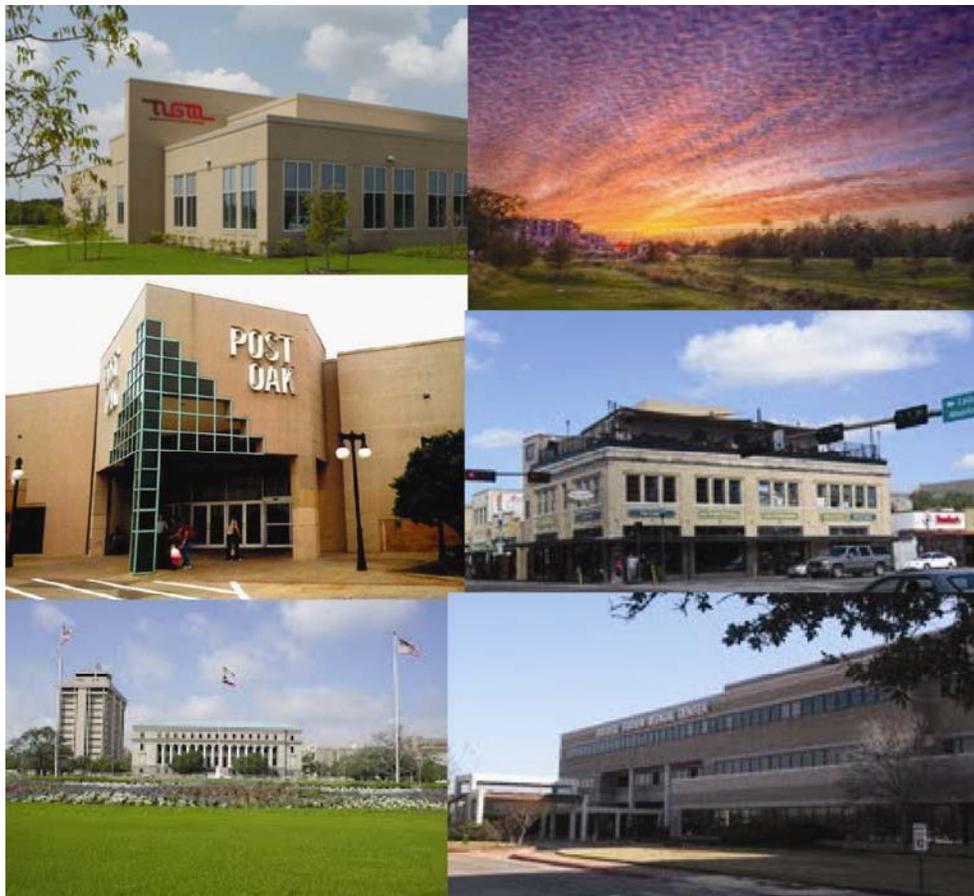


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# Economic Development Master Plan Phase Two – Evaluation of Opportunities and Constraints College Station, Texas



Prepared for:

**City of College Station**  
1101 Texas Avenue  
College Station, Texas 77840

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## Executive Summary and General Points

This second phase of the Economic Development master planning effort will focus on evaluating opportunities and constraints related to economic development in College Station. More specifically, this phase will focus on:

- Industry trends and major industries in College Station
- Results and key findings from the College Station Business Survey component of this project
- Results and key findings from interviews and focus groups held by the consultant team
- Strengths, weaknesses, threats, and opportunities of the current ED incentive program
- ED incentive programs best practices
- ED incentive program recommendations
- Structures, efforts, and regional partnerships for effective economic development
- Analysis of sample structures and regional partnerships including Research Valley and the City of College Station as well as others in the state and nation
- Analysis of entertainment districts in College Station
- Analysis of redevelopment areas in College Station

## Industry Trends

- Retail, healthcare, energy, agribusiness / food, and culture / entertainment are all industry sectors that are strong and advancing in the College Station MSA.
- Professional services, engineering, back office, biomedical, industrial machinery, and software / I.T. are all industries that are emerging in College Station and are candidates for economic development assistance.

## Public Input

- The project consultant team interviewed 16 individuals and surveyed 98 representatives from local companies during the second phase of this initiative.
- An Internet based survey was developed targeted at business owners and high level managers. The City publicized the survey with the assistance of Bryan College Station Chamber of Commerce, Research Valley Partnership, Brazos Valley Small Business Development Center, and Northgate District Association.
- Businesses surveyed tended to be smaller companies with less than 25 employees, and 39% of businesses surveyed have a customer market beyond Texas.
- Most employers expect to maintain or grow employment, capital investment, and sales in the next five years.
- Current businesses did not point to a high level of utilization of incentives, but did point feel that incentives were an important tool to bring additional businesses to the region.

- Biosciences / life sciences, energy, and software / IT telecommunications were considered by survey respondents to be the top preferred industries for expansion
- A strong majority of respondents (70%) favor proactive economic development by the City, but 30% do not favor city incentives
- In addition to the consultant team interviewed a variety of different business and industry professionals in College Station as part of this phase of research

## **Economic Development Incentive Program**

- The City's current economic development incentive program was assessed to possess strengths including utilizing target industries clearly defined by the Research Valley Partnership, having a diversity of incentive options available, and offering cash grant incentives among others.
- The current incentive program had weaknesses including the lack of ISD abatements, lack of awareness in the business community of City incentives available, and R&D tax credits not being included among primary community incentives among others.
- Opportunities identified related to the current incentive program include tailoring incentives to the needs of College Station / Research Valley target industries, ensuring that incentive agreements include clawback provisions, and further marketing of relationship with Texas A&M and related opportunities for businesses among others
- Threats identified include intercity competition between College Station and Bryan, resistance to the use of cash incentives, and not integrating workforce development and training incentives into the program among others.
- Best practices were identified including a Property Tax Phase In, Foreign Trade Zones, establishment of a City Deal Closing Fund.
- A variety of recommendations were made based on the SWOT analysis and evaluation of best practices.

## **Economic Development Structure, Efforts, and Regional Partnerships**

- A regional approach to economic development is critical for several key reasons explored within this analysis.
- Cities must play a supportive role in a larger regional economic development strategy.
- City ED staffing needs largely depend on the mission and structure of the regional economic development organization but at a minimum should have a full time ED professional on staff.
- A City should expect to invest in a regional economic development organization if one is in place
- Cities are not alone in economic development. Intercity cooperation strengthens economic development potential.

- The cities of Waco, Lubbock, and San Marcos in Texas as well as Gainesville, Florida were identified as sample structures and regional partnerships for economic development. The takeaways from these cities included that separate private / public regional organizations lead ED marketing for these cities, city government representatives participate as board members of the regional organizations, and that regional activities are driven by a unified regional vision and strategy.

## Entertainment Districts

- Existing entertainment districts were evaluated including Northgate, Wolf Pen Creek, and University Drive east. All three presented both current challenges and opportunities. All three were generally assessed to be healthy currently.
- Potential for additional entertainment districts both currently planned and otherwise was also assessed. The quantity and quality of entertainment centers both current and imminently planned was assessed to be sufficient and greater than what is typically associated with a city the size of College Station.

## Redevelopment Areas

- The potential redevelopment areas identified in the recently updated Comprehensive Plan (FM 2154 / George Bush Drive, Harvey Road from Texas Avenue to SH 6 Bypass, Texas Avenue corridor between University Drive and Harvey Road) are in areas generally conducive to modern student housing due to proximity to campus and existing student housing demand already established. The Texas Avenue and Harvey Road corridors may have difficulty attracting non-student residential demand.
- Smaller parcels in the FM 2154 / George Bush Drive area and, to a lesser extent, the Texas Avenue corridor present barriers to productive commercial and mixed-use redevelopment.
- The FM 2154 / George Bush Drive area is not in a location well-suited to extensive retail development due to its location at the edge of the mass of the area's population and potential future access issues that may be caused by intersection reconstruction and capacity improvements.
- More intensive and dense redevelopment, apart from student housing, may be limited by achievable rents and absorption in all three areas. Structured parking may not be financially feasible. The weak office market cannot be expected to drive redevelopment in any of these areas.
- It is unclear without more market and financial analysis whether aging multifamily properties are worth redevelopment into new residential or mixed-use versus maintaining a lesser quality status and receiving the associated cash flow with minimal capital reinvestment.

- The Campus Pointe and Plaza Hotel redevelopments may accommodate significant amounts of mixed-use demand in the short term, discouraging absorption elsewhere.
- Measures such as Tax Increment Reinvestment Zones (TIRZ) and Chapter 380 agreements may be able to effectively accelerate redevelopment, particularly if extensive public infrastructure investment is involved.

## Introduction

This report evaluates opportunities for economic development in College Station, focusing on incentive programs, organizational structures and relationships, and the potential for entertainment districts and redevelopment of neighborhoods. In the Phase One of this project, the consulting team looked at the base conditions in College Station, using data and interviews to develop an understanding of the city's demographics and economy. In Phase Two, the consulting team builds on these findings with a survey, more in-depth interviews, and examination of best practices from benchmark cities. This assessment of opportunities and constraints for economic development in College Station will help prepare for identification of strategic goals and implementation measures in Phase Three.

This competitive evaluation of economic development opportunities is divided into five sections:

- **Public Input:** Presentation of survey results and summaries of interviews and focus groups
- **Economic Development Incentive Program:** Assessment of College Station's past and existing incentive programs, identification of best practices from benchmark communities, and recommendations for incentive program improvements
- **Economic Development Structure and Efforts and Regional Economic Development Partnerships:** Assessment of College Station and regional organizations economic development structure and efforts, identification of best practices from benchmark communities, and recommendations for increasing efficiency and effectiveness of programs
- **Entertainment Districts:** Current entertainment districts in College Station were assessed for their relative health and contribution to general economic conditions in the City. Consideration was also given of potential for additional entertainment districts and their collective contribution to economic development initiatives in the City.
- **Redevelopment Areas:** The opportunities and challenges facing three potential redevelopment areas identified in the recently updated Comprehensive Plan were examined and recommendations for further actions outlined.

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## Summary of Phase One: Economic Base Analysis and Existing Conditions

Phase One of the Master Plan study, as previously mentioned, provided an overview of the base economic conditions in which College Station operates. It created a picture of both the general metropolitan region around College Station and of the City itself, looking at population and household trends, workforce characteristics, industry makeup, and the market conditions for various economic and land use sectors. The following are key conclusions from the Phase One research:

### *Opportunities and Advantages*

- Texas A&M and its graduates
- Good infrastructure and public services
- Good public K-12 schools
- Moderate cost of living by national standards
- Good quality of life features for families and older residents
- Coordinated effort to attract knowledge-based industries, especially biosciences

### *Challenges and Barriers*

- Limited commercial air service
- Aging stock of multifamily units
- Small metro size and related limitations on career opportunities for young adults
- Tendency of energy companies to consolidate offices in Houston
- Dependence on public spending support for some growing industries
- No cost of living advantage compared to most Texas metros
- Orientation of economy and cultural activities toward Texas A&M University students instead of adults
- Competition from Houston and Austin metros for retail and leisure spending attraction
- Perception of stringent / costly / difficult development standards and permitting process

### *Area Economics and Demographics*

- Ongoing job growth in the metro area, with health care a major growth leader; nearly 100,000 non-farm jobs
- Metro area strongly “eds and meds” oriented and high level of public sector employment
- Relatively low unemployment
- Rapid population growth within the City of College Station, with emphasis on students and highly educated, affluent professional adults

### *Market Trends by Sector*

- Retail / commercial

- Public data indicate low retail spending per capita, requires more nuanced understanding of actual spending power in the area, potential “leakage” to suburban Houston retail centers
  - Retail opportunities broaden with growing adult population
  - University Drive is the heart of the regional market area
- Office and industrial
  - Office demand is soft with only small increases expected
  - Manufacturing / industrial present in Bryan but a small part of overall jobs base
- Health and wellness
  - Major and high-growth part of area’s economy
  - High levels of insurance coverage among College Station residents
  - New medical facility investments, such as Scott & White Hospital
  - Public investment in Health Science Center (HSC) in Bryan
  - More growth expected in future due to increasing and aging population, plus HSC-related growth
- Technology
  - Entrepreneurial, cutting-edge tech firms are focus of economic development efforts; some firms exist under the radar
  - Fiber optic resources best accessed in Bryan
  - Question of potential opportunities related to research and tech innovation for energy companies
  - Lack of air service a hindrance for tech executives
  - Lack of metro appeal to educated young adults hurts recruitment
- Hospitality and entertainment
  - Hotel revenues peaked in 2008, but less suffering in College Station area than in major metros due to demand from Texas A&M University and cost-conscious groups
  - Only one full-service hotel (Hilton)
  - Optimism over SEC impacts but concern over temporary impacts from football stadium renovation
  - Mixed-beverage sales continuing to trend upward
  - Opportunities for dining and entertainment that caters to growing upscale adult population
- Government and higher education
  - Government agencies constitute 7 of 15 largest employers in the metro area
  - Education / training / library occupations account for 18.5% of employed College Station residents
  - Texas A&M University System employment in area estimated at 26,200
- Construction and development
  - Considerable construction and development activity in metro area, with annual total permit values ranging from \$200M to \$500M
  - Vacant land for certain types of development still available
- Annual construction-related goods sales ranging from \$60M to \$110M in College Station

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## Industry Trends

Because economic development resources are limited, communities often focus their economic development efforts on specific, high-growth industries in which the community has competitive advantages. This strategy helps maximize strategic resource development, while boosting the overall economy and aligning the community on the same path for growth.

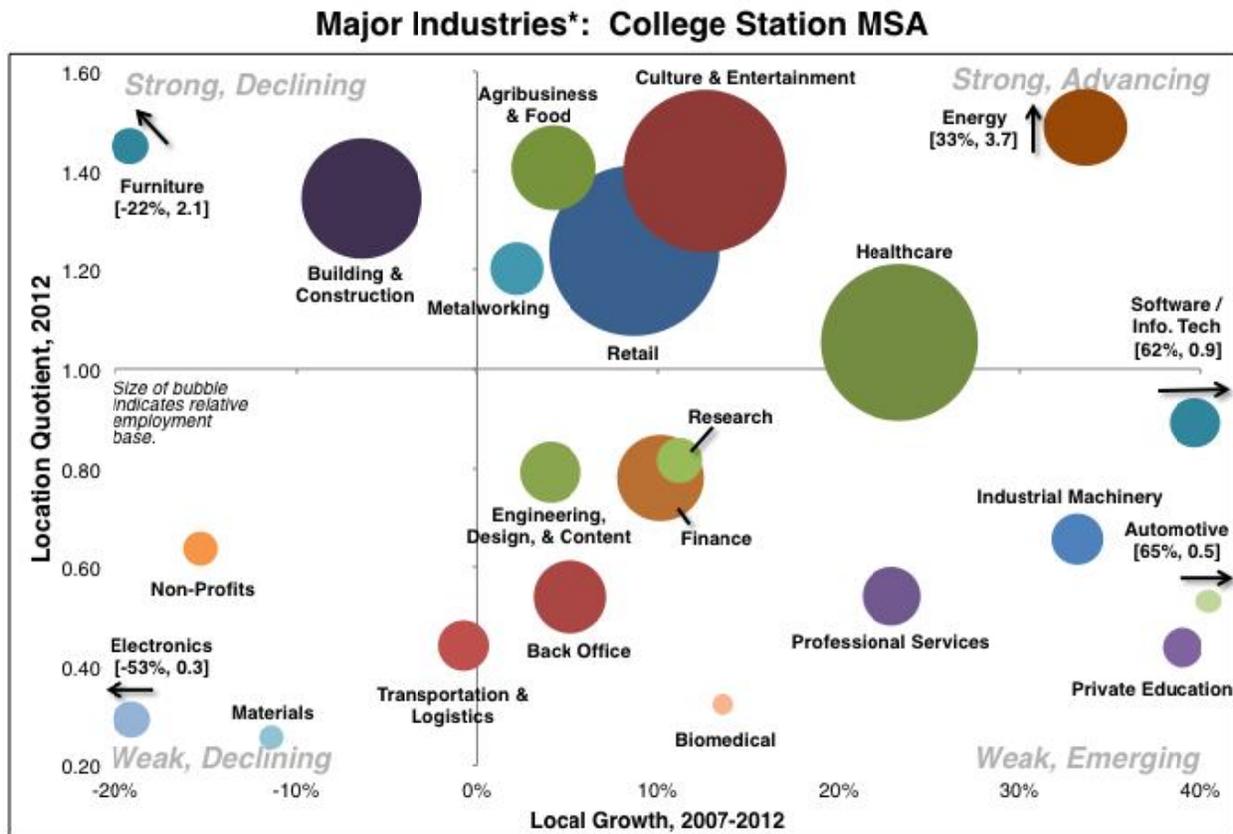
Economic development programs must therefore be considered in conjunction with target industries and competitive assets. Phase One examined industry employment, occupations, and assets. To better understand industry opportunities in College Station the project team prepared an industry cluster bubble analysis of recent trends in College Station. This cluster analysis allows for better assessment of College Station’s existing incentive programs and identification of best practices and recommendations for improving efforts.

### *Industry Clusters*

Location Quotients (LQs) give us a quick snapshot of which industries are concentrated in a region. LQs show local industry employment concentration relative to the US average concentration. An LQ of 1.5 indicates that the local industry has 50% more jobs per capita than in the US. An LQ of 1.0 indicates the same per capita employment concentration as the US, and an LQ of below 1 indicates a below-average concentration.

The bubble chart on the next page shows three variables for each College Station MSA industry: the LQ (or concentration) on the vertical axis, the 5-year % growth for industry employment in the metro on the horizontal axis, and total jobs in the local industry indicated by the size of the bubble. The metropolitan area was examined in order to understand the complete picture of regional industry dynamics, which includes assets located outside the boundaries of the City of College Station.

