



CITY OF COLLEGE STATION  
*Home of Texas A&M University\**

# FORWARD, TOGETHER

## An Economic Development Master Plan for College Station

Adopted September 12, 2013



2013-2020



CITY OF COLLEGE STATION

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## CHAPTER 3: STRATEGIC INITIATIVES

None

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None

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None

## Planning Principles

### Economic Development Master Plan Development

#### Plan Contents

#### PLANNING PRINCIPLES

The Economic Development Master Plan is the latest in an on-going series of master plans that, when combined with adopted neighborhood, district, and corridor plans, assist in implementing the goals and strategies of the City's Comprehensive Plan. The master planning process offers the opportunity to focus on a single functional element – in this case, economic development—and develop detailed approaches to implementing the goals and objectives contained in the Comprehensive Plan.

The intent of the master planning process is to ensure future growth and development furthers the City's economic development objectives. The process furthers College Station's goal of "ensuring a diversified economy, generating quality, stable, full-time jobs; bolstering the sales and property tax base; and contributing to a high quality of life." The Economic Development Master Plan has a planning horizon of ten years, although changes with longer-term implications were considered during the process.



#### ECONOMIC DEVELOPMENT MASTER PLAN DEVELOPMENT

##### Community Input

Development of this Plan involved engaging with local residents and business owners/operators to help understand their vision for the community's economy and to help formulate strategies. This engagement came in the form of one-on-one interviews, focus groups, and an on-line survey. The results of these efforts were used throughout the development of this Plan. Specifics of this effort can be found in the supplementary information that accompanies this document.

##### Consultant Team and Work Product

The City retained the services of a highly qualified consultant team to supplement the staff in development of this Plan. CDS Market Research and Spillette Consulting of Houston partnered with Avalanche Consulting of Austin to perform the work requested by the City. The result of this arrangement was a collaborative partnership between City staff and the consultant team, capitalizing on the strengths of each.



Development of this Plan was divided into three phases, each with a presentation before both the Planning & Zoning Commission and the City Council for discussion. The first phase of the Plan resulted in an economic base analysis and summary

of existing demographic and socioeconomic conditions. The second phase of the Plan resulted in an evaluation of opportunities and constraints. The third and final phases resulted in the Master Plan document itself. The resulting reports from the first two phases of the Plan can be found in the supplementary information that accompanies this document.

## PLAN CONTENTS

### Chapter 1: Introduction

This chapter introduces the purpose of the Economic Development Master Plan, the planning process, and the structure of the Plan document.

### Chapter 2: Existing Conditions

This chapter summarizes the results of the economic base analysis (which can be found in greater detail in the supplementary materials that accompany this document) and existing demographic and socioeconomic conditions. This includes detailed information on population and income data, employment data, educational attainment, and general market conditions. This chapter concludes with an overview of the general economic and demographic opportunities, challenges, and barriers currently present in College Station.

### Chapter 3: Strategic Initiatives

This chapter summarizes the goals of the Plan and the strategies that will be used to achieve these goals. This includes a review of the economic development portion of the 2009 Comprehensive Plan. This chapter focuses on six strategic initiatives, identifying opportunities, challenges, and barriers for each along with detailed strategies and actions that will aid in implementing the specific initiative.

### Chapter 4: Approaches to Economic Development

This chapter summarizes the City's current organizational approach to economic development and provides recommendations to the same. This includes a review of current economic development partnerships and the City's internal economic development organizational structure. This chapter also provides a detailed approach to managing economic development incentives and a detailed set of incentive policy guidelines that will aid decision-makers in evaluating requests for economic incentives.

### Chapter 5: Implementation

This chapter summarizes how the Plan is to be implemented. This includes a review of the planning timeframe and the various roles to be played by local organizations and individuals in the implementation of the Plan. This chapter also provides insight

into how implementation of the Plan may be funded and finally how the Plan is to be evaluated over time and updated when necessary.

### Supplementary Information

A significant amount of detailed information was created in preparation of the development of this Plan. This information includes two interim reports and a detailed summary of the findings from the interviews, focus groups, and on-line surveys. This information has been included as a supplement to this Plan and serves as an excellent resource for the reader interested in delving deeper into any of the topics covered in the Plan.

General Socio-Economic Background

General Market Conditions

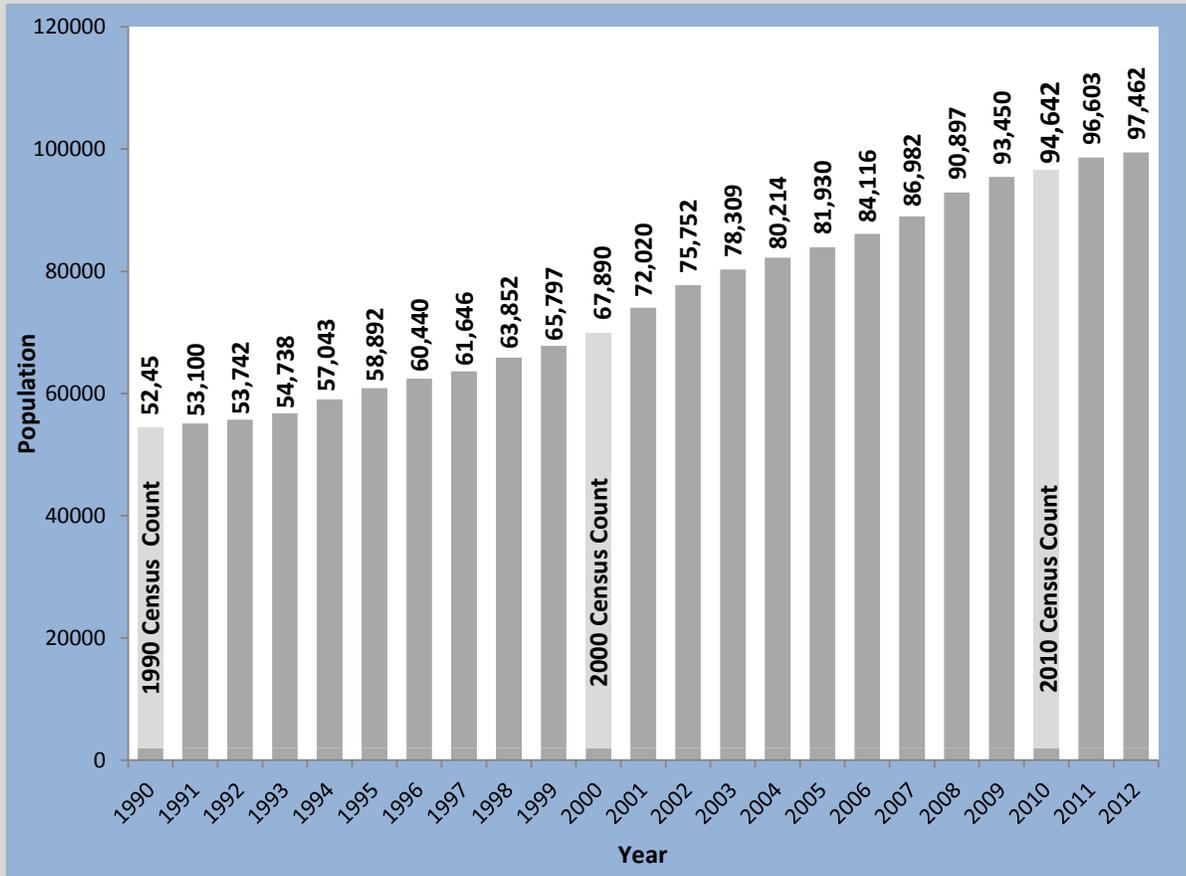
General Demographic and Economic Opportunities, Challenges, and Barriers

**GENERAL SOCIO-ECONOMIC BACKGROUND**

Population

The total population of College Station grew dramatically during the ten-year period between 2000 and 2010, increasing by over a third to nearly 94,000. As of June 2013, the trend has continued with the current population estimated at nearly 99,000. The largest share of these residents is the 18 to 24 cohort at 47%. This is likely the result of the large number of Texas A&M University and Blinn College students residing in College Station.

**Figure 1. City of College Station Population Growth Trends 1990-2012**

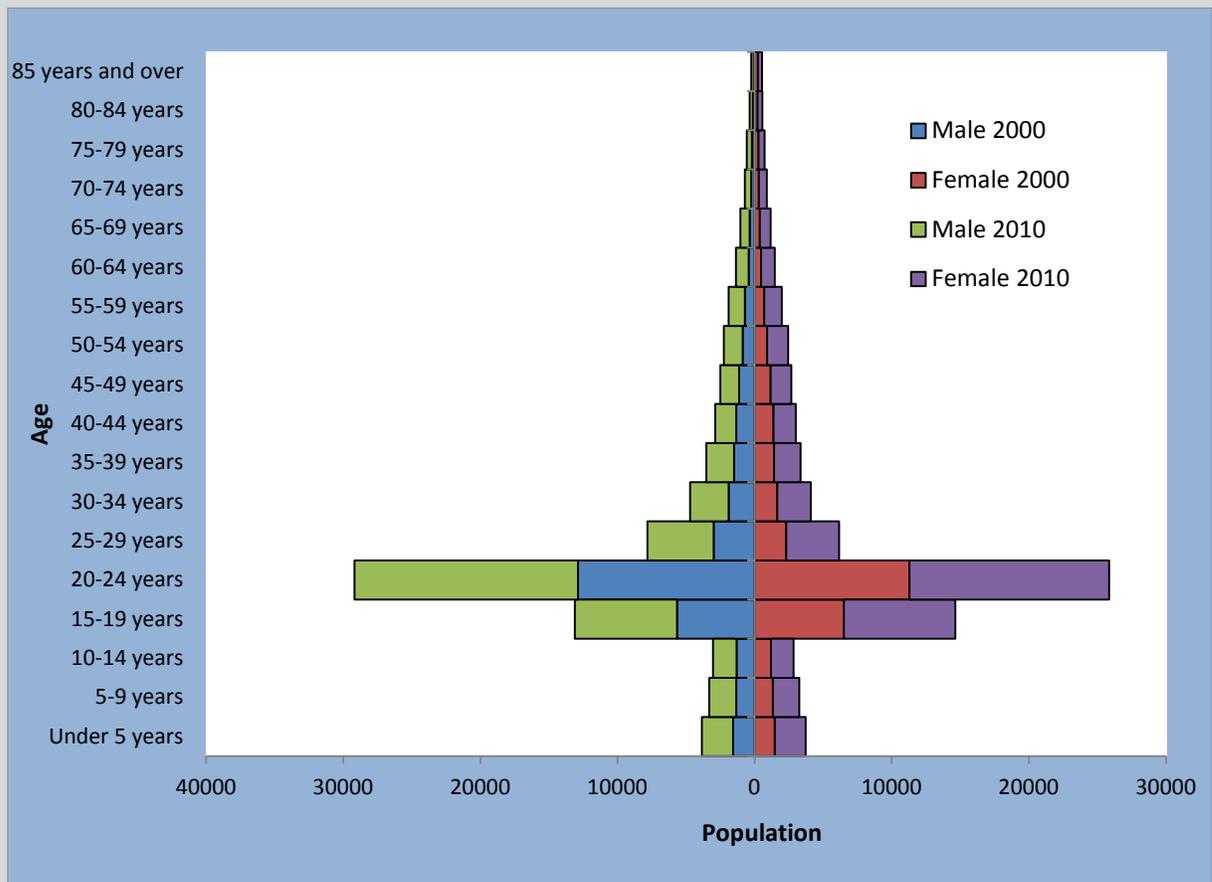


Source: US Census Bureau



Population growth in College Station has been led by the ever-increasing student population, but this may change if enrollment capacity levels off. The age group cohorts of 55 to 64 and 65 and over have also increased, supporting the perceived trend of Texas A&M-affiliated empty nesters and retirees relocating to College Station. It should be noted that despite having a relatively smaller share of these residents in 2000 and 2010, these age groups are increasing much faster in College Station than Brazos County and the College Station-Bryan MSA overall.

