

**COMPREHENSIVE PLAN, 1989-2010**

**FOR**

**THE CITY OF PLAINVIEW, TEXAS**

**VOLUME 3**

**OCTOBER 1989**

**PREPARED BY**



**HUNTER ASSOCIATES, INC.**

**ENGINEERS/PLANNERS/SURVEYORS**

**DALLAS  
214-369-9171**

**AUSTIN  
512-454-8716**

**IN CONJUNCTION WITH  
GOVERNMENTAL SERVICE AGENCY, INC.**

# ECONOMIC DEVELOPMENT PLAN

## TABLE OF CONTENTS

	<u>PAGE NO.</u>
HISTORICAL DEVELOPMENT OF PLAINVIEW ECONOMY	1
PATTERN OF COMMERCIAL AND INDUSTRIAL LAND USES	3
Commercial Development	3
Industrial Development	3
ECONOMIC BASE INVENTORY	4
Human Resources	4
Skill Levels of Workforce	8
EMPLOYMENT PATTERNS	12
Agriculture	16
Manufacturing	18
Commercial	18
OTHER ECONOMIC INFRASTRUCTURE FACTORS	19
Services	19
Financial Institutions	21
Utility Services	21
Tax Structure	23
COMMUNITY ECONOMIC EVALUATION: A SURVEY OF LOCAL COMMUNITY LEADERS	25
Economic Development Process	25
Business Climate Factors	29
Types of Development Assistance	30
Economic Development Objectives	31
Specific Economic Development Projects	32
LAWS AND REGULATIONS OF INTEREST AND/OR CONCERN TO INDUSTRY AND BUSINESS	33
National Legislation and Regulation	33
State Economic Development Actions	36
Local Regulations, Ordinances and Policies	39
Recommended Changes in City Policies to Improve the Local Economy	40
PLAINVIEW ECONOMIC DEVELOPMENT PLAN AND IMPLEMENTATION STRATEGIES	42
Goals and Implementation Strategies	44

## LIST OF FIGURES

<u>FIGURE NO.</u>	<u>TITLE</u>	<u>PAGE NO.</u>
ED-1	City of Plainview: Changes in Age Group Compositon	5
ED-2	City of Plainview: Age Group Composition By Percentage, 1950-1980	5
ED-3	City of Plainview: Comparison of Percentage of Population Change Relative to Age 55+ Change, 1950-1980	7
ED-4	City of Plainview: Changes in Prime Working Age Cohorts Relative to Population, 1950-1980	8
ED-5	City of Plainview: Years of Education Completed ( <u>Bar Graph</u> )	9
ED-6	City of Plainview: Years of Education Completed (Pie Chart)	9
ED-7	City of Plainview: Skill Levels of Employed Persons, 1950-1980	11
ED-8	City of Plainview: Changes in Labor Force Compared With Potential Workforce and Population, 1950-1980	13
ED-9	City of Plainview: Employment By Economic Activity, 1950 & 1980	15
ED-10	City of Plainview: Employment By Economic Sector, 1950-1980	15
ED-11	City of Plainview: Comparison of Average Pay, 1980	19

## LIST OF TABLES

<u>FIGURE NO.</u>	<u>TITLE</u>	<u>PAGE NO.</u>
ED-1	City of Plainview: Age Groupings, 1950-1980	7
ED-2	Comparison of West Texas Cities: Percent of High School Graduates and Growth Rates	8
ED-3	City of Plainview: Years of Education Completed (Persons 25 and older)	10
ED-4	City of Plainview: Comparative Occupation/Skill Level Data, 1950-1980	10
ED-5	City of Plainview: Occupation/Skill Level Data, 1980	12
ED-6	City of Plainview: Comparison of Labor Force, Working Age Group and Total Population, 1950-1980	12
ED-7	City of Plainview: Employment By Economic Sector and Percent of Total, 1950-1980	14
ED-8	City of Plainview: Changes in Employment By Economic Sector, 1950-1980	14
ED-9	Basic Data on Agricultural Production, 1954-1982	17
ED-10	City of Plainview: Wholesale and Retail Trade Employment Data, 1958-1980	18
ED-11	City of Plainview: Comparison of Average Pay, 1980	20
ED-12	City of Plainview: Service Employment, 1980	20
ED-13	Ad Valorem Tax Rates on Property Within Plainview	23
ED-14	Factors Perceived To Be Important in Economic Development Process	28
ED-15	Perceived Strength/Weakness of Business Climate Factors	29
ED-16	Programs Perceived To Be Beneficial To Economic Development	30
ED-17	Economic Development Objectives Not Currently Addressed	31
ED-18	Ranking of Economic Development Projects	32

# ECONOMIC DEVELOPMENT PLAN

## HISTORICAL DEVELOPMENT OF PLAINVIEW ECONOMY

Through the late nineteenth and early twentieth centuries the Plainview area economy was dominated by ranching activities. The town itself developed as a trade center for the ranching economy of the area. The richness of the soils of the area encouraged some dryland farming but prior to 1915 the area was overwhelmingly a ranching based economy.

In 1907 the Santa Fe rail line was extended through the area with a major terminal at Plainview. This allowed cattle to be shipped directly from Plainview instead of being driven to other sites for shipping. A few years later the railhead became a critical advantage to the area by providing a nearby shipping point for the locally produced cotton, corn and wheat.

The other critical event in the early economic development of the area was the successful drilling of irrigation wells in 1913. With an annual average rainfall of only 20 inches and with even that small amount of rain falling at irregular times, large-scale irrigation was a breakthrough of enormous proportions. The deep, rich soils of the area needed only a regular supply of water of become some of the most productive cropland in the country.

Until 1930 the Plainview area enjoyed strong economic expansion based on agricultural activities. As more people flocked to the area to develop its agricultural resources, Plainview's role as a trade and shipping center expanded. The Hale County population went from 1,680 in 1900 to 20,189 by 1930. Plainview had become a small city of almost 9,000 by 1930.

Between 1930 and 1940 virtually all areas of Texas lost population and Plainview and Hale County were not exceptions. Interestingly, however, the six percent loss of population experienced by the city and county was less than the loss experienced by most of the smaller, agriculture-based areas of the state.

Following the Depression era the agricultural activities of the region revived and the pre-1930 growth patterns resumed. Prior to the mid-1950s, however, the economy of the region was overwhelmingly based on agriculture. Plainview existed and grew because of the growth and vitality of agriculture in the region. The following data summarize the city's growth between 1910 and 1980.

<u>YEAR</u>	<u>1910</u>	<u>1920</u>	<u>1930</u>	<u>1940</u>	<u>1950</u>	<u>1960</u>	<u>1970</u>	<u>1980</u>
POPULATION	2,829	3,989	8,834	8,263	14,044	18,725	19,096	22,187

Three developments with origins in the mid to late 1950s largely shaped the economic changes occurring over much of the next thirty years. The discovery of petroleum resources in the Hale County area created a two product economy, reducing somewhat the exclusive dependence on agriculture. While never employing nearly the number of persons as agriculture, the oil and gas fields have contributed enormously to the total income production of the area and have created significant employment in petroleum-related service industries and commerce.

"Agribusiness" also became a significant factor in the local economy in the 1950s. This catch-all term refers to a wide array of changes in the agricultural economy but primarily relating to marketing arrangements, mechanization of production and development of local industries which supply agricultural producers and process their products. The changes associated with the advent of agribusiness have been enormous and will be discussed later in greater detail. In general, the results have included a smaller but more productive work force on the farms and ranches of the area and a significant increase in the largely urban work force in industries involved in supplying agricultural producers and particularly in processing agricultural products.

The fundamental changes in the local economy first seen in significant ways in the 1950s accelerated in the next two decades. As mechanization and consolidation of farmland continued, total agricultural employment in the county dropped in the 1960s for the first time since the arrival of Europeans to the area and continued to evidence a general decline through the next two decades. By the late 1960s, the political and economic leadership of the area clearly realized that the traditional underpinning of the local economy could not sustain a continued growth pattern for the region.

The dangers of putting all your economic eggs in one basket became increasingly evident during the mid-1970s. The agricultural production sector of the local economy experienced one blow after another. While production costs were increasing dramatically, largely as a result of increases in equipment costs and energy price rises, prices for commodities being produced by Hale County farmers dropped to Depression era levels as a result of overproduction and international embargos.

Since 1970 and especially since the mid-1970s local economic and political leaders in the Plainview area have focused strongly on diversifying the local economy, particularly in trying to attract an array of industrial operations. While almost any industry has been welcomed, increasingly the focus has been on attempting to find a synchrony between the agricultural production of the area and industries involved in food and fiber processing. Examples include meat processing plants, wheat and corn milling operations and textile facilities.

## PATTERN OF COMMERCIAL AND INDUSTRIAL LAND USES

### Commercial Development

Commercial development in Plainview originally occurred in what became the downtown retail core of the city, along Broadway, Ash, and Fifth, Sixth and Seventh streets. From that core area, commercial development expanded over the decades westward along Fifth and northward along Ash and Broadway, with a few locations along Baltimore and Columbia. By 1960 significant commercial development had occurred along Fifth Street westward to Ennis, although well over half of the frontage between Joliet and Ennis remained undeveloped or in residential uses. Some heavier commercial uses were found along South Columbia, East Fifth, North Columbia and a few other scattered locations throughout town. However, virtually no commercial uses were located along Twenty Fourth, Quincy, Joliet, Dimmit Road, Ennis, West Sixth and Seventh and other locations which had become major commercial development areas by the 1980s.

As detailed in Section 3 of this report (Land Use), major changes in commercial and industrial land uses have occurred over the past three decades. Since 1960 the total commercial land use acreage in Plainview has increased by 148 percent (from 143 to 354 acres) while the total population has increased by only 25 percent. Several areas of commercial development have been developed that were completely vacant as late as 1970. Commercial development has been extended westward along West Fifth (U.S. 70) across I-27, a major shopping center has been developed at the northwest corner of I-27 and West Fifth, a commercial center has developed in the triangle bounded by I-27, West Twenty Fourth and Dimmit Road, and scattered commercial development has occurred along Twenty Fourth, Quincy, Ennis and West Fifth and Sixth streets. Heavy commercial development (primarily implement dealerships and similar operations) has occurred along I-27 south of Southwest Third.

The obvious common theme to most of this new commercial activity is Interstate Highway 27. The construction of this primary regional artery has dramatically changed the focus of commercial activity in the city. Not only have major retail centers been located along the highway (at West Fifth and in the West Twenty Fourth-Dimmit Road area) but other commercial activity has also shifted westward. The western part of West Fifth and the major north-south streets on the west side of town, including Quincy and Ennis, have experienced significant commercial development pressures.

### Industrial Development

Since its early years as an organized community Plainview has had a significant industrial base. The Santa Fe railhead established at Plainview in the early part of this century became the focus of industrial type uses. Thus, early in the community's development heavy uses along the rail line along the

north and east edges of the urban area strongly influenced the development patterns of the city. The presence of the industrial type uses discouraged residential development, especially residences to accommodate middle and upper income residents, to the east and north. Instead, such development was pushed to the south and west of the downtown area.

By 1960 over 800 acres in the city and immediately surrounding area was in industrial type uses. Most of this development was located eastward from the downtown area to the east edge of the city and northward from the north edge of downtown to Twenty Fourth Street. Some additional industrial development was located even farther north along North Columbia and at the far south end of town near the intersection of Columbia and Broadway. A few other scattered locations were also present, especially near the intersection of Quincy and Twenty Fourth.

Significant industrial development has also occurred since 1960 but on a much smaller scale in percentage terms than the change in commercial land uses. Industrial land uses have increased by 35 percent, although the actual acreage increase (just over 300 acres) is quite significant. The physical direction of industrial land uses has also changed, with most industrial development over the past two decades occurring at the north edge of the city in the vicinity of I-27 and along Dimmit Road west of I-27. Columbia north of the rail crossing and Date south of Fifth have also experienced significant, primarily light, industrial development.