The graph’s four quadrants each tell a different story for the industry sector. While sectors in the top-right quadrant are viewed as competitive and should be priorities for talent development, sectors in the bottom-right (which are growing but have below-average concentrations) are emerging sectors for the region. These sections typically require special attention such as entrepreneurial assistance or new workforce training programs.



The bubble chart of major industries reinforces industry priorities identified by the client, Research Valley Partnership, survey, and interviews. The fastest growing industry clusters in the College Station metro are **Software / Information Technology** (62% growth from 2007-2012); **Automotive** (65% growth); **Industrial Machinery** (33% growth); **Energy** (33% growth); **Healthcare** (23% growth); **Professional Services** (23% growth); **Biomedical** (13% growth); and **Research** (11% growth).

Many of this high growth industries currently have lower concentrations in College Station than the national average, but their high growth rates indicate that they are becoming increasingly concentrated and specialized in the region with time. Traditional industries with existing high location quotients in College Station include **Energy** (LQ = 3.7); **Culture & Entertainment** (LQ = 1.4); **Agribusiness & Food** (LQ = 1.4); **Retail** (LQ = 1.2); **Metalworking** (LQ = 1.2).

These industry trends show that traditional industries remain strong in College Station, with Culture & Entertainment, Retail, and Healthcare employing a significant share of residents and having LQs above 1.0. High growth and employment concentrations in the Healthcare sector are supported by the expanding Medical District plan and recent location decision of the Department of Health's Center for Innovation.

Energy, a commonly recognized growth sector, is the most concentrated industry locally and one of the fastest growing. Additionally, Agribusiness & Food remains an important cluster.

Low-concentration, high-growth industry clusters often benefit most from economic development policies and initiatives, and College Station is well positioned to assist the continued growth of these local sectors. Software / Information Technology; Biomedical; Research; Professional Services; Industrial Machinery; Healthcare; and Energy are all in position to benefit from the new strategy.

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## Public Input

In addition to data analysis, the project team interviewed and surveyed area business executives and other community leaders about the future of economic development in College Station. In total, the project team interviewed 16 individuals and surveyed 98 representatives from local companies. Interview findings are highlighted in this section of this report.

## Business Survey Results

The consultant team collaborated with the City to develop an Internet-based survey questionnaire targeted at high-level management and owners of businesses in the College Station area. The City publicized the survey with the assistance of several business and economic development organizations:

- Bryan College Station Chamber of Commerce
- Research Valley Partnership
- Brazos Valley Small Business Development Center
- Northgate District Association

The City also used its own email distribution lists and individual points of contact. Alternate publicity methods included the scrolling graphic on the City's main webpage, social media (Facebook, Twitter), a press release, and incorporation into programming on the municipal cable channel. The survey was open for responses from August 27 to September 10, 2012.

### *Highlights from College Station Business Survey*

- A majority of surveyed businesses employed fewer than 25, highlighting the importance of supporting small businesses (establishments with fewer than 20 employees comprise 84% of Brazos County employers).
- 39% of survey respondents have a customer market beyond Texas, including the rest of the US and international markets.
- Only 4% of respondents indicated that incentives were their reason for locating in the region, indicating that College Station has many other attributes attracting businesses to the region but also revealing that incentives may have high potential for increased utilization in bringing additional business to the region.
- Only half of respondents recruit new employees from within the region and 30% from Texas A&M university, showing that many employers must look outside the region to fill open positions.
- Two fifths of employers expressed difficulty in hiring and/or retaining employees.
- Opportunities and amenities for young adults were cited as major reasons for difficulty in hiring and retaining employees.
- The majority of respondents gave the College Station / Bryan's economic performance a **B** grade for the past five years.

- Most employers expect to grow or maintain employment, capital investment, and sales in the next five years.
- Research & Development was considered the most attractive business operation type for the region.
- Nearly half of respondents felt that local business leaders had a negative perception of College Station as a place to do business.
- Respondents considered College Station’s top five competitive strengths:
  - **Colleges and universities** (77%);
  - **Cost of living** (41%);
  - **Growing local economy** (32%);
  - **Regional geographic location** (31%);
  - **And Lifestyle** (28%).
- Respondents considered College Station’s top five competitive weaknesses:
  - **Transportation infrastructure** (38%);
  - **Government / political leadership** (36%);
  - **Career / job opportunities** (32%);
  - **Business climate** (27%);
  - **And Natural environment** (20%).
- Respondents considered the top five preferred industries for expansion:
  - **Biosciences / life sciences** (48%);
  - **Energy** (44%);
  - **Software / IT / telecommunications** (38%);
  - **Aviation / aerospace** (35%);
  - **and Hospitality / tourism** (33%).
- Respondents considered the top five retail businesses for expansion:
  - **Restaurants and nightspots** (41%);
  - **Specialty grocery stores** (38%);
  - **Full service hotel** (35%);
  - **Museum and cultural centers** (29%);
  - **And Arts, crafts, and antiques** (23%).
- A strong majority (70%) of respondents favors proactive economic development by the city, but 30% do not favor city incentives.
- When selecting types of incentives, most respondents preferred **Targeted recruitment and marketing programs** (70%) and **Financial incentives** (64%).
- A majority of respondents opposed incentives for retail development, preferring to “let the market decide.”
- Respondents identified the following top five ways the City of College Station could become more competitive for their business:

- **Loosen development restrictions and requirements (48%);**
- **Speed up the development and permit process (32%);**
- **Improve transportation systems (20%);**
- **Improve digital / telecommunications infrastructure (20%);**
- **And Offer incentives to developers and/or businesses (20%).**

## Interviews and Focus Groups

The consulting team conducted a series of interviews and focus groups with employers, educators, and organizations throughout the College Station region to better understand economic development strengths, trends, and needs. Because some interviewees wanted to remain anonymous, the consulting team has summarized the most relevant highlights from discussions around specific topic areas below.

### *The role of the City of College Station in regional economic development*

- The Brazos Valley COG is the designated economic development district, with a 7-County Region and the RVP is the designated workforce entity.
  - The COG usually works with the city through the RVP
- Many of the rural communities have 4A and 4B sales taxes for economic development, but College Station and Bryan do not.
- Some interviewees didn't even realize the City of College Station had an economic development office.

### *Opportunities for growth in the region and economic drivers*

- The Bio Corridor
- Everything feeds off of Texas A&M University.
- There is still a lot of agricultural production, including in Brazos County.
- Texas Triangle Park is the only site in Brazos County where UP would allow a rail spur
- Mining industry
- Energy Technology could be a strong target.

### *Competitive advantages in College Station*

- Great place for families
- Low cost of living and small town feeling
- Highly educated population
- Greater feeder for the biotech industry
- Texas A&M University

### *Limitations for future economic development in the region*

- Air service is limited. Businesses with export and travel needs must use Houston.
- Regional roads need improvement. There hasn't been a traffic study completed in 40 years and community is growing rapidly.
- Lack of commuter rail or bus providing strong connections to Austin and Houston.
- Underemployment is a major issue in the region. There is a well-educated workforce but not enough jobs for them or awareness of opportunities.

- The community is oriented to students and residents aged 30 and above, but lacking in a lifestyle oriented towards 20-somethings and young singles. This is a major perception issue that affects workforce and recruitment.
- “The region is a 25-45 year old graveyard.”

### ***Workforce and talent***

- Biomanufacturing and pharmaceutical manufacturing employment will grow rapidly in upcoming years. There is a key need for technical staff (entry level technicians with 4-year degrees) and experienced managers (will need to be recruited from outside the region)
- Blinn College is looking into offering workforce training in addition to existing programs
- Many spouses/partners of Texas A&M University employees are unaware of employment opportunities available in the region.
- Texas Workforce Commission grants administered through the RVP have allowed for employer workforce training at Blinn College.
- Blinn College is preparing for workforce development for the Biomedical Initiative.
- Blinn College’s co-located nursing program at the Texas Life Sciences complex is a unique facility and major asset.
- No glaring gaps in the workforce pipeline.
- Texas A&M University, Blinn College and others are exploring opportunities for continued adult education programs across all industries.
- There is a deep pool of talent centered around Texas A&M University, especially spouses, but connecting with them can be challenging.
- The Career Placement Center is one of the best resources on campus, but it 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, because they can’t get their foot in the door with graduating students.

### ***The state of entrepreneurship and innovation in the region***

- Texas A&M University has an Office to Technology Commercialization, but some expressed that these efforts are fledgling and there isn’t much industry interaction locally.
- Sometimes difficult to keep homegrown businesses in College Station once they start growing.
- The incubator space at RVP is an asset
- There is a relatively thick pool of banks for traditional business, but a limited pool for funding startups.
- Texas A&M University presents a rich opportunity for business startups
- College Station is light in folks with standard business experience that compliments the needs of technology industry startups, primarily basic management of technology companies

- It can be challenging keeping companies in College Station. Consumer-oriented services businesses are usually more inclined to stay in College Station.
- Oil and gas services and manufacturing might be more likely to migrate to where their customers are and where manufacturing is easier.
- Companies that stay often need to be big enough to support multiple locations, so they can keep R&D or a HQ in College Station.
- When startups scale up, it is difficult to retain them locally. Proximity to consumers and infrastructure are major reasons for larger companies to leave town.
- Approximately half of local startups are in Life Sciences and half are in General Tech.
- They are launching a student incubator at Texas A&M University which will help build the entrepreneurial talent pool and keep startups and students in College Station.

### ***Ways the City of College Station could support business development***

- Engage in comprehensive marketing effort with the RVP, CVB, City, County, Texas A&M University, and Chamber. Everyone needs to work together to create a comprehensive marketing campaign aimed at business and talent.
- Leveraging of young adult community in Bryan.
- The city needs to keep the community better informed about all the assets in the area with more roundtables, dialogues and media outreach.
- There needs to be a clearing house of information about spouses/partners and their backgrounds that can be tied to jobs that are available. This system must integrate with Texas A&M University.
- The Texas A&M job network is strong but only connects students to Aggies, and the city could work more closely to help connect students with all potential employers in the region, including non-Aggies.
- Need to have all organizations in the region, including the school districts, understand the benefits of economic development policy and be more supportive of spending on it.
- College Station will never be successful if they don't bring Bryan with them. The cities cannot compete over tax revenues, but must recognize the greater public good. Need to look at the whole community.
- "There's no advantage to being the best kept secret." The region must do more to promote assets beyond the university, including K-12 schools, cost of living, position in the Texas Urban Triangle (Dallas-Fort Worth, Austin-San Antonio, Houston).
- The city needs to acknowledge the importance of the technology startup community. Nurture, acknowledge, and support research and commercialization. This will attract investment and bring jobs, particularly for spouses and graduates who want to stay in town.
- Support catalyst resources at the Research Valley Innovation Center (RVIC) and Research Valley International Gateway (RVIG)

- Support for basic service incubators which provide business advice and other services to small companies at a relatively low cost but with significant benefit for startups.
- Research and development tax credits are less important for small startups but have great significance down the line as companies grow and mature and make larger investments in equipment.

### ***Opportunities for improvement of city development***

- City of Bryan has been successful improving downtown over the past 10 years, partially through the TIRZ.
- Texas A&M University willing to work with private developers to rehab Campus Pointe. Hopeful to develop mixed use and hotel.
- Opportunity for creating a conference/convention center, because the Expo center isn't adequate for local needs. A Hotel Conference Center was emphasized as a major need.
- The city's plan for the research park must be connected with the RVP.
- The city needs to make sure there are sites available to house companies that will not fit in the research park.

## City Council and Mayoral Discussion

The consulting team also had an opportunity to interview two members of the College Station City Council: Julie Schultz and Blanche Brick, and Mayor Nancy Berry. These interviews provided an opportunity to hear City Council's perspective on economic development and the concerns of constituents throughout College Station. The following section will provide a brief summary of responses to interview questions from the three leadership interviewees.

### ***What do you hear from constituents regarding economic development?***

- Many constituents want to streamline the planning and permitting processes and make it easier for developers.
- The community is more concerned about infrastructure and quality of life issues than economic development. They haven't faced high unemployment rates, and thus residents are less focused on job creation.
- The city is moving in the right direction.

### ***From your perspective, have you seen anything that is a barrier to attracting and growing industry?***

- Need to lighten up regulations: restrictions on sidewalks, trees, and other measures that make development overly expensive.
- The planning and development services group needs to be more customer service oriented: focusing on flexibility and creativity.
- Last year, codes were reformed to make them less restrictive.
- Both Blinn College and Texas A&M University are facing continued funding cuts from the State government, but they are not having trouble maintaining enrollment.
  - College Station's K-12 system is excellent.
- The lack of an interstate is a big barrier to some types of companies, but College Station is close to major population hubs.
- Limited air service is another concern.

### ***What are your views on current economic development tools and incentives?***

- The city needs a more formal incentives policy for justifying decisions about why they give incentives to one company over another.
- Tax abatement is working and allowing them to direct investment in specific locations that are in need of development.
- There are little to no incentives focused on existing business expansion.
- Growth needs to be in the right direction, not just counting numbers.
- Investment in education is a key driver. Businesses will follow great education programs.

- Totally opposed to tax incentives for retail establishments.
- Not comfortable with cash incentives for businesses coming from the City, but would be okay with it if it comes via the State or Research Valley Partnership.

***What do you view as the role of the City in the region's economic development?***

- The City is a big player in the Research Valley Partnership initiative.
- The City has certain sites and buildings that are distinct and serve a regional purpose.
- The City's role is to attract businesses that reflect the vision of the community. Growth needs to be complementary to College Station. Quality is key.
- The City has a role to play, not a leadership role necessarily, but they need to be at the table as an active player.
- Impact fees have again come under consideration. Growth should bear some of the expenses, not just citizens.

***What role does quality of life play in economic development?***

- It has been the focus for the past 20 years, and College Station offers quality of life amenities, including a great parks program.
- Quality of life is critical to economic development prospects.
- The City wants clean tech, knowledge-based industries – these employers seek out locations with higher quality of life.

***What industries will drive economic development in the future?***

- Restaurants and hotels.
- Need a civic center.
- Fitness and wellness is a big part of the economy.
- Behavioral hospital is going into the Medical District.

***Other Comments?***

- Lower wage levels are a challenge.
- If we have the quality of life and strong education system, we will attract companies to College Station.
- Developing a town center would be desirable.
- There are some areas that are ripe for redevelopment, including strip centers and the area around the new fire station.

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## Economic Development Incentive Program

This section of the report examines the City of College Station’s current and past incentive programs, evaluating their effectiveness and applicability for business needs within the community. The consulting team follows this assessment with an identification of three best practices from benchmark communities identified by the city, in this case Waco, TX; Lubbock, TX; and San Marcos, TX. Based on this review of existing incentive programs and best practices from benchmarks and around the nation, this section finishes with recommendations for improving the City of College Station’s incentive program.

In the past, the City of College Station followed a set of economic development guidelines developed by the Research Valley Partnership (RVP) for the City of Bryan, City of College Station, Brazos County, and the RVP. These guidelines were first approved in 1994 with multiple revisions through 2005. However, following the City of College Station’s 2009 strategic plan, the City no longer follows a formal incentives program. The City will adopt formal incentives policies following the completion of this Economic Development Master Plan.

**Below, the project team highlights the Strengths, Weaknesses, Opportunities, and Threats (SWOT) presented by the past incentive program utilized by the City of College Station.** The incentive program was assessed based on the applicability for targeted businesses and land development, competitiveness with national best practices, and effectiveness. The consulting team based evaluations on economic development work experience, public input through the survey and interviews, and familiarity with industry and incentive trends.

### Strengths

- The past incentives guidelines utilize target industries clearly defined by the Research Valley Partnership and in line with College Station’s economic development objectives.
- The guidelines emphasize a regional approach, outlining roles played by the City of College Station, City of Bryan, Brazos County, and the Research Valley Partnership.
- Incentives are transparent and set clear expectations of rewards, allowing businesses to make confident location and expansion decisions.
- A diversity of incentive options is available, including tax abatement, land, financial assistance, fee waivers, and expedited permitting. Because every business sector and operation has different needs, maintaining a broad catalogue of incentive options allows the city to offer flexibility in supporting business development.
- Cash grant incentives, an important option in a flexible business attraction and retention program, are available through Chapter 380 from the City and Chapter 381 from Brazos County.

## Weaknesses

- Targets listed for the City of College Station are focused solely on land development options and do not include industries.
- The ISD does not offer tax abatements and the guidelines specifically state not to ask for them to provide abatements.
- Many interviewed business leaders were unaware of the City’s role in providing economic development incentives and only dealt either with the Research Valley Partnership or Texas A&M University.
- Research and development tax credits are not included among primary community incentives.
- Incentives emphasized new business recruitment and relocation, but did not treat local business expansion and new business startup with the same standards.

## Opportunities

- Examine the potential to utilize HB 1800 in cooperation with the ISD on select projects.
- Tailor incentives to the needs of College Station / Research Valley target industries.
- Include incentives that target R&D and other operations that depend on costly technologies and those depreciate at an accelerated pace.
- Guarantee that local business expansions and startups are equally eligible for City incentives if they meet criteria required for newly recruited projects.
- Ensure incentive agreements include clawback provisions.
- Continue to closely coordinate incentives decisions with the Research Valley Partnership, Brazos County, and Texas A&M University.
- Work together with the City of Bryan. Agree that the two communities will collaborate on landing major economic development projects in the region and will not scout expansion projects from one another’s territories.
- Increase marketing of relationship with Texas A&M University and related opportunities for businesses.
- Ensure incentives are directed towards target industries, recognizing unique needs of various industries and explicitly marketing towards these sectors.
- Incentivize workforce development and training in cooperation with Texas A&M University, Blinn College, and other area learning institutions.
- More discussion of entrepreneurship and support for startups.

## Threats

- Intercity competition between College Station and Bryan ups incentives to an unsustainable level, decreases return on investment, and turns off prospects.