Figure 2. College Station Population 2000-2010



Source: US Census Bureau

**Table 1. Population Trends by Age – City of College Station**

Age Distribution	Census Estimates				Change	
	2000		2010		2000 - 2010	
	Number	Share	Number	Share	Number	% Change
Age 0 to 4	3,032	4.5%	4,526	4.8%	1,494	49.3%
Age 5 to 17	6,757	10.0%	9,326	9.9%	2,569	38.0%
Age 18 to 24	34,765	51.2%	44,398	47.3%	9,633	27.7%
Age 25 to 34	8,857	13.0%	13,922	14.8%	5,065	57.2%
Age 35 to 44	5,616	8.3%	7,134	7.6%	1,518	27.0%
Age 45 to 49	2,295	3.4%	2,895	3.1%	600	26.1%
Age 50 to 54	1,776	2.6%	2,901	3.1%	1,125	63.3%
Age 55 to 64	2,331	3.4%	4,380	4.7%	2,049	87.9%
Age 65 and over	2,461	3.6%	4,375	4.7%	1,914	77.8%
<b>Total</b>	<b>67,890</b>	<b>100.0%</b>	<b>93,857</b>	<b>100.0%</b>	<b>25,967</b>	<b>38.2%</b>
Estimated Median Age	21.90		22.30			

Source: US Census Bureau, 2010 American Community Survey, Census 2000 Summary File 3



**Table 2. Population by Age – MSA Comparative Overview**

Age Distribution	2010 Census Estimates						% Change 2000 - 2010		
	Number			Share					
	College Station	Brazos County	College Station - Bryan MSA	College Station	Brazos County	College Station - Bryan MSA	College Station	Brazos County	College Station - Bryan MSA
Age 0 to 4	4,526	12,506	14,742	4.8%	6.4%	6.4%	49.3%	31.8%	25.6%
Age 5 to 17	9,326	27,325	33,347	9.9%	14.0%	14.6%	38.0%	17.5%	29.1%
Age 18 to 24	44,398	60,112	62,695	47.3%	30.9%	27.4%	27.7%	23.1%	22.1%
Age 25 to 34	13,922	29,816	33,341	14.8%	15.3%	14.6%	57.2%	34.5%	29.3%
Age 35 to 44	7,134	19,168	23,127	7.6%	9.8%	10.1%	27.0%	10.2%	5.5%
Age 45 to 49	2,895	9,210	11,598	3.1%	4.7%	5.1%	26.1%	27.1%	22.5%
Age 50 to 54	2,901	9,008	11,657	3.1%	4.6%	5.1%	63.3%	52.3%	46.4%
Age 55 to 64	4,380	13,647	18,317	4.7%	7.0%	8.0%	87.9%	72.4%	64.0%
Age 65 and over	4,375	14,059	19,836	4.7%	7.2%	8.7%	77.8%	37.5%	27.2%
<b>Total</b>	<b>93,857</b>	<b>194,851</b>	<b>228,660</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>38.2%</b>	<b>27.8%</b>	<b>23.7%</b>
Median Age	22.30	24.50	25.80						

Source: US Census Bureau, 2010 American Community Survey, Census 2000 Summary File 3

The 2010 Census indicated that College Station is comprised of more than 35,000 households, with 73% consisting of two or more people. However, only 31% are married couple households and only 15% of total households include their own children 18 years of age or younger. A relatively high 58% of households are considered nonfamily households, with over half of these containing two or more people; most of this population is likely comprised of college students sharing living quarters. This share of such households remained relatively constant from 2000 to 2010. Approximately only one third of the housing units in College Station were recorded as owner-occupied in each Census, though there was a slight increase in share from 31% in 2000 to 33% in 2010.

**Table 3. Household Number 2000 and 2010**

Type	2000		2010	
	Number	Percent	Number	Percent
Total Households	24,691	100%	35,037	100%
Family Households	10,368	42.0%	14,889	42.5%
With own children under 18 years	5,192	21.0%	7,151	20.4%
Married-couple family	7,954	32.2%	10,936	31.2%
With own children under 18 years	4,043	16.4%	5,222	14.9%
Female householder, no husband present	1,678	6.8%	2,693	7.7%
With own children under 18 years	967	3.9%	1,558	4.4%
Nonfamily Households	14,323	58.0%	20,148	57.5%
Householder living alone	6,691	27.1%	9,642	27.5%
Householder 65 years and over	589	2.4%	1,009	2.9%
Households with individuals under 18 years	5,477	22.2%	7,585	21.6%
Households with individuals 65 years and over	1,665	2.4%	3,031	8.7%
Average household size	2.32		2.38	
Average family size	2.98		2.97	

Source: US Census Bureau

For the most part, College Station consists of a typical range of suburban housing, with one urban neighborhood, Northgate. Single-family neighborhoods throughout the City are primarily low to medium density and their market is strong. Medium-density townhome developments have been increasing in recent years and there are many multifamily developments. There is a solid market for student housing across all housing types, but opportunities exist to provide additional housing that will appeal to professionals moving to College Station in response to growing industries, including the biotechnology and health and wellness sectors.

There has been a sharp increase in the number of high-density multifamily units over the past few years and the number planned for or currently under construction, which presents both an opportunity and a challenge to the housing market. The stock of older multifamily rental units may lose appeal to students as new properties come online. If student demand for older multifamily units decreases as the aging properties lose their competitiveness, property owners may turn to other markets, such as lower-income permanent residents of the area, and rents may fall. It is possible that the cash flow from this type of demand may be

sufficient to generate satisfactory returns for property owners, but it may not be enough to justify re-investment in the physical structures, which risks accelerating deterioration.

**Income**

Households earning less than \$15,000 (and those in the next cohort earning up to \$25,000) constitute a significant share of the community; however, these likely include many student households. Furthermore, students’ reported incomes may be less than the resources available to them (e.g., parents’ credit cards). Evidence of this “hidden” higher buying power can be seen with the growth and success of restaurants, bars, and other retail uses in College Station that are heavily supported by college students.

The share of households earning from \$35,000 to \$49,999 and higher grew in College Station between 2000 and 2010, while the lower income brackets generally saw decreases in share. This correlates with a reported trend of families choosing to live in College Station due to the recognition of its high-quality schools.

Strong growth has occurred in households earning from \$35,000 to \$99,999. These income levels are indicative of the area having a large percentage of public sector white-collar jobs that pay solidly middle-income salaries. The share of households earning over \$100,000 (15%), has also been growing strongly. This has helped boost the estimated median annual household income to over \$33,000.

**Table 4. College Station Annual Household Income 2000 and 2010**

Income Cohort	Census 2000		ACS 2010 Estimate		Change	
	Number	Share	Number	Share	Number	% Change
Less than \$15,000	9,888	40.2%	9,536	28.5%	(352)	-3.6%
\$15,000 to \$24,999	3,590	14.6%	4,818	14.4%	1,228	34.2%
\$25,000 to \$34,999	2,224	9.0%	2,374	7.1%	150	6.7%
\$35,000 to \$49,999	2,303	9.4%	4,114	12.3%	1,811	78.6%
\$50,000 to \$74,999	2,695	11.0%	4,279	12.8%	1,584	58.8%
\$75,000 to \$99,999	1,671	6.8%	3,336	10.0%	1,665	99.6%
\$100,000 to \$149,999	1,256	5.1%	2,632	7.9%	1,376	109.6%
\$150,000 or more	972	4.0%	2,388	7.1%	1,416	145.7%
<b>Total Households</b>	<b>24,599</b>	<b>100.0%</b>	<b>33,477</b>	<b>100.0%</b>	<b>8,878</b>	<b>36.1%</b>
<b>Median Household Income</b>	<b>\$27,319</b>		<b>\$35,045</b>		<b>\$7,726</b>	<b>28.3%</b>

Source: US Census Bureau, 2010 American Community Survey, Census 2000 Summary File 3

Although the population of students and number of student households may not always mesh well with the lifestyles of some other residents, these individuals provide College Station with access to a continuous stream of educated, innovative science

and engineering graduates from Texas A&M University, as well as its faculty and other intellectual resources.

## GENERAL MARKET CONDITIONS

### Employment

Over a twelve-year period from 2000 to 2012, data available from the Texas Workforce Commission indicates that the industries seeing the greatest growth in College Station are State Government (which includes the Texas A&M University System), Leisure and Hospitality, and Education and Health Services. During this same period Manufacturing, Information, and Federal Government all saw decreases.

**Table 5. Employment Estimates 2000 College Station-Bryan, TX Metropolitan Statistical Area**

Not Seasonally Adjusted

Industry	Employment as of February (thousands)			Change		
	2000	2008	2012	2000 - 2008	2008 - 2012	2000 - 2012
Mining, Logging, and Construction	4,500	7,000	6,500	2,500	(500)	2,000
Manufacturing	5,800	5,500	5,200	(300)	(300)	(600)
Wholesale Trade	1,400	1,800	1,800	400	-	400
Retail Trade	9,200	10,000	10,300	800	300	1,100
Transportation, Warehousing, and Utilities	800	1,400	1,400	600	-	600
Information	1,600	1,100	1,200	(500)	100	(400)
Financial Activities	3,300	3,300	3,700	-	400	400
Professional and Business Services	4,900	5,600	6,300	700	700	1,400
Educational and Health Services	7,900	10,000	10,000	2,100	-	2,100
Leisure and Hospitality	7,600	9,900	10,300	2,300	400	2,700
Other Services	2,600	2,900	3,100	300	200	500
Federal Government	1,100	1,000	900	(100)	(100)	(200)
State Government	23,400	25,400	26,200	2,000	800	2,800
Local Government	8,600	9,900	10,400	1,300	500	1,800
<b>Total Non-Farm Payroll Employment</b>	<b>82,700</b>	<b>94,800</b>	<b>97,300</b>	<b>12,100</b>	<b>2,500</b>	<b>14,600</b>

Source: Texas Workforce Commission

As revealed through the business survey conducted for this Plan, most responding local employers expect to grow or maintain employment, capital investment, and sales in the next five years. A majority employed fewer than 25 people (establishments with fewer than 20 employees comprise 84% of Brazos County employers), highlighting the importance of supporting small businesses.

**Table 6. Brazos Valley Largest Employers**

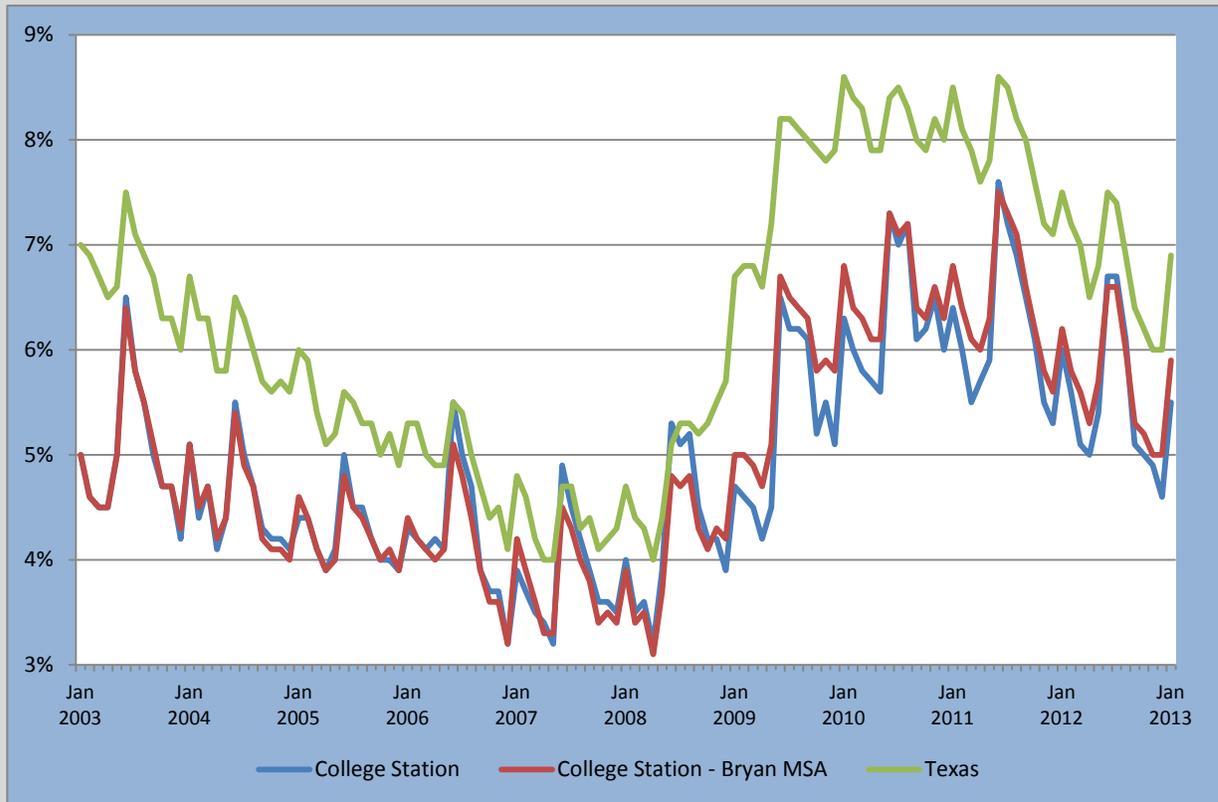
Employer	Sector	# Employees
Texas A&M University System	Education	1,000 +
Bryan Independent School District	Education	1,000 +
St. Joseph Regional Hospital	Health care	1,000 +
Sanderson Farms	Food processing	1,000 +
College Station School District	Education	1,000 +
Reynolds & Reynolds	Hardware / software	1,000 +
City of Bryan	Government	500 - 999
City of College Station	Government	500 - 999
Brazos County	Government	500 - 999
Walmart	Retail	500 - 999
HEB Grocery	Retail	500 - 999
Scott & White Clinic	Health care	500 - 999
College Station Medical Center	Health care	500 - 999
Texas A&M Health Science Center	Education	500 - 999
Penncro Associates	Financial services	500 - 999