## ECONOMIC BASE INVENTORY

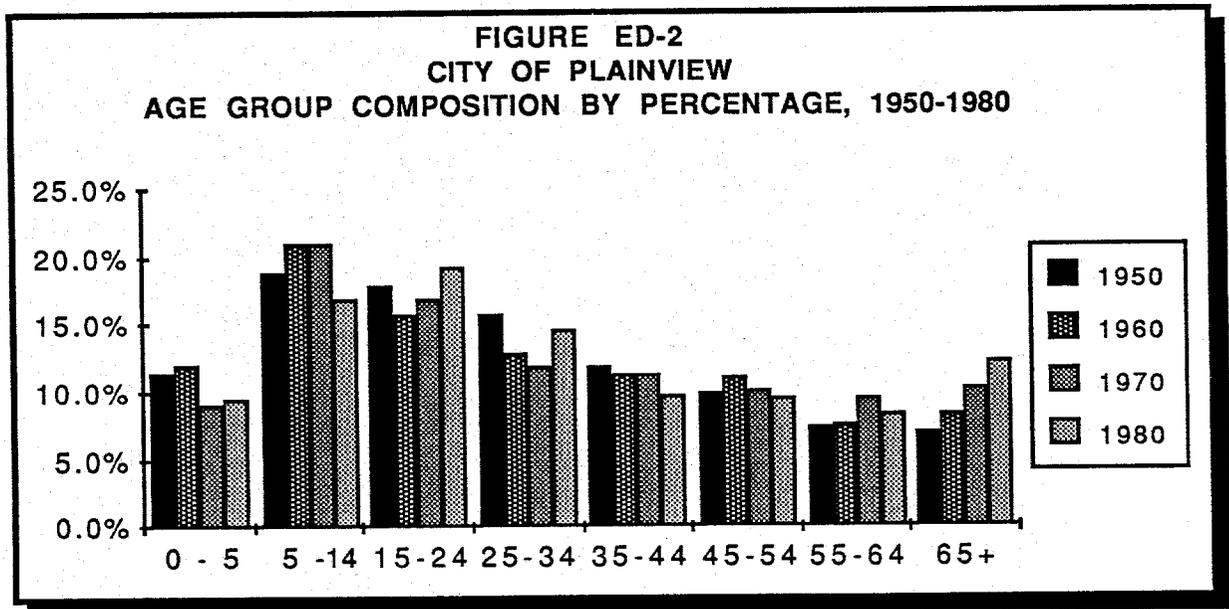
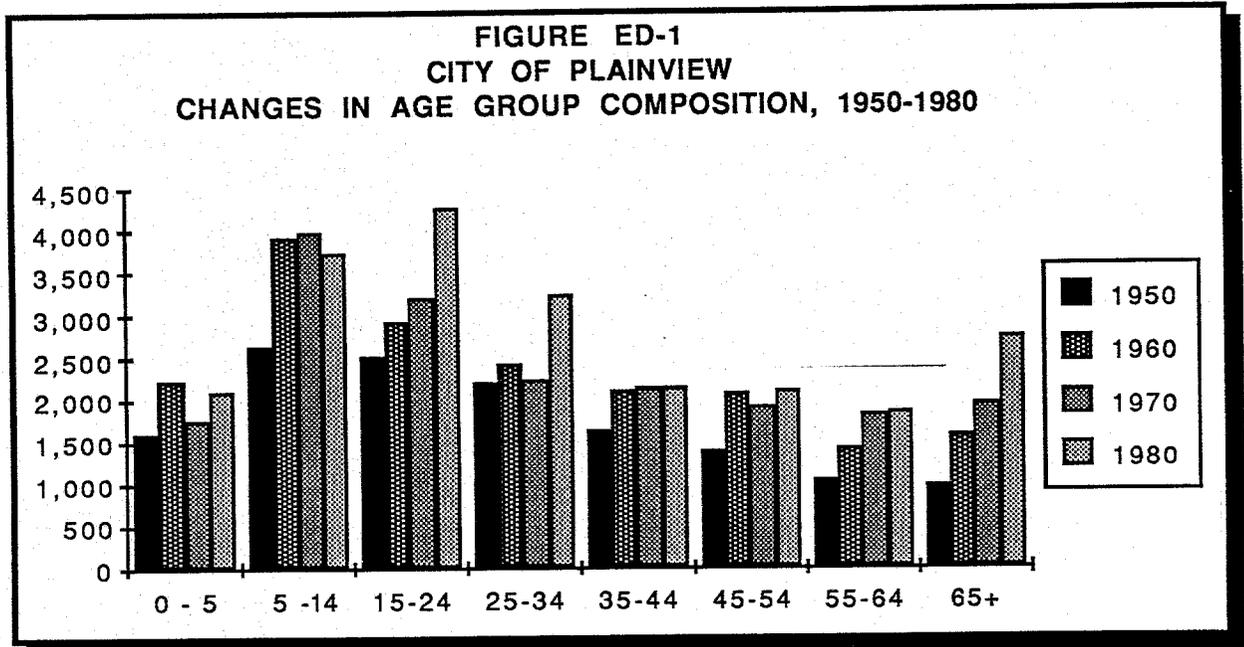
### Human Resources

The potential for economic development in any community depends primarily on the human resources available to support that development. The size, skill and education levels, participation rates and other characteristics and features of the work force are critical in determining the type and extent of development that can occur.

Since 1950 the City of Plainview and the immediately surrounding area has experienced a growth rate of about 1.5 percent per year, with the city's population increasing from 14,000 to over 22,000 persons. Compared to the rest of the state, this rate is relatively low; however, compared to the western half of Texas, it is relatively high, especially for non-metro areas. The real shadow on the 8,000 person increase is the fact that half the increase occurred between 1950 and 1960. Since 1960, the growth rate has been less than one percent per year.

The age group composition of the city, especially viewed over time, is particularly revealing. Figures ED-1 and ED-2 illustrate census data for the period 1950-1980. Figure ED-1 illustrates changes in *absolute numbers of*

persons in each age cohort in the different years. Figure ED-2 illustrates the percentage each cohort constitutes of the total population in the different years.



The 5-14 age group has increased substantially in absolute numbers in the 1950-1980 period, even though national and state birth rates declined sharply during the same period. A decline occurred between 1970 and 1980, but the decline is well within the expected range, given general birth rate patterns. As a percentage of total population, however, the 1980 total in the 5-14 group is lower than at any point during the 1950-1980 period. This drop suggests a smaller entry level labor market for the period 1985-1995.

Interestingly, there has been an increase in both actual numbers and even percentage of total population among the 15-24 age group. In general, the pattern within this grouping is actually favorable, with consistent increases between 1960 and 1980. This grouping is of particular interest in a city of Plainview's size because persons in this age grouping are generally quite mobile and will leave an unfavorable economic and/or social environment.

The pattern of growth or decline within the 25-34 age group is similarly revealing. Like the 15-24 age group, the 25-34 age group is mobile, particularly responsive to economic conditions. Furthermore, the group is important to the local economy, being one of the most productive age groupings and the group from which managers and supervisors are recruited. The significant decline in this group as a percentage of total population between 1950 and 1970 was a strongly negative trend. However, the grouping showed a strong increase in both absolute numbers and as a percentage of total population between 1970 and 1980. A similar trend is expected to be evidenced in the 1990 census for this most recent decade.

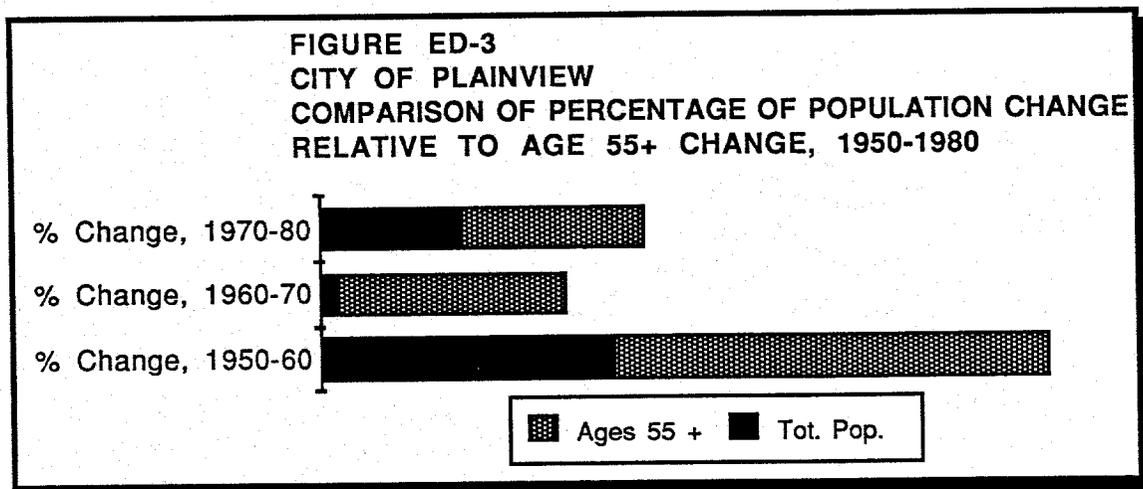
Perhaps the most intriguing data in Figure ED-1, ED-2 and Table ED-1 are for the 35-44 and 45-54 age groups. Relative to total population and compared with changes in other population cohorts, the size of these two age groupings has declined significantly. In 1950 a total of 21.8 percent of the population was in the 35-54 age range; by 1980 the percentage had dropped to 19.1 percent. The biggest decline in this age category occurred in the period 1970 to 1980.

No readily available explanation for this phenomenon presents itself. One possible explanation is that the number of mid- and upper-level management and supervisory jobs in Plainview is relatively small and upwardly mobile individuals in the 35-55 age bracket moved elsewhere to continue their efforts to climb the career ladder. Whatever the reason, the 2,509 persons in the 15-24 age cohort in 1950 became 2,415 persons in the 25-34 cohort by 1960 (4% decline) which became 2,133 persons in the 35-44 cohort by 1970 (12% decline) which became 2,095 persons in the 45-54 cohort by 1980 (1% decline), while at the same time the city's population was actually increasing by 33%, 2%, and 16%, respectively, during those same decades.

**TABLE ED-1  
CITY OF PLAINVIEW  
AGE GROUPINGS, 1950-1980**

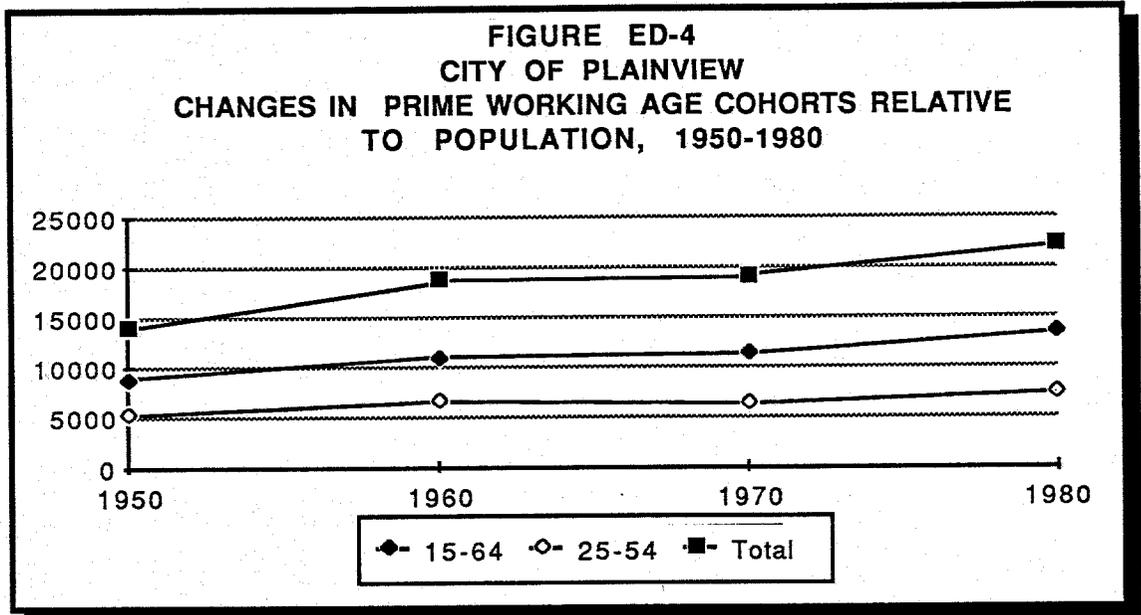
Age Gp	1950		1960		1970		1980	
0 - 5	1,618	11.5%	2,249	12.0%	1,757	9.2%	2,098	9.5%
5 -14	2,645	18.8%	3,942	21.0%	4,012	21.0%	3,758	16.9%
15-24	<b>2,509</b>	<b>17.9%</b>	2,936	15.7%	3,221	19.5%	4,272	19.3%
25-34	2,211	15.7%	<b>2,415</b>	<b>12.9%</b>	2,248	11.8%	3,234	14.6%
35-44	1,651	11.8%	2,122	11.3%	<b>2,133</b>	<b>11.2%</b>	2,156	9.7%
45-54	1,398	10.0%	2,066	11.0%	1,937	10.1%	<b>2,095</b>	<b>9.4%</b>
55-64	1,035	7.4%	1,427	7.6%	1,828	9.6%	1,850	8.3%
65 +	977	7.0%	1,578	8.4%	1,960	10.3%	2,724	12.3%
<b>TOTAL</b>	<b>14,044</b>	<b>100%</b>	<b>18,735</b>	<b>100%</b>	<b>19,096</b>	<b>100%</b>	<b>22,187</b>	<b>100%</b>

The 55-64 and 65+ age groupings evidence patterns much more in line with population growth and inter-regional migration patterns. Although the 1980 55-64 number and percentage is slightly contrary, the absolute numbers as well as percentage of population in these age groupings have generally increased over the period. In-migration of older persons from nearby rural and small town areas and increasing longevity are the two primary explanatory factors. Some out-migration of younger persons has also occurred, which has increased the percentage of older persons in the population. As illustrated in Figure ED-3, the over 55 population has increased at a dramatically higher rate than the population as a whole.



At the same time, even though the number of older persons has increased sharply the proportion of working age to non-working age persons has remained about the same. After a drop between 1950 and 1960, the 1980 proportion (61.3 percent) was about the same as in 1950 (62.7 percent). The data are illustrated in Figure ED-4.

**FIGURE ED-4  
CITY OF PLAINVIEW  
CHANGES IN PRIME WORKING AGE COHORTS RELATIVE  
TO POPULATION, 1950-1980**



Skill Levels of Workforce

A key factor in assessing the economic development potential of an area is the skill levels of the labor force. Skill levels are products of several factors, particularly education and job training. About 57 percent of adults 25 years of age and older in Plainview are high school graduates. This total is slightly less than the 63 percent statewide figure but well above the levels generally found in the western half of the state. Interestingly, among the towns in Plainview's population range, the towns with the higher education levels have generally experienced the higher population growth trends, as evidenced in Table ED-2.

**TABLE ED-2  
COMPARISON OF WEST TEXAS CITIES  
PERCENT OF HIGH SCHOOL GRADUATES AND GROWTH RATES**

	% Completing High School	Growth Rate, 1960-1980
Canyon	80.1%	82.9%
Pampa	63.1%	-13.2%
Dumas	62.5%	43.8%
<b>Plainview</b>	<b>56.6%</b>	<b>18.4%</b>
Big Spring	54.8%	-20.6%
Levelland	52.2%	36.0%
Hereford	51.1%	142.0%
Brownfield	48.5%	1.0%
Littlefield	45.1%	2.4%
Lamesa	40.8%	-5.2%

While almost 57 percent of Plainview adults have completed high school, only 12 percent have four or more years of college education. Considering that Plainview has a major hospital (and therefore has a disproportionately large medical community), is the county seat of Hale County (and therefore has a disproportionately large legal community), is the home of a well known private university and is less than an hour's drive via interstate highway from a major state university, the percentage of college educated residents is surprisingly low. Less than one third of adult residents (30.4%) have completed any post-high school education.

