.00	0.00	0.00	0.00	0.00	0.00
510-5395	PROFESSIONAL SERVICES	0.00	0.00	0.00	0.00	0.00	0.00
510-5399	OTHER SERVICES	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
	TOTAL CONTRACTUAL SERVICES	50,000.00	0.00	11,590.00	23.18	0.00	38,410.00
MAINTENANCE							
510-5405	BUILDINGS AND GROUNDS	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
	TOTAL MAINTENANCE	0.00	0.00	0.00	0.00	0.00	0.00
CAPITAL EXPENDITURES							
510-5505	BUILDING AND GROUNDS	<u>1,450,000.00</u>	<u>0.00</u>	<u>892,720.15</u>	<u>74.22</u>	<u>183,431.58</u>	<u>373,848.27</u>
	TOTAL CAPITAL EXPENDITURES	1,450,000.00	0.00	892,720.15	74.22	183,431.58	373,848.27
CONTINGENCY AND RESERVES							
510-5600	CONTINGENCY/RESERVES	<u>350.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>350.00</u>
	TOTAL CONTINGENCY AND RESERVES	350.00	0.00	0.00	0.00	0.00	350.00
TOTAL LAMPASAS EDC BOND FUNDS							
		<u>1,500,350.00</u>	<u>0.00</u>	<u>904,310.15</u>	<u>72.50</u>	<u>183,431.58</u>	<u>412,608.27</u>
*** TOTAL EXPENSES ***							
		<u>1,933,350.00</u>	<u>84,591.61</u>	<u>1,148,861.30</u>	<u>68.91</u>	<u>183,431.58</u>	<u>601,057.12</u>
TOTAL PROFIT / (LOSS)							
		<u>0.00</u>	<u>(46,547.56)</u>	<u>(618,032.42)</u>	<u>0.00</u>	<u>(183,431.58)</u>	<u>801,464.00</u>

*** END OF REPORT ***

LAMPASAS ECONOMIC DEVELOPMENT CORPORATION – October 23' REPORT

Brief Monthly Overview of LEDC - Stacey Ybarra, Economic Development Director

- Attended the Courtyard Square Meeting on September 21.
- Attended a Mineral Wells Recap discussion on September 25th to determine next steps.
- Met with the Chamber of Commerce to discuss Lampasas Economic Development Strategic Plan, Tourism Strategic Plan, and next steps regarding establishing a brand for Lampasas.
- Launched the Business Meeting survey on Facebook and promoted it on the radio.
- Analyzed analytics for the business meetings and started to put together marketing materials and a plan for launching the Business Meetings.
- Attended the TML conference from October 3-6th with staff and Council Members.
- Imbedded the Local Intel widgets onto the Lampasas EDC website which provides in-depth information about the Quality of Life, Logistics, and Economic Advantages in Lampasas.
- I imbedded the newly updated Available Properties software onto the Lampasas EDC website. The software is provided by Resimplifi.
- Worked a lot on updating a lot of the information on the Lampasas EDC website, including taking away old data and linking to free resources on the web such as a Site Selection Tool.
- Worked with Courtyard Square members regarding an action plan going forward.
- Attended a meeting with Chabin Concepts regarding and Economic Development Strategic Plan on October 10.
- Worked with Alamo Coffee to pass a variance for the sale of alcohol so they can continue to relocate and expand.
- Worked with Bill Mezger and Libby Bluntzer regarding a sign for the Business Park.
- Received quotes for a real estate sign for the Business Park.
- Attended the Developer Meeting on October 11.
- Attended a meeting with the Night Sky to discuss the implementation of Night Sky regulations at the Business Park.
- Presented to the first graders at Kline Whitis Elementary with Cathy Kuehne about local government.
- Attended a meeting with Cobblestone Hotels regarding their franchise model.
- Met with Work Force Solutions regarding their “We Hire Vets” initiative.
- Worked on confirming speakers for the Central Texas Entrepreneur Event.
- Presented my Economic Development Annual Report to City Council on September 25.
- Worked on updating the LEDC Guidelines and Incentives Policy.
- Worked with Angelou Economics regarding an updated Economic Development Strategic Plan.
- Gathered materials and information for potential business prospects.
- Worked with contractor to create and confirm marketing materials for the Solar Eclipse Event.
- Put together informational and marketing material for the Solar Eclipse Event.
- Worked with City Attorney to put together the Hold Harmless Agreement for the Solar Eclipse Event.
- Worked with City Attorney to put together the MOA between the Chamber and the City for the Solar Eclipse Event.
- Worked on putting together a plan for a regional marketing plan for the Solar Eclipse Event.
- Worked with FlyerView to create a site map for each of the parks included in the Solar Eclipse Event.