The City of College Station has consistently enjoyed a low rate of unemployment, generally a result of the stability of employment opportunities offered by the University. Recent economic conditions however, have forced job reductions at the University, as well as at the local government level. Current unemployment rates remain quite low, but job losses associated with the University and other branches of government have been felt in the local economy. The unemployment rate for the City

as of January 2013 was 5.5%, which remains lower than the State of Texas (6.3%) and the U.S. (7.9%).

**Figure 3. Unemployment Rates 2003 – 2012**

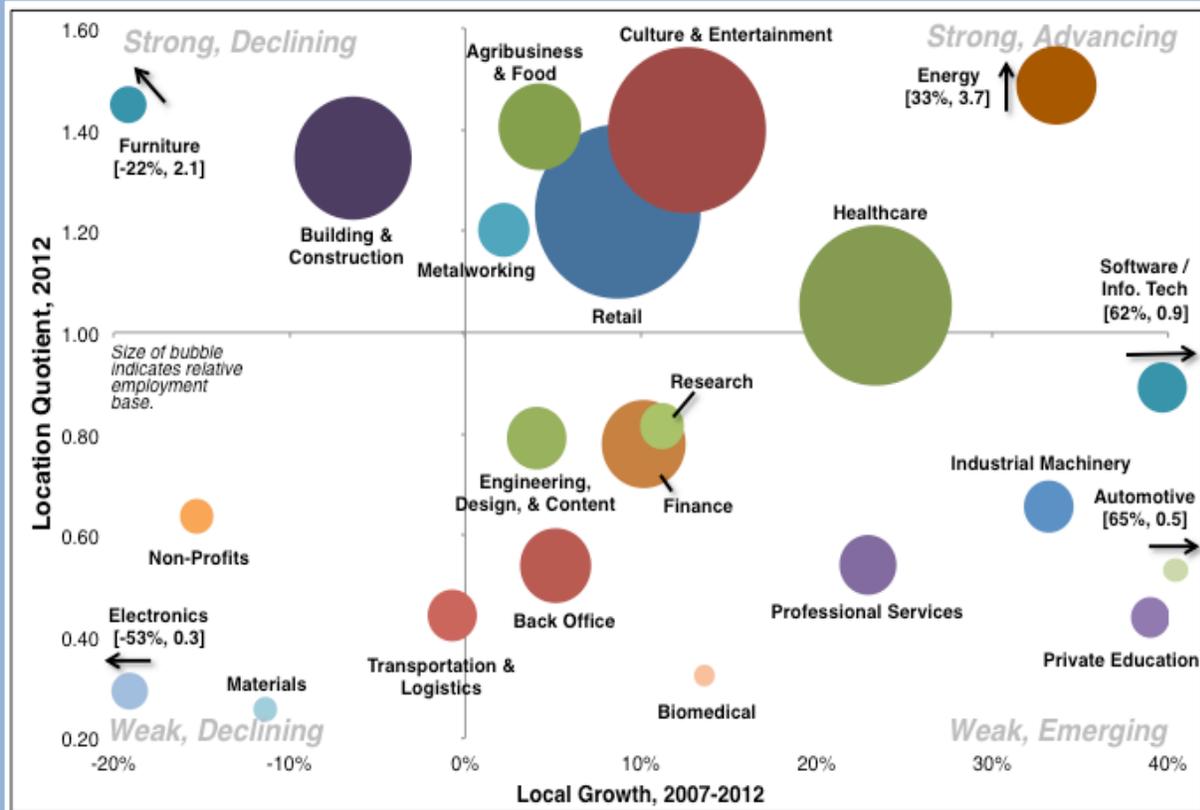


Source: Bureau of Labor Statistics

As can be seen in the following table, firms engaged in mining, quarrying, and oil and gas extraction are located in both Texas and in College Station-Bryan MSA to a much greater degree than the nation overall. Agriculture, forestry, fishing, and hunting related industries have a more significant presence in College Station-Bryan MSA than in the State and Nation as a whole. Similarly, firms that service a large college community such as accommodation and food services, and real estate and rental and leasing are more present in College Station-Bryan MSA than in the State or Nation as a whole.

Transportation and warehousing, wholesale trade, and administrative and waste services are all much less concentrated in the College Station-Bryan MSA than they are in the State and Nation as a whole. Information and finance and insurance firms are also less present in College Station- Bryan MSA than in the State and Nation as a whole.

Figure 4. Major Industries\*: College Station-Bryan MSA



\*Note: Location Quotients were calculated without Government, which as the largest employer in the region (Texas A&M), disrupts relative concentrations of other industries.

**Location Quotients.**

Location Quotients compare the frequency of presence of certain industries within certain geographies with the frequency of those same industries' presence in the nation overall. A location quotient of 1 indicates the industry has the same concentration in a specific location as the United States. Less than 1 indicates the industry is less concentrated locally, and above 1 means the industry has higher concentration in a local geography than the United States as a whole.

## Workforce

Educational attainment and work experience are two of the most critical components of a local work force and support the attractiveness of that workforce to employers. Due partly to the presence of the University and partly to its public school system, which attracts education-minded households, College Station residents aged 25 and older possess a high level of educational attainment. Approximately one-third of the 25-plus local population does not possess a college degree, but more than 65% hold an Associate's Degree or higher. With nearly 58% of those 25 and older in College Station possessing a bachelor's or graduate degree or higher, the percentage is more than twice that of the State (26%) or Nation (28%).

**Table 7. Educational Attainment**

Educational Attainment	College Station	Brazos County	Texas	USA
Less than 9th grade	1.5%	7.0%	9.7%	6.1%
9th to 12th grade, no diploma	2.5%	7.9%	9.6%	8.5%
High School graduate	15.1%	23.6%	25.6%	28.6%
Some college, no degree	16.4%	18.5%	22.8%	21.0%
Associate degree	6.6%	6.4%	6.3%	7.6%
Bachelor's degree	27.3%	18.7%	17.3%	17.7%
Graduate or professional degree	30.6%	17.9%	8.6%	10.5%
Percent high school graduate or higher	96.0%	85.1%	80.7%	85.4%
Percent bachelor's degree or higher	57.9%	36.6%	25.9%	28.2%

Source: US Census Bureau

An opportunity exists to take advantage of the large, knowledge-based workforce emerging from Texas A&M University each year as students graduate, but challenges exist in retaining this workforce with local jobs. During the 2012 calendar year, Texas A&M University conferred 12,116 Bachelor, Master, and PhD level degrees. This is a strong workforce pipeline, but there are not enough local jobs for them or awareness of opportunities in College Station. For local businesses trying to recruit new graduates, survey respondents reported that the University's Career Placement Center misses significant opportunities to connect with local businesses by focusing on the broader Aggie network outside of College Station. This makes it challenging for smaller, local businesses to recruit. There is also a relative lack of entry-level professional jobs in College Station, and the companies that are hiring must often compete with businesses in larger cities that offer a broader employment base, higher pay, and more opportunities for career advancement. Further, many young, single graduates, and people in the "creative class" (such as architects, artists, and software developers), prefer a more urban

development pattern and lifestyle, which is different than that of suburban College Station. Within the College Station-Bryan MSA (per the US Census), the majority of workers in each of the following Occupation Categories, reside in College Station:

- “Life, physical, and social science occupations” (82.8%);
- “Education, training, and library occupations” (72.3%);
- “Personal care and service occupations” (66.3%);
- “Education, legal, community service, arts, and media occupations” (64.1%);  
and
- “Computer, engineering, and science occupations” (61.2%).

There are difficulties in retaining new graduates lured by larger metropolitan areas; however, the problem of connecting with the right candidates goes beyond finding those entering the work force. There are also difficulties in connecting with spouses/partners of university employees, many of whom are well-educated and have work experience. In addition, according to the 2010 American Community Survey and Census 2000, median wage rates in the area are typically lower than elsewhere in Texas. Despite the high levels of education in the community, only those with “Farming, Fishing, and Forestry occupations” earn more in the Brazos Valley than in either Texas or the USA overall. In several occupation categories, median wages are dramatically lower in the Brazos Valley, including Computer and Mathematical, Architecture and Engineering, and Legal workers.

The College Station area has several resources that provide for workforce development and training needs. The Brazos Valley Workforce Center and Brazos Valley Workforce Development Board (BVWDB) offer services and assistance to companies including recruitment assistance, employee skills assessments, curriculum development assistance, and training assistance across a seven county region. The BVWDB also maintains a close working relationship with the Texas Workforce Commission, Texas A&M Engineering Extension Service, and Blinn College.

Blinn College offers several credit and non-credit courses and contract training opportunities to meet the needs of area business. Furthermore, the Blinn College Workforce Development program includes a variety of services for individuals seeking new or advanced employment through grants funded under Welfare-to-Work, Temporary Assistance to Needy Families, and Workforce Investment Act programs.

## **GENERAL ECONOMIC AND DEMOGRAPHIC OPPORTUNITIES, CHALLENGES, AND BARRIERS**

### **Opportunities**

- The City has access to a continuous stream of educated, innovative science and engineering graduates emerging from TAMU, as well as its faculty, and other intellectual resources
- Basic infrastructure and public services are considered good quality

- The College Station Independent School District is considered very attractive to middle class and affluent residents who value education
- The overall cost of living is moderate
- General quality of life for families and older residents is strong
- Existing actors in economic development are actively working to foster additional knowledge-based industries with a focus on bioscience and medical services
- Air service that connects College Station directly to Houston and Dallas is available
- Commuting costs in College Station are lower than those found in larger metropolitan areas
- Local private job growth remains strong
- There are relatively low unemployment rates

### Challenges

- While there is access to air service connecting College Station directly to Houston and Dallas, it is limited enough that air service and connections are a significant inconvenience for high-level workers in some industries that require expansive travel, as well as business and group visitors to the City that travel at times when there is a high demand for service
- Energy companies continue to keep their operations and research consolidated in the Houston area rather than locate offices close to TAMU's related academic research facilities and graduates
- New businesses and ventures dependent on public spending through the University or state and federal government are at risk of contraction if public budgets are further constrained
- There are limited retail and dining offerings for non-student population
- There is a perception of costly/difficult development standards
- Redevelopment market opportunities are currently limited to multi-family student housing projects

### Barriers

- It is difficult to compete with larger Texas metropolitan areas in appeal for employees and businesses
- Overall cost of living remains equal to or lower in some competing metropolitan markets (Houston, North Texas, San Antonio) compared to College Station
- Dependence on Texas A&M University is the primary basis for the local economy into the foreseeable future

#### **Challenge versus Barrier.**

Within this report, a "challenge" is an item that is considered difficult or tricky to overcome, but that is not considered insurmountable. On the other hand, the term "barrier" is used for an issue that is considered unlikely for the City to be able to change, or for the City to be able to change in the foreseeable future.