- Resistance to use of cash incentives for very high value projects jeopardizes College Station’s competitiveness.
- Inequitable incentives offerings to local business expansions (versus new incoming projects) risks loss of existing businesses.
- Not integrating workforce development and training incentives into the program misses an opportunity and threatens College Station’s long-term talent supply.
- Without supporting startup community explicitly, young companies will not see benefits of remaining in community and will continue to move elsewhere.

## Best Practices

In these tough times, cities around the nation are trying innovative approaches to economic development incentives and systems. Responding to the changing needs of businesses and maximizing the potential of local assets, many of these strategies focus on increasing the ease of business startup, supporting entrepreneurship and innovation, and strengthening the local educational foundation.

For this study, the consulting team identified best practices from three Texas benchmark cities: **Waco**, **San Marcos**, and **Lubbock**. Like College Station, these three cities are anchored by a large university, are of similar population size, and share commonalities in their economic development position in Texas. Although their industry strengths and political circumstances vary, the economic development tools available to the city governments in all three cities are very similar.

The consulting team reviewed all economic development incentives and initiatives utilized in these benchmark cities, examining their strengths, weaknesses, and applicability for the City of College Station. This review eliminated incentives already utilized in College Station, those administered by independent economic development organizations, similar to the RVP, and not the city, and initiatives deemed unsuccessful. The following three best practices were identified based on their local effectiveness, uniqueness, and potential for application in College Station.

### ***Best Practice #1: Property Tax Phase-In***

#### **The City of San Marcos**

The City of San Marcos has a Property Tax Phase-In program that offers tax phase-ins for new or expanding commercial and industrial construction and business personal property. Businesses can participate in the program if they meet job-creation requirements and are approved by the City Council. The program requires a contract with the city. This program is an example of a flexible incentive design, offering varied packages for job creation or retention, to small or large business, and for new or established companies.

Companies with less than 100 employees must create or retain a minimum of five jobs, with at least 20% meeting a salary minimum of \$17 an hour. Capital investment by the business must equal or exceed \$250,000. These incentives are additionally available to start-ups on a case-by-case basis.

Businesses with 100 or more employees must create or retain a minimum of 10 jobs with the same salary requirements. Only full-time, non-temporary positions are counted. Capital investment must equal or exceed \$1,000,000.

In both circumstances, businesses already in San Marcos may apply but must provide financial statements and a business plan. The program emphasizes due diligence and transparency.

### ***Best Practice #2: Foreign Trade Zones***

Exports are an important part of an economy. Any goods or services exported outside a community in turn bring outside payments into the local economy, increasing local wealth and economic size. In recent years, US exports have been on the rise, bolstered by increasingly effective methods of shipping and other support programs, including Foreign Trade Zones.

The Foreign Trade Zone program was created by the federal government in 1934 to support foreign commerce. Organizations can apply to have land adjacent (within 60 miles) to a US port of entry designated as a Foreign Trade Zone. Goods manufactured or assembled on Foreign Trade Zone property are exempted from US customs fees if they are re-exported. If goods are kept domestically, they are subject to regular taxes when they are brought into the US market from the Foreign Trade Zone. This duty-free exemption of Foreign Trade Zone goods provides significant savings to exporting companies.

Foreign Trade Zones additionally allow for Zone-to-Zone Transfer, Inventory Tax Exemptions, Duty Deferral on imports, and other reduced fees and simplified structures.

College Station has a many exporting companies, as seen in interview discussions and the 39% of business survey respondents who indicated they serve markets across the US and internationally. The presence of exporters and the potential for attracting more are important reasons to consider the possibility of applying for a Foreign Trade Zone location within Brazos County.

#### **City of Lubbock**

Foreign Trade Zone Number 260 was granted to the City of Lubbock in 2004. It covers 693 acres on the Lubbock International Airport and 2,000 acres on the adjacent deactivated Reese USAF base.

#### **City of Waco**

Foreign Trade Zone Number 246 was granted to the City of Waco's Economic Development Division. The Waco Foreign Trade Zone contains 409 acres in three non-contiguous sites:

- 70 acres in the Waco Regional Airport Industrial Park
- 139 acres in the Texas Central Park industrial park
- 200 acres in the Waco International Aviation Park.

Many of these sites in Waco additionally benefit from State Enterprise Zone designation and Double and Triple Freeport exemptions.

### ***Best Practice #3: City Deal Closing Fund***

In the past, businesses looking to locate in College Station have been eligible for economic development grants of various sorts, including performance-based financial assistance, grants from the Brazos County

Incentive Fund, and Chapter 380 agreements. While these are all necessary pieces of flexible incentive system, some communities have also established independent deal-closing funds that offer extra leverage for incentivizing projects that the community believes will have a significant impact. These funds do not necessarily have to represent a large amount of money but often can demonstrate to a company a city’s extra commitment to ensuring that a project goes through.

**City of San Marcos**

The City of San Marcos established an Economic Development Fund as a line item in their General Fund. This fund is intended to act as a “war chest” for the city, allowing for the flexible application of funds to highly desirable projects. To ensure that funds are not misallocated or exceedingly high, the size and availability of funds are approved by the city council annually, and each project is considered on a case-by-case basis.

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## Consulting Team Recommendations

Based on the review of industry cluster trends, past economic development incentives in College Station, and best practices from benchmark cities, the consulting team has the following recommendations for improvement of incentive programs in the College Station Economic Development Master Plan.

### ***Recommendation #1: Maintain Flexible Incentive Options***

Every industry and business has different needs based on their stage of development, workforce requirements, and product type. As a result, incentive options must be flexible, capable of offering tangible benefits to businesses in all targeted industries and stages of development, from startup to established.

### ***Recommendation #2: Establish a Deal Closing Fund***

A deal closing fund can make a significant difference in attracting a company to a community. When a city makes a grant offer to a company, even if the monetary value is low, this demonstrates the city's commitment to the company and willingness to support their relocation. Any deal closing fund must require due diligence and transparency in decision making processes to maintain the public trust.

### ***Recommendation #3: Seek to Establish a Foreign Trade Zone***

Foreign Trade Zones offer significant tax benefits to exporting businesses, helping support existing local companies and attract new establishments. The City of College Station should explore the requirements and potential for apply for a Foreign Trade Zone designation within the city.

### ***Recommendation #4: Match Incentives to Target Industries***

Incentive options should be specifically tailored to match the needs to targeted industries in the community. By speaking with local industry leaders and noting the needs to prospects, incentives should be flexible, with options available that match the needs to each targeted industry. These incentive types can range from research and development credits to free land to workforce training to infrastructure loans. By explicitly discussing each targeted industry in the incentive policy, the city demonstrates that it understand the needs of those businesses and appears a better place to do business.

### ***Recommendation #4: Highlight Available Programs for Workforce Development***

The state offers workforce development programs and the region is developing new training resources. The city needs to make sure that all available workforce development programs, including the Skills Development Fund, and workforce resource are highlighted in the incentive program. By clearly stating available resources, existing and prospective companies will know that if they notice a labor shortage or have workforce concerns, the city has a system in place to help the company deal with these issues. Additionally, this will help highlight available programs for continued education and demonstrate the city's commitment to workforce development.

***Recommendation #5: Include a Focus on Retention and Expansion***

Ensure that the language in incentive documents and available programs includes explicit references to business retention and expansion alongside attraction. The previous incentive program seemed primarily geared towards business attraction efforts, but local businesses need to know that the city is as committed to them and supportive through incentive programs as they are about bringing in new businesses. Providing assistance to a local company considering laying off employees is as important as attracting new jobs to the community.

***Recommendation #6: Maintain Expedited Permitting System***

Business cycles are fast-paced in the modern economy, and once a company decides to relocate or expand, they want to know that they can get started as soon as possible. Creating and maintaining a streamlined, expedited permitting system will help assure a prospective company that the city is committed to business and allow them to better plan for a possible location in College Station.

***Recommendation #7: Develop a Scorecard for Evaluating Projects***

By establishing a clear procedure and scorecard for evaluating the cost-benefits of a project and proposed incentive package, the city can better defend decision making to the public. The scoring process must be transparent and look at a number of factors including fiscal impact, economic impact, environmental impact, and target industry development. Will this project build a targeted cluster in a strategic fashion and attract more businesses in the future? Incentive recipients must be properly researched including past growth, company history, and other due diligence. A transparent scorecard will help ensure that incentive decisions are not considered arbitrary and the public trust is maintained.

***Recommendation #8: Explore ISD Participation in Tax Abatement***

Texas Tax Code Chapter 313 allows for a value limitation agreement with the local school district. School district property taxes are high for business, and a Chapter 313 agreement allows for an 8-year limitation on taxable property value in exchange for agreed upon property investment and job creation. College Station's previous incentive program specifically asked applicants not to discuss school district taxes, but this can be a very important tool in attracting new businesses and investment to a community. The city must work more closely with the school district to better understand the cost-benefits of a Chapter 313 agreement and demonstrate that the net benefits to the school district through economic impacts can be positive.

***Recommendation #9: Create Research and Development Tax Credit***

Research and development is a major growth area for College Station, tied directly to Texas A&M University and related startup and established companies. In order to help support this growing sector, the city should consider research and development tax credits for investments in equipment and other personal property. Although startup companies do not necessarily invest as heavily in equipment, research and development can cost a significant amount for more established technology companies. High-technology equipment quickly becomes out of date and companies can save a significant amount of money through tax abatement on personal property used for research and development.

***Recommendation #10: Develop Entrepreneurship and Innovation Program***

The city needs to ensure that there is a section of the incentive program focused on entrepreneurship and innovation. This section can highlight existing incubators, commercialization programs, mentorship programs, and funding organizations. Particularly with an asset such as Texas A&M University, the city needs to make innovation a cornerstone of the community and explicitly list available programs.

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## Economic Development Structure, Efforts, and Regional Partnerships

Alongside a formal economic development incentive policy, an economically successful community must maintain strong relationships between all organizations involved in economic development, including local workforce organizations, educational institutions, chambers of commerce, and city governments. Collaboration requires everyone involved to speak in one voice regarding the community's goals, strengths, and strategy. It also requires clearly established roles for each organization within the economic development system, as each one plays a unique role in moving the community forward.

In the following pages, the consulting team examines City of College Station's current economic development organizational structure, efforts, and relationship with regional partners. The consulting team also identifies best practices in this subject from across the nation, looking in particular at strong partnerships bolstering workforce development, research initiatives, and entrepreneurship. This analysis leads to recommendations for improving the current economic development structure and programs in College Station in partnership with other regional organizations.

### Overview

#### *The Importance of Regionalism*

A regional approach is critical to economic development. When companies and site consultants consider locations for investment, they begin at a regional level. Political boundaries between states, counties, and cities are not considered in the initial phases of a site search. In general, projects begin by looking at geographic territories that, depending on the type of business, make sense logistically, contain solid foundations of suppliers and talents, and are cost competitive. Territories considered might be large geographic regions such as the Southeast US or more specific such as sites within three hours driving time to an OEM.

After a geographic territory is established, more specific criteria come into play, allowing the company or site consultant to filter prospective locations. Which city or county a project locates in is determined later in the selection process when considering specific real estate and incentives.

Regionalism is important for several reasons. First, packaging assets at a regional level helps a community stand out in the site selection process, especially in the early stages when prospects are developing their initial list of large geographic territories to consider. Second, a regional approach allows communities to pool resources to build brand awareness and market. It elevates efficiency and effectiveness of economic development campaigns, especially in today's noisy and hyper competitive business climate. Finally, it shows prospects that communities can set aside differences to serve the needs of their customers. This gives businesses confidence that the community will work together to take care of their investment and their people.

### ***The Role of Cities in Regional Efforts***

Cities have a valuable part to play in regional economic development. To begin, cities must understand the larger regional strategy and their role in supporting the strategy. Cities have responsibility for many factors that affect a region's ability to attract and expand businesses, including, for example, infrastructure and land use, quality of life, regulatory climate, and business costs. Aligning local decisions about investments and policies with the regional vision improves a city's long-term competitiveness.

All cities within a region should actively participate in and support the regional economic development organization. The regional EDO must be aware of each city's assets so that it can promote those strengths to prospects. Cities should trust the regional EDO to conduct external marketing, facilitate local partners in discussions about improvements to area assets, and fulfill other mission functions. Trust is vitally important. Prospects feel turned off when too many representatives from a region participate in meetings. Allow the regional EDO to pursue leads and be the primary interface until the point the prospect is ready to review city-specific topics.

### ***City Staffing when a Regional EDO is in Place***

City economic development staff needs largely depend on the mission and structure of the regional economic development organization. At a minimum, a city should have a full-time economic development professional to support the regional group, fulfill prospect requests, and coordinate activities as needed across other city departments. In many smaller communities, this individual serves in the city's planning department. In larger communities, this individual may report directly to the city manager and mayor's office. In Texas 4A / 4B sales tax cities, the economic development director may be employed by the city but operate externally and report to an independent board of directors.

In addition to a full-time economic development director, a city may employ support staff. Support staff may include an assistant economic development manager, a research manager, an ombudsman to navigate businesses through city processes, and an executive assistant.

### ***Funding the Regional EDO***

A city should expect to invest in the regional economic development organization. The level of investment depends on the regional EDO's structure and funding. In some cases, all cities invest an equal amount in the EDO. In others, funding formulas are based on the city's population size and/or geographic distance to the EDO's headquarters.

### ***Working with Other Cities in a Region***

Intercity cooperation strengthens economic development potential. As stated earlier, companies do not look at political boundaries when determining where to locate. In most cases, a company's job creation will positively impact the economies of cities located within a 45-60 minute drive from the business. However, it is natural for communities to struggle to celebrate a project that locates in a neighboring city, especially when residents pressure public officials about the missed opportunity.

Once again, a regional mindset is helpful. Focusing on the good of the region and the long-term regional strategy puts city-to-city competition into healthy perspective. In the country's top performing economic development initiatives, cities know which regional target industries are best suited for their assets. They may even claim ownership of niche target industries. For example, City A is the best location in the region for bioscience research and development, while City B is the best location for medical device manufacturing. This approach helps the regional economic development organization direct prospect leads to local partners and helps cities justify why some projects land in neighboring towns while others locate within their city limits.

Increasingly we see situations in which two municipalities or counties co-invest in infrastructure that is critical to economic development success. For example, several communities in the Southeastern US have shared the cost of preparing mega sites for business. Often these large properties straddle multiple political jurisdictions and improvements depend on cooperation among area governing entities. Cities and counties are also co-investing in shared regional infrastructure projects as well, such as water treatment facilities.

For a regional economic development organization, it is important that cities are treated as equitably as possible. Defining city and county level targets is smart way to distribute prospects and build confidence that smaller cities and counties will have a fair shake at opportunities. Although cities may invest in the regional organization at different levels (depending on funding formulas), they deserve equal seating on the EDO's board of directors or advisory committee (depending on structure).

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## Sample Structures and Regional Partnerships

### *Waco, Texas*

Economic Development in Waco is led by the Greater Waco Chamber of Commerce. The Chamber’s initiative encompasses the Waco MSA and the 18 cities within the MSA. The Chamber’s economic development initiative focuses on six target industries: Aerospace and Defense, Advanced Manufacturing, Supply Chain Management, Health Care and Professional and Financial Services.

Organizationally, Greater Waco’s economic development team is housed at the Greater Waco Chamber. Six staff members comprise the team: Senior Vice President Economic Development, Director of Business Expansion and Retention, Director of Urban Development, Project Manager, Marketing and Research Manager, and an Economic Development Coordinator. The Senior Vice President oversees the team and reports to the Chamber’s President.

Also managed by the Chamber is the Waco Industrial Foundation that manages 2,000 acres of property within the Texas Central Park and the Waco International Aviation Park. A 24-member board representing 40 area businesses guides the Foundation’s activities. The Foundation handles site improvements, infrastructure, and financial packages for sites within the parks.

The Foundation works closely with the Waco / McLennan County Economic Development Corporation (WMCEDC), a partnership between the City of Waco and McLennan County. The City and County each contribute \$1.25 million per year to an Economic Incentive Fund, which is dedicated to helping new companies locate in the county and existing target industry companies expand.

One of the City of Waco’s seven “strategic intents” is “aggressively competitive economic and community development.” The City’s economic development functions fall within an Assistant City Manager and the City Manager’s purview, who work with the Chamber to facilitate a business prospects needs across multiple City departments, including Engineering Services Planning Services, Fire Services, Health Services (via McLennan County), Inspection Services, Legal Services, Public Works, Traffic Services, Parks and Recreation Services, and Police Services.

Waco’s City Manager represents the City on the Chamber’s 100-member Board of Advisors. The City does not serve on the Chamber’s 18-member Board of Directors (which consists of private sector and non-profit organizations only), or five-member Executive Committee.

### *Lubbock, Texas*

Lubbock’s economic development is managed by the Lubbock Economic Development Alliance (LEDA), a non-profit organization whose mission is to create jobs, attract capital investment, retail and expand new companies, and improve Lubbock’s quality of life. LEDA is part of the City and its territory includes the city limits. It has 15 staff people and serves four primary functions: business recruitment, business retention, marketing, and workforce development.

Established in 1995, Market Lubbock was originally formed as a non-profit corporation contracted by the City of Lubbock to perform economic development activities. LEDA and Market Lubbock (which includes a Foreign Trade Zone and Visit Lubbock) are housed under the same roof and share a CEO.

LEDA has a seven-member board of directors that are appointed by the City of Lubbock. Board members come from the private sector and from Texas Tech University. LEDA's 2012-2013 budget totals approximately \$7.5 million. Sales tax funding, interest income, a grant from Market Lubbock Inc. and lease income contribute to total funding. Of this, over \$1.7 million is allocated for special projects and incentives. \$1.46 million is allocated to marketing and sales activities.