At the other end of the education spectrum, over 20 percent of adult residents have completed less than eight years of education. However, it is probable that a significant number of those persons with very little education are older persons who were reared in a time in which economic conditions were less favorable toward staying in school and less emphasis was placed on educational advancement. Figures ED-5 and ED-6 identify the patterns of educational attainment within the Plainview adult population.

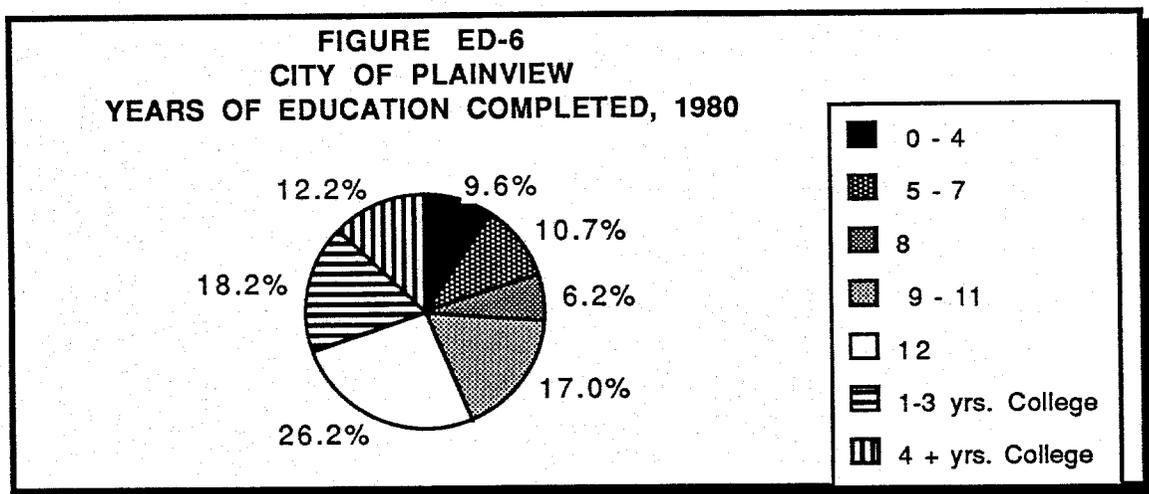
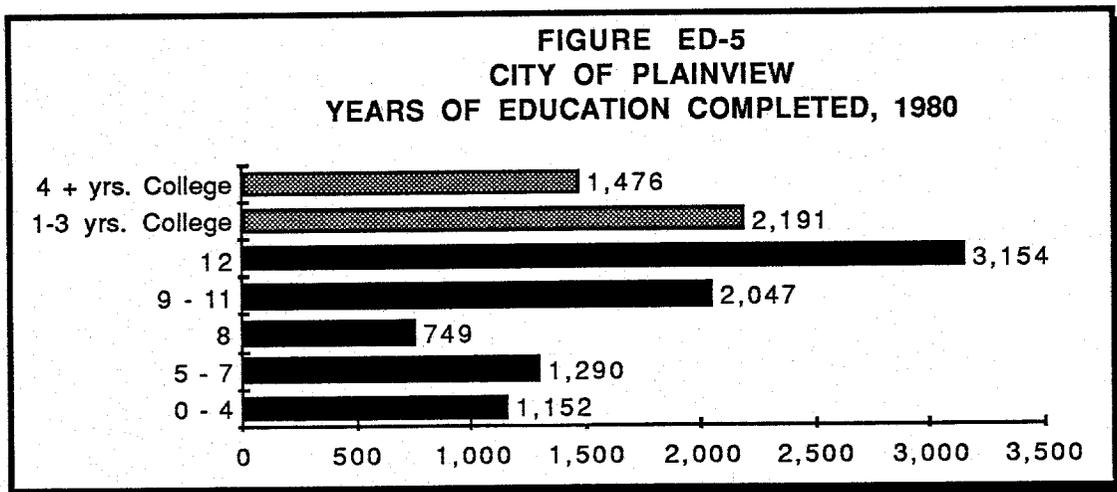


Table ED-3 provides totals and percentages for educational attainment of Plainview residents 25 years old and over in 1980.

**TABLE ED-3  
CITY OF PLAINVIEW  
YEARS OF EDUCATION COMPLETED  
(Persons 25 and older)**

Years of School Completed	No. of Persons	% of Total
0 - 4 Years	1,152	9.6%
5 - 7 Years	1,290	10.7%
8 Years	749	6.2%
9 - 11 Years	2,047	17.0%
12 Years	3,154	26.2%
1-3 Years College	2,191	18.2%
4 + Years College	1,476	12.2%
Total Population, 25 +	12,059	
Percent High School Graduates		56.6%

Data on skill levels are very difficult to obtain and to some degree must be imputed from self-reporting among persons in the workforce at the time of the report. Obviously, this distorts the overall picture inasmuch as persons who are unemployed, underemployed or who have left the job market because of inability to obtain work will be underrepresented in the data. However, self-reported information from the 1950, 1960, 1970 and 1980 census reports is the only community-wide data available over time and is widely regarded as generally accurate. Table ED-4 provides comparative data for non-agricultural workers over the 1950-1980 period.

**TABLE ED-4  
CITY OF PLAINVIEW  
COMPARATIVE OCCUPATION/SKILL LEVEL DATA, 1950-1980**

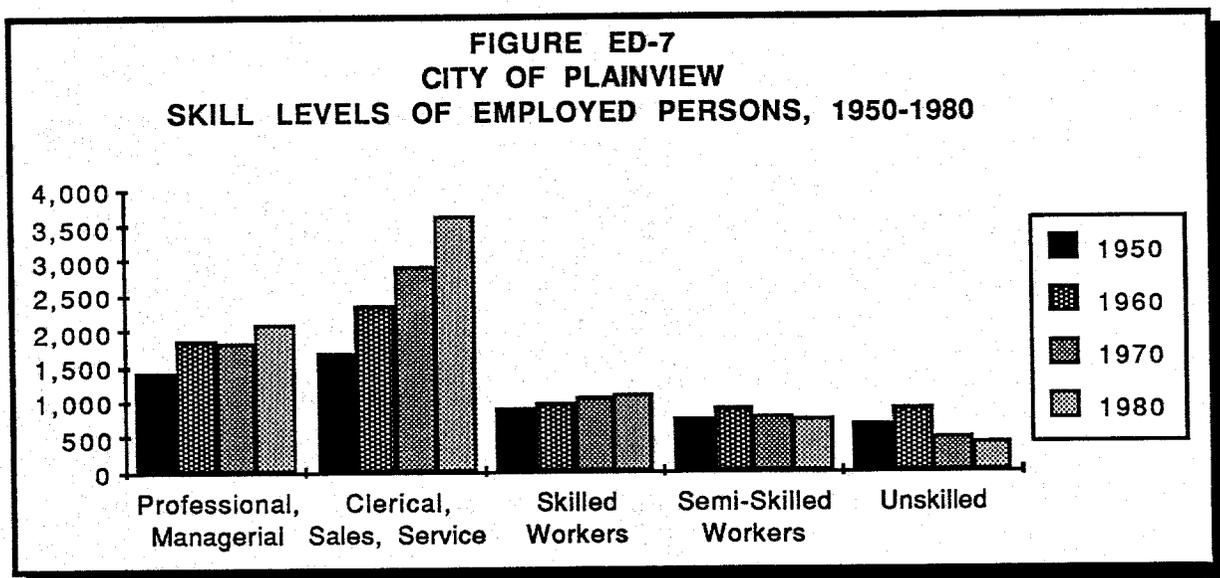
Occupation/Skill Level	1950	1960	1970	1980
Professional, Manager.	1,437 26.0%	1,887 26.0%	1,854 26.0%	2,086 26.2%
Clerical, Sales, Service	1,697 30.7%	2,378 32.8%	2,924 41.1%	3,631 45.7%
Skilled Workers	883 16.0%	990 13.7%	1,068 15.0%	1,075 13.5%
Semi-Skilled Workers	758 13.7%	894 12.3%	785 11.0%	754 9.5%
Unskilled Workers	673 12.2%	899 12.4%	489 6.9%	401 5.0%
Not Reporting	80 1.4%	202 2.8%	0	0
Total	5,528	7,250	7,120	7,947

These data are quite revealing regarding the changes in the local economy as well as changes in skill levels among the Plainview workforce. The growth in the professional/managerial and clerical/sales/service occupational sectors has been remarkable. The clerical/sales/service sector has increased by 113

percent. Some increase has also occurred in actual numbers of skilled workers, as well.

A more revealing factor, however, is the change within the workforce at each time interval. From this perspective, the professional/managerial occupational group has remained remarkably constant at 26 percent of the workforce over the thirty year period. Somewhat surprisingly, the percentage of workers in the skilled category has declined, although only slightly. The declines in the semi-skilled and unskilled worker groups are striking, however. In 1950, 26 percent of Plainview's workforce fell into the unskilled and semi-skilled categories. By 1980 that percentage had dropped to 14.5 percent, with the greatest decline being in the unskilled category.

The only skill grouping to increase as a percentage of the labor force over this 30 year period has been the clerical/sales/service group. This is something of a catch-all category, with a variety of skill levels included among its members. Most workers in this group do have at least high school education, however, and some have at least some college education (technicians, computer equipment operators, financial records processors and salespersons, for example).



An evaluation of the detailed data for 1980, including farm-related occupations, provides more reliable information and reinforces the comparative census data noted above. The information in Table ED-5 suggests somewhat larger proportions of semi-skilled and unskilled workers in the labor force, a result primarily of including farm workers (not included in the data above) and identifying service worker groups which more appropriately fit into the semi-skilled and unskilled groupings.

**TABLE ED-5  
CITY OF PLAINVIEW  
OCCUPATION/SKILL LEVEL DATA, 1980**

Managerial/professional	25.4%
Sales/clerical	27.2%
Service	6.1%
Skilled workers	14.8%
Semi-skilled workers	18.0%
Unskilled workers	8.4%

### EMPLOYMENT PATTERNS

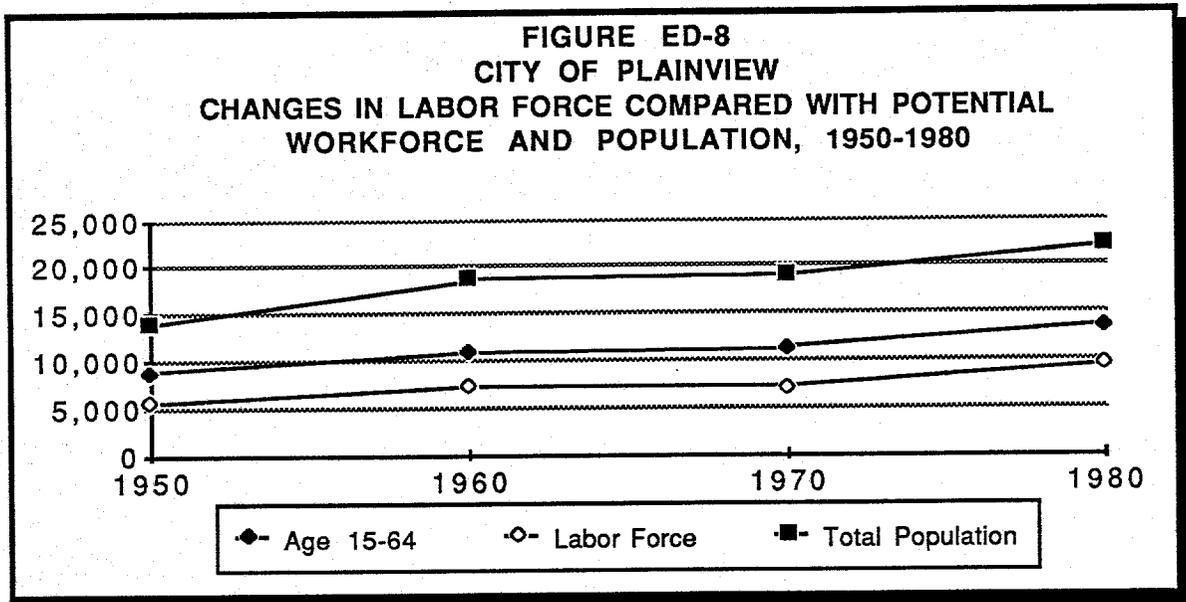
After at least two decades in which the labor force shrunk as a percentage of population, between 1970 and 1980 the Plainview labor force expanded sharply. A higher proportion of the local population than ever before (44.7 percent) is now participating in the workforce. Furthermore, the labor force as a percentage of the working age population (ages 15-64) increased even more dramatically, as the figures in Table ED-6 illustrate.

Two possible explanations for this abrupt turnaround are present. First, the local economy must have expanded in at least some sectors to accommodate the additional employment, although detailed analysis of the data suggests that most of the new jobs have been in the lower paying service positions. Second, it appears that most of the additional employment consists of females. For a variety of reasons, primarily the need for a second income to sustain living standards of prior years, women have entered the workforce in Plainview and across the state and nation in unprecedented numbers over the past two decades.

**TABLE ED-6  
CITY OF PLAINVIEW  
COMPARISON OF LABOR FORCE, WORKING AGE GROUP  
AND TOTAL POPULATION, 1950-1980**

	% of			% of			% of			% of		
	1950	Pop.	Age	1960	Pop.	Age	1970	Pop.	Age	1980	Pop.	Age
Labor Force	5,813	41.4	64.9	7,556	40.3	68.9	7,487	39.2	65.9	9,913	44.7	72.9
15-64 Age Gp.	8,950	62.7		10,966	58.5		11,367	59.5		13,607	61.3	
Population	14,044			18,735			19,096			22,187		

Figure ED-8 graphically compares total population trends with changes in the 15-64 age group and the labor force.