## A Plan for the Future

### Economic Development Strategic Initiatives

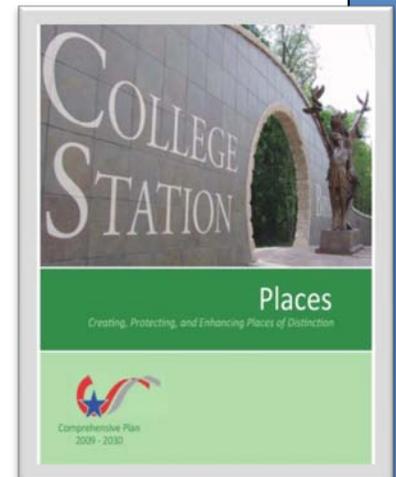
#### A PLAN FOR THE FUTURE

The City's Comprehensive Plan, adopted in 2009, seeks "a diversified economy generating quality, stable, full-time jobs; bolstering the sales and property tax base; and contributing to a high quality of life". The Plan lays out a simplified approach to realizing this goal, which is:

- Build upon a sound foundation;
- Diversify the economy;
- Redevelop existing assets;
- Use incentives strategically; and
- Establish and act on clear and strategic roles for the City and its economic development partners.

In the four years since its adoption, the City has pursued this approach through a set of five strategies and a series of specific actions. The five strategies identified in the Comprehensive Plan are:

- Promote and support new investment that serves regional market opportunities;
- Promote and support the establishment, retention, and expansion of locally-owned businesses;
- Promote and support the attraction of festivals, entertainment, conferences, conventions, and other special events for the purpose of economic growth;
- Identify and pursue redevelopment opportunities that further desired community character; and
- Protect and buffer prime economic generators from development that is out of character or that creates or contributes to decreased service levels.



Based on a review of the guidance and approach provided in the Comprehensive Plan, an assessment of current opportunities, in response to barriers and challenges within the existing market, and in response to the community-identified vision and goals, the City of College Station proposes to focus its economic development efforts on the following initiatives:

1. Sustain and Enhance High Quality of Life;
2. Support and Partner with Texas A&M University and the Texas A&M University System;
3. Support Retail Development;
4. Support and Stimulate Biotechnology Research and Advanced Manufacturing;
5. Support and Stimulate Health and Wellness Market; and
6. Support and Stimulate Sports, Entertainment, and Hospitality Market.

## ECONOMIC DEVELOPMENT STRATEGIC INITIATIVES

### Sustain and Enhance High Quality of Life

One of College Station's greatest competitive advantages is its high quality of life, especially for those seeking to raise a family in a quality environment or seeking someplace to retire that offers numerous amenities matched with an affordable cost of living. This quality of life did not just happen by accident and should not be taken for granted. Indeed, the City Council has as its adopted mission that the Council, on behalf of the community residents, will "continue to promote and advance the community's quality of life". Continued support of College Station Independent School District, maintenance of high levels of service, of sound land use planning and quality design standards, and of a robust array of parks, recreation programs, and cultural offerings are key ingredients to this on-going success.

The following goal has been established for this initiative:

**The City of College Station will ensure the quality of life for its residents remains high and one of its greatest competitive assets.**

#### *Opportunities, Challenges, and Barriers*

Quality neighborhoods with diverse housing options represent one of the strengths and opportunities contributing to the City's quality of life. Relative ease in moving around the community whether it be on foot, by bicycle, or via private automobile represents yet another strength. The quality of the local school system, the presence of numerous parks throughout the City, and the availability of quality and stable jobs are other opportunities found in the community.

Challenges exist in contrast with each of the identified strengths and opportunities. The large number of students that reside in investor-owned housing within nearly every neighborhood threaten the quality of the neighborhoods if not effectively managed. The success of the local economy and continued population increases continue to place strain on the transportation network, especially on principal corridors such as SH6, Texas Avenue, and University Drive. These same corridors lack nearly all accommodations for any type of travel other than that of the private automobile. As growth of the City continues to expand ever-outward, it threatens the rural landscape and sensitive environment that contributes much to the City's character.

The City's continued reliance on sales tax to support many of its basic services has recently been challenged with the slowing economy. Resistance to property tax rate and utility rate increases challenges the continued delivery of high quality services and facilities. Finally, the rapid pace of change challenges the effective management of the City and assurance that quality of life remains at the core of its efforts.

Barriers tend to revolve around the relatively small population of the City and its suburban development pattern. Both generally ensure that the local quality of life for the foreseeable future will be oriented around offerings best suited for a small suburban city, which may not be attractive to some, especially recent college graduates.

The City will advance its goal through the following strategies and actions:

- 1) Ensure safe, tranquil, clean, and healthy neighborhoods with enduring character
  - a. Implement the City's efforts at sound land use planning and protection/enhancement of community character
  - b. Conduct and implement the City's Neighborhood Planning program
  - c. Encourage the establishment and support of neighborhood and homeowner associations
  - d. Ensure infill and adjacent development is predictable and sensitive to neighborhood character
  - e. Ensure private and public facilities and improvements remain in sound condition
  - f. Implement context-sensitive transportation solutions identified in the City's Comprehensive Plan
  - g. Implement the City's Parks and Recreation Master Plan
  - h. Implement the City's Strong and Sustainable Neighborhood efforts
  - i. Provide tools for neighborhoods to protect and promote historic features within the neighborhoods
  
- 2) Increase and maintain the mobility of College Station citizens through a well-planned and constructed inter-modal transportation system
  - a. Implement the City's Thoroughfare Plan
  - b. Implement context-sensitive transportation solutions identified in the City's Comprehensive Plan
  - c. Implement the City's Bicycle, Pedestrian, and Greenways Master Plan
  - d. Address mobility challenges on streets and at intersections near neighborhoods to minimize non-neighborhood traffic incursions into neighborhoods
  
- 3) Expect sensitive development and management of the built and natural environment
  - a. Implement the City's efforts at sound land use planning and protection/enhancement of community character
  - b. Ensure all private and public development is in accordance with applicable ordinances and standards
  - c. Implement the City's Bicycle, Pedestrian, and Greenways Master Plan
  - d. Implement the City's Parks and Recreation Master Plan



- 4) Support well-planned, quality, and sustainable growth
  - a. Implement the City's efforts at sound land use planning and protection/enhancement of community character
  - b. Ensure all private and public development is in accordance with applicable ordinances and standards
  - c. Implement the City's Water and Wastewater Master Plans
- 5) Value and protect our cultural and historical community resources
  - a. Implement the City's efforts at sound land use planning and protection/enhancement of community character
  - b. Provide tools for neighborhoods to protect and promote historic features within the neighborhoods
- 6) Develop and maintain quality, cost-effective community facilities, infrastructure, and services that ensure our City is cohesive and well connected
  - a. Implement the City's Thoroughfare Plan
  - b. Implement context-sensitive transportation solutions identified in the City's Comprehensive Plan
  - c. Implement the City's Bicycle, Pedestrian, and Greenways Master Plan
  - d. Implement the City's Water and Wastewater Master Plans
  - e. Ensure all private and public development is in accordance with applicable ordinances and standards
- 7) Pro-actively create and maintain economic and educational opportunities for all citizens
  - a. Develop and implement an Economic Development Master Plan
  - b. Support local and regional entities engaged in education and economic development efforts



### Support and Partner with Texas A&M University and the Texas A&M University System

Without a doubt the most significant economic asset present in the community is Texas A&M University, which most recently was demonstrated to have a local economic impact of more than \$4 billion. The community relies heavily upon the University for its best-paying jobs, its annual influx of students and their purchasing power, many of the community's visitors, and employment for thousands of support staff. The significance of the University to the local economy was noted in the Comprehensive Plan, which included it among its key foundation assets upon which the local economy relies and can further build upon. This Master Plan continues that emphasis with the following goal for this initiative:

**The City of College Station will continue to recognize the significance of Texas A&M University and System to the local economy and will ensure that it remains a strong and viable entity and will partner where mutual economic benefits may be realized.**

*Opportunities, Challenges, and Barriers*

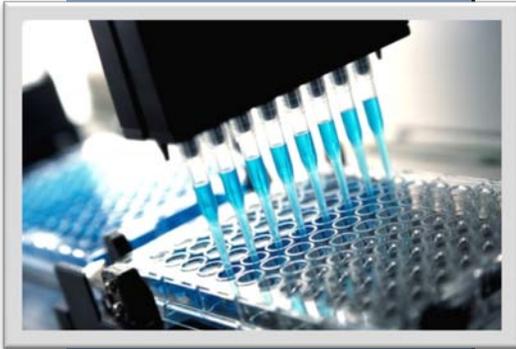
As one of the premier research universities in the U.S., Texas A&M is in a very strong and enviable position. Its continued success and growth represent significant opportunities. The jobs and economic activities expected to accompany the University's growth are essential to the community's success.

Challenges that accompany these opportunities are the vulnerability of the University to the actions of the State Legislature, which may at times conflict with the interests of the City. Reductions in Federal research funding represent a challenge to the success of the University. Very few of the University's students are housed on campus, and successfully integrating them into the local community remains a challenge. Continued efforts at outsourcing support roles, while potentially making the University stronger and perhaps more fiscally sustainable represents a challenge for the community as it adjusts to the employment implications.

Texas A&M is considered an economic asset to the community and the City will likely remain dependent upon the University for the foreseeable future as the primary economic engine. The local economy, though becoming increasingly diversified, will in many ways remain joined to the University's successes and challenges.

The City will advance its goal through the following strategies and actions:

- 1) Engage in frequent and direct conversations with the University leadership
  - a. Schedule and conduct regular meetings between the City's elected officials and the University and System offices of the President and Chancellor
  - b. Schedule and conduct regular meetings between the City's top administrators and the top administrators of the University and the System
- 2) Advocate on behalf of the University at the local, state, and federal level
  - a. Incorporate University and System legislative concerns into the City's bi-annual legislative agenda
  - b. Deploy the City's legislative lobbyists on behalf of the University and System for issues of mutual concern or benefit
- 3) Partner with the University to ensure that physical assets of the University remain safe and protected from incompatible encroachments
  - a. Implement the City's efforts at sound land use planning and protection/enhancement of community character
  - b. Assist in the implementation of the University's Master Plan
  - c. Ensure all private and public development is in accordance with applicable ordinances and standards



- 4) Partner with the University to ensure that students living within our community are safe and contribute positively to the strength and sustainability of our individual neighborhoods
  - a. Coordinate efforts at public safety between Texas A&M and College Station Police and Fire Departments
  - b. Schedule and conduct regular meetings between City administration and University and student organizations affiliated with off-campus housing
  - c. Implementation of the City's Strong and Sustainable Neighborhood efforts
  
- 5) Partner with the University on economic development initiatives that bring high-paying jobs, visitors, and economic diversity to our community
  - a. Actively promote to private providers the demand for increased broadband technologies to serve the community and benefit the University
  - b. Continue to support the efforts of the Research Valley Partnership
  - c. Assist in the implementation of the BioCorridor Master Plan
  - d. Support efforts of Texas A&M-based economic development efforts – Texas Center for Innovation in Advanced Development and Manufacturing, National Center for Therapeutic Manufacturing Research and Development, Texas A&M Health Science Center, Center for New Ventures and Entrepreneurship, Startup Aggieldand, etc.
  - e. Facilitate efforts at strengthening the link between local businesses and the University's economic development and career services programs
  - f. Support efforts at increasing direct engagement between local business and organizations and young professionals and students
  - g. Evaluate the applicability of using Community Development Block Grant funds for projects, micro-enterprise assistance, job training programs, business incubators, etc.
  - h. Partner with the University and System on efforts at renovating and expanding Kyle Field and on broadening the utility of athletic and cultural facilities located on campus

**Community Development Block Grant (CDBG).**

CDBG Program Grants are made available through the U.S. Department of Housing and Urban Development to eligible cities and counties to assist in the development of viable communities. Grant funds are used to provide decent housing and suitable living environments, and to expand economic opportunities, primarily for those of low and moderate income.