In addition to LEDA, other City departments assist with economic development activities on an as-needed basis. The Business Development Department within the City is dedicated to providing support such as economic and demographic information and serving as a liaison between municipal government and the business community on topics related to permitting, incentives, and regulations.

### ***San Marcos, Texas***

The Greater San Marco Partnership (GSMP) is the lead economic development organization for a two-county region that includes the cities of San Marcos, Kyle, Buda, Dripping Springs, Lockhart, Luling, and Wimberly. With a population of 46,700, San Marcos is the largest city in the region.

The GSMP, officially organized in July 2010, is a 501(c)6 corporation dedicated to directing future growth and positioning the region for a "wider diversity of quality jobs and higher wages." In 2011, the GSMP achieved its goal of raising \$4 million from 75 public and private organizations in the region to implement its strategic economic development plan. The GSMP has five full-time staff members.

Three City of San Marcos representatives serve on the 21-member GSMP board of directors – the Mayor, City Manager, and a City Councilor. The City does not have a full time economic development manager. Several departments support economic development, working with the GSMP and local companies to facilitate job growth in the city: Engineering & Capital Improvement, Environmental Health, Fire, Main Street, Parks & Recreation, Planning & Development Services, Water / Wastewater, and Transportation.

### ***Gainesville, Florida***

The Gainesville Florida Area is an example of a successful economic development region that is home to a strong university, the University of Florida. This is an aspirational example of a successful approach that is not located in the state of Texas.

Economic development in Gainesville is led by the Council for Economic Outreach (CEO) that is housed in the Gainesville Area Chamber of Commerce. CEO's mission is to help grow Alachua County's economy through business attraction and expansion.

In addition to CEO, the Gainesville Area Chamber also created Innovation Gainesville (iG) which focuses on fostering a local environment that encourages innovation in health and green technologies.

The Chamber's President and Chief Executive Officer leads the Chamber, CEO, and iG's activities. The Chamber has 12 staff dedicated to administration, events, small business, investor relations, public policy, and membership. In addition, CEO has three full time staff members – a Vice President of Economic Development, a Business Opportunities Manager, and a Communications & Research Manager.

The City of Gainesville supports economic development through a cross-departmental initiative. Staff in the Community Redevelopment Agency, Planning & Development Services, and Building and Inspection Department coordinates efforts to support companies interested in expanding and locating in Gainesville. Gainesville’s City Manager serves on the Gainesville Area Chamber’s board of directors, together with 58 other representatives from the private, public, and nonprofit sectors.

#### Case Study Takeaways

- Separate private/public regional organizations lead economic development marketing for the example regions.
- The activities of the regional organization are driven by a regional vision and strategy.
- Representatives from city governments participate in the regional organization as board members and advisors. Typically this individual(s) is the mayor, city manager, or economic development manager.
- City governments have a full time staff person dedicated to supporting economic development, ensuring that the city is responsive and that multiple city departments coordinate activities to meet prospect needs.

## Research Valley and the City of College Station

The City of College Station currently operates within a regional structure involving Brazos County, the City of Bryan, the Bryan-College Station Chamber of Commerce, and the Research Valley Partnership. The Research Valley Partnership is the primary regional economic development organization, responsible for business attraction, retention, and workforce development while the other organizations provide supporting roles.

The City of College Station’s role in economic development has traditionally been working with developers and businesses in identifying and preparing sites for operations. Additionally, the City has had a strong role in supporting improvements to quality of life and business climate. Both College Station’s Mayor and one City Councilor serve on the Research Valley Partnership’s 18-member board of directors. The City of Bryan’s mayor and one city councilor also serve on the board. Both cities and the County have three appointees to the board.

This is similarly structured as the examples provided above, although the all four of the regional organizations profiled have significantly larger boards of directors. The Research Valley Partnership’s structure and approach is efficient and effective. Its organization reflects best practices from not only within the state of Texas but also nationally.

Our assessment of the City of College Station’s economic development efforts is based input received from the community through interviews and surveys. Structurally, its involvement with the Research Valley Partnership is on par with the relationships other similarly-sized cities have with their regional economic development initiatives. Today, the City is seen has having a healthy, progressive attitude

toward economic development and is a collaborative team player. Most of the concern regarding the City's current competitive position relates to its past approach.

Due in part to the lack of prioritization of economic development in the past, the City now faces challenges related to neglected long-term investments. The City has historically opted out of industrial development. As a result, today it is challenged the availability of development-ready industrial land as well as what many perceive to be a shortage of lifestyle amenities, which ultimately impact College Station's capacity for growing its tax base. One reason for this economic development strategy is to help prioritize future investments.

Establishing the platforms for industrial growth (and associated taxes that it will generate) is important, but it should not be the City's only focus. Catching up in economic development will also require a leap forward beyond a traditional approach. Technology commercialization and R&D activities should be an equal focus and are already happening within city limits. Although these do not represent an immediate large-scale boost to the City's tax base, they will create high-wage, high-skill jobs whose impacts are far longer-term and will fuel the region's vision of being a world-class destination that attracts innovation and a thriving sustainable economy.

As the consulting team and the City move into the third phase of this project, crafting an economic development strategy, there are a few key takeaways from this review that should be considered:

- The City of College Station should formalize a full-time economic development manager position that coordinates efforts across multiple departments as needed by expanding and relocating companies.
- The economic development manager should work with the City Manager and the Research Valley Partnership to respond quickly to opportunities. Regularly schedule meetings between the manager and directors of other city departments, such as the City Manager's Office, Planning & Development Services, College Station Utilities, and Public Works to share information and coordinate efforts.
- The City should continue its proactive approach to economic development, prioritizing initiatives that enhance College Station's quality of life to attract and retain talent. Ensure that the city has available, developable real estate for business expansion and attraction. The needs of the Research Valley's target audiences should drive decisions regarding infrastructure and site investment.
- Encouraging commercialization and R&D activities should also become a focus of the City. This will require closer collaboration with Texas A&M University and the Research Valley Partnership. Work with Texas A&M University on projects that improve the potential for graduate retention, spinoff of university research, and entrepreneurship. Explore opportunities to co-invest with Texas A&M University in select projects that will catalyze economic development.

## Entertainment Districts

The goal of this analysis is to evaluate the health and impact of existing entertainment districts such as Northgate, particularly for the non-student population. The potential for diversifying existing districts and developing new districts to address unsatisfied demand and growth opportunities will be also examined. The analysis will highlight district components that could attract tourism or enhance the attractiveness of College Station for business relocation or retention.

### Existing Entertainment Districts

#### *Northgate*

The Northgate District has historically been considered the “downtown” of College Station, and lies on the northern boundary of the Texas A&M Campus. This was the first location of retail and restaurants of any kind in the nascent College Station community that began to grow around Agricultural and Mechanical College of Texas after it opened up for instruction in 1876.

Today Northgate is a primary nightlife destination in College Station. The “core” Northgate area extends along University Drive generally between Tauber Street and the Wellborn Road interchange. The area contains a variety of bars, restaurants, retail stores, and nightclubs. The City of College Station has made investment in Northgate’s infrastructure a strategic priority over the last decade plus investing over \$25 million in street, utility / drainage improvements, streetscape, public parking garages, sidewalks, period lighting, and pedestrian promenades.

Generally, the consultant team found Northgate to be a relatively healthy entertainment district. However, it does face some challenges and offer some untapped opportunities.

#### Challenges

The 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. Retail stores are reportedly moving to locations in the area with the perception of easier free parking. Texas A&M is also developing retail and restaurants on campus which compete with those on Northgate for student pedestrian traffic. Currently it is estimated that 90% of the market patronizing Northgate businesses are college students. However, certain bars such as O’Bannon’s are achieving success in attracting the post collegiate “adult” market by offering more sophisticated promotions like specialty tastings and earlier happy hour time operations.

It was reported to the consultant team that the increased volume of bars and nightclubs on Northgate has begun to cause a level of saturation in the market.

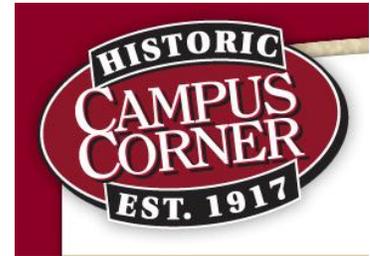


Another challenge to Northgate is the age of the facilities. These older buildings are very expensive to bring up to current code and can be more costly to maintain than other newer facilities elsewhere in College Station.

### Opportunities

The consultant team has identified several key opportunities related to the Northgate entertainment district.

**Promotion and Branding** – The City of College Station could coordinate with the Convention and Visitors Bureau to promote Northgate as an entertainment district to both business and pleasure visitors to the area. The CVB’s website and marketing collateral currently mentions Downtown Bryan but makes no mention of Northgate. The City could also coordinate and possibly assist an entity such as the Northgate District Association to develop a brand and district specific marketing for Northgate. Norman, Oklahoma provides an example of how this can be achieved. The Campus Corner neighborhood adjacent to University of Oklahoma is similar in size and scope to Northgate. Campus Corner Merchants Association maintains a website promoting the area’s history and current merchants. The Norman Convention and Visitors Bureau then further promotes this message and branding on their website and in their marketing collateral.



The City of College Station could play a role of facilitation and / or potential funding in such a scenario related to Northgate. Such promotion could feature the offerings of Northgate beyond the core hours of Thursday through Saturday late nights and could facilitate greater utilization by non students of restaurants and bars that serve meals earlier in the evening. This could allow for a greater number of profitable operating hours for Northgate businesses. Professionals interviewed pointed out an opportunity for Northgate to attract more convention visitors if these visitors had a better quick understanding of what Northgate offers. The results of such an education process could benefit both Northgate businesses and convention planners who would have another entertainment option to offer.

**Development Process Clarity** – It was reported to the consultant team that those wishing to redevelop existing buildings or build new commercial construction in Northgate have been challenged by a level of inflexibility and code clarity within the NG-1 District. The City of College Station should consider hosting a meeting with Northgate area property owners and developers to better understand the issues that they have experienced with development and redevelopment of their facilities. This could potentially result in policy refinements that could facilitate greater redevelopment and investment in Northgate.

**Traffic Management** – The consultant team observed and was told that the effective and posted speed limit along University Drive was higher than would be ideal to facilitate a quality pedestrian environment in Northgate. The City of College Station could coordinate with TXDOT to reduce speed and optimize traffic signalization patterns to slow traffic down in Northgate.

## ***Wolf Pen Creek***

The Wolf Pen Creek District is a key urban park and entertainment district in central College Station. Generally, the Wolf Pen Creek District extends along Dartmouth Drive between Harvey Road and Colgate Drive, and along Holleman Drive from George Bush to the Bypass. The district contains a variety of components including a restaurant district fronting on Harvey Road, The Arctic Wolf Ice Center, an extensive park and trail system running throughout, the P. David Romei Art Center, and the area’s focal point the Wolf Pen Creek Amphitheater.



The consultant team’s general impression of Wolf Pen Creek was that the District was an underutilized asset. The area benefits from an excellent location near the center of College Station / Bryan and very good access.

### **Challenges**

The primary challenge observed with the Wolf Pen Creek area was how to achieve more utilization of the existing built assets and how to further promote the area as an entertainment destination.

### **Opportunities**

**Music Heritage** – The Convention and Visitors Bureau of Stillwater, Oklahoma promotes Stillwater as “The Original Home of Red Dirt Music.” College Station could easily lay claim to a similar distinction for Texas country music. Artists including Robert Earl Keen and Lyle Lovett got their start in Northgate. Texas A&M and College Station have been the starting points for other younger popular artists since then as well. The City of College Station could coordinate crafting and implementing such a marketing message. Recruiting and facilitating concerts and music festivals would be an integral part of further leveraging College Station’s musical heritage, and Wolf Pen Creek Amphitheater is an ideal location for such events. These events could lead to higher utilization of the Amphitheater. College Station’s location close to Houston, Austin, and Waco makes it a central location for regional level music events.

**Events and Festivals** – Multiple people interviewed by the consultant team expressed concern that there was lost opportunity because College Station (and the City) did not proactively seek out holding events such as festivals and fun runs that would attract participants from outside the region. The Texas Reds Festival in Bryan was presented as an example of what could be done. The Wolf Pen Creek District could be an ideal site to hold such events. Additional events and festivals could bring tourist dollars from throughout the region and beyond to College while allowing for greater utilization of Wolf Pen Creek. Because these festivals would increase tourism and likely benefit area hotels, the City could reasonably evaluate the potential use of Hotel Occupancy Tax proceeds for such initiatives.

### *University Drive East*

The area along University Drive east of Texas Avenue and west the SH 6 Bypass was also identified as a primary entertainment and dining district in College Station. Since the 1990's this corridor has emerged as a restaurant row for College Station and this has only increased as significant new developments were brought to the market over the last decade.

This area is home to a concentration of more upscale restaurants that all at least partially target the local post collegiate market. This corridor is also home to the College Station Hilton which is the area's only full service hotel with conference facilities. The Hilton has just undergone a \$5 million dollar renovation and plans are underway to potentially add an additional 200 rooms to the hotel.

The consultant team perceived the University Drive East to be a healthy entertainment and dining district. Generally, positive market forces and a very central location in the region are contributing to the health of this district. Few challenges that require City intervention were apparent in this corridor.



### **Challenges**

The consultant team generally observed few challenges facing this entertainment corridor.

**Vacant Space** – The consultant team did observe some significant vacant retail space along the corridor. The City could utilize economic development promotion mechanisms to promote the backfilling of this space with quality tenants that would further solidify the area as an entertainment and dining destination. Since these spaces would likely be used by retail or dining users, this analysis is not suggesting the City use significant economic development funding agreements to attract users to the space; only promotion and coordination. This recommendation applies to real estate owned by the City as well as real estate owned by the private sector.

### **Opportunities**

**Marketing and Promotion** – Restaurants and other establishments in this corridor are currently generally healthy businesses housed in facilities that are either recent construction or are not old enough to require outsized capital investments. These businesses do not likely need City assistance to succeed. However, since this corridor contains a significant portion of the area's adult (i.e. post college) targeted dining options, increased marketing and promotion of this corridor could attract additional tourism into the area. This is particularly true when competing with other metros for group conferences and conventions. The City of College Station could focus on branding the area as a named special district and then coordinate marketing this district through the Convention and Visitors Bureau and other avenues.

## Potential for Additional Entertainment Districts

The final question to be assessed regarding entertainment districts in College Station is whether or not there is currently potential for additional entertainment districts beyond Northgate, Wolf Pen Creek, and University Drive East.

### *Emerging and Planned Additional Entertainment Districts*

The market is beginning to answer that question in the affirmative as a dining destination has begun to develop along the SH 6 Bypass in the Post Oak Mall parking lot. Both BJ's Brewhouse and Chuy's have located in this spot recently. The market will begin to answer that question to a further degree once the Campus Pointe development by Midway Companies is brought on line. This large scale mixed use development is to be similar in scope to City Centre in west Houston and will be located between the core of the Northgate district to the west and the University Drive East district to the east. It is anticipated that this development will feature dining and entertainment venues that will target the currently underserved adult, young professional, and post collegiate markets.

### *Room for Additional Entertainment Districts?*

Throughout this analysis process, individuals who spoke with the consultant team brought up the question of whether fast growing south College Station is ready to be the location of a greater concentration of dining and entertainment options. Neighborhood level centers and big box retail developments at the intersections of the Bypass at Rock Prairie Road and at William D. Fitch Parkway have experienced success. However, developers and real estate professionals that spoke with the consultant team expressed that for the near term, at least, significant dining and entertainment users were not pursuing space in South College Station. Instead, they were continuing to cluster in the entertainment districts discussed in this report or elsewhere in the core of College Station along Texas Avenue, University Drive, Harvey Road, or the SH 6 Bypass. One developer pointed to the slow absorption of the new retail developments in Bryan along the SH 6 Bypass as a cautionary example of how the College Station Bryan market is not yet large enough to justify second locations of entertainment, dining, or retail businesses (other than grocery, discount, fast food, or drug stores) beyond the current core locations on Texas Avenue, University Drive, or Harvey Road. Other real estate professionals interviewed anticipate small scale "adult level" dining and entertainment to eventually be built in South College Station. It is anticipated by these professionals that these will likely be locally owned businesses as chains cluster further into the core of College Station.

In conclusion, this research has indicated to the consultant team that College Station is fortunate to have a greater than typical volume of entertainment districts relative to its size. From an Economic Development standpoint, the City would be well served to focus on current existing and planned entertainment districts addressing challenges each may face (as suggested in this report) and increased marketing and promotion of these assets. Ultimately, having quality entertainment districts adds to the quality of life and will aid the City and the region in attracting and retaining businesses and sought after employees.

## Redevelopment Areas

The City of College Station, based on its recently updated Comprehensive Plan, has identified four areas to examine for potential redevelopment efforts. These areas include:

- The intersection of George Bush Drive and FM 2154 (Wellborn Road)
- The Harvey Road corridor from Texas Avenue to SH 6
- Texas Avenue / Eastgate – University Avenue to Harvey Road
- Northgate

Northgate was examined as an entertainment district in the previous section and is therefore not covered by a conceptual redevelopment analysis in this section. The “Future Land Use and Character” map in the Comprehensive Plan identifies the specific locations of the potential redevelopment areas.

Two general concerns surfaced during research that apply to City-backed redevelopment efforts:

- There is concern that creating incentives for specific areas of the City might create an unequal playing field that favors redevelopment area property owners over property owners and developers in other areas.
- While most in the development and construction businesses stated that College Station’s planning and permitting processes have improved in recent years (and are relatively tolerable compared to a place such as Austin), they still find room for further progress. The perception of the City’s difficult development process was confirmed in the survey of businesses described elsewhere in this report. Furthermore, architectural and landscape requirements are seen by many as unnecessary and, due to added costs, deleterious to project feasibility. In redevelopment, which is already generally more difficult and costly than greenfield development, these added costs may have even greater negative impact.