Several striking, perhaps startling, points are illustrated by Plainview employment data when evaluated by economic sector. The data are summarized in Table ED-7 and ED-8. First, the two traditional bulwarks of the Hale County and Plainview economy -- agriculture and petroleum -- account directly for only 7 percent of the total employment of Plainview residents; this percentage has remained remarkably constant for 30 years. Second, the only economic sector to have significantly increased its proportion of the local workforce is manufacturing. Equally interesting, virtually all of the manufacturing sector growth occurred during the period 1970-1980. In absolute numbers manufacturing employment increased by 125 percent between 1970 and 1980.

As suggested in earlier comments, the service sector has also experienced growth and is by far the largest single employment sector in the Plainview economy. In absolute numbers the service sector has doubled in employment since 1950. Similarly, the finance, insurance and real estate sector has increased but not substantially as a proportion of total employment.

Equally striking is the trend in the wholesale and retail sector, which has experienced a consistent decline relative to total employment. While it still is a major employment sector, with 25 percent of the workforce, the drop from 30 percent in 1950 is substantial and has been consistent over the entire 30 year period. This decline is particularly noteworthy, given the significant increase in land occupied by wholesale and especially retail activities.

Table ED-7 provides a review of employment by sector with the *percentage of total employment* for each sector in each decennial year. Table ED-8 provides a review of employment by sector and *changes in actual number of workers* in each sector from one decennial year to the next.

**TABLE ED-7**  
**CITY OF PLAINVIEW**  
**EMPLOYMENT BY ECONOMIC SECTOR AND PERCENT OF TOTAL, 1950-1980**

	1950	% of Total	1960	% of Total	1970	% of Total	1980	% of Total
Agric., Mining	386	6.6%	560	7.4%	468	6.3%	722	7.3%
Manufacturing	519	8.9%	585	7.7%	660	8.8%	1,483	15.0%
Construction	599	10.3%	636	8.4%	511	6.8%	508	5.1%
Trans./Commer./Util.	442	7.6%	562	7.4%	692	9.2%	523	5.3%
Wholesale & Retail	1,766	30.4%	2,165	28.7%	1,983	26.5%	2,500	25.2%
Fin./Ins./Real Estate	184	3.2%	279	3.7%	366	4.9%	467	4.7%
Serv., Pub. Admin.	1,632	28.1%	2,463	32.6%	2,440	32.6%	3,291	33.2%
Unemployed	285	4.9%	306	4.0%	367	4.9%	419	4.2%
Total Labor Force	5,813		7,556		7,487		9,913	

**TABLE ED-8**  
**CITY OF PLAINVIEW**  
**CHANGES IN EMPLOYMENT BY ECONOMIC SECTOR, 1950-1980**

	1950	1960	% Chng.	1970	% Chng.	1980	% Chng.	% Chng. 1960- 1980
Agriculture	358	555	35.5%	442	-20.4%	659	49.1%	18.7%
Mining	28	5	-460.0%	26	420.0%	63	142.3%	1160.0%
Manufacturing	519	585	11.3%	660	12.8%	1,483	124.7%	153.5%
Construction	599	636	5.8%	511	-19.7%	508	-0.6%	-20.1%
Trans./Commun./Util.	442	562	21.4%	692	23.1%	523	-24.4%	-6.9%
Wholesale & Retail	1,766	2,165	18.4%	1,983	-8.4%	2,500	26.1%	15.5%
Fin./Ins./Real Estate	184	279	34.1%	366	31.2%	467	27.6%	67.4%
Public Administrat'n	190	262	27.5%	245	-6.5%	331	35.1%	26.3%
Service & Other	1,442	2,201	34.5%	2,195	-0.3%	2,960	34.9%	34.5%
Unemployed	285	306	6.9%	367	19.9%	419	14.2%	36.9%
Total Employed	5,528	7,250	23.8%	7,120	-1.8%	9,494	33.3%	31.0%
Total Labor Force	5,813	7,556	23.1%	7,487	-0.9%	9,913	32.4%	31.2%

Figure ED-9 illustrates the changes in employment patterns between 1950 and 1980.

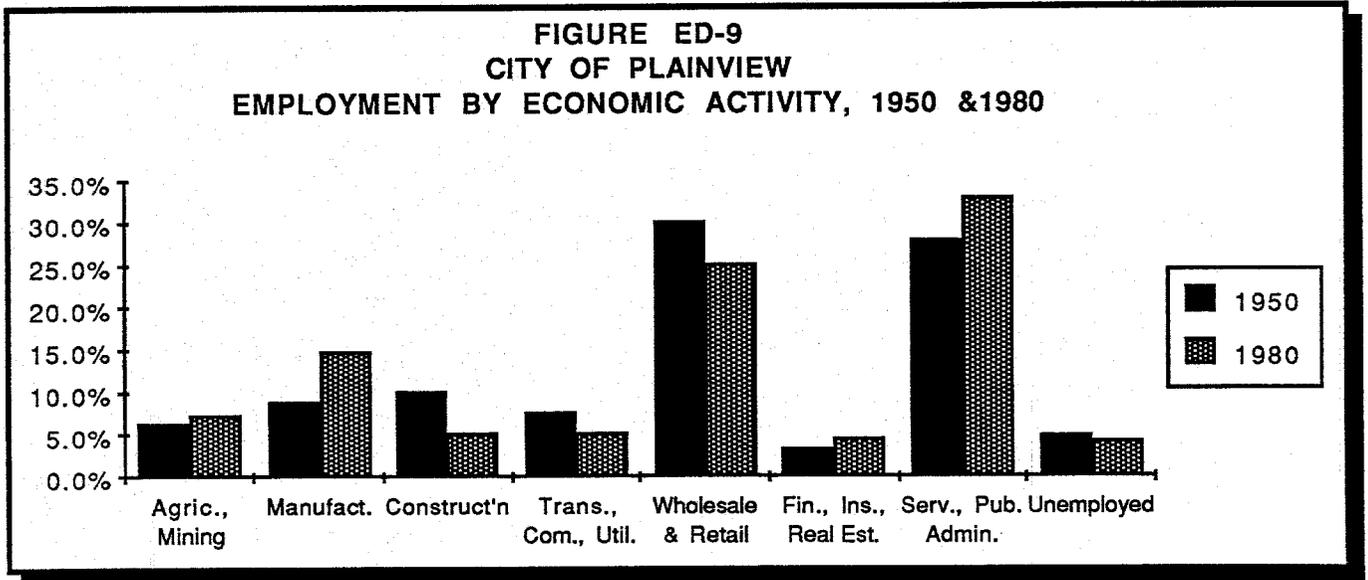
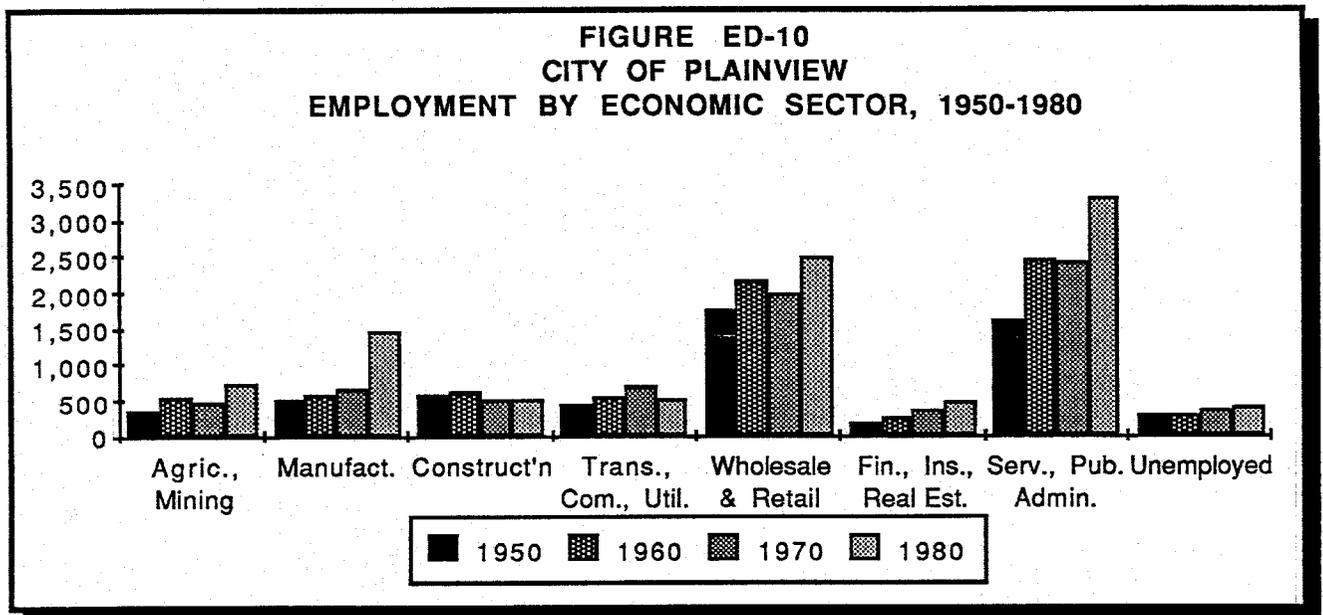


Figure ED-10 illustrates the changes within each sector over the period 1950-1980.



## Agriculture

Agriculture plays a pivotal role in the Plainview area economy. While only 6 percent of the Plainview population works directly in agricultural activities, a total of 17.3 percent (2,653 persons) of the employed persons in Hale County work directly in such activities. There has been some decline in this county level total since 1950 but no major changes. Other than the "services" category, agriculture remains the single largest employment sector in the county.

Agriculture's importance transcends its direct employment role in the county, however. Its real importance is the value of the production of the area's farms and the spin-off economic activity generated by agricultural activities. Table ED-9 provides basic data on agricultural production for the county since 1954.

The most significant change that has occurred since 1954 in agriculture is the consolidation of agricultural holdings. The number of farms in Hale County in 1982 was less than half the 1954 number and appears to have declined further since 1982, while the total agricultural acreage has remained the same.

The dramatic decline in number of farms makes the agricultural employment data particularly surprising. Apparently, the decline in number of farm owner/operators has been largely offset by an increase in the number of hired employees working on farms. In this regard the significant increase in more labor-intensive garden crops in the area may be relevant. The value of field crops produced in Hale County increased by 60 percent between 1964 and 1982. In contrast, the value of vegetable crops increased by 1,600 percent.

Finally, the value of farm products sold and the composition of those products should be noted. In 1982 the total value of farm products was \$142 million, an increase of 179 percent over 1954. The major increase has not occurred in value of crops sold, however. The big jump has resulted from the sale of livestock sold from the meat packing operations in the county, especially from the EXCEL plant just north of Plainview. Livestock went from \$3 million in 1954 to \$55 million in 1982 in sales value.

**TABLE ED-9**  
**BASIC DATA ON AGRICULTURAL PRODUCTION, 1954-1982**

	1954	1959	Chng.	1964	% Chng.	1969	% Chng.	1978	% Chng.	1982	% Chng.	% Chng. 1954-82
Number of Farms	1,703	1,535	-9.9%	1,273	-17.1%	1,310	2.9%	934	-28.7%	832	-10.9%	-51.1%
Acres in Farms	620,163	614,542	-0.9%	659,960	7.4%	726,274	10.0%	644,013	-11.3%	610,357	-5.2%	-1.6%
Average Value Per Acre	\$240.00	\$333	38.8%	\$454	36.3%	\$382	-15.9%	\$634	66.0%	\$729	15.0%	203.8%
Value of Crops Sold	\$47,832,568	\$44,941,777	-6.0%	\$52,023,358	15.8%	\$29,970,788	-42.4%	\$90,188,000	200.9%	\$87,432,000	-3.1%	82.8%
Value of Livestock Sold	\$2,993,739	\$6,352,924	112.2%	\$9,790,565	54.1%	\$27,141,865	177.2%	\$52,619,000	93.9%	\$54,747,000	4.0%	1728.7%
Tot. Value, Farm Prod.	\$50,826,307	\$51,294,701	0.9%	\$61,814,974	20.5%	\$57,112,653	-7.6%	\$142,529,000	149.6%	\$141,882,000	-0.5%	179.2%

## Manufacturing

The manufacturing sector in the Plainview economy has experienced significant change in recent decades. Plainview has had a substantial industrial base since its early development years, with cotton gins, grain storage and processing and other agriculture-related industries. According to the 1958 Census of Manufacturing, 34 manufacturing establishments were located in Plainview. By 1981 that number had increased to 45 establishments, a 32 percent increase.

	1958	1963	1967	1972	1981
Number of Establishments	34	44	47	40	45

A significant increase has occurred in number of persons employed in the manufacturing sector, however. The number of industrial employees has increased from 454 to 1,483, a 227 percent increase from 1958 to 1981. Annual industrial payroll has increased from \$1.7 million to \$14.9 million, an 800 percent increase, over the same period. As might be expected, value added associated with manufacturing has also increased dramatically, from \$3.55 million in 1958 to \$36.43 million in 1980, an increase of 926 percent.

Several large industrial operation are located in the Plainview area but outside the corporate limits. In 1981 an additional 9 establishments were located in Hale County but not in Plainview. These establishments employed over 400 persons. Most of these establishments, especially the larger ones, are located just outside Plainview.

## Commercial

Commercial activities can be best examined by dividing them into wholesale and retail trade categories. Wholesale trade is a significant element in the Plainview economy and has been growing in recent decades, as illustrated in Table ED-10. The number of establishments increased by 82 percent between 1958 and 1980 and the number of employees has increased by 143 percent. Total sales increased fivefold and payroll increased sixfold during the same period.