**Support Retail Development**

The City of College Station relies heavily on sales tax revenues to fund much of the City's basic operation. Sales tax revenues compose 40% of the City's general fund, used to pay for such basic services as law enforcement, fire protection, and code enforcement. The City is in an envious position—the presence of more than 50,000 students provides for an affordable labor force for retail businesses and also bring outside money into the local economy. Further, the presence of a large young population with significant discretionary dollars to spend has helped bring retailers and restaurants to the College Station market-place not otherwise supported by the local market, thereby keeping more retail expenditures in the community.

The City's Comprehensive Plan recognizes the significance of this element of the local economy through its inclusion as one of the key foundations upon which the local economy is based and calling for its support and expansion. This Master Plan continues that emphasis with the following goal for this initiative:

**The City of College Station will continue to recognize the significance of retail expenditures to the local economy and will ensure that locations are ready to accommodate the development of such opportunities and that the City remains responsive to an ever-changing market.**

### *Opportunities, Challenges, Barriers*

There appear to be many opportunities for retail in the College Station market. When asked what the top retail businesses for expansion were in a survey of businesses and employers, survey respondents believed restaurants and nightspots (41%), specialty grocery stores (38%), museum and cultural centers (29%), and arts, crafts, and antiques (23%) to be top retail businesses for expansion.

When it comes to target audiences for retail and commercial services, some survey respondents believe that the economy and cultural activities orient more toward TAMU students than the permanent population. This perception is supported by the fact that there is lower retail spending per capita once the student population departs for summer and holiday breaks. Many believe the City is now starting to reach a critical mass of affluent adult households to create retail and service markets not heavily oriented to and dependent upon college students. One indicator of such an opportunity, the 2010 Census, shows most age ranges increasing their numbers at a rate greater than that of the college-aged population.

The significant number of college-aged people in the community contributes to a lower-than-average annual household income than in many other metropolitan areas. The 2010 American Community Survey identified the median household income of College Station at \$35,045 and showed the median income in the College Station-Bryan MSA at \$35,961. One challenge to attracting retail businesses to College Station is the difficulty for retailers without a current presence in the market to understand the outsized buying power (relative to their income level) of the large student population. This presents a continual challenge for retail and restaurant recruitment.

Most retail categories have yet to recover to their 2007-2008 peaks, despite ongoing population growth (and as noted in earlier the discussion of demographic trends, growth in higher income households in College Station). There are three likely reasons for this:

- Dramatic reductions in personal retail spending, especially for non-essential goods and services, during the recession;





- Transfer of spending from physical stores to internet shopping, which is not yet tied to specific locations for sales tax purposes. For some store categories, such as book, music, and electronics stores, such patterns have led to many store closures. It is notable in this regard that the decline in spending at these types of stores began in 2007 in College Station before the recession actually hit; and
  - Leakage of spending to other markets, usually the Greater Houston area. Most notably, the Houston Premium Outlets, within a one hour drive of College Station, opened in 2008 in the Cypress area of far northwest Houston. The Woodlands Mall and Market Street are also within a relatively convenient drive.

In particular, the leakage of retail and leisure spending to larger markets is noted as a barrier to developing the retail market. Those surveyed commented that more upscale and destination channels for spending discretionary income – “name” designer boutiques, luxury chain retail, cutting-edge chef-driven restaurants, and cultural events such as opera and major concerts – require a trip to Houston or Austin and will continue to do so for the foreseeable future.

Another challenge that persists in the community is the difficulty of redeveloping aging retail locations along several key corridors in the community, such as Harvey Road, Southwest Parkway, and segments of Texas Avenue. With the recent economic recession, retailers and restaurants with capacity to expand or relocate have focused on moving closer to State Highway 6 or on the much sought-after University Drive Corridor, leaving vacancies along other corridors. Preliminary market analyses of these areas indicate that until the retail market strengthens, redevelopment opportunities along these corridors are limited and face ever-increasing pressure from the continuously expanding student housing market opportunities.

The City will advance its goal through the following strategies and actions:

- 1) Maintain and enhance direct communication and partnerships with business-oriented advocacy groups such as the Chamber of Commerce
  - a. Schedule and conduct regular meetings between the City’s elected officials and the Boards of business-oriented advocacy groups
  - b. Schedule and conduct regular meetings between the City’s top administrators and the top administrators of business-oriented advocacy groups
  - c. Support major events conducted by business-advocacy groups
  - d. Actively participate in task forces, ad hoc groups, etc. formed by business-oriented advocacy groups
- 2) Ensure land use planning and development regulations provide adequate opportunities to respond to market opportunities

- a. Implement the City's efforts at sound land use planning and protection/enhancement of community character
  - b. Conduct annual reviews of the City's land use planning and development regulations and standards
- 3) Ensure necessary infrastructure and public services are available when needed to serve development opportunities
- a. Implement the City's efforts at sound land use planning and protection/enhancement of community character
  - b. Implement the City's Thoroughfare Plan
  - c. Implement the City's Water and Wastewater Master Plans
  - d. Ensure all private and public development is in accordance with applicable ordinances and standards
- 4) Strategically use incentives to aid in the redevelopment of underperforming or vacant business sites
- a. Develop and adhere to an incentive policy
  - b. Inventory vacant spaces and redevelopment areas and conduct market analyses for these areas
  - c. Inventory vacant spaces and redevelopment areas and identify and remove regulatory barriers limiting their redevelopment
  - d. Evaluate the applicability of using Community Development Block Grant funds for redevelopment efforts
- 5) Maintain a direct dialogue with existing businesses to aid in their abilities to maintain and expand their presence in the community
- a. Engage with providers on their workforce needs and any issues and use available State programs to respond accordingly
  - b. Schedule and conduct regular business visits with key City officials
  - c. Collect and distribute pertinent market, demographic, and regulatory information
- 6) Continue to promote the City's market opportunities to retailers and developers seeking to enter the local market
- a. Collect and distribute pertinent market, demographic, and regulatory information
  - b. Regularly attend trade shows and events where opportunities within the City are promoted
  - c. Conduct a retail leakage analysis to determine which goods and service are being purchased outside of College Station and share the findings with the Chamber of Commerce and local businesses
  - d. Encourage the Chamber of Commerce to organize a series of workshops targeted specifically at aiding local businesses (i.e., succession planning, competing in e-retail, etc.)

## Support and Stimulate Biotechnology Research and Advanced Manufacturing

Central to the College Station Comprehensive Plan is the call for diversification of the local economy, offering quality employment opportunities not directly tied to the University, while still capitalizing on its world-class research. One area, biotechnology research and advanced manufacturing, appears to offer such an opportunity and holds great promise.

The community is uniquely positioned to take advantage of the workforce attracted to the area because of the University, Health Science Center, and Blinn College, as well as the abundance of graduates from the University and Blinn College each year. Further, the University's research in areas addressing plant, animal, and human needs are quite unique and represent significant economic opportunity. This Master Plan continues the emphasis on diversification of our local economy and establishes the following goal for this initiative:

**The City of College Station recognizes the significant economic opportunity offered by biotechnology research and advanced manufacturing and will support efforts at expanding such opportunities and be a direct participant in the attraction and development of establishments engaged in such efforts.**

### *Opportunities, Challenges, and Barriers*

The areas of research and the high volume of trained graduates coming out of Texas A&M University and Blinn College represent two of the most significant opportunities associated with the growing Biotechnology field. The recent partnership between the City of College Station, the City of Bryan, the Research Valley Partnership, and the Texas A&M University System to develop the BioCorridor represents a great opportunity to promote and accommodate growth in this market. In June 2012, the US Department of Health and Human Services announced that it was awarding the A&M System a contract to develop a Center for Innovation in Advanced Development and Manufacturing (CIADM). The \$285.6 million public-private partnership is intended to enhance the nation's biosecurity preparedness and creates significant opportunities associated with job growth.



Biotechnology opportunities in College Station are bolstered by the area's responsive workforce development programs; the world-class plant, animal, and human research centers; a committed community; small-town environment within reach of some of the largest metro areas in the country; access to regional air, rail, and highway infrastructure; extensive business, industrial, and advanced manufacturing support; and its strategic geographical position within one of the fastest growing economies in one of the fastest growing states in the U.S.

Within the region, through the City's partnership with the Research Valley Partnership, and at the State level, there exists tremendous administrative and financial support for the biotech industry, whether a start-up or a proven global competitor. Local business people surveyed considered research and development the most attractive type of business operation for the region.

Challenges to these market opportunities include adequate infrastructure to serve the development area which lacks basic services such as sewer, water, and streets, though much of this is being addressed through the funding partnership established between the City of College Station and the City of Bryan. Challenges associated with access to adequate broadband technology has been cited by some interviewed for the development of this Master Plan. Other challenges include uncertainty in continued federal and state funding of basic research in biotechnology. Competition from similar efforts in other communities with years of experience will continue to challenge the success of College Station's efforts.

A barrier to success will be the proximity and competition of the larger surrounding metro areas. While College Station is positioned to realize significant opportunities it is unlikely that it will be able to directly compete with markets in Austin, Dallas, and Houston for the foreseeable future.

The City will advance its goal through the following strategies and actions:

- 1) Implement the Research Valley Partnership-sponsored BioCorridor Master Plan
  - a. Participate in the costs of providing necessary infrastructure and public services to the area
  - b. Participate in the development, implementation, and maintenance of joint development standards and practices for the area
  - c. Participate in the joint marketing and promotion of the area
  - d. Participate in the development, implementation, and maintenance of joint incentive policies for the area
- 2) Implement the terms of the Interlocal Agreement (ILA) between the City of College Station and the City of Bryan
  - a. Participate in the costs of providing necessary infrastructure and public services to the area
  - b. Participate in the development, implementation, and maintenance of joint development standards and practices for the area
  - c. Participate in the development, implementation, and maintenance of joint incentive policies for the area



- 3) Advocate on behalf of the biotechnology industry at the local, state, and federal level
  - a. Incorporate biotechnology legislative concerns into the City's bi-annual legislative agenda
  - b. Deploy the City's legislative lobbyists on behalf of the biotechnology industry for issues of mutual concern or benefit
  
- 4) Ensure land use planning and development regulations provide adequate opportunities to respond to market opportunities
  - a. Implement the City's efforts at sound land use planning and protection/enhancement of community character
  - b. Conduct annual reviews of the City's land use planning and development regulations and standards
  - c. Develop/Renew the master plans and business plans for the City's business parks, remove barriers to their successful development, and increase marketing and promotion efforts
  
- 5) Ensure necessary infrastructure and public services are available when needed to serve development opportunities
  - a. Remove regulatory and physical barriers that may limit the private expansion of broadband technologies
  - b. Actively promote to private providers the demand for increased broadband technologies to serve the biotechnology industry
  - c. Implement the City's efforts at sound land use planning and protection/enhancement of community character
  - d. Implement the City's Thoroughfare Plan
  - e. Implement the City's Water and Wastewater Master Plans
  - f. Ensure all private and public development is in accordance with applicable ordinances and standards
  
- 6) Strategically use incentives to attract biotechnology researchers and advanced manufacturers and to enable current providers to expand
  - a. Develop and adhere to an incentive policy
  - b. Evaluate the validity and potential of establishing a Foreign Trade Zone in the BioCorridor and the City's other business parks
  - c. Evaluate the validity and potential of establishing a research and development tax credit program
  - d. Maintain an expedited permitting system for target businesses
  - e. Continue to support the Research Valley Partnership, Texas A&M University, and Blinn College's efforts at entrepreneurship and innovation – incubators, commercialization, mentorship, workforce development, etc.
  - f. Seek ways to broaden access to area entrepreneurship and innovation programs for locally based businesses
  - g. Evaluate the applicability of using Community Development Block Grant funds for projects, micro-enterprise assistance, job training programs, etc.



- 7) Maintain a direct dialogue with existing businesses to aid in their ability to maintain and expand their presence in the community
  - a. Engage with providers on their workforce needs and any issues and use available State programs to respond accordingly
  - b. Ensure that incentive policies consider need and opportunities for retention and expansion of existing entities
  - c. Seek ways to broaden interaction between large global biotechnology industries in the area with smaller, locally owned businesses in the City

### Support and Stimulate Health and Wellness Market

Demand for healthcare services, jobs, and development is driven by a number of factors. Americans over the age of 65 require the most medical services, and their numbers have been growing. The number of Americans aged 65 and over is expected to double between 2010 and 2040. The latest Census data shows that while relatively small in comparison to those college-aged, seniors are one of College Station’s fastest growing age groups. In addition, a new market focus has emerged based upon wellness and the prevention of disease—focusing on those not needing medical facilities for illness, but on people that wish to utilize medical facilities or live near them in pursuit of a healthy lifestyle.