### Intersection of George Bush Drive and FM 2154

This potential redevelopment area is located directly across George Bush Drive from the Texas A&M University campus. This location has excellent access to the main campus east of FM 2154, the west campus, and prime destination athletic facilities such as Kyle Field and Reed Arena. This access, plus its regional accessibility via FM 2154 and George Bush Drive, provides a main value driver for this area. However, development intensity is limited: there is one significant multifamily property, a few small commercial properties principally along George Bush Drive, a church, and single family homes taking up most of the remainder.

Most single family properties in this area are reportedly rented to students, and are of varying ages and states of condition. The existing retail is also heavily oriented toward students. There are two food service establishments, one of which is fast food. Two gas station / convenience stores take advantage of drive-by traffic.

City staff reports that the intersection of George Bush Drive and FM 2154 will become grade-separated and also receive other capacity enhancements. While grade separations usually improve some aspects of regional mobility, they can have negative impacts on mobility and access at the level of the immediately adjacent uses. The impact for some types of retail uses can be particularly damaging, as

the vehicular traffic they once counted on for exposure and competitive advantage now effectively bypasses them.

The prospect of major changes in transportation access and the aging, relatively low-value nature of the existing commercial properties make this a logical location for potential redevelopment into uses that can take better economic advantage of their location and context. Initial consideration on the future of this redevelopment area was made during the process that created the Southside Area Neighborhood Plan (adopted September 2012). The redevelopment concept envisions an intensification of land use, including denser residential, game-day residential, mixed-use and neighborhood commercial, and hotels.

### ***Market Opportunities***

The proximity to the heart of the Texas A&M University campus, even walking distance for some destinations, makes the location attractive to anyone who does not want to have to deal with the traffic congestion and costly parking which are part of weekday automobile commuting.

- The area is within walking distance of the primary athletic performance facilities, making it appealing as a place for visitors to stay on game days.
- The two major thoroughfares bordering the area provide good transportation access from the overall region, and it is a central location for the overall metropolitan area.
- A highly desirable residential area of single family homes is nearby to the northeast.
- A dense concentration of student residential population lies immediately to the south across FM 2154.
- The low-intensity and small-scale nature of the existing structures makes the prospect of demolition relatively low-cost.
- Uses that are more destinations unto themselves and do not require casual, drive-by visibility and access, and that would desire a location close to the Texas A&M University campus, could find this an appropriate location.

### ***Market Challenges***

- The changes to the bordering thoroughfares, including both grade separation and access management will likely decrease visibility and automobile accessibility to the commercial properties fronting George Bush Drive and FM 2154. This will make those sites less viable for convenience and some other types of retail uses that depend on a market area greater than the immediate neighborhood.
- Due to general street patterns on campus and to the west (plus the railroad corridor), even potential retail customers very close by but across George Bush Drive (daytime campus population) or FM 2154 (student residents) could find the commercial properties inconvenient depending on how much the improvements impact both vehicular and pedestrian access.
- Impairment to walking or biking access by the thoroughfare improvements would diminish the appeal for student housing and / or game day transient residential, with particular appeal to those who wish to walk or bike onto campus.

- Relatively small parcels make redevelopment into any uses of greater scale than what exists now difficult. Property assembly would be required for many uses, such as a multifamily student housing complex.
- Despite a being a central location for the overall region’s population, it is actually at the “fringe” for “community”-level retail uses – uses that require a middle-class population more than 10,000 but less than 50,000. The residential population density to the west is very low. University Avenue between the campus and SH 6 and Texas Avenue through College Station are located much more centrally to a large adjacent mass of middle class households and hence have become anchor corridors for retail. The George Bush Drive – FM 2154 intersection would be somewhat “pioneering,” i.e., risky, for significant retail investment.
- Some potential home buyers may find a neighborhood dominated by student rentals as undesirable, limiting the potential single family residential investment market in terms of total demand and price levels.

### ***Recommendations for Future Study***

The City should examine the following issues to reasonably address challenges and maximize economic opportunities for redevelopment in the George Bush Drive – FM 2154 area:

- Examine how altering the second-level street grid near the planned grade separation could improve access for commercial businesses and improve the chances of retaining a neighborhood retail area. Internal through streets with connections to FM 2154 and George Bush Drive, allowing left turns from those thoroughfares, might offer more appealing access.
- Consider how applying existing building codes for single family residential can mitigate the negative impacts that student renters might have on neighborhood condition, so that the pool of home buyers looking for an owner-occupied home can be widened.
- Consider the extent to which the City would be willing to incentivize redevelopment in this area. The land assembly issue is the main barrier to many types of potentially intensified development, and municipal action to assemble larger parcels may be necessary if redevelopment beyond individual single family homes is desired. Implementing a TIRZ or Chapter 380 policy for this area, particularly the thoroughfare frontages, might accelerate development interest and encourage more intensive uses.

### ***Conclusions Regarding Comprehensive Plan***

Student housing and game-day residential uses should be viable in this redevelopment area, though assistance with land assembly may be required to provide those uses at a more intensive level. Ensuring good pedestrian, bicycle, and transit access to the campus after the intersection improvements will aid in the marketability of those uses. Other commercial uses, especially those dependent upon drive-by traffic and access, will likely be less viable unless other street grid adjustments are made.

## **Harvey Road**

The potential redevelopment area along the Harvey Road corridor includes one of the major gateways into the heart of College Station from the SH 6 bypass (Earl Rudder freeway). It is marked by a mix of retail and multifamily uses. The Post Oak Mall, the City’s largest sales tax generator, is in this corridor at

the intersection with SH 6. Most of the City’s designated potential redevelopment area is on the north side of Harvey, with the exception of the mall.

It is the north side of Harvey Road that accommodates the bulk of the multifamily complexes, stretching a long block length north to the parallel street of University Oaks. Generally these complexes date as far back as the late 1960s and early 1970s, when enrollment was surging at Texas A&M. Since then they have focused on housing students. These properties are usually a maximum of two stories.

The Post Oak Mall dates from the early 1980s and is undergoing upgrades for the first time in its history. It has suffered challenges of anchor stores which have vacated due to their occupant going out of business, but it not doing badly. Adding dining establishments on pad sites near SH 6 have had the effect of adding new anchors which draw business to the property.

Smaller aging commercial properties are also scattered along the north side of Harvey Road. Some are purely convenience-oriented. A large retail structure that formerly housed Circuit City has been re-occupied with a Guitar Center. A larger community-level shopping center at the corner of Harvey Road and Texas Avenue is anchored by a Kohl’s department store. The center has undergone physical updates and significant re-tenanting in the last decade; it was formerly a grocery-anchored center.

Some commercial properties represent physical and site designs that are no longer current. The center at the southwest corner of Munson Avenue and Harvey Road contains office space fronted by retail space. Other retail properties are less-than-optimally oriented to adjacent streets, leading to tenant fronts that can be difficult to see.

The comprehensive plan envisions this area as redeveloping to a more urban, vertical mixed-use character.

### ***Market Opportunities***

- Harvey Road is an established commercial corridor in the central part of the metro region surrounded by a large population that can support commercial activity. It has a retail anchor in the mall.
- Retail properties with obsolescent or poorly configured designs may have difficulty competing for standard tenants. In addition, as they deteriorate physically due to age, property owners may not find re-investment in these structures to be worthwhile. Therefore, such properties could be appealing for redevelopment.
- The rapid growth of newer student-oriented multifamily developments in College Station and Bryan means that older properties such as those along Harvey Road may become less appealing. Declining demand may lead property owners to consider redevelopment.
- Redevelopment into new student housing is a possibility, as this area is already accepted in such use.
- Many properties are on larger parcels, which are more flexible for redevelopment and more attractive to potential developers.
- The corridor contains one park (Oaks Park), is close to other neighborhood parks, and is situated adjacent to the Wolf Pen Creek community park with its entertainment facilities.

## ***Market Challenges***

- The Harvey Road corridor is student-dominated. Fraternity and sorority houses are present just to the north. Even single family and duplex neighborhoods adjacent to the north are heavily dominated by student rentals, especially the older and smaller homes. This limits the ability of redevelopment in the corridor to re-orient itself toward adult residents and consumers.
- While student demand for the multifamily units may decrease as those properties lose competitiveness, property owners may turn to other sources of demand, such as lower income permanent residents of the area. It is possible that the cash flow from this type of demand strategy may be sufficient to generate satisfactory returns for existing or potential property owners, though it may not be enough to justify re-investment in the physical structures, which risks accelerating deterioration.
- Retail activity has shifted to University Drive and Texas Avenue since the 1980s, and there is already a great deal of retail space inventory close by (if not on Harvey Road itself). There may not be sufficient support for mixed-use redevelopment that was driven by retail uses.
- The mall, plus other retail centers with significant soft-goods and comparison-goods components, is at long-run risk from changing retail models and the Internet in particular. If for whatever reason the mall declined to the point where repositioning was required, it could be difficult to find a large enough user or set of users to take over the site. A similar statement can be made for any large-format retail space.
- The existing public street pattern is not conducive to a fine-grained urban mixed-use experience. Redevelopment toward this goal could entail significant investments in the creation of an improved street network.

## ***Recommendations for Future Study***

Analyze the potential market demand for the existing multifamily in light of the increasing supply of newer student-oriented housing and the overall growing population of low and moderate income levels in the metro area. Compare to the potential market support for redevelopment into new multifamily residential or other residential product types that could appeal to a wider range of consumers.

- After examining market demand, perform a financial analysis to determine the potential returns from leaving the multifamily stock as-is versus redevelopment into new residential use (at either lower or higher densities, oriented to students or oriented to other adult residents).
- Examine the retail demand and retail inventory in the corridor to determine if demand is sufficient to support existing supply and what should be the preferred types of retail space users in the corridor.
- If the previous two analyses show potential for significant changes and repositioning, perform a conceptual planning exercise to envision what public infrastructure changes, such as a densified street grid, could be necessary to accomplish a redevelopment into urban mixed-use. The investments in public infrastructure may lead to consideration of the use of a TIRZ or Chapter 380 agreements in order to encourage developers to be the parties that actually pay for the infrastructure, to be reimbursed later.

### ***Conclusions Regarding Comprehensive Plan***

Redevelopment of existing multifamily and lower-value commercial properties will only happen if it appears financially rewarding to property owners, developers and investors. Such redevelopment is likely to be based on residential uses, not commercial, as adding large-scale commercial uses to this area would be unwise given competition from existing retail properties and lack of office demand. A redevelopment incentive program, especially to trend the area in a direction of more urban physical form, may be necessary to spur such investment. More intensive market and financial study is particularly needed in this area to determine if redevelopment is realistic.

### **Texas Avenue/Eastgate**

The third potential redevelopment area stretches along the Texas Avenue from the intersection with Harvey Road to the intersection with University Drive (SH 60). Most of the area under consideration is on the east side of Texas Avenue except for areas around the intersections of Harvey Road and University Drive. This is largely because the Texas A&M University campus occupies the entirety of the property on the west frontage between George Bush Drive and University Drive.

Various types of retail and commercial uses dominate the potential redevelopment area, although some multifamily and single family structures are also present. The College Station municipal buildings occupy a site directly across from the Texas A&M University Golf Course, though they do not utilize their entire property. The redevelopment area in the central section of the corridor, including the municipal buildings, consists of a relatively narrow strip which buffers Texas Avenue from an adjacent single family neighborhood. At the intersection with Walton Drive is an area known as Eastgate with curving strips of commercial properties facing a primary entrance to the heart of the Texas A&M University campus.

The commercial properties are of widely ranging age. Older structures housing mostly independent businesses and non-upscale services sit among newer buildings, generally configured as strip centers and pad sites with national retail chains. Interspersed among and behind the retail structures are small office / professional buildings primarily from the 1970s and 1980s plus a few value-oriented hotels. Interestingly, the large retail centers around the Harvey Road intersection have experienced reinvestment in their physical facilities; in the case of Redmond Terrace, this actually constituted full-scale redevelopment although the base retail use did not change (new tenants were national chains as opposed to the previous local independent businesses).

The residential uses are not high-end; older apartment complexes and low-value single family detached structures dominate.

The northwest corner of Texas Avenue and University Drive is notable for as the site of the former Plaza Hotel high-rise, now demolished. Future use of the site is uncertain. Immediately adjacent to the west of the Plaza site are two notable redevelopment projects:

- The Texas A&M University international student housing area, owned by the University, is set for redevelopment through a partnership with Midway Companies of Houston called Campus Pointe. Midway envisions a major mixed-use project themed similarly to the massive City Centre development in West Houston, including a first class hotel, retail, office, and multifamily residential, though the exact land use mix is still being determined. It could include a public use component as well. Midway expects Campus Pointe to fill a role akin to City Centre in that it will

be a destination unto itself that appeal to a wide demographic, not just students. The company hopes to bring specialty retail and dining to Campus Pointe that is not yet present in the College Station - Bryan market. Midway reports that development of the non-University components of the project should begin within the next two to three years.

- The Culpepper Plaza retail center at the corner of College Avenue and University Drive is redeveloping portions of the retail center and vacant land into a multi-story student housing complex named The Stack.

### ***Market Opportunities***

- The intersection of Texas Avenue and University Drive is the “Main and Main” corner of the entire metro area, with high traffic counts and an easy-to-get-to location. Although one corner is inactive due to being part of the Texas A&M University campus, the other three corners have commercial and mixed-use development potential that is almost completely unrealized at present.
- The two ends of this portion of Texas Avenue are connected to thoroughfare segments (University Drive east and Texas Avenue south) where commercial development, particularly retail, is established and successful. Thus this area would not be seen as “pioneering” but merely an extension of the preferred commercial districts.
- Some properties are sizable enough to attract the attention of a wide range of commercial developers. This is important given that commercial rents in College Station may not be sufficient to justify structured parking, necessitating surface parking fields which take up more land. The City of College Station’s property of over 6 acres could be an attractive site if the City chose to relocate its offices.
- The proximity to the Texas A&M University campus makes this area attractive for student housing.

### ***Market Challenges***

- Many properties are small- to medium-sized, limiting their redevelopment potential without a burdensome land assembly effort. Redevelopment at this scale could result in a series of isolated retail or commercial buildings surrounded by parking.
- The office market in the College Station area is weak, so building new office space is not likely to be an attractive investment except for a single tenant project (build to suit).
- The access management measures (medians) in place on Texas Avenue can discourage some retail users who prefer left turn access into their project.
- The redevelopment activity at Campus Pointe, while potentially drawing traffic and interest to the area over the long run, may soak up a large share of potential redevelopment demand in the near term, especially for more intensive uses.
- As with Harvey Road, this area will tend to be student-dominated in terms of residential uses. Non-student residents may prefer locations with a broader demographic base or the more thoroughly planned environment that is likely to occur at Campus Pointe. Furthermore, although attractive homes for middle class residents are present to a limited extent in neighborhoods to the northeast, the single family homes in immediately adjacent residential

streets are not of the distinctive upscale character that can be found in the Southside neighborhood, potentially drawing interest in tear-downs.

### ***Recommendations for Future Study***

- Once plans for Campus Pointe and the Plaza Hotel site become more firm, analyze and project the impact that these projects are likely to have on the surrounding area, particularly the extent to which they will absorb demand that could have been used to spur redevelopment along Texas Avenue.
- Investigate the potential for the City of College Station to relocate its municipal offices to another site that better leverages its activity-generating role and could open up the existing property as a reasonably-sized redevelopment opportunity.
- If more intensive and attractive mixed-use redevelopment along Texas Avenue is desired by the City, examine concepts which could facilitate a more cohesive urban district that can coexist with the access management measures and avoid excessive and intrusive surface parking lots. This may require modifications to parking codes and a collective or public effort to create a consolidated parking concept. This could also facilitate development of the smaller parcels if they are not required to accommodate all parking on site.

### ***Conclusions Regarding Comprehensive Plan***

As with the other two redevelopment areas, redevelopment into more intensive uses of an urban nature would likely focus on residential, especially student housing. Similarly to the FM 2154 and George Bush Drive area, City assistance with land assembly may be needed to make more intensive projects doable. The nearby Campus Pointe project will be a strong competitor in the near term for urban mixed-use investment, which would likely delay more upscale commercial uses along Texas Avenue. An alternative parking strategy may be needed to facilitate more intensive development, especially in areas of smaller property parcels.

## Appendix I: List of Interviewees

The following persons were interviewed for this Phase Two report, in addition to those interviewed during the Phase I research.