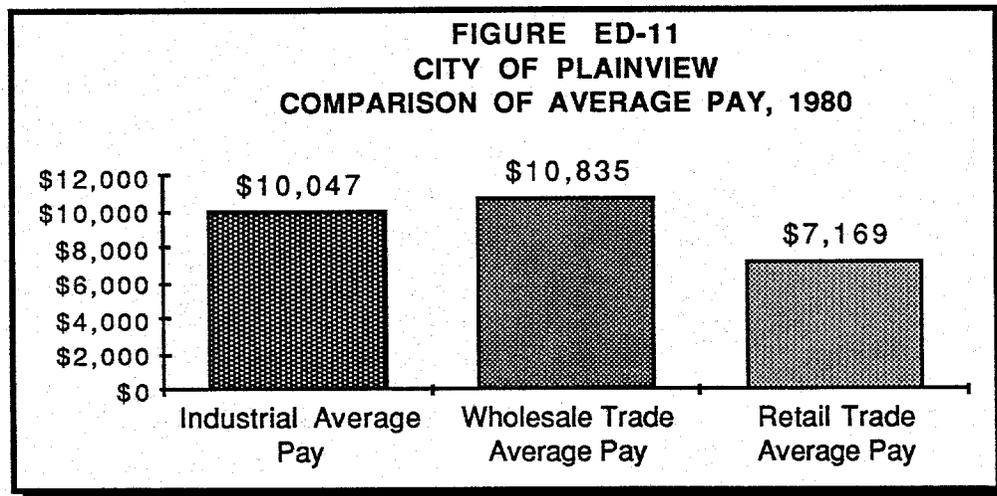
**TABLE ED-10  
CITY OF PLAINVIEW  
WHOLESALE AND RETAIL TRADE EMPLOYMENT DATA, 1958-1980**

	1958	1963	1967	1980
Wholesale Trade				
Establishments	50	72 44.0%	80 11.1%	91 13.8%
Paid Employees	364	628 72.5%	378 -39.8%	886 134.4%
Total Sales	\$23,871,000	\$60,619,000 153.9%	\$32,941,000 -45.7%	\$145,042,000 340.3%
Sales Per Employee	\$65,579	\$96,527 47.2%	\$87,145 -9.7%	\$163,760 87.9%
Annual Payroll	\$1,429,000	\$3,270,000 128.8%	\$2,148,000 -34.3%	\$9,600,000 346.9%
Pay Per Employee	\$3,925	\$5,207 32.7%	\$5,682 9.1%	\$10,835 90.7%

Retail Trade	1958	1963		1967		1980	
Establishments	277	281	1.4%	359	27.8%	319	-11.1%
Paid Employees	1,638	1,622	-1.0%	1,702	4.9%	1,625	-4.5%
Total Sales	\$38,324,000	\$53,572,000	39.8%	\$59,547,000	11.2%	\$104,869,000	76.1%
Sales Per Employee	\$23,395	\$33,028	41.2%	\$34,986	5.9%	\$64,534	84.5%
Annual Payroll	\$3,624,000	\$5,493,000	51.6%	\$6,046,000	10.1%	\$11,650,000	92.7%
Pay Per Employee	\$2,212	\$3,386	53.1%	\$3,552	4.9%	\$7,169	101.8%

Retail trade, on the other hand, has basically held steady in terms of number of establishments and employees. Sales and payroll have increased by over 150 percent but inflation accounts for a large part of this increase.

The interesting, and surprising point is that the number of industrial employees in Plainview is almost equal to the number of retail trade employees. Also noteworthy is the significant difference in wage scales in the different types of activities, as evidenced in Figure ED-11. Employees in wholesale trade establishments were paid slightly more than industrial establishment employees and retail establishment workers were paid much lower than either of the other two categories.



## OTHER ECONOMIC INFRASTRUCTURE CHARACTERISTICS

### Services

Nationally and statewide, the service sector is by far the fastest growing element in the economy. As noted earlier, employment in the service sector in Plainview has sharply increased over the past several decades. The three

employment categories ordinarily considered to be service type businesses (finance, insurance and real estate; public administration; service and other) increased from 1,816 employees in 1950 to 3,758 in 1980, a 107 percent increase. Only the manufacturing sector in Plainview approached or exceeded that level of employment growth. Data on skill levels of employed persons confirm the employment numbers. The clerical, sales, service category increased by 113 percent (from 1,697 employees to 3,631 employees) between 1950 and 1980, a considerably greater growth in both actual numbers and percentage than any other category.

Detailed analysis of the 1980 data is revealing. Plainview's position as the educational and health center of the area is clear. Almost 27 percent of service employment and over 10 percent of total employment in the city in the education sector. Virtually all of this employment is attributable to employment in the public school system and Wayland Baptist University. In the professional services sector, 640 of the 1,029 employees are in the health service fields. Given the size of the city and its position as the seat of county government, the number and percentage of public administration employees is remarkably low.

**TABLE ED-12  
CITY OF PLAINVIEW  
SERVICE EMPLOYMENT, 1980**

Type of Business/Activity	No. of Employees	% of Total
Finance, Insurance, Real Estate, Finance	467	12.4%
Business & Repair Services	372	9.9%
Private Households	170	4.5%
Other Personal Services	266	7.1%
Entertainment & Recreation	117	3.1%
Professional & Related Services	1,029	27.4%
Education	1,006	26.8%
Public Administration	331	8.8%
<b>TOTAL</b>	<b>3,758</b>	

Reliable data on income levels for service sector employment are not available. Because of the wide range of occupations included in this sector, the income spread is undoubtedly large and the data, even if available, would probably not be very meaningful.

Similarly, information regarding number of establishments is incomplete. The Census of Service Industries of 1982 identified 163 private service establishments in Plainview with 763 employees. Even considering the significant number of public sector employees, it is apparent that the 1982 census had a limited definition of what constitutes a service sector establishment.

### Financial Institutions

Because of its crucial role in economic development, one type of business--financial institutions--included in the service sector data above should be examined separately. Plainview has two major banking establishments, two savings and loan institutions and two savings institutions with specialized functions, these being the Production Credit Corporation and the Federal Land Bank. As of January 1, 1989, these institutions had approximate assets as follows:

Banks	\$225,000,000
Savings Institutions	\$130,000,000
Total Assets of Financial Institutions	\$355,000,000

### Utility Services

Electrical service in Plainview is provided by Southwest Public Service Company (SPS), a private utility serving a large area of western Texas, the Oklahoma Panhandle and eastern New Mexico. The commercial electrical service rates are comparable to rates in the rest of the state. The Plainview rate is the same as for all other cities in the SPS service area, except Lubbock, which has slightly higher rates.

Base rate	\$12.98
0-1,000 kilowatt hours	\$5.24
1,000-7,000 kilowatt hours	\$2.24
7,000-13,000 kilowatt hours	\$1.05
Each additional 1,000 kilowatt hours	\$0.55
(Each 1,000 kwh used over 10,000 activates a demand charge equivalent to an additional 200 kwh.)	

SPS has excellent facilities in Plainview and can accommodate more growth than is actually anticipated, even under the most favorable assumptions. Plainview is located along primary transmission line facilities of the company and should not experience any economic development hindrances associated with electrical service.

Natural gas is supplied in Plainview by Energas, Inc., a major regional entity with corporate offices in Dallas. Plainview benefits somewhat by being in reasonable proximity to gas supplies, although rates in the South Plains area vary little from one city to another. Rates for large industrial or commercial users are established through negotiations between Energas and the user.

Energas has major transmission facilities into and through Plainview with capacity to accommodate more growth than is actually anticipated. According to local officials of the company, the city should not experience any drag on economic development due to inadequate supplies of natural gas.

Water service is supplied in Plainview by the City of Plainview. The water supply to the city is currently a mix of water through the Canadian River Water Authority (from Lake Meredith) and local wells pumping from the Ogallala Aquifer. Surface water from Lake Meredith has supplied between 51 and 54 percent of Plainview's supply over the past ten years.

Based on population and land use projections in Volume I of this report, Plainview has existing water supplies to serve the city through the year 2010 and probably somewhat beyond that time period. Similarly, the city has adequate treatment, storage and pumping capacities to serve projected needs through the year 2000. By 2005 additional elevated storage may be needed. (A detailed analysis of the Plainview water system is found in Volume 2, Chapter 8, of this report.)

Water rates in the city are structured to favor the larger user, using a sliding scale with costs decreasing as water consumption increases, as evidenced by the following monthly rates:

0-3,000 gallons	\$8.25 (base rate)
3,000-10,000 gallons	\$1.00/1,000
10,000-20,000 gallons	\$0.80/1,000
Over 20,000 gallons	\$0.70/1,000

These rates compare favorably with virtually all other cities which might be competing with Plainview for heavy water using industry and commerce. Rates have held relatively steady over a lengthy period. A small rate increase occurred in the summer of 1989. The most recent increase prior to 1989 was a modest increase in 1983.

Sanitary sewer service in Plainview is supplied by the City of Plainview. The city is served by one treatment plant located adjacent to Running Water Draw southeast of the developed area of the city. The system also includes six major lift stations.

The existing treatment plant is designed to handle an actual flow volume which should carry the city through the year 2010, given population and land use projections found in Volume I of this report. However, changing standards of the Texas Water Commission may require significant upgrading of the plant to meet more restrictive limits on effluent quality, even under current loading. Another factor of significance to development potential is that most of the line system, especially the trunk lines, are loaded at capacity or near capacity. Significant additional loading on the existing line system is not feasible in much of the city. Therefore, additional commercial and especially industrial development in most of the areas where such development (the north and west sides of the city and around the airport) is expected will require construction of additional trunk lines.

Sanitary sewer rates in Plainview are quite modest and compare favorably with most other municipalities. The following is the monthly rate structure:

Base rate	\$4.50
Usage rate	\$0.34/1,000 gallons (based on Jan.-March average water usage)

Rates have held relatively steady over a lengthy period. A small rate increase occurred in the summer of 1989. The most recent increase prior to 1989 was a modest increase in 1983.

Solid waste disposal in Plainview is provided by the City of Plainview. Standard commercial and industrial service rates are based on a fee of \$29 per month for a 4-yard container (twice per week service). This fee is slightly higher than rates in other cities of similar size. Solid waste rates are so incidental as a cost factor in industrial and commercial operations that no negative impact relative to economic development would be anticipated.

In summary, utility services and rates appear to constitute no barrier to future economic development in Plainview. On the contrary, utility services and rates appear to be major advantages the city can offer to new and expanding industry and commerce. The basic utility services in the city are capable of serving considerably more customer loading that currently carried, with the exception of the sanitary sewer system which will require some significant capital investment as growth occurs over the next two decades.

### Tax Structure

The tax rate for the City of Plainview and the cumulative, or overlapping, rate for all entities levying taxes on property within Plainview is relatively favorable. The trend of tax rates in the area is particularly favorable. The following table summarizes ad valorem (property) tax rates paid by property owners in Plainview.

**TABLE ED-13  
AD VALOREM TAX RATES ON PROPERTY WITHIN PLAINVIEW**

Year	City of Plainview	Plainview	ISD	Hale County	Special District	Cumulative Rate
1985	\$0.6200	0.7900	0.2831	0.0341		\$1.7272
1986	0.6200	0.7600	0.2831	0.0341		1.6972
1987	0.5900	0.8200	0.2683	0.0345		1.7128
1988	0.5047	0.8140	0.2156	0.0355		1.5698
1989	0.5074	0.8595	0.2217	0.0365		1.6218

The first feature of significance regarding these data is that the city's property tax rate and, more important, the cumulative rate are relatively low compared to other cities of Plainview's size. A recent (1988) survey of Texas cities in the 25,000-35,000 size range showed city property taxes generally

higher than that of Plainview (most in the \$0.55-\$0.60 range) and most cumulative rates in the \$1.85-\$1.95 range.

Much more striking, however, is the trend of tax rates among the taxing entities in Plainview. While property tax rates across the state have been increasing and in many cases increasing dramatically over the past several years, the city and county rates in Plainview and Hale County have actually declined and the school district rate has increased at a rate well below that of other districts in the state.

Unless the cumulative (overlapping) rate is unusually large, the tax rates in a jurisdiction are not regarded by most businesses as critical factors in site selection for business location or expansion. This is not to say that an incentive such as tax abatement is unimportant. In fact, a business may make its final decision regarding location in a community on the basis of such a special incentive. However, before such an incentive will have any significant effect on the decision, the business must be interested in expanding or locating in the community. In effect, the city must already be on the "short list" due to other advantages or resources it offers before tax rate considerations become important. However, Plainview clearly has an advantageous position relative to its tax rate levels and should utilize that advantage whenever possible.

## COMMUNITY ECONOMIC EVALUATION: A SURVEY OF LOCAL COMMUNITY LEADERS

A survey of the Plainview Business Climate and Economic Development Process Factors and Priorities was conducted among Plainview community leaders as identified by city officials. Thirty-two local persons were given an opportunity to complete the survey form developed by Governmental Service Agency, Inc. (GSA). Sixteen persons completed the survey forms and returned them to GSA. Since all sixteen survey respondents are prominent local leaders actively involved in the economic development process in Plainview, it is believed that the survey response is adequate and representative of the local leadership's views on economic development. A copy of the survey form used is provided at the end of this volume.

The community leader's survey was used along with an analysis of the inventory of facilities and economic resources available, and with previous community surveys, to prepare the economic development plan contained herein. Previous surveys utilized were surveys of the Chamber of Commerce membership and existing industries as contained in the Plainview Economic Development Study completed in 1985, along with a community wide telephone survey sponsored by the Chamber of Commerce in 1988.

### Economic Development Process

The first part of the survey rates various aspects of the Plainview economic development process at the present time and also three years ago. The rating three years ago is significant since it coincides with the completion of the previous Plainview Economic Development Study. We are provided with a current framework within which the previous study can be analyzed. The results of the survey of local leaders concerning the economic development process are outlined below.

#### 1. Performance of Local Government in Improving Business Climate

The local government was given a good rating three years ago and an even higher rating at the present time for efforts to improve the business climate. Local government efforts showed a 29 percent increase in rating in the last three years, and currently is rated number 3 in strength among all the factors considered. The previous economic development study also gave the city a good rating.