The City’s Comprehensive Plan recognizes health and wellness as a market opportunity that could aid in diversification of the local job market as well as attract those from outside of our local community. This Master Plan continues the emphasis stated in the Comprehensive Plan and establishes the following goal for this initiative:

**The City of College Station recognizes the significant economic opportunity offered by an expanding health and wellness market and will support such opportunities and be a direct participant in the attraction and development of establishments engaged in such efforts.**

### *Opportunities, Challenges, and Barriers*

In the coming decades, overall job growth is forecast to come from several well-defined industry segments, but overwhelmingly led by healthcare and professional services. The US Bureau of Labor Services predicts that the healthcare industry will generate 3.2 million new jobs in the US between 2008 and 2018. The Texas Workforce Commission estimates that the Brazos Valley Workforce Development Area (Brazos, Burleson, Grimes, Leon, Madison, Robertson, and Washington counties) has an estimated 29,000 health-related employees and that this number is projected to grow to 37,730 by 2018. This number could be conservative—it is unknown if the job growth is anticipated solely by the growing population, the growing elderly population, the strides the community has already made in support of the health and

wellness sector, changes to the national health care system, a mix of the above, or all of the above; but all indicate growing demand for healthcare services.

College Station has a strong opportunity to build its health and wellness market by establishing itself as a regional healthcare destination. College Station appears to have higher than average demand for healthcare services. The American Community Survey from the US Census Bureau estimated that only 12.2% of College Station residents were uninsured in 2010. This is far lower than the 23.7% estimate for Texas and better than the overall 16.4% estimate for the College Station-Bryan MSA. College Station may also provide a desirable regional alternative to the Texas Medical Center in Houston if/when the needed care is available. Equivalent services could be offered closer to home and in a suburban environment less daunting for some consumers than the urban fabric of Houston.

The realization of these opportunities is challenged by several factors, particularly the lack of basic infrastructure (potable water, fire flow, sanitary sewer, etc.) to serve development in the area of the Medical District and lack of transportation capacity (vehicular, pedestrian, etc.) to meet the mobility needs present in the area. Other challenges include competition for customers and providers with the larger metro markets—most notably, the Texas Medical Center, the world’s largest medical center. There also remains a great deal of uncertainty regarding federal healthcare policy and whether the results of these policies will support or confound the City’s initiatives.

Barriers to this market opportunity are limited, though College Station faces strong competition in healthcare services from the larger Texas metro areas.

The City will advance its goal through the following strategies and actions:

- 1) Implement the Medical District Master Plan
  - a. Develop development codes and standards appropriate for and responsive to the needs of the Medical District
  - b. Invest in necessary infrastructure to serve the area
  - c. Support development of financial tools to aid in the delivery of necessary infrastructure and services to the area—Tax Increment Reinvestment Zones (TIRZs), Municipal Management Districts (MMDs), etc.
  - d. Support development of District management tools for the area, such as MMDs
- 2) Advocate on behalf of the local medical providers at the local, state, and federal level
  - a. Incorporate health and wellness legislative concerns into the City’s bi-annual legislative agenda



- b. Deploy the City's legislative lobbyists on behalf of the health and wellness providers for issues of mutual concern or benefit
- 3) Ensure land use planning and development regulations provide adequate opportunities to respond to market opportunities
    - a. Implement the City's efforts at sound land use planning and protection/enhancement of community character
    - b. Conduct annual reviews of the City's land use planning and development regulations and standards
    - c. Develop/Renew the master plans and business plans for the City's business parks, remove barriers to their successful development, and increase marketing and promotion efforts
  - 4) Ensure necessary infrastructure and public services are available when needed to serve development opportunities
    - a. Remove regulatory and physical barriers that may limit the private expansion of broadband technologies
    - b. Actively promote to private providers the demand for increased broadband technologies to serve the health and wellness industry
    - c. Implement the City's efforts at sound land use planning and protection/enhancement of community character
    - d. Implement the City's Thoroughfare Plan
    - e. Implement the City's Water and Wastewater Master Plans
    - f. Ensure all private and public development is in accordance with applicable ordinances and standards
    - g. Support development of financial tools to aid in the delivery of necessary infrastructure and services to the area—TIRZ, MMD, etc.
  - 5) Strategically use incentives to attract health and wellness providers and to enable current providers to expand
    - a. Develop and adhere to an incentive policy
    - b. Maintain an expedited permitting system for target businesses
    - c. Evaluate the applicability of using Community Development Block Grant funds for projects, micro-enterprise assistance, job training programs, etc.
  - 6) Maintain a direct dialogue with existing providers to aid in their ability to maintain and expand their presence in the community
    - a. Engage with providers on their workforce needs and issues, and use available State programs to respond accordingly
    - b. Ensure that incentive policy considers need and opportunities for retention and expansion of existing entities
    - c. Schedule and conduct regular business visits with key City officials
    - d. Seek ways to broaden interaction between large health and wellness industries in the area with smaller, locally owned businesses in the City

### Support and Stimulate Sports, Entertainment, and Hospitality Market

College Station has a long, proud sports tradition closely linked with the University, most recently broadened with A&M's entry into the Southeastern Conference (SEC). Collegiate sports, and increasingly amateur sports, bring thousands of visitors to our community annually, adding millions of dollars to our local economy. These visitors stay in our hotel rooms, dine in our restaurants, and shop in our stores. In addition to sports, other events such as conferences and cultural offerings add both revenues to the City and vitality to our local quality of life. Areas such as Northgate and Wolf Pen Creek have long attracted local residents and visitors to celebrate the unique character of College Station and to participate in the many events hosted in our community.



The City's Comprehensive Plan identifies tourism as one market that could be expanded to help diversify our local economy, especially from the perspective of attracting visitors and the sales tax dollars they bring with them. This Master Plan acknowledges the opportunities associated with tourism and proposes broadening that focus to include an expanded sports, entertainment, and hospitality market.

The following goal is established for this initiative:

**The City of College Station recognizes the significant economic opportunity offered by an expanding sports, entertainment, and hospitality market and will support such opportunities and be a direct participant in the attraction and development of venues used to support such efforts.**

#### *Opportunities, Challenges, and Barriers*

There appear to be many opportunities in this market. One-third of business survey respondents considered hospitality/tourism as one of the top five preferred industries for expansion. Significant hospitality business is derived from events held by Texas A&M University, with the A&M football season as the primary source. This is expected to grow with Texas A&M's entry into the SEC, which has a strong tradition of traveling to away games.

One small short-term challenge relates to Kyle Field renovations. It is still to be determined how construction on the stadium could affect College Station's ability to attract visitors for football games. Longer-term, however, improvements should significantly boost our already strong sports-related tourism.

A sizable challenge to growing College Station's hospitality market is that there is only one full-service conference hotel (the Hilton) to host visitors and event attendees. When asked what the most desired retail businesses for expansion

were, over one-third of survey respondents stated that they wanted more full-service hotel capacity.

Survey respondents also identified an opportunity to focus on children to strengthen the local appeal and the economy. Local parks and athletic programs offer children's activities, and whole-family entertainment is mostly offered by schools and places of worship; but the City lacks a major private entertainment facility such as a full-scale water park or minor league baseball team.

For over 20 years, the City has purposefully moved forward with a vision to accommodate a unique entertainment district in the Northgate area. The City has made investment in Northgate's infrastructure a strategic priority for over a decade, investing over \$25 million in street, utility / drainage improvements, streetscape, a public parking garage, sidewalks, period lighting, and pedestrian promenades. The uses and density of the area could not have been realized without the infrastructure improvements to support it. Northgate is a healthy entertainment district with some untapped opportunities and some challenges—each will be on display as the area welcomes nearly 3,000 new residents over the next few years.

Currently it is estimated that 90% of the market patronizing Northgate businesses are college students. The commercial tenant mix in Northgate has historically included retail establishments, restaurants with day and early evening operations, and bars and nightclubs; however, in recent years the tenant mix has become significantly weighted towards bars and nightclubs. This has resulted in the hours of profitability for businesses in Northgate being effectively compressed to Thursday through Saturday from 11pm to 2am. It is unclear whether there is capacity for additional bars and nightclubs in Northgate. Texas A&M is also developing retail and restaurants on campus that compete with those in Northgate for student pedestrian traffic.

Another challenge to Northgate is the age of the private buildings. The older buildings are very expensive to bring up to current code and can be more costly to maintain than other newer facilities elsewhere in College Station. In many cases, it makes more sense to demolish older buildings than bring them up to code. These buildings contribute to the character of the area, and their demolition may raise concerns. Increasingly, land values are driving redevelopment to be very dense and intense, most recently exhibited by the 17-story Rise project on University Drive

The Wolf Pen Creek District contains a variety of components including a restaurant section fronting on Harvey Road, The Spirit Ice Arena, an extensive park and trail system running throughout, the Arts Center, and the area's focal point—the Wolf Pen Creek Amphitheater and recently completed festival grounds. The park and festival grounds provide unique space for future festivals and events that draw visitors into the community.

Multiple people interviewed for this Master Plan expressed concern that the City lost an opportunity by not proactively seeking out events such as festivals and fun runs



that would attract participants from outside the region. Opportunities for growth in the district also exist as undeveloped land remains available for commercial development. The primary challenges with the Wolf Pen Creek area appear to be programming of events and management of the area as a district.

The City will advance its goal through the following strategies and actions:

- 1) Expand and enhance City facilities that accommodate athletic and cultural events
  - a. Implement the City's Parks and Recreation Master Plan
  - b. Implement the City's Bicycle, Pedestrian, and Greenways Master Plan
  - c. Expand and enhance athletic fields and facilities that can better accommodate tournaments and events
  - d. Partner with the University and System on efforts at renovating and expanding Kyle Field and on broadening the utility of athletic and cultural facilities located on campus
  - e. Develop an initiative with a specific focus on marketing and promoting athletic events (similar to the Lubbock Sports Initiative)
  
- 2) Seek ways to increase programming and coordinated management of the Wolf Pen Creek District
  - a. Develop and implement a management structure for the entire District
  - b. Identify and implement a funding mechanism to support the operation of a formal management structure for the District
  - c. Coordinate via the management structure programming activities with local businesses, the City, and others
  
- 3) Partner with the Northgate merchants and the Northgate District Association to effectively manage the District to the benefit of all
  - a. Support the Northgate District Association
  - b. Expand interactions in Northgate to include all business and property owners
  - c. Coordinate programming activities in the District
  
- 4) Maintain and enhance direct communication and partnerships with hospitality-oriented advocacy groups such as the Convention and Visitors Bureau (CVB)
  - a. Schedule and conduct regular meetings between the City's elected officials and the boards of hospitality-oriented advocacy groups
  - b. Schedule and conduct regular meetings between the City's top administrators and the top administrators of hospitality-oriented advocacy groups
  - c. Support major events conducted by hospitality-oriented-advocacy groups
  - d. Actively participate in task forces, ad hoc groups, etc. formed by hospitality-oriented advocacy groups

- e. Work with the CVB to evaluate the viability of additional visitor and hospitality amenities
  - f. Work with the CVB in continued efforts at coordinating events and meetings with use of Texas A&M facilities
- 5) Maintain a direct dialogue with existing providers of sports, entertainment, and hospitality facilities and services to aid in their ability to maintain and expand their presence in the community
- a. Engage with providers on their workforce needs and any issues and use available State programs to respond accordingly
  - b. Schedule and conduct regular business visits with key City officials
  - c. Collect and distribute pertinent market, demographic, and regulatory information

Current Approach to Economic Development

Recommended Actions

**CURRENT APPROACH TO ECONOMIC DEVELOPMENT**

**Partnerships**

The City of College Station achieves its economic development strategies and initiatives through a series of partnerships and direct action. Some of the key economic partnerships maintained by the City are described below:

*Research Valley Partnership (RVP)*

The Research Valley Partnership is a regional partnership between the City of College Station, other municipalities, Brazos County, educational organizations, and private interests focused on creating new jobs and investment in the Brazos County region. The Research Valley Partnership



role includes identifying, developing, and marketing regional business parks, such as the Next Generation Business Park; assisting with the development and promotion of research commercialization efforts, such as the Texas A&M University Institute for Genomic Medicine and the Texas A&M University Institute for Preclinical Studies; assisting with the development and promotion of business incubators, such as the

Research Valley Innovation Center; marketing underutilized buildings and properties, such as the former Westinghouse facility; and promoting emerging opportunities, such as bio-science, on a national and global level.