- Wade Barkman – The Republic 1836
- Bobby Bisor – Texas A&M University
- Jim Casey – Trammell Crow Houston
- Barron Hobbs – Hilton College Station
- Jason Jennings – Scott & White
- James Lancaster – RVF
- Jenny Ligon – Texas A&M University
- Shon Link – Midway Companies
- Ben Morpurgo – TIGM
- Michael Parks – Brazos Valley Council of Governments
- Judge Duane Peters – Brazos County
- Ted Raspiller – Blinn College
- Jamie Rhodes – Texas Angel Network
- David Scamardo – DWS Development
- Chris Scotti – Northgate District Association
- Bill Vaughan – Vaughan Construction
- Andy Weiner – Weiner Development
- Tom Wilkinson – Brazos Valley Council of Governments

## Appendix II: Business Survey Report

(Attached in a separate report)

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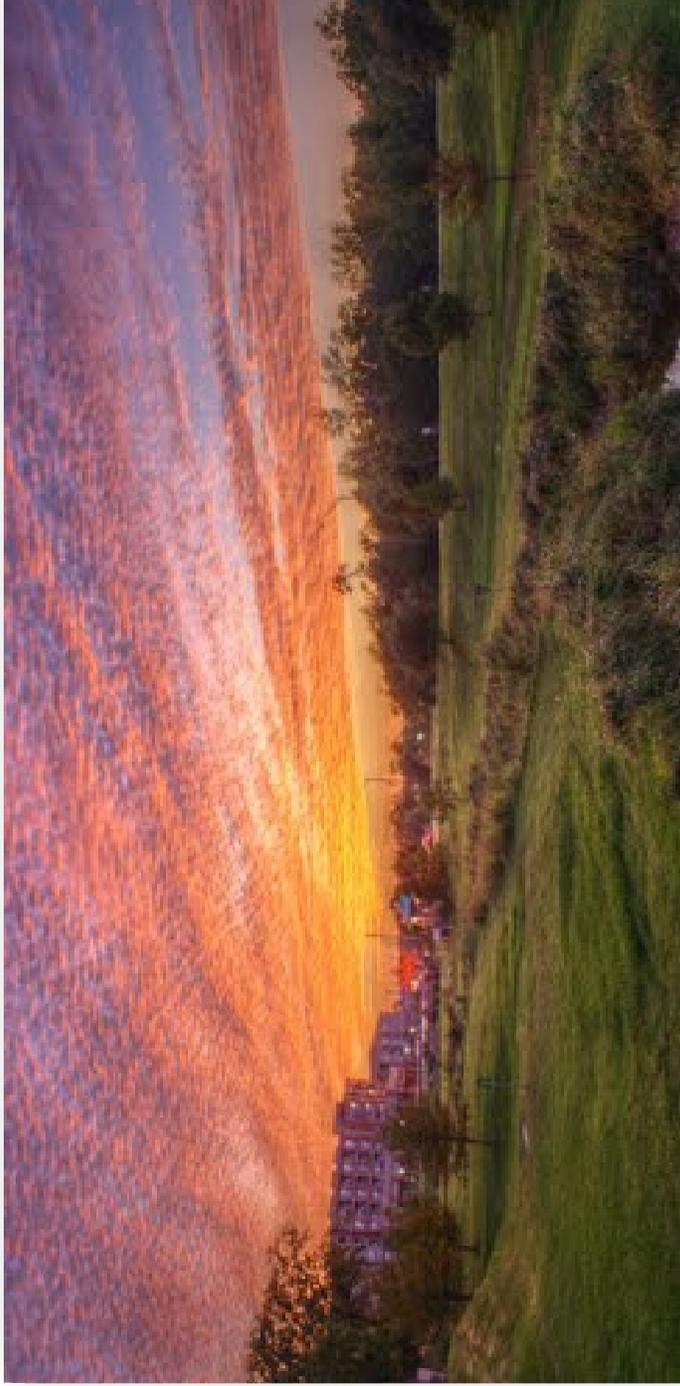
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# Appendix I: Business Survey Report

September 2012



College Station, Texas



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## Survey Responses

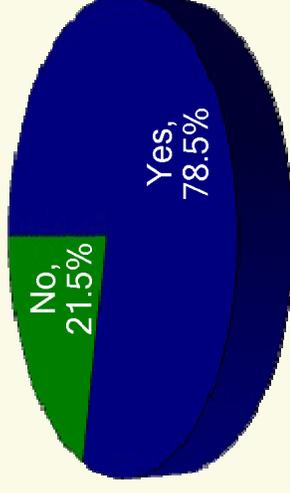
### Q1–Qualification for the Survey

The focus of this survey was to gauge the attitudes and preferences of the top business decision-makers in the College Station area. Therefore the first question asked them to declare that they were the owner or top manager of a business or institution.

- A total of 135 persons began the survey
- 21.5% (29) of the respondents were not owners or top managers and were not surveyed further.
- 78.5% (106) were owners or top managers and continued the survey

#### Qualifying Question

Do you own or serve in an upper management capacity at a business or institution in the College Station / Bryan area?



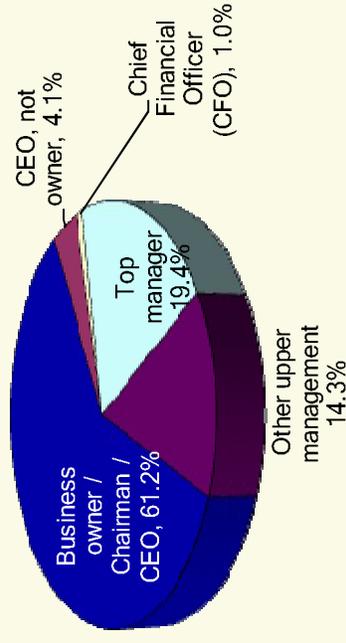
### Q2–Position in the Company

In Question 2, the respondents were asked their position within the company or institution.

- Almost two-thirds of the respondents were owners or Chief Executive Officers (CEO);
- 20% were top managers; and
- 14.3% had other upper management positions.

#### Position in the Company

What is your position in the organization?



### Q3–Organization Description

In Question 3, the respondents were asked about the nature of their local operation.

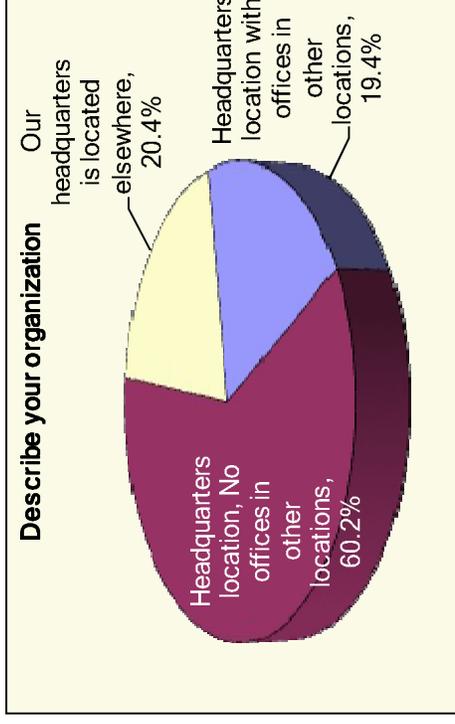
- Almost 80% of the respondents stated that their local office was the headquarters location for the business or institution and
- 60.2% of those had no other locations.

### Q4–Where is the Business or Institution?

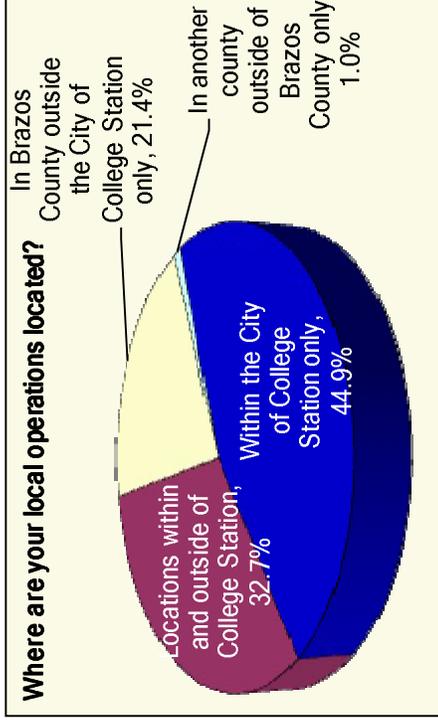
In Question 4, the respondents were asked about the location of their local operation.

- More than three out of four respondents’ businesses were located in College Station (77.6%);
- The bulk of the remainder (21.4%) were located within Brazos County, outside of College Station and
- Only 1% were outside of Brazos County.

#### Headquarters and Other Location



#### Location in College Station/Bryan Area



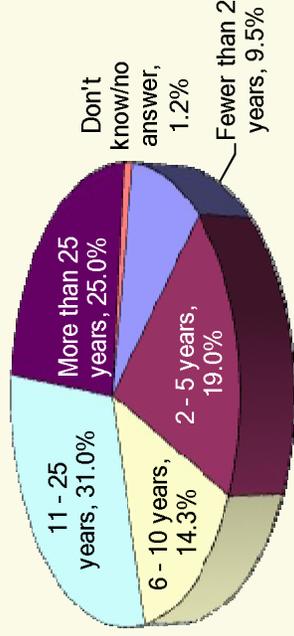
### Q5–How Long in College Station Area?

In Question 5, the respondents were asked about the length of time that the business has been located in the area.

- The respondents represented a good mix of tenure;
- Over half (56%) of the respondents' businesses have been located in the area 10 years or more;
- One-fourth have been operating in the area for more than 25 years; and
- 9.5% are new to the area (less than 2 years).

### Tenure in College Station Area

How long has your organization been located in the College Station / Bryan area?



## Q6–What industry Sector?

In Question 6, the respondents were asked “In what industry is your organization?”

[Please select the one sector that most closely fits your business].”

The respondents represent a broad cross section of the business sectors in the area:

- When compared to the actual 2010 count of Brazos County establishments from the Census, only “Education and Health Services”, “Retail Trade” and “Mining, logging and construction” seem to be underrepresented.
- The “Other” category was selected by 23/8% of the respondents who could not select one of the categories above for their business.

Following is a list of the descriptions those respondents used in the “Other” category to describe their business.

Real Estate & Multifamily, Real Estate Brokerage and Development (4)  
 Computer software Business Technology Integration (3)  
 Insurance agency (2)  
 Restaurant (2)  
 Builder Supply  
 Daycare Center  
 Engineering / Manufacturing  
 Oil Industry Service Company & Laboratory  
 Hair salon  
 Pet services  
 Property Management  
 Title insurance agency  
 Tourism/Hotel

## Industry Sector of Respondents

% of survey responses compared with Brazos County establishments from County Business Patterns 2010

	County %.	Survey %
Mining, logging, and construction	11.4%	3.6%
Manufacturing	2.5%	2.4%
Wholesale trade	3.6%	1.2%
Retail trade	16.7%	10.7%
Transportation, warehousing, and utilities	2.0%	1.2%
Information (journalism, media and entertainment, telecommunications)	1.8%	6.0%
Financial activities	12.0%	9.5%
Professional and business services	16.5%	17.9%
Educational and health services	12.1%	3.6%
Leisure and hospitality	11.6%	8.3%
Other services	9.2%	6.0%
Government	n/a	1.2%
Nonprofits and charities (not included above)	n/a	4.8%
Other (please specify)	n/a	23.8%

### Q7-Q9- Size of Business

In Question 7, the respondents were asked their annual gross revenue.

- The respondents represent a broad cross section of the business sizes from very small (less than \$500,000 annual gross revenue) to the large (more than \$20 million annually).

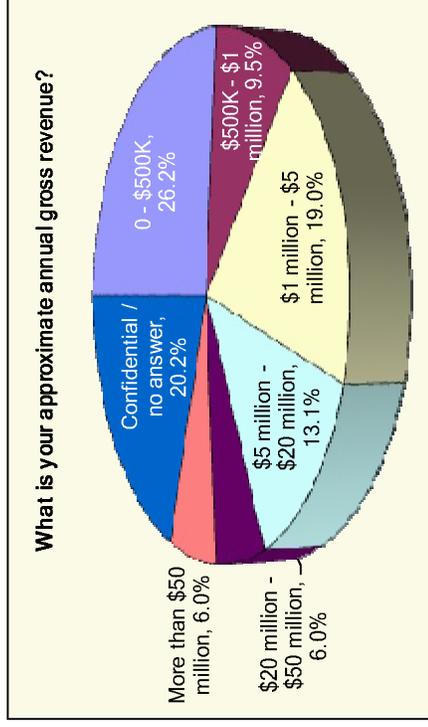
In Question 8, the respondents were asked “How many people are employed by your organization inside the U.S.?”

In Question 9, the respondents were asked “How many people are employed by your organization in the College Station / Bryan area?”

The results for those two questions are show in the box on the bottom right

- More than half of the respondents reported that they represented small operations within the College Station/Bryan area
- Within Brazos County, according to the U.S. Census, County Business Patterns, 83.8% of the establishments had 19 or fewer employees;
- Therefore the respondents to this survey, while significantly including small operations, represented a higher proportion of large businesses than would be expected in Brazos County.

### Business Revenue



### Number of Employees

Number of Employees	Question 8 Inside the U.S.	Question 9 In CS/B Area
Fewer than 25	54.8%	56.0%
25 to 99	14.3%	13.1%
100 to 499	13.1%	17.9%
500 to 999	1.2%	10.7%
1,000 or more	14.3%	1.2%
No answer / don't know	2.4%	1.2%

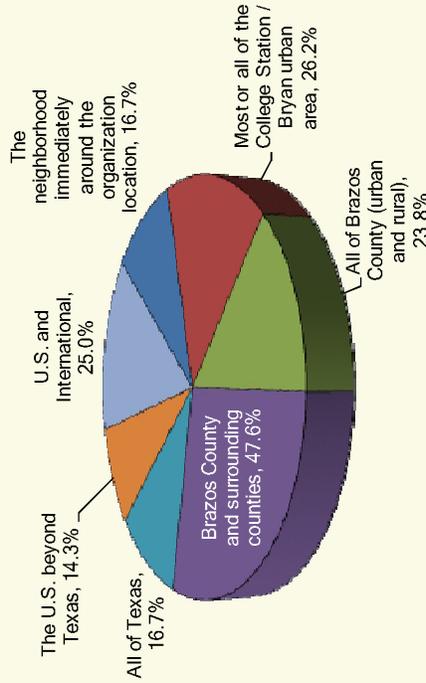
### Q10–Market Area Covered?

In Question 10, the respondents were asked “Over how wide a market area does your organization in the College Station / Bryan area serve customers or clients?” They were allowed to select more than one geographic market.

- Almost half were focused primarily on the College Station/Bryan region
- Fewer than half of the respondents indicated they serve customers outside Texas

### Geographic Market Area

Over how wide a market area does your organization in the College Station / Bryan area serve customers or clients? Pick all that apply.



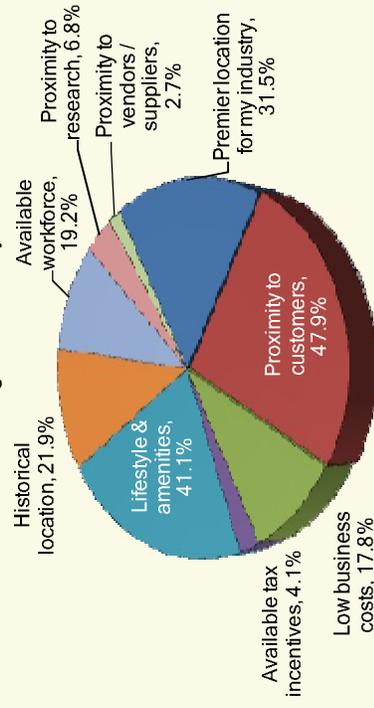
### Q11–Reasons for Location in College Station?

In Question 11, the respondents were asked the top reasons why they are located in the College Station area.

- The most often mentioned reason was “Proximity to Customers” with almost one half of the mentions;
- “Lifestyle and Amenities” was second most mentioned reason – suggesting that College Station has positive lifestyle attributes attractive to business; and
- Incentives were the least mentioned reason for being in College Station.
- Firms with a location within the City of College Station differed from the overall sample in that they more frequently cited “Premier location for my industry” (38.9%) and “Proximity to customers” (55.6%). They were less likely to cite “Low business costs” (13.0%).
- Respondents whose businesses serve customers outside Texas were more likely to cite “Lifestyle and Amenities” (58.3%).

### Reasons for Location in College Station/Bryan Area

Please choose the top three reasons that your organization is located in the College Station / Bryan area?



### Q12–How many new employees

In Question 12, the respondents were asked, “How many employees did you hire in the last 12 months in the College Station/Bryan Area?”

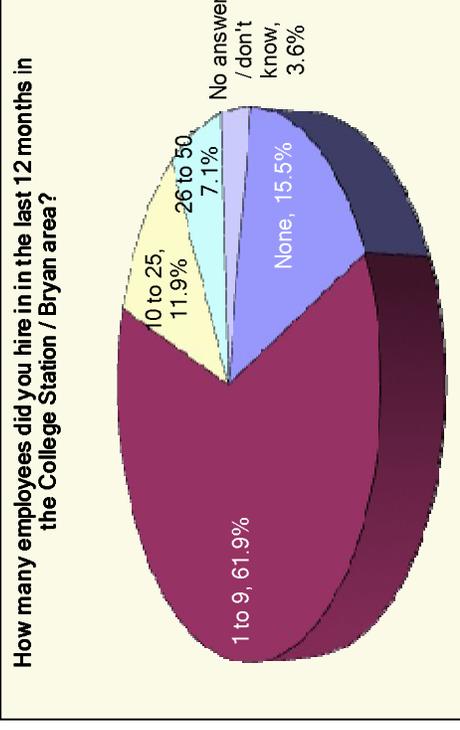
- A surprising 80% of those who responded to this question hired employees in the past year;
- 18% hired more than 9 employees;

### Q13–Where do you recruit workers?

In Question 13, the respondents were asked “From where do you obtain the bulk of your executive and upper management staff?” The question asked for the recruitment location of both Executive and Upper Management as well as Middle Management and General Staff.

- In both cases over one half of the total responding businesses rely on local permanent residents for new employees; the figure is lower for businesses with locations in College Station (48.4%).
- For Executive and Upper Management, one in four companies recruits outside of the College Station/Bryan area.
- For Middle Management and General staff, almost 30% of the companies recruit from Texas A&M.

### Recent Employees Hired



### From Where are Staff Recruited

	Executive and Upper Management Staff	Middle Management and General Staff
Enrolled college students living in College Station and Bryan	6.3%	18.8%
Newly graduated college students in College Station and Bryan	5.1%	10.0%
Permanent residents of College Station and Bryan	59.5%	55.0%
Residents of rural areas and other towns near College Station and Bryan	3.8%	3.8%
Other areas of Texas	19.0%	5.0%
Rest of U.S. outside of Texas	3.8%	5.0%
Outside the U.S.	2.5%	2.5%

### Q14–How Difficult to Hire and Retain Employees?

In Question 14, the respondents were asked, “From your experience, is it difficult to either: (a) attract desired employees to the College Station / Bryan area, or (b) retain existing employees in the College Station / Bryan area? In other words, do you find the existing or potential employees are more likely to prefer living and working in other metropolitan areas?”