#### 2. Lending Policies of Banks

Leading policies of local banks are not perceived by local leaders as being one of Plainview strengths in the economic development process. Bank lending policies were rated as only fair three years ago, and the present rating

local banks an above average rating, but that rating was based on the consultant's opinion and not a survey. If the previous consultant's opinion is correct, then this weakness may only be a perceived weakness and not a real weakness. A more detailed analysis of the adequacy of bank lending policies for community economic development projects is needed.

### 3. Attitude of Existing Dominant Businesses

The attitude of existing dominant businesses toward economic development is not considered a strength. The attitude of existing dominant businesses was rated as only fair three years ago and the present rating remains virtually unchanged. The previous economic development study also indicated a weakness in this area.

### 4. Effectiveness of Planning Efforts

The effectiveness of local economic development planning efforts was given a good rating three years ago and an even higher rating at the present time. Planning efforts showed a 29 percent increase in rating in the last three years, and is currently rated number 4 in strength among all the factors considered. The previous economic development study also gave local planning efforts a good rating.

### 5. Attitude of Public Toward Financing of Economic Development Projects

The attitude of the public toward financing of economic development projects is not considered a strength by local leaders. In fact, it is the weakest of all the factors included in the survey. The attitude of the public toward financing economic development projects was rated as only fair three years ago and the present rating remains virtually unchanged. The previous economic development study as well as the Chamber of Commerce community telephone survey indicated a more positive public attitude toward economic development. Including the word "financing" in the present survey questionnaire may have caused a significant response change. An analysis of the previous study, this study, and all surveys involved seems to indicate that there is a strong desire on the part of the general public for economic development efforts but not at much public expense. It appears that the general public would like to see a small amount of quality growth with an emphasis on marketing to attract a diversity of new small industries along with an effort to promote expansion of existing industries. Community leaders, on the other hand, have a strong desire to pursue all avenues and approaches to obtain as much growth as possible and are more willing to expend public funds in economic development efforts and are less concerned about the quality of the growth.

6. Cooperation with Neighboring Communities in Economic Development Efforts

Cooperation with neighboring communities in economic development efforts is currently rated number 1 in strength by local leaders among all the factors considered. Cooperation with neighboring communities also showed the greatest percentage increase (44 percent) in rating within the last three years. Cooperation with neighboring communities was rated fair three years ago and is currently rated excellent. Current leaders rank this factor as the strongest characteristic in the current economic development process. This factor was not considered in the previous economic development study or in previous surveys.

7. Effectiveness in Obtaining Federal and State Economic Development Assistance

Effectiveness in obtaining federal and state economic development assistance was given a fair rating three years ago and a good rating currently with a 27 percent increase in strength rating over the three year period. Effectiveness in obtaining federal and state economic development assistance is currently ranked fifth among the eight factors considered in the economic development process. This factor was not considered in the previous economic development study or in previous surveys.

8. Effectiveness of Community Economic Development Projects and Programs

The effectiveness of community economic development projects and programs was rated good three years ago and is currently rated excellent. This factor showed a 25 percent increase in strength rating and is currently ranked number 2 in strength among the eight factors considered in the economic development process. This factor was also highly rated in the previous economic development study.

## 10. Summary

The following table indicates the strength of eight factors involved in the economic development process in Plainview as perceived by community leaders.

**TABLE ED-14  
FACTORS PERCEIVED TO BE IMPORTANT  
IN ECONOMIC DEVELOPMENT PROCESS**

Current Strength Rank	Factor	Strength Rating 3 yrs. ago	Current Strength Rating	Percent Change in Strength
1	Cooperation with neighboring communities in development efforts	32	46	+44%
2	Effectiveness of community economic development projects and programs	36	45	+25%
3	Performance of local government in improving business climate	35	45	+29%
4	Effectiveness of planning efforts	34	42	+29%
5	Effectiveness in obtaining federal and state economic development assistance	33	42	+27%
6	Attitude of existing dominant businesses	38	39	+03%
7	Lending policies of banks	37	36	-03%
8	Attitude of public toward financing economic development projects	32	34	+06%
<b>Totals</b>		<b>277</b>	<b>33</b>	<b>+19%</b>

The survey indicates that community leaders believe the Plainview economic development process is pretty good and that it has improved in the last three years. Need for improvement is indicated in the areas of attitude of existing dominant businesses, lending policies of banks and attitude of the public toward financing of economic development projects.

## Business Climate Factors

The following table indicates the net strength or weakness rating for various business climate factors in Plainview as perceived by community leaders:

**TABLE ED-15  
PERCEIVED STRENGTH/WEAKNESS  
OF BUSINESS CLIMATE FACTORS**

<u>FACTOR</u>	<u>NET STRENGTH RATING</u>
<u>LABOR</u>	
Availability of skilled workers	-8
Availability of unskilled workers	+11
Labor costs	+10
Availability of job training programs & vocational education programs	+6
<u>FINANCING</u>	
Availability of long-term financing	+2
Availability of short-term financing	+5
Cost of financing	+1
<u>TAXES</u>	
Local taxes	+6
State taxes	+6
<u>LOCAL GOVERNMENT</u>	
Public services (e.g., trash collection, fire protection)	+13
Public facilities (e.g., sewers, water, streets, etc.)	+9
Quality of schools	+8
Crime level	-4
Cost of water, sewer, and trash collection	+3
<u>OTHER</u>	
Highway transportation system	+13
Rail and air transportation	+9
Cost of land	+10
Cost of energy	+8
Leadership by local officials and organizations	+11
Availability of adequate housing	-1
Cost of housing	-3
Adequacy of shopping facilities	+8
Recreational attractions	-4
Adequacy of cultural facilities	+7
Cost of insurance	+0

The survey indicates that community leaders believe Plainview has many strengths and few weaknesses in the area of business climate factors that

affect economic development efforts. Although the availability of skilled workers is rated as a weakness, the survey also indicates that adequate job training and vocational educational programs are available to meet the need. Need for improvement is indicated in the area of reducing the crime level, providing more recreational attractions and providing more safe and decent housing for low to moderate income families. Although medical facilities was not included on the above list, community leaders indicated it to be a strength.

Types of Development Assistance

Community leaders were asked to rate the following eleven programs or types of assistance. in accordance with the economic benefits the leaders believed that the programs would provide to Plainview. Since almost all respondents indicated that all programs listed would be very beneficial, the programs have not been ranked. The total scores for each type of program or assistance are shown in the table below. The survey indicates that all types of economic development assistance should be provided, according to community leaders.

**TABLE ED-16  
PROGRAMS PERCEIVED TO BE BENEFICIAL  
TO ECONOMIC DEVELOPMENT**

<u>TYPE OF PROGRAM OR ASSISTANCE</u>	<u>TOTAL SCORE</u>
Availability of loan funds at slightly below market rates (1 or 2 points below prime rates)	42
Loan guarantees	40
Improved "jobs available" information	38
Vocational training programs	42
Donation of land	42
Preparation of land for industrial use	41
Provision of facilities (e.g., industrial buildings)	40
Improved site selection assistance for firms interested in locating in Plainview	41
Improved industrial recruitment	41
Transportation development (e.g., improve air service)	40
<u>Tourism development</u>	<u>35</u>

## Economic Development Objectives

Community leaders were asked to rank the following twelve economic development objectives in terms of relative importance to the City of Plainview. Respondents were asked to score the objectives based on what needs to be done. Therefore, if an objective is very important, but is already being adequately addressed, it was not to be assigned a high score. The ranking, therefore, represents economic development objectives not currently being adequately addressed. The total scores for each objective are shown below.

**TABLE ED-17  
ECONOMIC DEVELOPMENT OBJECTIVES  
NOT CURRENTLY ADDRESSED**

<u>RANK</u>	<u>OBJECTIVE</u>	<u>TOTAL SCORE</u>
1.	Develop facilities suitable for small industries which will help diversify the economy	1,244
2.	Improve financing mechanisms and provide loans for small business	1,010
3.	Increase availability of financial and other industrial location incentives	945
4.	Strengthen trade linkages between Plainview area and 900 Lubbock, Amarillo and Clovis	
5.	Strengthen economic development planning capabilities	875
6.	Develop and implement improved area-specific industrial marketing and recruitment programs	870
7.	Enhance skill training programs and their linkages with industry	809
8.	Improve entrepreneurial opportunities	764
9.	Improve recreation and tourism and facilities	745
10.	Improve job opportunities for unemployed and underemployed	720
11.	Increase inventory of industrial buildings and developed land	615
12.	Improve quality of public facilities	415

The results of the objectives survey are self-explanatory and are consistent with other parts of the survey. For example, community leaders ranked the quality of public services and facilities as one of Plainview's major strengths

in evaluating business climate factors; however, since leaders feel that public facilities are for the most part adequate, their improvement ranked last in terms of immediate objectives which should be addressed. It should be noted that although the objective to improve job opportunities for unemployed and underemployed received a relatively low total score of 720 by all respondents, it was ranked as the number 1 objective by three of the respondents.

Specific Economic Development Projects

Community leaders were asked to identify specific economic development projects which they feel should be included in Plainview's economic development plan. The following projects were listed in the survey by respondents.

**TABLE ED-18  
RANKING OF ECONOMIC DEVELOPMENT PROJECTS**

<u>PROJECT</u>	<u>NUMBER OF RESPONDENTS LISTING</u>
Establish and implement comprehensive central business district redevelopment plan	4
Construct additional retirement facilities and establish Plainview as an attractive retirement community	2
Establish programs to expand supply of safe and adequate housing for low and moderate income families	2
Establish program to help existing local industries with expansion efforts	2
Seek agricultural equipment manufacturing firms and agricultural products processing plants to locate in city	1
Assist in developing additional markets for local agricultural products	1
Improve gifted and talented program in public school system	1
Improve city and county grantsmanship capabilities	1
Develop and promote additional tourist facilities	1
Construct a civic center	1
Expand industrial recruitment program and improve targeting efforts	1
Involve more people in economic development in order to train future leaders	1

Streamline and expedite local development rules for industry	1
Improve air transportation facilities to include precision instrument approaches and improve air freight capabilities	1
Improve and expand city/county cooperative efforts	1
Seek garment manufacturing industry and develop textile industry potential	1
Establish low interest housing loan program	1
Promote shopping in Plainview programs	1
Establish tax relief program for businesses in central business district	1
Improve city street and alley maintenance program in central business district	1
<u>Expand youth services and facilities at YMCA to include a gymnasium, dance area, recreation area, and meeting room</u>	<u>1</u>

Community leaders listed projects related to the central business district six times, more than any other type economic development project. Housing programs, including elderly housing, ranked second with a total of five housing projects being listed.

## LAWS AND REGULATIONS OF INTEREST AND/OR CONCERN TO INDUSTRY AND BUSINESS

### National Legislation and Regulations

Most actions and programs of the federal government have some direct or indirect economic development impact. No effort will be made here to review most of the federal actions which even directly relate to economic development. For example, the Department of Commerce provides an incredible array of information and technical assistance programs which are of great value to owners and managers of property. The Environmental Protection Agency is responsible for enforcing a host of administrative regulations and statutes which many businessmen regard as having adverse impacts on economic development. The Department of Defense issues billions of dollars worth of contracts each year which have great economic impact. The Internal Revenue Service enforces tax laws which probably have as much impact on economic development, especially over the long run, as any actions taken by the national government. These issues will not be discussed here. A large number of books and articles are available which do address the effect of these various agencies and programs, both collectively and individually.

The programs and activities to be discussed here are those through which the national government has attempted to provide direct support and direction to economic development or specific economic sectors. Most such activities relate to grant and/or loan programs. The Economic Development Administration (EDA) provides grant funds through its Public Works and Development Facilities program. Authorized through the Public Works and Economic Development Act of 1965, Public Law 89-136, and Public Law 98-166, the program supports public facilities such as water and sewer systems, access roads to industrial parks or areas, rail sidings and spurs, tourism facilities, vocational schools and infrastructure improvements for industrial parks. The objectives of the program primarily include long term economic development, especially industrial development, and providing jobs for long term unemployed in severely depressed areas. Cities, counties and non-profit organizations are eligible for funding. Grants usually cover no more than 50 percent of the project costs. The average grant is about \$560,000. The program has been on the budgetary chopping block for the past 15 years and funding levels have declined over the past decade. The current funding is approximately \$150 million.

Another grant program with direct economic impact is the Small Cities Community Development Block Grant (CBDG) Program in the Department of Housing and Urban Development (HUD) which will be discussed below under state level projects.

Several loan programs (usually loan guarantees) are available through national government agencies. The Department of Agriculture's Farmer's Home Administration operates a significant guaranteed/insured loan program designed to support economic development in rural areas and small cities. Authorized by the Consolidated Farm and Rural Development Act, Section 310 B, Public Law 92-419, the program is very similar in operation and objectives to the EDA Public Works grant program. Preference is given to cities and rural areas smaller in population than Plainview, however. About \$100 million in loans have been guaranteed each year over the past several years.

The Small Business Administration (SBA) of the Department of Commerce provides direct loans and guaranteed/insured loans to small businesses owned by low income persons or located in areas of high unemployment and to small businesses which are unable to obtain financing in the private credit market. Authorized under Section 7(a) of the Small Business Act of 1953, Public Law 97-35, the SBA program is the largest business loan program available. About \$2.4 billion in loans and loan guarantees are issued each year. Virtually all loans in recent years have been loan guarantees.

A slight variation on the theme is the SBA 501 and 502 loan programs which make loans to state and local development companies which in turn provide long term financing to small businesses. Such development companies are formed for the purpose of promoting economic growth within specific areas. Loan funds can be used for virtually anything except working capital.

Virtually all loans are loan guarantees, averaging about \$185,000 each. Approximately \$35 million has been guaranteed each year for the past three years.