College Station relies upon its partnership with RVP for reaching out to the national and global market to attract innovative industries and employers.

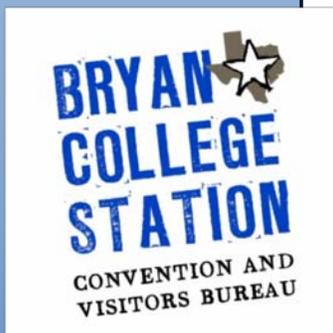
*Bryan-College Station Chamber of Commerce*

The Bryan-College Station Chamber of Commerce is a partnership between the City of College Station and other public and private organizations focused on enhancing the well-being of the



businesses located in Brazos County. The Chamber accomplishes this by providing opportunities for business owners to interact and network—to become informed and have input on legislative issues affecting businesses; discuss business concerns and seek solutions; and receive information that will assist in beginning or sustaining a business.

College Station relies upon its partnership with the Chamber for its advocacy of local business interests and concerns and as a conduit for information between the City and the local business interests.

*Bryan-College Station Convention and Visitors Bureau*

The Bryan-College Station Convention and Visitors Bureau is a partnership between the City of College Station and other entities responsible for marketing, selling, and promoting the area as a premier destination for conventions, leisure travel, trade shows, sporting events, and activities that will attract visitors.

The City of College Station relies upon its partnership with the CVB for its advocacy of hospitality interests and concerns and as the means by which the region advertises its cultural, sporting, and event opportunities to the state, nation, and world.

*The City's Role*

Participation in these partnerships enables the City to focus its efforts on activities best addressed directly by the City. Direct economic development actions taken by the City include:

- Economic development planning;
- Research, data collection, and analysis;
- Marketing and promotion of City properties;
- Supplying information regarding local utilities and infrastructure;
- Assisting with identifying local sites or buildings for business development or expansion;
- Connecting businesses with community officials, business leaders, brokers, etc.;
- Providing a liaison between businesses and local and state offices and programs;
- Providing assistance with permitting and development processes; and
- Developing local incentive packages.

*Organizational Structure*

The City maintains the aforementioned partnerships and provides the identified direct actions with an organizational structure housed within the City government. Recently, the City's economic development efforts were organizationally restructured to be placed within the City Manager's office. This organizational structure ensures that economic development efforts are directly aligned with other City initiatives and heightens the direct role of top City administration. Currently, the City Manager's Office efforts at economic development are supported through a full-time professional position—an Economic Development Analyst.

With the current organizational structure fairly recently established, the development of this Master Plan offers an excellent opportunity to review the



structure, current partnerships, and direct actions of the City and make recommendations for changes to any of the above.

## RECOMMENDED ACTIONS

### Partnerships

Other than the enhancements noted in the strategies and actions for each of the six economic development initiatives, no further actions regarding the partnerships currently maintained by the City are recommended. Both the RVP and the CVB recently completed strategic planning efforts that provide excellent guidance for both organizations and the City should continue to support their successful implementation.

### Organizational Structure

The following actions are recommended relative to the current structure:

- 1) Professional certification through the International Economic Development Council or other nationally recognized program should be secured by the Economic Development Analyst
- 2) Upon successful certification by the Analyst, the City should consider the enhancement of the position to a management-level position and retain the analyst position, resulting in a two-person professional staff
- 3) The City should consider securing the services of an intern to assist the Analyst in basic data collection and analysis for the economic development efforts
- 4) The City should expand its direct action services to include at a minimum the following:
  - a. Enhanced data collection and analysis of local labor market and workforce
  - b. Economic impact analyses
  - c. Regular wage and benefit surveys
  - d. Enhanced development site data (GIS, regulatory, inventories, etc.)
- 5) The City should actively work on developing/revising its master plans and business plans for its existing business parks and work closely with the Research Valley Partnership in their promotion and marketing
- 6) The City should reinstate efforts aimed at engaging directly with local businesses through regular and routine visits to businesses. These visits should on occasion include top administration representatives and elected officials

- 7) The City needs to have a greater presence at events focused on economic development including trade shows and conferences. In the area of biotechnology this is sufficiently addressed via the Research Valley Partnership, but in the other initiatives, the City needs to be more involved and present
- 8) The City should seek ways to strengthen interaction between local business and the University, especially as it relates to workforce development and employee recruitment
- 9) The City should strengthen efforts at addressing the perception regarding the business climate in College Station. The City is a very successful place to start and conduct business and that story needs to be told more often and more forcefully
- 10) The City should strengthen efforts at addressing the perception that the City is not a place for young graduates to start businesses, find a job, or live. There are many opportunities in the City and that story needs to be told more often and more forcefully
- 11) The City's economic development presence on the City web page needs to be refreshed and made more prominent. Most communities maintain a much more dynamic and useful web presence for their economic development efforts
- 12) The City should establish explicit and simple to understand metrics to aid decision makers in understanding the impacts of their efforts at economic development. These metrics should be collected on a regular basis and conveyed to City Management, the Council, and the public at least annually

#### Economic Development Incentive Policy Guidelines

It is recommended that the City of College Station adopt a policy to ensure that the use of economic development incentives is standardized, contributes to the community's vitality, and targets prospects with a high return on investment. For many years College Station has relied upon informal guidelines rather than formal policy. A component of this Master Plan is the development of recommendations for formal policies for City Council's consideration.

The primary considerations when evaluating whether or not to offer a specific relocating or expanding prospect an incentive package is the potential aggregate economic and fiscal impact on the community and the character of the jobs to be created.

A cost-benefit analysis as objective as practical should be used to determine the potential value of the firm to the community as the first step in this process. Before

offering a prospect any incentive, at a minimum the following questions should be considered to identify the potential benefit:

- Is the prospect or project aligned with the City Council's economic development initiatives?
- Would this happen absent the provision of incentives?
- How much economic activity will accrue as a result of the project?
- What return can government expect in terms of tax revenues from the project?
- Is the prospect a headquarters operation? Does it represent the "headquarters" of a new product line/service for the firm?
- Is the prospect growing? Is the prospect in a growing industry? How stable is the prospect?
- Does the project represent a significant enhancement of the local tax base?
- Will the benefits accrue past the immediate recipient? Over what time period?
- Can planned physical investments by the firm be effectively reused by others in the event of failure?

Once the relative benefits of the project have been measured, it is then possible to evaluate the nature and scope of any potential incentive, and to then confirm that the benefit to the community remains positive. The questions below should be considered in order to identify the potential cost:

- What is the opportunity cost of the incentive? What alternative uses of these resources are foregone by supporting this project?
- What is the total present value of the incentive package?
- How much will it cost the city to adequately service the project during its construction and operational phases?
- What will be the environmental impact?
- Will the firm make a disproportionate demand on the community's environmental and infrastructure resources?

#### *Policy Guideline #1*

*Benefits should exceed costs, even after incentives are granted. Except in extraordinary situations, tax revenues must always exceed public sector costs.*

This may appear obvious, but many communities do not accomplish this goal by failing to accurately measure costs and benefits. This can create a situation where net public resources are allocated to create private gain; in other words, the cost of the incentive from a local public sector jurisdiction is greater than the expected return in new tax revenues from activity associated. As a general rule, care should be taken to avoid this situation, although it may be necessary on occasion. Ideally, the cost of the incentive will not exceed the expected fiscal return to the participating jurisdictions.

*Policy Guideline #2*

*Firms within a specific range of points as identified within a scorecard may qualify for an incentive of up to a specific percentage of the net present value of the estimated total tax liability over a given period of time. Firms that score below a specific threshold would not qualify. In addition, tax revenue returned should not exceed a percentage of the total tax liability in any single year.*

The community should create a scorecard used to evaluate each incentives candidate project. The scorecard may be used to assign points based upon the project’s ability to meet certain community goals such as economic impact, quality of jobs/wages, and overall alignment with College Station’s economic development strategic initiatives. Points can be scaled and should total 100.

*Policy Guideline #3*

*The present value of the local economic impact of the relocation or expansion as measured by new direct local payroll at build out to qualify for incentives should be considered.*

One of the issues that can complicate the evaluation of incentives is what standard should be used to account for benefits. Generally from the point of view of strictly the local economy, economic activity (which is often measured by total local payroll) would be the best single measure.



*Policy Guideline #4*

*When evaluating a prospect, the threshold for an acceptable rating should be firms that pay higher than the average Brazos County wage for the company’s industry and no lower than the average County wage when the data is available. The threshold for a preferred rating would be firms that both pay higher than the average wage in Brazos County for the specific industry type, no lower than the average County wage, and provide each full-time person employed at the project location with access to affordable health insurance; assuming they meet the minimum standards.*

The character of new jobs being created and a firm’s overall labor practices are important, as it is in the community’s interest to ask not only “how many” but also “what kind?” To that end, industry-specific wage information can be used to evaluate if a firm is improving the overall wage climate in the community. The average wage and benefit paid as part of the relocation or expansion should exceed the local average wage for the firm’s industry. Additional factors such as paid training, opportunities for advancement, connection to programs at local educational institutions, etc. should also be considered.

*Policy Guideline #5*

*The Research Valley Partnership should consider the same standards, guidelines, and scoring system when evaluating possible incentives for economic development projects within College Station.*

Much of the tone of the Economic Development Master Plan recognizes that economic development is a regional effort. In that regard, it makes sense that standards concerning evaluation, terms, and conditions on incentives should be understood by appropriate community partners.

While the above areas are the main criteria for determining the scope of incentives to offer, there are other considerations as well. A target business might have strong actual or potential linkages to the current economy, but might not qualify by using a traditional economic impact analysis approach; therefore, it is important that the incentives framework be able to consider the following as well:

- Does the project make use of an especially underutilized asset?
- Will the project create significant contracting opportunities for local firms?
- Does the project fill a hole in the economic base?
- Does the project have the potential to either seed a new cluster or bring additional firms to the community? and
- Will the firm directly compete with existing local firms?

*Policy Guideline #6*

*Projects that address a specific need, such as workforce housing, destination retail/entertainment, and/or redevelopment/reuse of certain sites may qualify for incentives if they receive public sector support outside of the traditional incentive structure.*

The evaluation process outlined above can be applied to any economic development situation, but is perhaps best suited to evaluating firms and, to a lesser extent, projects that are stand-alone developments. However, there clearly could be situations that are outside these parameters. If the decision is made to offer public sector support, either financial or regulatory, then additional leverage could be created through providing tax incentives as well.

*Policy Guideline #7*

*The community should reserve the right to craft a unique incentive package in the case of extraordinary opportunities for economic development. These may include cases with: 1) exceptionally high levels of economic impact as measured by investment, jobs, or tax revenue or, 2) opportunities to leverage significant funds from other public sector jurisdictions, for example federal or State sources.*

Inevitably, there will be situations that should be exceptions to the policy guidelines. This guideline provides some indication about the conditions under which an exception should be made, and acknowledges that overall policy must contain some flexibility.

*Policy Guideline #8*

*In order to ensure the ongoing competitiveness of the community, no State authorized incentive should be immediately discounted. There may be times*

*when a single incentive or combination of incentives provides the greatest amount of flexibility necessary to fulfill previous policy direction.*

The Texas Constitution and multiple State statutes identify the role of economic development by both the State and its municipalities as a public purpose. While recognizing there is no standard strategy, policy, or program for economic development, the Texas Legislature has created a vast array of tools that local governments have at their disposal. The objective of these tools is to not only encourage development and diversification of the Texas economy, but to simultaneously enhance the participating community's overall quality of life. Incentives to consider may include, but not be limited to:

- **Chapter 380 Financing**

If College Station wants to provide a grant or a loan of funds or services in order to promote economic development, it generally cites its powers under Chapter 380 of the Local Government Code. Cities have utilized provisions under this law to provide a myriad of incentives that have drawn businesses and industries throughout Texas.