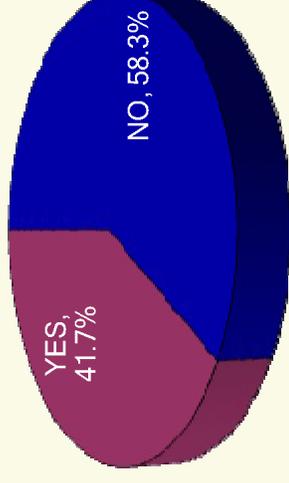
- A majority of the firms expressed no problem in attracting employees and
- However, more than two out of five respondents did express difficulty in hiring or retaining employees. Over half of respondents whose businesses sold to customers outside Texas (53.6%) gave this answer.

### Q15–Reasons for Difficulty in Hiring and Retaining?

In Question 15, the respondents who answered Question 14 as YES were asked the top reasons why they are having difficulty hiring and

### Hiring and Retaining Employees

From your experience, is it difficult to either: (a) attract desired employees to the College Station / Bryan area, or (b) retain existing employees in the College Station / Bryan area?



### Reasons for Difficulty in Hiring and Retaining Employees

Answer Options	Response Percent
The College Station / Bryan area does not offer enough social and recreational activities for young adults.	44.1%
Employees want more local career advancement opportunities for themselves than what College Station / Bryan offers.	38.2%
The College Station / Bryan area is too oriented toward college students.	38.2%
My company or organization does not offer pay levels competitive with similar jobs in other metropolitan areas.	26.5%
The spouses of employees want more local career advancement opportunities for themselves than what College Station/Bryan offers.	26.5%
College Station / Bryan does not offer adequate commercial air service to other places.	23.5%
Employees and their families prefer the shopping, services, and amenities of a larger metropolitan area.	17.6%
College Station / Bryan does not offer the right kinds of housing types or neighborhood environments.	8.8%

retaining employees. The table below presents the responses to the offered reasons.

Respondents with business locations inside the City of College Station differed from the overall totals in some respects. They were more likely to cite lower pay levels (32.0%) and career advancement opportunities (44.0%) and less likely to cite career opportunities for spouses (16.0%).

Five respondents listed “Other” reasons. They were:

- No housing for young professionals
- Employees complain the area is oriented too much toward families with children
- Burn out because they went to school here. Also, the oppressive summer and fall heat
- Too many small businesses. A&M does not outsource work that would attract businesses to serve A&M and CS
- Our market does not pay the same as larger markets for the services we provide so employees have to make a lifestyle choice to take a job here. Less money for a better quality of life.

### Q16--Skills That Need Improvement?

In Question 16, the respondents were asked what skills should be improved through the education and training of their employees in order to better serve their businesses. They were asked to list a “Top” needed skill, as well as a second “Next” needed skill and a third “Other” needed skill if they so chose. The answers given are listed in the table below:

**Top Skills That Employees Need to Improve**

Top	Next	Other
Accounting/finance skills (2)	Accounting	bookkeeping
better jobs	attention to detail	cash handling
business acumen	Availability to work at night	Communication (4)
Business Management	bookkeeping	Computer (2)
cdl drivers	Communication skills (2)	critical thinking/ability to be open minded
Chemists	computer skills (7)	Easily trained
Clerical	Credit skills	English Language
Communication (5)	Critical thinking	Ethical
Computer skills (6)	Customer Service (2)	Financial
Customer Service (4)	desire for advancement	Food Prep
Driving/Driver's License	desire to be a team player (2)	General professional development
Engineering focused in telecommunications	Entrepreneurship	Leadership
Financial Analysis (3)	Fallow orders	Marketing skills
general math	Hospitality	motivated
general work skills for young adults	Independent problem solving	N/A (8)

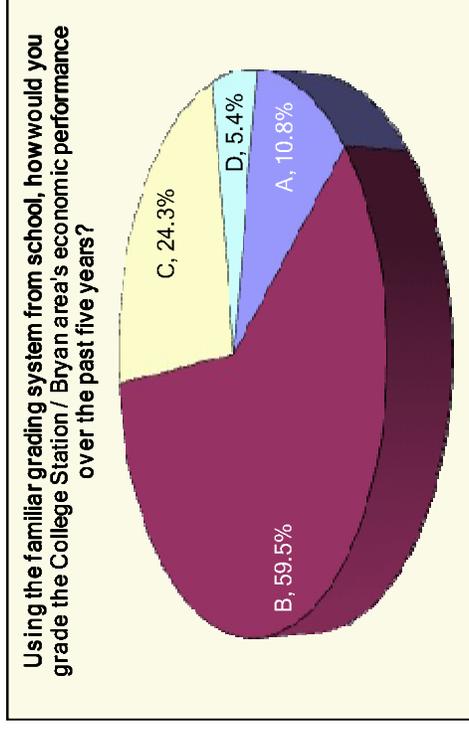
Top	Next	Other
honesty and integrity (2)	Leadership (2)	Network Administration
Hospitality	Machine Operation	other technology skills
how to work	Management (4)	Patience
Industry specific training	Marketing and communications (2)	People skills
leadership	Maturity	Physical
Management	Mental	Positive attitude and willingness to be loyal and work hard
Managerial Skills	N/A (8)	project management
math skills	office etiquette	Respect
Mechanical	People skills	Risk Management
Medical Classes	Sales presentation and speaking skills	Sales skills
more knowledge of insurance	sales/marketing	Skilled labor (2)
N/A (12)	social skills	spanish language skills
need to find associates to clean rooms and wash dishes	Stamina	willingness to put forth a diligent work effort (2)
networking	Technical Service (4)	Work ethic (2)
Not sure I understand this question?	Weapons Handling Classes	
Outside Sales	Web-based marketing	
People Skills	Writing and interpersonal skills (2)	
Project management		
punctuality (2)		
resourcefulness		
Responsibility		
salesmanship		
Selling ability		
Social		
technical writing		
Texas Real Estate License		
To put up the phone and work		
Work ethic (3)		
writing (2)		

### Q17–Grading Economic Performance?

In Question 17, the respondents were asked,

“Using the familiar grading system from school, how would you grade the College Station / Bryan area’s economic performance over the past five years?”

- A significant majority graded the area’s economic performance over the past five years as a B, a grade that is often regarded as fair to above average.
- Nearly one quarter of responding firms graded the area’s economic performance as a C, average or slightly below.
- There were no F grades given out by any respondent.



### Q18–Expectations of Growth?

In Question 18, the respondents were asked,

- “What are your expectations for growth of your organization in the College Station / Bryan area over the next five years?”
- Very few respondents expect their businesses to shrink in the next five years. In 2 of the categories, a majority expect increases.

#### Expectations of Growth

Answer Options	Increase	Maintain	Decrease	Don't Know or Doesn't Apply
Employment	51.4%	43.2%	2.7%	2.7%
Capital investments in equipment or systems	41.1%	46.6%	1.4%	11.0%
Office / manufacturing / research space occupied	29.6%	42.3%	1.4%	26.8%
Sales volume	75.0%	20.8%	1.4%	2.8%
Selling and/or inventory space occupied	31.5%	39.7%	1.4%	27.4%

### Q19–Attracting Businesses?

In Question 19, the respondents were asked,

“In your opinion, how suitable is the College Station / Bryan area for attracting the following types of business operations? [Check one box for each row]”

- Few respondents believe that the area is unsuitable for any type of business;
- The lowest ranking of suitability was for a corporate headquarters;
- Almost all of the respondents (89.1%) believe that the area is highly suitable for Research & Development operations; and
- Majorities believe that the College Station / Bryan area is suitable or highly suitable for all answer options except for Corporate / US / regional HQ.

#### Attracting Business Operations

Answer Options	Highly suitable	Suitable	Neutral	Unsuitable	Highly unsuitable
Corporate / US / regional HQ	12.3%	30.1%	26.0%	23.3%	8.2%
Warehousing / distribution / logistics	14.9%	33.8%	31.1%	14.9%	5.4%
Research & development	65.8%	23.3%	8.2%	1.4%	1.4%
Manufacturing / assembly	10.8%	39.2%	31.1%	9.5%	9.5%
Professional services	21.6%	48.6%	21.6%	6.8%	1.4%
Sales / customer support / administrative support	24.7%	45.2%	24.7%	5.5%	0.0%

## Q20–Transportation Infrastructure?

In Question 20, the respondents were asked,

“What do you think of the College Station / Bryan area’s various transportation system components with regard to the needs of businesses? Please rate the adequacy of each component’s facilities and services.

- Two out of three respondents (67.6%) believe that the area’s access to “Commercial Air Travel” is inadequate;
- Similar majorities believe that most of the other transportation systems are adequate or more than adequate:
  - Private / general aviation – 60.9%
  - Regional highways – 67.6%
  - Local streets – 64.4%
  - Sidewalks and bikeways – 64.2%
- Freight Rail managed to have a small majority (54.1%) who felt the systems were adequate with a large group 24.3% not having an opinion.
- Respondents with business locations in the City of College Station were more likely to find sidewalk and bikeway infrastructure more than adequate (42.9%).
- Respondents whose businesses serve customers outside Texas were more likely than others to report that the area’s regional highways are more than adequate (36.4%).

### Adequacy of Transportation Facilities

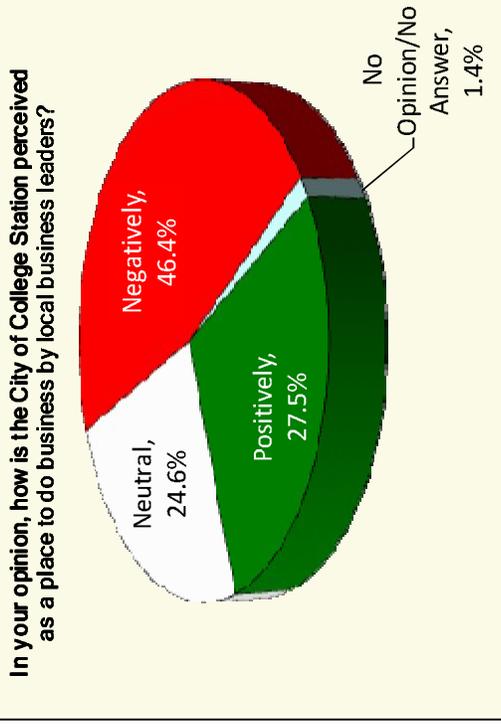
Answer Options	Very inadequate	Inadequate	Adequate	More than adequate	Don't know
Commercial air travel	25.7%	41.9%	25.7%	2.7%	4.1%
Private / general aviation	4.1%	12.2%	51.4%	9.5%	23.0%
Freight rail	13.5%	8.1%	41.9%	12.2%	24.3%
Regional highways	6.8%	24.3%	51.4%	16.2%	1.4%
Local streets	5.4%	18.9%	51.4%	23.0%	1.4%
Sidewalks and bikeways	12.2%	17.6%	29.7%	36.5%	4.1%

### Q21–How is City Perceived as a Place for Business?

In Question 21, the respondents were asked, “In your opinion, how is the City of College Station perceived as a place to do business by local business leaders?”

- Almost one-half (46.4%) of the respondents felt that local business leaders had a negative perception of College Station and
- Only one in four (27.5%) considered the local business perception as positive.
- These answers did not differ substantially based on whether the respondent had a business location within the City of College Station.

### Perception of Place to Do Business



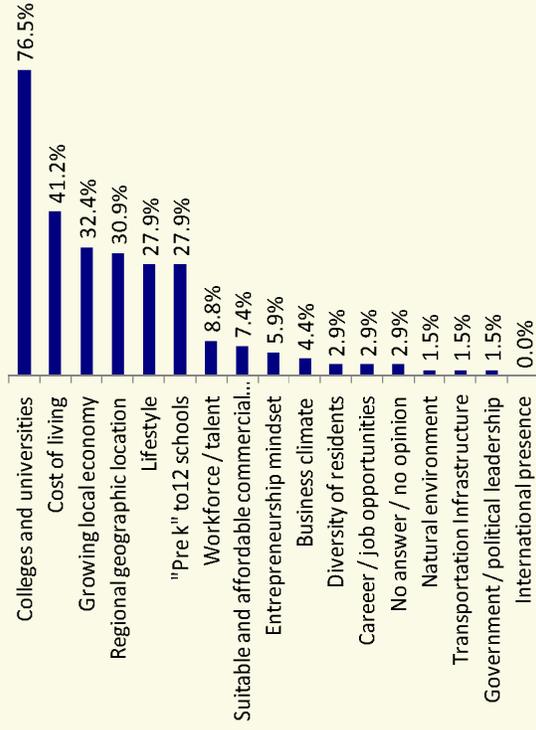
## Q22, Q23–What are the Community’s Greatest Strengths and Weaknesses?

In Question 22, the respondents were asked, “What do you consider the GREATEST COMPETITIVE STRENGTHS of the City of College Station? They were asked to check the top three strengths of the city.

- Respondents with businesses serving customers outside Texas were more likely to cite “Cost of Living” (63.5%) and less likely to cite “Growing local economy” (9.1%).

### College Station’s Greatest Strengths

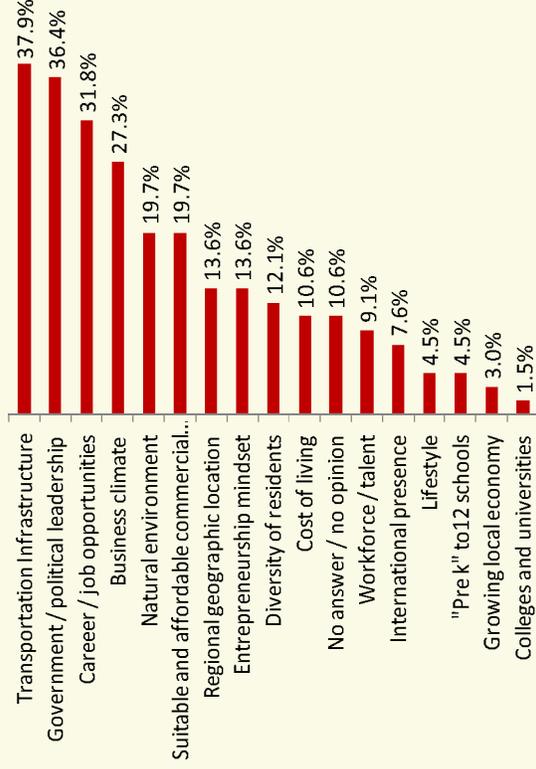
#### What do you consider the GREATEST COMPETITIVE STRENGTHS of the City of College Station?



In Question 23, the respondents were asked, “What do you consider the GREATEST COMPETITIVE WEAKNESSES of the City of College Station?” They were asked to check the top three weaknesses.

### College Station’s Greatest Weaknesses

#### What do you consider the GREATEST COMPETITIVE WEAKNESSES of the City of College Station?



## Q24, Q25–Preferred Industry and Retail Sectors for Expansion?

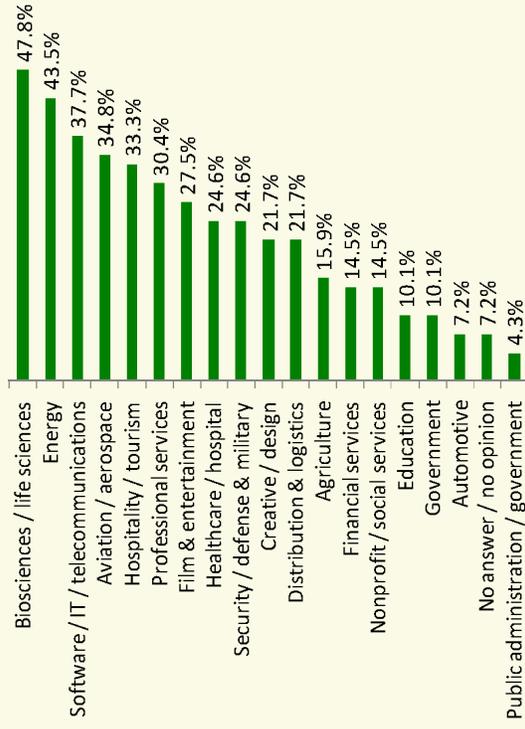
In Question 24, the respondents were asked,

“What industries would you like to see expand in the City of College Station?” They could select all industry sectors that they would like to see expand.

Respondents with businesses in College Station were less likely to choose Biosciences / life sciences (41.2%) than the overall sample.

### Preferred Industry Sector for Expansion

What industries would you like to see expand in the City of College Station?



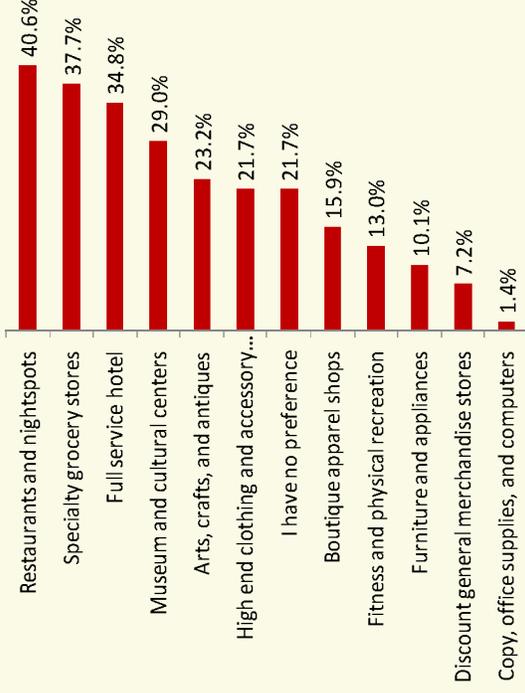
In Question 25, the respondents were asked,

“What retail businesses would you like to see expand in the City of College Station?” They could select all any retail business types that they would like to see expand.