The SBA also operates the Small Business Investment Company program. Authorized under the Small Business Investment Act of 1958, Public Law 85-699, the program provides direct and guaranteed/insured loans to small business investment companies to make equity and venture capital investments in small businesses. The investment companies provide management and financial assistance on a continuing basis to eligible small businesses. Emphasis is on assistance to innovative, experimental concerns. A special section [Section 301(d)] provides funding for loans to companies owned and operated by persons hampered by social or economic disadvantages. About \$270 million in loan obligations were made in 1988, mostly in loan guarantees.

Specialized loan programs are available to small businesses requiring pollution control facilities/equipment but needing loan guarantees to secure market financing. The SBA Pollution Control Financing Program has provided loan guarantees to approximately 300 companies. Another specialized loan program is available to Vietnam-era veterans and disabled veterans. Direct loans of approximately \$20 million have been made in each of the past two years.

Several federal agencies provide a wide variety of technical assistance to businesses, especially small businesses and businesses owned by socially or economically disadvantaged persons. For example, the Small Business Investment Company program requires that the investment company provide long term and continuous advisory services and counseling to loan recipients. The General Services Administration counsels and provides information on government contracting opportunities to small and disadvantaged business firms. The SBA provides a variety of assistance programs, including workshops for prospective small business owners, management counseling, including assistance from the Service Corp of Retired Executives (SCORE) and other sources, management courses or conferences and seminars, publications to assist in management of small business and Small Business Development Centers business development programs. The SBA has a special program [Section 7(J) Development Assistance Program] which provides grants to individuals and organizations for the purpose of providing management and technical assistance to existing or potential small businesses which are economically or socially disadvantaged or which are located in areas of high concentration of unemployment. The Section 8(a) Program of the SBA provides specialized assistance to existing or potential businesses owned by socially or economically disadvantaged persons. The specialized assistance includes providing contract, financial, technical and managerial assistance in securing federal contracts. The SBA also works with small businesses generally in providing information on federal contracts and works with federal agencies to insure that contracts are structured to optimize the opportunity of small businesses to compete for such contracts. The Department of Energy's Office of Minority Economic Impact provides advisory services and counseling to minority business enterprises seeking to

participate in DOE's technology research and development contracting activities.

#### State Economic Development Actions

As noted earlier, the HUD CBDG/Small Cities program as administered through the Texas Department of Commerce also provides direct, often very low interest loans (Texas Capital Fund). Authorized by Title I of the Housing and Community Development Act of 1974, Public Law 93-383, this program's objectives center on development of viable urban communities by providing decent housing and living environments and expanding economic opportunities for low and moderate income persons. Texas has elected to administer this program and uses part of its allocation of CBDG funds to support the Texas Capital Fund. Like the EDA Public Works and Facilities program, the Capital Fund supports a wide variety of infrastructural improvements that relate directly to job creation/retention but also is used to provide low interest loans to private commercial or industrial ventures which cannot otherwise secure capitalization. Texas Capital Fund applications are subject to a statewide, highly competitive evaluation process.

Chapter 57 of V.T.C.A., Agriculture Code, provides for establishment of agricultural development corporations at a county or preferably multi-county level. These entities are designed to encourage agricultural producers to become directly involved in processing, packaging and marketing agricultural products by providing a method of financing agricultural enterprises. The main purpose of the corporations is to provide reduced rate loans. Approval of the county commissioner's court in each county served is required prior to establishment of the non-profit corporations.

Chapter 58 of V.T.C.A., Agriculture Code, provides for establishment of the Agriculture Finance Authority. The Authority may issue up to \$500 million in revenue bonds as well as having ability to issue general obligation bonds. The primary purpose of the Authority is to provide financial assistance for the expansion, development and diversification of processing, marketing and export of Texas agricultural products.

Chapter 44 of V.T.C.A., Agriculture Code, provides for creation of a grant program supporting research and innovation leading to organizational or marketing improvement in businesses based on agriculture or to the commercialization of new crops, new agricultural products, or new production processes. (Grant recipients must be non-profit corporations, including universities.) The program is also designed to increase the capabilities of community and regional organizations to train and assist new or expanding agriculture based businesses, start small business incubators and encourage private commercial loans for production, processing and marketing of certain agricultural crops through a linked deposit program, up to \$5 million at any one time. Loans up to \$250,000 for regular agricultural crops and \$100,000 for alternative crops can be made.

The State of Texas has also authorized formation of business development corporations (V.A.T.S., § 1528g). These non-profit corporations can make loans to private entities to promote economic development. The corporations operate as state development companies as defined in the Small Business Investment Act of 1958.

The Texas Development of Employment, Industrial and Health Resources Act of 1971 (V.A.C.S., § 5190.1) authorizes cities (and counties) to issue bonds to private entities for the purpose of promoting economic development. The Act is intended to provide additional lending authority to industrial development corporations, acting for political subdivisions of the state. Section 18 states in part, ". . . the issuance of revenue bonds by political subdivisions of the State for the promotion of industrial development, employment, public health and research is hereby declared to be in the public interest. . . ."

The Texas Rural Industrial Development Act (V.A.C.S., § 5190.2) provides for loans from the Texas Department of Commerce to local non-profit industrial development agencies in "rural areas" for purposes of promoting economic development activities. Plainview and Hale County qualify as "rural areas" under the act's language and definitions.

The Texas Development Corporation Act of 1979 (significantly amended in 1987) (V.A.C.S., § 5190.6) is a major piece of legislation permitting creation of local industrial development corporations with broad powers to promote local economic development through purchase of property, lease, and/or sale of property, making of loans, issuing bonds and owning and operating of projects as businesses. Cities or counties must approve creation of local industrial development corporations to act on behalf of the unit of local government. The City of Plainview has approved creation of a local Industrial Development Corporation which is an active entity.

The Texas Enterprise Zone Act (V.A.C.S., § 5190.7) allows local governments to establish clearly defined areas in which special incentives can be offered to encourage economic development and redevelopment. The specified zone must meet criteria for designation, the criteria primarily designed to assure that the area is economically distressed. Such incentives may include, among others:

- deferring compliance with subdivision and development ordinances and regulations (other than those governing streets or sewer or water service)
- establishing preferences for businesses in permit processes
- waiving development fees for projects
- reducing utility rates

•refunding local sales and use taxes as provided by Section 8(b), Local Sales and Use Tax Act.

An enterprise zone may be designated a reinvestment zone for tax increment financing or tax abatement purposes as provided by the Tax Increment Financing Act (Chapter 311, Tax Code), which is discussed below. Also, the governing body of an enterprise zone shall be given preference over other eligible applicants for grants or loans that are administered by state agencies if most of the grant or loan will be expended for the benefit of the zone and the purpose of the loan or grant is to promote economic development or construct or improve public facilities in the zone.

A qualified business in an enterprise zone may be designated as an enterprise project, the primary benefit of which is the refunding of state as well as local sales and use taxes, as provided by Section 151.429, Tax Code. However, only 25 enterprise projects may be designated in the state in the years ending August 31, 1990, and August 31, 1991, respectively.

The establishment of research and development authorities by a county or counties is authorized under V.A.C.S., § 5190.10. The R&D authorities must work with universities, established research center or health science centers. Authorities can issue bonds and make grant awards, given availability of funds. The local R&D authorities have as their primary purpose the promotion of scientific research and development and commercialization of research.

The Tax Increment Financing Act (Chapter 311 of the Tax Code) allows cities to designate reinvestment zones within the city if the governing body determines that development or redevelopment will not occur solely through private investment. A reinvestment zone must meet certain criteria, primarily focused on insuring that the area is in need of special assistance to encourage redevelopment. The primary feature of the reinvestment zone is the opportunity to utilize tax increment financing of improvements within the area. Tax increment bonds or notes may also be used to pay projects costs for the reinvestment zone.

The Property Redevelopment and Tax Abatement Act (Chapter 312 of the Tax Code) allows cities to designate reinvestment zones in the city or its extraterritorial jurisdiction which are eligible for tax abatement incentives. For an area to qualify it must meet certain criteria generally relating to need for economic development or redevelopment. Tax abatement arrangements are flexible relative to length of time (the abatement can extend for as long as 10 years), amount of abatement and other conditions. Tax abatement has become a major incentive to new industrial and even commercial development in many cities, including Plainview, over the past few years.

## Local Regulations, Ordinances and Policies

The City of Plainview has been very active in promoting and encouraging economic development within the city and area. In recent years the City has directly encouraged development activities through tax abatements, Texas Capital Fund Program loans and industrial development loans. Less direct but important encouragement has come in the form of favorable patterns of zoning decisions, development-biased utility extension ordinances and policies, passage of a local hotel/motel occupation tax and use of the tax-generated funds for development related activities and a positive relationship with the local chamber of commerce, downtown business association and industrial development organization.

The City has a carefully considered, written policy statement on utilization of tax abatement as an economic development incentive. Criteria are established for evaluation of specific requests for abatement by a committee consisting of city, county and school district representatives. The value and term of abatement, if given, is established according to a prescribed formula using capital investment and jobs created as evaluation criteria.

The City has been an active participant in the Texas Community Development Program (TCDP) and its predecessor program, the HUD Community Development Block Grant/Small Cities program. The Texas Capital Fund element of the TCDP program has been given special attention and has been used as a source of low interest loan funds in instances where such funds were critical to the location or expansion of a business operation.

Industrial revenue bond financing and industrial development bond financing typically involves the issuance of bonds by a municipality or a non-profit corporation to finance an industrial plant, equipment or facilities. The lease or installment sales payments made by the private sector entity to the issuing entity must be sufficient to meet all payments of principal and interest as well as pay related costs such as trustee and paying agent fees. IRB financing has been utilized in numerous situations by the City of Plainview.

Zoning is a tool which can be used to encourage or discourage economic development activities. The concept of zoning is usually welcomed by owners and managers of property because it provides pattern and predictability to development, both residential and non-residential, in a community. Zoning in Plainview has not always provided as much predictability as might be expected because of lack of adherence to a growth plan and land use plan.

Subdivision regulations are utilized by the City to insure that new development occurs under conditions which ensure that such development enhances rather than detracts relative to property values, community aesthetics and other similar factors. In particular, subdivision regulations should insure that new development does not result in additional future public expenditures to provide services and facilities associated with the development.

A related regulation is the utility extension and pro rata policy of the City. This regulation stipulates the costs assessed to the property owner for tying to and/or extending a city water and/or sewer line and how much and under what conditions a property owner will be reimbursed when other users tie into a line constructed by the property owner. Pro rata policies are important because of their impact on original development costs of a project.

The State of Texas allows cities to collect a hotel/motel occupation tax, which Plainview does assess. Funds collected from this source can be used for a variety of different purposes, some of which can be very positive for economic development in a community.

The City of Plainview has both an active Chamber of Commerce and an Industrial Development Foundation, both being non-profit entities having as their primary function the promotion of business and industry in the city and area. Plainview also has an active association of downtown merchants and property owners. The relationship between city governments and such groups varies greatly from one community to another. Obviously, the city government is established to serve the interests and provide services to the larger community and cannot legitimately serve primarily the interests of one or more of the groups representing only the non-residential property owners and managers of the community. However, in many communities, close ties exist between the associations representing commercial and industrial interests and the local government. Such a relationship, usually in which the city provides indirect support to the associations, can be very positive relative to encouraging economic development activities.

#### Recommended Changes In City Policies To Improve The Local Economic Climate

The City of Plainview has developed a set of policies regarding economic development which are strongly biased in favor of the private developer/entrepreneur. It appears that these policies are a product of careful, deliberate action by local political leaders, rather than accidental or haphazard actions. The policies of the City which positively affect economic development include a wide variety of different types of action, ranging from the pattern of zoning decisions to use of tax abatement to entice new business and industry to locate or relocate in the city.

Individual zoning decisions in Plainview have not been made in accord with written policies but a relatively clear pattern does seem evident over a lengthy period of time. The primary feature of zoning decisions over the past several years is the expansion of areas in which business and industrial development is permitted. The conversion of Quincy, Twenty Fourth, Ennis, Sixth, Seventh and even parts of Yonkers, South Date and other areas of the city from residential to commercial zoning illustrates the relative ease with which commercial zoning requests have been granted. Several of the areas in which

and even parts of Yonkers, South Date and other areas of the city from residential to commercial zoning illustrates the relative ease with which commercial zoning requests have been granted. Several of the areas in which changes from residential to commercial zoning have occurred are or were viable single family residential neighborhoods. Obviously, the pattern of decisions as described here can change with changes in the composition or attitudes of decision makers. However, the bias toward readily granting requests for commercial and even industrial zoning appears to be a long term phenomenon.

The subdivision regulations and associated policies (e.g., street paving policy and alley paving policy) of the City include standard provisions for small and mid-sized cities. Concrete paving for streets and alleyways is required whereas asphalt (HMAC) is allowed by some cities in the state. Concrete is increasingly becoming the standard in even smaller cities, however.

Tied to the subdivision regulations are utility extension regulations. The City's utility extension ordinance, passed in 1987, is designed to insure that direct costs attributable to extension of water and sewer services to new customers are paid by the user. This is standard practice in virtually all municipalities of any size. By requiring that new users pay only the direct costs of utility extension, the City is usually providing an indirect subsidy to development, however. Water and sewer facilities (lines, lift stations, pump stations, storage facilities, treatment plants, etc.) have finite capacities which are "used up" as additional customers are added to the system. Unless the new customers pay for the "impact" they have on the systems when they are connected, these costs are spread to all customers of the system through higher utility rates (or increased taxes, if utility rates do not cover the costs).

Similarly, the City requires that developers pay direct costs of street and drainage facilities serving their subdivision. However, the off-site impact of new development, especially of commercial and industrial development, is often substantial relative to increased traffic and surface water drainage. The drainage factor is particularly critical in Plainview which topographically is highly vulnerable to drainage problems. Thus, the absence of any effort to calculate and assess the off-site impact of new development on street and drainage is a major indirect subsidy to commercial and industrial development. Under current policy, the cost of additional street and drainage facilities required as a result of new commercial and/or industrial development is borne by all taxpayers.