- **Development Fee Rebates**

College Station may elect to return all or some building fees and/or development fees to an economic development prospect. The process will include the review and approval of construction and site plans, payment of fees, issuance of a Building Permit, scheduled inspections of the work in progress, and approval of its completion.

- **Enterprise Zone Program Sponsorship**

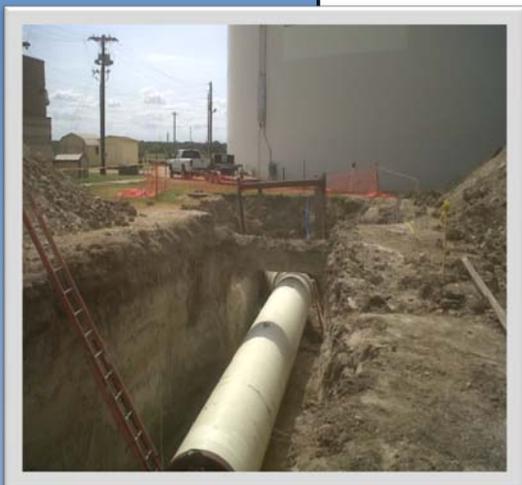
The Texas Enterprise Zone Program is an economic development tool for local communities to partner with the State of Texas to promote job creation and capital investment in economically distressed areas of the state. College Station must nominate a company as an Enterprise Project to be eligible to participate in the Enterprise Zone Program.

- **Freeport Exemptions**

A constitutional amendment authorizes a type of property tax exemption for items classified as "freeport property." Freeport property includes various types of goods that are detained in Texas for a short period of time (175 days or less). The goods must be in Texas only for a limited purpose, such as storage or factory processing. This exemption was proposed to enhance the ability of certain areas to attract warehouse and distribution center facilities by offering a special property tax exemption for the goods they typically handle.

- **Infrastructure Assistance**

Public infrastructure is sometimes the most important part of economic development. Without adequate water, sewer, electric, roads, or other infrastructure, economic development



prospects may choose to locate in other communities. College Station may elect to participate in funding essential infrastructure that also will serve a public purpose.

- **Land Transactions**

Chapter 272 of the Local Government Code controls how property may be sold or transferred. Chapter 272 states that the sale of real property owned by College Station must be accomplished through advertisement of the property and acceptance of competitive bids. Accordingly, if College Station wants to sell or transfer a property to a business to promote economic development, the City needs to comply with the requirements of Chapter 272. There are certain exceptions to the sale-by-bid requirement, including land that the City wants to have developed by contract with an independent foundation (e.g., Research Valley Partnership).

- **Delayed Annexation or Limited Purpose Annexation**

To attract a business into an area, College Station may choose to encourage the business to locate in the City's extraterritorial jurisdiction. If the business locates in the City's extraterritorial jurisdiction, the City may enter into an agreement to delay annexation of the business property for a set period of time. In this way, College Station gets the benefit of having the business locate in the area and the creation of additional jobs. The business in turn is freed from ad valorem taxation of its property by the City for the designated period of time. This approach is termed an "agreement not to annex" and is authorized under Section 42.044 of the Local Government Code.



- **Special Districts**

Special districts are units of local government, exclusive of the county and College Station, which have separate governing bodies, independent, in general, of other local governments, with power to provide some governmental or quasi-governmental services and to raise revenue by taxation, special assessment, or charges for services. This can include Municipal Management Districts and Municipal Utility Districts.

- **Reinvestment Zones (Tax Abatement or Tax Increment)**

A tax abatement is a local agreement between a taxpayer and College Station that exempts all or part of the increase in the value of the real property and/or tangible personal property from taxation for a period not to exceed 10 years. The purpose is to attract new industries and to encourage the retention and development of existing businesses through property tax exemptions or reductions.

Tax increment financing is a tool that College Station can use to publicly finance needed improvements to infrastructure and buildings within a designated area known as a reinvestment zone. The cost of improvements to

the reinvestment zone is repaid by the future tax revenues of each taxing unit that levies taxes against the property. Each taxing unit can choose to dedicate all, a portion of, or none of the tax revenue gained as a result of improvements within the reinvestment zone.

- **Fast Track Development Process**

At times the standard development process may not meet the special needs and time constraints of an economic development prospect. A customized approach to the development can be necessary to complete the project in an expedited manner. As such City Council has previously adopted a resolution establishing and continues to offer a Fast Track Development Process.

*Policy Guideline #9*

*Financial incentives should not be “front-loaded.” Rather, the community incentive policy should be based on returning taxes and/or fees paid by a company upon execution of a specific set of agreed-upon performance criteria between the firm and the each participating jurisdiction.*

Standard economic development practice has moved toward using performance-based standards to safeguard the public interest in economic development incentive agreements. The extent of the incentive(s) to be offered could be a substantial percentage of the net gain to the community, as measured by the expected tax revenue gains minus direct costs, and the community should be aggressive in working with companies and projects that meet the criteria established. However, the return of these funds must be performance-based, and should occur after the funds have been paid initially to each participating jurisdiction.

*Policy Guideline #10*

*Incentives packages should include strict clawback provisions that allow the City to recoup its investment if the company does not perform as contracted.*

A clawback or recapture provision is an enforceable penalty in an economic development agreement, saying that if the prospect fails to adhere to the performance measures within a specified period of time, it must repay some or all of the benefit already received and/or lose some or all future benefits.

Timeframe

Implementation and Coordination Roles

Funding

Ongoing Evaluation

## TIMEFRAME

The Economic Development Master Plan is anticipated to be implemented over a seven- to ten-year time frame. Due to the fluidity of the market and its implications on the City's approach to economic development, it was determined that rather than a rigid implementation program, it was best to develop a more incremental approach to plan implementation. It is recommended that specific actions derived from the strategies and tasks identified in the Master Plan, be developed annually for a three-year cycle. This approach would result in a list of specific actions to be taken over the subsequent three years, with the list refined annually. It is further recommended that this list be created/refined concurrent with the annual review of the Plan, thereby ensuring the action list and the Master Plan remain current and consistent with one another.

## IMPLEMENTATION AND COORDINATION ROLES

Collaboration will need to occur on a number of levels to accomplish what is recommended in this Plan. Outlined are several partners and the types of actions in which they should participate.

**City Council** will take the lead in the following areas:

- Adopt and amend the Plan by ordinance after receiving recommendations from the Planning and Zoning Commission;
- Support and act as champions for the Plan;
- Adopt new or amended ordinances and regulations to implement the Plan;
- Consider and approve the funding commitments that will be required to implement the Plan;
- Provide final approval of projects and activities with associated costs during the budget process;
- Adopt and amend policies that support and help implement the Plan; and
- Provide policy direction to the Planning and Zoning Commission, other appointed City boards and commissions, and City staff.

**Planning and Zoning Commission** will take the lead in the following areas:

- Adopt, amend, or modify the Plan for subsequent approval and adoption by the City Council;
- Recommend changes in development code and the zoning ordinance to the City Council that reflects the Plan's goals, strategies, and action items; and

- Review and recommend to Council revisions to the multi-year action implementation program.

**Area organizations** will take the lead in the following areas:

- Support and act as champions for the Plan;
- Promote new and existing programs to their constituents;
- Communicate news and other information about projects and the Plan to their constituents;
- Develop and carry-out initiatives and projects consistent with this Plan;
- Assist in monitoring the Plan, and participate in the annual review process of the Plan;
- Maintain and expand organization membership and resident involvement; and
- Assist Staff in developing new training, programs, and project opportunities to implement the Plan.

**City Staff** will take the lead in the following areas:

- Manage day-to-day implementation of the Plan, including periodic coordination through an interdepartmental Plan implementation committee;
- Support and carry out initiatives and projects consistent with this Plan;
- Manage the drafting of new or amended regulations and ordinances that further the goals of the Plan;
- Conduct studies and develop additional plans;
- Review development applications for consistency with this Plan and the Comprehensive Plan;
- Prepare for consideration revisions to the multi-year action implementation program;
- Administer collaborative programs and ensure open channels of communication with various private, public, and non-profit implementation partners; and
- Maintain an inventory of potential Plan amendments as suggested by City staff and others for consideration during annual and periodic Plan review and updates to the Planning and Zoning Commission and City Council.

## FUNDING

The availability of funding will play an integral role in the success of the Plan. Due to current budget constraints, an emphasis was placed on developing strategies that can be implemented largely with existing Staff and financial resources; however, implementing these strategies has an overall cost that could impact other programs and responsibilities.

Some strategies will have additional costs to implement, though these costs will vary considerably dependent upon the situation and the scope of the actions. The primary sources for funding opportunities are outlined below:

### General Fund

The most common source of funding for municipalities is through the General Fund. This fund consists of a collection of property taxes, sales taxes, fines, and fees. This fund usually covers the day-to-day operational needs of the City such as salaries, supplies, etc.

### Economic Development Fund

The City created an Economic Development Fund to account for resources and expenditures directed at providing incentives for businesses and industries that are planning to locate or expand in College Station. Resources set aside for economic development purposes are transferred into this fund and remain in the fund until expended. This flexibility allows the City to recruit new and existing businesses, and ensures that College Station has a diverse and vibrant economy. Revenue for the Economic Development Fund is collected from the General Fund.

### Capital Projects Fund

Capital project funds typically help maintain, improve, or construct new infrastructure such as streets, parks, trails, other public facilities, and associated land acquisition. This fund typically consists of debt service funds (general obligation bonds) and special revenue funds (like Drainage Utility District funds) as described below.

### General Obligation Bonds

This is a municipal bond approved by voter referendum that is secured through the taxing and borrowing power of a jurisdiction. It is repaid by levy through a municipal pledge. Bonds can be used for land acquisition and/or construction of facilities. Some communities pass referendums specifically for open space, watershed protection, and trail projects. Street, bicycle, pedestrian, and greenway projects are typically implemented through this funding source.

### Drainage Utility District

The City currently uses the existing revenue from the drainage utility fee for capital construction projects that improve drainage. It is a flat fee system and can be used for acquisition and maintenance of floodways and floodplains in areas that are directly affected by drainage-related problems. Funds are currently used for minor unscheduled drainage projects that arise throughout the year.

### State and Federal Governments/Grants

Funding opportunities from the state and federal government are also available, particularly in the areas of transportation and the environment. These funds are primarily available through grants, but may also be through specific budget appropriations. Often, grant funding includes local matching requirements. Included in this funding source is Community Development Block Grant funds.

### Special Purpose Funding

A variety of sources of funding specifically oriented toward economic development initiatives are available at both the local and state level. Several of these are noted earlier in this Plan and include:

- Reinvestment Zones (Tax Abatement and Tax Increment);
- Chapter 380 Financing; and
- Special Districts (PID, MMD, MUD, etc.).

### Administrative Costs

Administration of the Plan can initially be absorbed into the existing organization, but as noted in the Plan, additional staffing will be necessary to properly manage the additional programming that is recommended.

## ONGOING EVALUATION

As part of any planning process, ongoing evaluation must be incorporated into the implementation program. Continued evaluation of conditions and opportunities associated with the City and region's economy allows a plan to adapt and remain relevant over the course of the plan's life. Successful evaluation incorporates the establishment of descriptive indicators that track the efficacy of the proposed strategies and actions, understanding of changed conditions, and potential reprioritization of tasks and funding based on the findings of the evaluation.

To ensure the ongoing relevance of the Economic Development Master Plan, the Plan should be evaluated annually as part of the annual Comprehensive Plan review. Plan updates should include the following components:

- Updated existing conditions;
- Progress toward reaching goals, as determined through specific indicators;
- Report on any completed tasks;
- Status update of all tasks underway for the current implementation period;
- Outline of remaining tasks scheduled for the remainder of the current implementation period;
- Potential changes to costs; and
- Recommendations for changes in implementation schedule or task list.

As part of the annual evaluation, regional partners and business representatives, the Planning and Zoning Commission, and the City Council should be involved in the review of the Plan.