The City of Plainview is also involved in more direct encouragement of commercial and industrial development activities. The most obvious and perhaps the most important of these encouragements is the tax abatement policy. In cooperation with the county and the school district, Plainview offers on an ad hoc, case by case, basis an abatement of taxes to economic interests which appear to provide special benefits to the city and area. A formula has been established which provides guidance regarding the amount and length of time of the abatement.

The City has also been active in the Texas Capital Fund of the Texas Community Development Program. Plainview has used the Capital Fund to provide very low interest loans to companies which use the funds to locate or expand operations in the city. Minimum levels of private capital investment and job creation are required to qualify for the loans and a need for the assistance must be established (usually through demonstration of inability to secure private financing or by showing that private financing will make the investment unsound). The payback of loans is put into a revolving fund to be used for additional future loans for the same economic development purposes. The great advantage of this program is the flexibility that can be offered in terms of interest rates, payback period, types of projects which can be funded and other features.

The City also participates in industrial development bond financing programs in which below market loan funds are made available to eligible commercial or industrial operations through a non-profit corporation sponsored by the city. This program is particularly effective in encouraging development if packaged with other incentives, such as tax abatement, reduced land costs, expedited permitting processes, or other similar subsidies.

Finally, it should be noted that City policies and decisions relating to the quality of basic public services are critical to sustaining and encouraging economic development. In this regard the City of Plainview has done an excellent job of providing the basic public services and facilities which business and industry require to thrive. The public water system is in excellent condition, particularly relative to supply and storage. This is an especially critical issue since much of the industrial development which might be expected in Plainview is typically heavy water consuming agriculture-related industry. The sanitary sewer system is in relatively good condition, although some capacity increase in the treatment plant will be needed if major wastewater generators are added to the system. Similarly, the thoroughfare system in the area is in good condition, both in terms of physical maintenance and carrying capacity vis-a-vis existing and projected loads. The major existing need is a north side east-west thoroughfare (in the area of Twenty Fourth Street). If City policy makers and staff continue to exercise diligence in long term planning and utilize zoning and subdivision regulations appropriately, the basic layout of the thoroughfare system should be quite adequate to sustain economic growth for many years.

#### **PLAINVIEW ECONOMIC DEVELOPMENT PLAN AND IMPLEMENTATION STRATEGIES**

Long-term community interests are best served by a strategy that includes a strong local approach to economic development. Cities that are successful in attracting "footloose" firms through tax abatement and attractive financial incentives only, are finding that those same firms often relocate again within a few years to still more profitable areas. Independent or "homegrown" businesses have more of a vested interest in the community and its work force

approaches--retention/expansion of existing businesses, small business development, and new enterprise development--are essential ingredients to this economic development plan.

Carrying out an economic development strategy is a political process. The key political elements in a community--local elected officials, business, labor, and citizens--need to be reckoned with in the beginning of the process if they are not to become spoilers at the end. The city should provide both the forum and sense of purpose that are needed to coalesce those who control needed resources, who influence vital decisions, and who possess needed technical expertise. Such a coalition is essential to the implementation of this plan.

It takes much more than a tax incentive or financial assistance program to create jobs. The total environment of the city should be conducive to job creation. A city lacking adequate governmental services is not a city people wish to move to, or more importantly, risk investment in. The city needs a well-trained work force, a high quality of life, and other basics to support economic development efforts. The goals and strategies recommended in this plan provide for those basics.

Successful implementation of this economic development plan will require the building of a viable coalition of local interests to provide the political support the effort will need as it proceeds. Consensus building is a difficult process, because the goals of the individual local interest groups may not be totally compatible or mutually self-supporting. It is necessary that these groups be drawn together in order that they may work out a program which all or most of them can support. Creation of the position of Economic Development Coordinator as recommended in this plan will help alleviate some of these implementation problems.

The city should develop and evaluate data such as the following examples with which to measure the economic development progress of this plan on an annual basis:

- number of permanent jobs created
- taxes generated
- retail sales increases
- number of housing units added
- gross increase in payrolls
- increases in square footage of available and occupied office, manufacturing, and retail space

The traditional listing of outside economic development resources, programs, and sources of assistance has not been provided with this plan because

experience has shown that they are subject to frequent change. These lists are contained in numerous publications readily available to the city.

Plainview currently has the key ingredients for economic growth. The regional economy is not in decline. Adequate land and labor are available at reasonable prices. The city infrastructure is in place. There is adequate capital available. There is a favorable business climate. There is good access to education and training programs. The only factors that could currently inhibit the successful implementation of this plan are local leadership, organization, and community image. All of these factors are within the control of Plainview economic and political leaders.

### Goals And Implementation Strategies

The following economic development goals and implementation strategies are recommended based upon the community leaders survey along with an analysis of the inventory of facilities and economic resources available, and with previous community surveys.

**Goal 1: Assist in the retention and expansion of existing businesses and industries.**

#### Strategies:

1. Establish local business and industry visitation program to ensure that local economic development leaders are aware of plans, needs and expectations of existing businesses and industries. Assist existing businesses and industries, especially those with potential for growth and expansion.
2. Create, through personal contact and news releases, a public awareness that an existing business that adds 20 new jobs through product diversification or plant modernization is no less important than a new business with 20 jobs, that firms with less than 20 employees generate over 60% of all new jobs, and that economic development is essential to all aspects of community life.
3. Provide assistance to existing businesses and industries as provided for in the strategies outlined under the education and training goal included herein.
4. Help existing businesses identify goods and services that are available locally to supplant those which they are currently purchasing from out-of-town firms and encourage such purchases from local firms.
5. Improve the attitude of existing businesses and industries so that they will be good will ambassadors of the community when contacted by prospective businesses and industries considering relocating into Plainview.

6. Increase awareness among local businesses of services available through the South Plains Association of Governments (SPAG) Contract Procurement Center to assist local businesses in obtaining government contracts.
7. Conduct local job fairs on a regular basis to bring potential employers and employees together.
8. Provide assistance to Wayland Baptist University in its marketing and expansion programs.
9. Provide assistance to Central Plains Regional Hospital in its marketing and expansion programs.
10. Establish contingency plan to deal with possible loss of a major employer or plant closing in order to be able to mitigate the adverse effects when the need arises.

**GOAL 2: Promote the creation of new business start-ups.**

**Strategies:**

1. Establish a business incubator program to provide services and facilities for the purpose of creating an atmosphere conducive to the creation and early growth of fledgling, homegrown business.
2. Utilize services provided for in strategies outlined under education and training goal included herein to assist new businesses and industries with feasibility studies, market analyses, and business plans.
3. Hold new business and franchising opportunity seminars annually.
4. Encourage use of cooperatives when goods and services are not otherwise locally available at a competitive price.
5. Join a venture capital network that links entrepreneurs with ideas to people with money.

**GOAL 3: Increase efforts to attract and entice new desirable, diversified businesses and industries from outside the area to establish a new facility, or relocate an existing facility, into Plainview.**

Strategies:

1. Improve targeting of industrial recruitment efforts to desirable, diversified industries most likely to locate in Plainview, utilizing the Industrial Markets Report recently published by Southwestern Public Service Company, cross-match data generated in a previous economic development study, information available from the Texas Department of Commerce, as well as information provided in this plan.
2. Improve and update industrial recruitment marketing tools such as community profiles, brochures, videos, etc.
3. Provide additional training to community industrial recruitment team.
4. Develop go-no go checklist to decide early in the recruitment process how much effort should be expended on a particular prospect. The city engineer should be consulted early in the site selection process to determine water, sewer, street, and drainage development needs.
5. Expand inventory of suitable, attractively priced, developed industrial park sites.
6. Continue to provide adequate water supply, sewage treatment capability, airport facilities, street and thoroughfare system and storm drainage facilities to meet future economic development needs.
7. Conduct study of existing industrial development financing capabilities and tax incentives currently utilized in order to ensure that Plainview financing resources and tax incentives are competitive with other areas.
8. Continue to foster cooperative approach with neighboring communities toward economic development.
9. Establish comprehensive program to reduce the level of crime in Plainview to the point that it is considered a community strength and not a weakness as currently perceived by community leaders.
10. Work with the Texas Department of Agriculture, Texas A&M, and Texas Tech University to promote economic growth through agricultural development.
11. Establish program to beautify and enhance highways and major approaches to the city to create better first impression on visitors including industrial prospects.

12. Institute simplified and streamlined economic development process to eliminate appearance of unnecessary "red tape" and bureaucratic restrictions.
13. Involve local railroad companies and utility companies more in the economic development process to take better advantage of their available assistance, and to help ensure that future railroad and utility services remain adequate to meet Plainview's economic development needs.

**GOAL 4: Revitalize central business district.**

Strategies:

1. Provide technical support to strengthen downtown association of merchants and property owners in an effort to formulate a consensus on a plan of action to revitalize the central business district.
2. Establish long-term, off-street parking plan for the central business district.
3. Include central business district in tourist development efforts in order to attract downtown specialty shops for shopping tourists, generate additional pedestrian traffic, and increase the building occupancy rate.
4. Rejoin the Texas Main Street Program as a self-initiated main street city.
5. Increase central business district involvement in cleanup and beautification campaigns.
6. Increase city street and alley cleaning and maintenance program in the central business district.
7. Utilize zoning more effectively to encourage development and to discourage abandonment of the central business district.
8. Consider use of Enterprise Zone, Tax Abatement, Historic Preservation District, and Tax Increment Financing as possible tools to encourage private reinvestment in the central business district.
9. Permanently locate farmers market near central business district and expand period of operation.

NOTE: See also Central Business District Plan in Volume 1 of this report.

**GOAL 5: Expand tourism and recreation facilities program.**

Strategies:

1. Encourage and promote the development of additional local tourist attractions.
2. Develop new tourist attraction brochure and update frequently.
3. Establish program to market local tourist attraction, such as Llano Estacado Museum, including education of local citizens about tourist attractions in the area.
4. Construct large meeting facility with hotel/motel occupancy tax revenues.
5. Better utilize existing recreation facilities for tourism development through the attraction of tournaments and sports events.
6. Develop annual festival to promote city and attract visitors (e.g., Terlingua Chili Cook-Off and Wichita Falls Hotter Than Hell bicycle event which now draws more than 20,000 visitors to the city for a mid-summer weekend).
7. Encourage Plainview Country Club to host more golf tournaments that draw visitors to Plainview.

**GOAL 6: Establish program to expand supply of safe and adequate single-family housing for low and moderate income families and develop additional retirement community housing for the elderly.**

Strategies:

1. Create position of housing official (may initially be combined with another position) in the city government to coordinate all community housing efforts, maintain liaison with all state and federal agencies and organizations involved in housing programs, and develop a housing resources library and training program for community leaders.
2. Encourage the creation of citizens neighborhood improvement associations in deteriorated and blighted neighborhoods to work with the city on improvement projects to halt decline and redevelop such neighborhoods.
3. Prepare housing plan and review and update annually.

**GOAL 7: Establish education and training programs to promote economic development and better utilize large pool of available unskilled workers.**

**Strategies:**

1. Expand International Occupation Center (IOC) at Wayland Baptist University utilizing Job Training Partnership Act (JTPA) to better combine job training and job placement, and to more effectively include opportunities for poor or disadvantaged unemployed and underemployed persons.
2. Expand and promote General Education Development (GED) and adult learning center programs of the Plainview Independent School District.

SURVEY OF BUSINESS CLIMATE  
AND ECONOMIC DEVELOPMENT PROCESS  
FACTORS AND PRIORITIES

CONDUCTED BY  
GOVERNMENTAL SERVICE AGENCY, INC.

Questionnaire completed by:

Name \_\_\_\_\_ Title \_\_\_\_\_

Organization \_\_\_\_\_

Street Address \_\_\_\_\_

Mailing Address \_\_\_\_\_  
(if different)

City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

Daytime Telephone ( ) \_\_\_\_\_

Evening Telephone ( ) \_\_\_\_\_

NOTE: You have been identified by city officials as a local leader. The City of Plainview is development an economic development strategy as a part of its comprehensive plan. Governmental Service Agency, Inc. (GSA) is assisting the city in that effort. Your input is very important. Please complete this form and return to GSA in the attached, self-addressed stamped envelope before May 15, 1989. Your responses will be kept confidential by GSA. If you have any questions, please call Mike McDonough at 296-1120.

**SURVEY OF BUSINESS CLIMATE  
AND ECONOMIC DEVELOPMENT PROCESS FACTORS AND PRIORITIES**

**1. ECONOMIC DEVELOPMENT PROCESS**

Each of the subjects listed below is designed to help GSA understand different aspects of the economic development process in Plainview three years ago versus at present.

Please rate each subject either poor, fair, good or excellent; first for three years ago, and then at present, by marking x in the appropriate space.

For example, the first subject deals with the performance of the local government in improving the business climate. If the local government, in your opinion, had fair performance three years ago, you would respond accordingly. If the local government is NOW willing to take leadership on important economic development projects, you might indicate that their present performance should be rated as "Good" or "Excellent."

FACTOR	Rating Three Years Ago	Present Rating
Performance of local government in improving business climate	_ _ _ _ _	_ _ _ _ _
Lending policies of banks	_ _ _ _ _	_ _ _ _ _
Attitude of dominant businesses	_ _ _ _ _	_ _ _ _ _
Effectiveness of planning efforts	_ _ _ _ _	_ _ _ _ _
Attitude of public toward financing of development projects	_ _ _ _ _	_ _ _ _ _
Cooperation with neighboring communities in development efforts	_ _ _ _ _	_ _ _ _ _
Effectiveness in obtaining Federal and State assistance	_ _ _ _ _	_ _ _ _ _
Effectiveness of economic development projects (e.g., industrial parks, etc.)	_ _ _ _ _	_ _ _ _ _