- Respondents with businesses serving customers outside Texas cited “Specialty Grocery Stores” (59.1%) more often.

### Preferred Retail Business for Expansion

What retail businesses would you like to see expand in College Station?



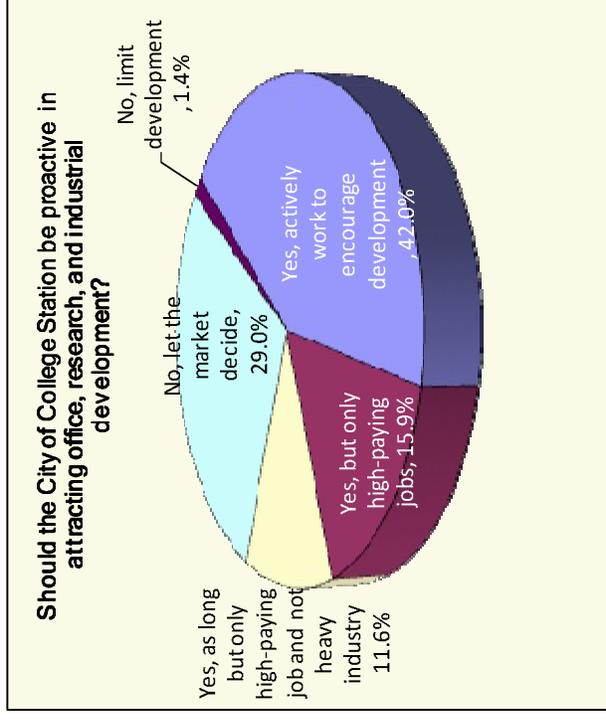
## Q26—Should City be Proactive in Attracting Commercial/Industrial Development?

In Question 26, the respondents were asked,

“Should the City of College Station be proactive (via incentives, land use designations, special infrastructure investments, targeted marketing programs, etc.) in attracting office, research, and industrial development?”

- A strong majority (69.5%) of the respondents favor proactive economic development by the City, and this response was even stronger (74.4%) for respondents with business locations within the City;
- Of that positive group, 26.5% prefer that there be restrictions:
  - Only for high paying jobs (26.5%)
  - Excluding heavy manufacturing and warehousing (11.6%);
- 30.4% of the respondents do not favor city incentives with the bulk of those (29.0%) preferring to let the market determine expansion (from Question 26).
- Businesses serving customers outside Texas were both more likely to support incentives for all business types (59.1%) and less likely to prefer to let the market determine expansion (9.1%).
- Only 1.4% of the business respondents want to limit new development.

### Proactive Incentives for Commercial/Industrial Development



Full Text of Answer Options	
Yes, the City should actively work to encourage all types of office, research, and industrial development	42.0%
Yes, as long as the uses offer primarily high-paying jobs	15.9%
Yes, as long as the uses offer primarily high-paying jobs AND do not include "heavy" manufacturing or warehousing	11.6%
No, the City should let the market decide	29.0%
No, the City should work to limit office, research, and industrial development	1.4%

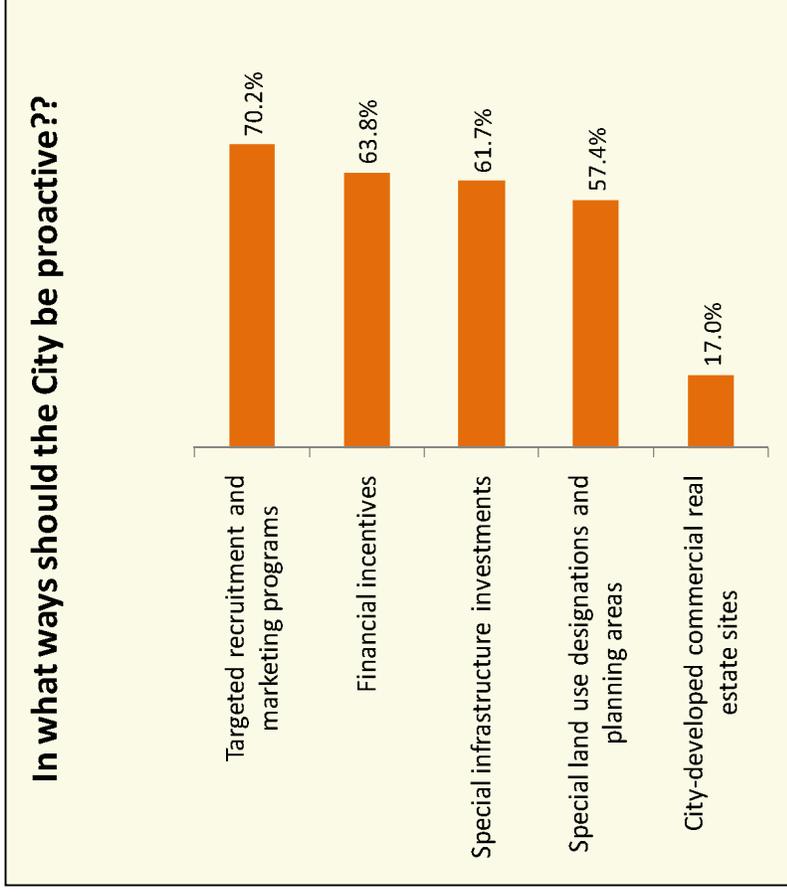
## Q27–How Should the City be Proactive in Attracting Commercial/Industrial Development?

In Question 27, the respondents who were in favor of the City proactively involved in incentive to attract new commercial and industrial development were asked,

“In what ways should the City be proactive?” They could choose any that they thought the City should use to attract commercial and industrial development.

- The most popular City proactive initiative is “Targeted recruitment and marketing programs” with more than two out of the three respondents selecting this approach;
- Strong support was evidenced for “Financial incentives,” “Special infrastructure investments,” and “Special land use designations and planning areas;
- There is little support for “City developed commercial and real estate sites.”

### Preferred Incentives for Commercial/Industrial Development



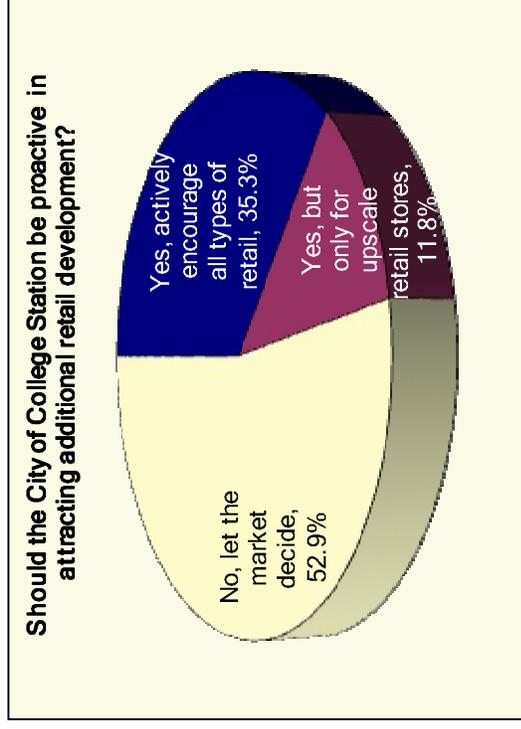
## Q28 –Should the City be Proactive in Attracting Retail Development?

In Question 28, the respondents who were in favor of the City proactively involved in incentive to attract new development were asked, “In what ways should the City be proactive?” They could choose any that they thought the City should use.

- A majority of the respondents opposed incentives for retail development preferring to “let the market decide;”
- 47.1% were in favor of incentive for new retail development and 11.8% of those were only in favor on the condition that it would be used only for upscale and “destination” retail;
- None of the respondents expressed the opinion that the City has enough retail and incentive should not be used.

### Proactive Incentives for Retail Development

Full Text of Answer Options	
Yes, the City should actively encourage all types of retail development	35.3%
Yes, but only for upscale or “destination” retail stores	11.8%
No, the City should let the market decide	52.9%
No, the City has enough retail space and should work to limit additional development	0.0%



## Q29—How Should the City be Proactive in Attracting Retail Development?

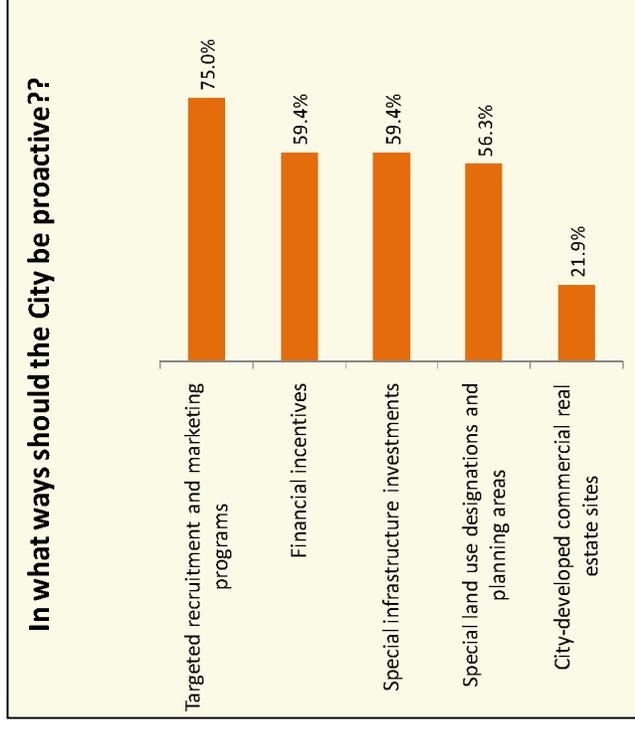
In Question 29, the respondents the respondents who were in favor of the City proactively involved in incentive to attract new retail development were asked,

“In what ways should the City be proactive?” They could choose any that they thought the City should use.

- As with the commercial and industrial promotion, the most popular City proactive retail initiative is “Targeted recruitment and marketing programs” with more than two out of the three respondents selecting this approach;
- Strong support was evidenced for “Financial incentives,” “Special infrastructure investments,” and “Special land use designations and planning areas;
- There is little support for “City developed commercial and real estate sites.”

### Preferred Incentives for Retail Development

#### In what ways should the City be proactive??



### Q30–Are you Planning to Expand in College Station?

In Question 30, the respondents were asked “Are you considering relocating to, expanding, or opening a business location in College Station in the next 5 years?”

- A significant number of the respondents (41.7%) were planning to expand – which is indicative of a strong local economy.

### Q31–Why are You not Expanding College Station?

In Question 31, the respondent who answered Question 30 that they were not considering expansion of their business in College Station were asked:

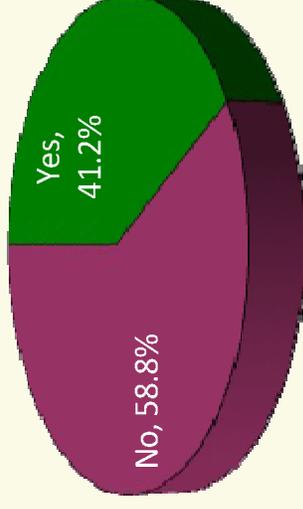
“Why would you not consider expanding or locating in the City of College Station?”

- The most often mentioned reason (47.5%) was that “Expansion or relocation is not necessary or beneficial for the organization;”
- 30% of the respondents felt that “General business or financial conditions don’t permit expansion;”
- Fewer than one in four respondents, however, mentioned, “One or more reasons specific to the City of College Station”

Those verbatim responses are included on the following page.

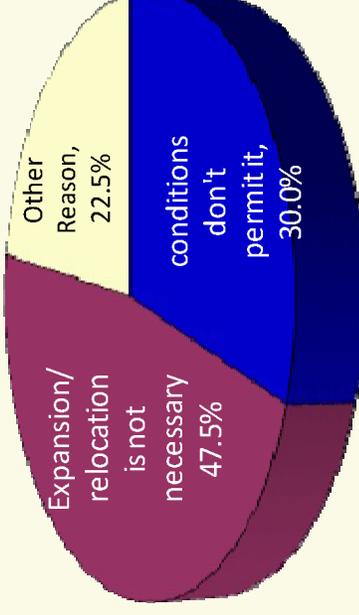
### Planning Expansion

Are you considering relocating to, expanding, or opening a business location in College Station in the next 5 years?



### Reasons for Location in College Station/Bryan Area

Why would you not consider expanding or locating in the City of College Station?



## Q31–Verbatim “Other” Responses

### “Why are you not considering expanding or locating in the City of College Station?”

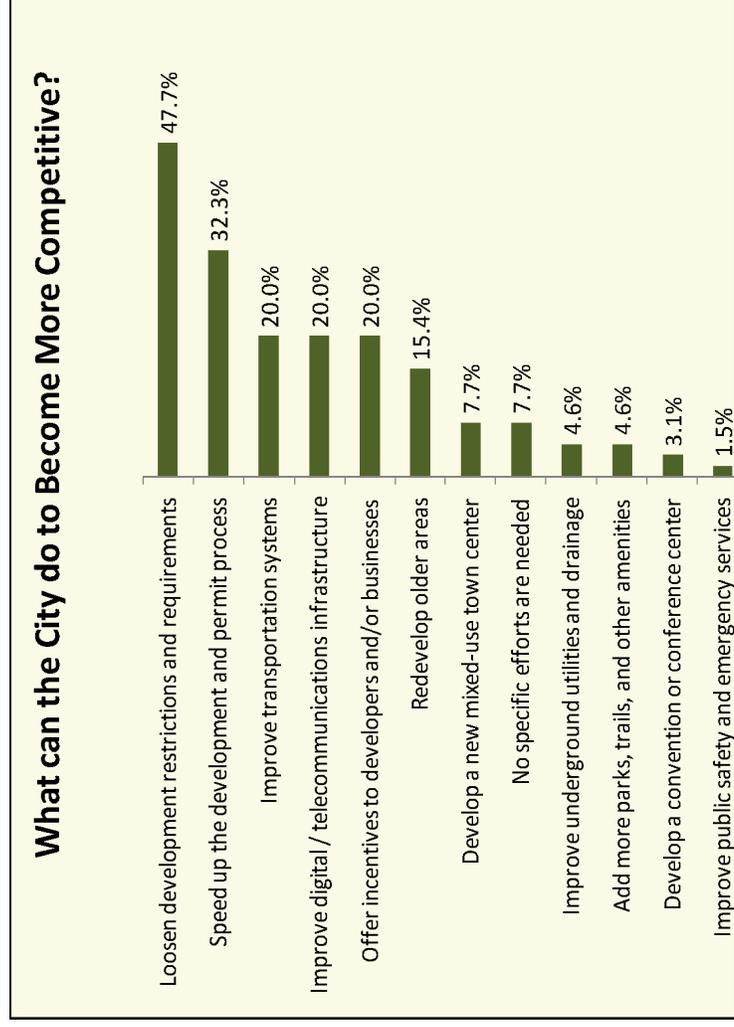
- We already have large office in Bryan
- We already have a location in College Station.
- Building codes and inspections delay development, increase costs, and lack common sense. Rules are too rigid. Many businesses decide not to come here, once they see all the bureaucracy. Building approvals take longer than the actual building time. Inspectors made us tear down a counter because it was 1" too high (for disabled people) but never bothered to check the heating, which was not installed/connected , along with a bathroom sink. Too many rules on bike racks. Nobody in our area of CS rides a bike--traffic is too heavy. Nevertheless, we had to have a bike rack, which has never been used. If I expand my business, it will NOT be in CS. Because of CS, I spent \$10,000 I should not have had to spend, just because of building codes and inspectors who threaten you if you ask "why" they demand something be changed. The landscape requirement is fine, but CS does not require that the landscape be watered. As a result, we are a city of dead shrubbery. I tell anyone I meet who is thinking about building here to go somewhere else.
- Onerous regulation of business activity. Permits required for too many things. Signage/building colors/landscape requirements, etc. down to "shrub police" looking for dead/ dying/ misshapen plants.
- The zoning issues relating to B/CS are terrible and while the appearance of our community is important, we don't all have to have the same with color palates and design schemes for the buildings. Individuality is necessary to recruit new business instead of inhibiting their moving into the community. The political environment is adversarial and not given to a "team" mentality.
- I am concerned about our very low ranking in per capita retail spending vs other municipalities in the state. (see TAMU Real Estate Center's Report)
- Too many city regulations
- The growing number of college students, the congestion they generate, and their behavioral problems are beginning to make the city an undesirable place in which to live. For example, gun restrictions should be put into place, as well as additional communications generated to educate these young people about the city laws and consequences of breaking them

## Q32–What can College Station do to Become More Competitive?

In Question 32, the respondents were asked “What two efforts could the City of College Station undertake to make the city a more competitive location for your business or organization?”

- The most often mentioned effort was for the City to “Loosen development restrictions and requirements” followed by a similar regulatory change, “Speed up the development and permit process”
- “Improve transportation systems,” “Improve digital / telecommunications infrastructure,” and “Offer incentives to developers and/or businesses” were each mentioned by 20% of the respondents;
- A significant 7.7% of the respondents suggested that, “No specific efforts are needed.”
- These responses did not differ significantly based on whether the respondent had a business operation within the City of College Station or not.
- For businesses that serve customers outside Texas, however, the top choice was “Improve digital / telecommunications infrastructure” (36.4%) while “Loosen development restrictions and requirements” was just 31.8%.

### Preferred City Efforts for Business Competitiveness



### Q33–What is the Top Reason for a Business to Locate in College Station?

In Question 33, the respondents were asked “What is the top reason that a company should choose to locate in the City of College Station?”

The verbatim open-ended responses are listed below

- A lot of our residents are under employeed jobs.
- A top reason to locate in College Station is our schools, we have great schools.
- Abundant highly educated workforce
- Access to Houston and Austin.
- access to talent from A&M graduates
- Access to tamu (resources, highly trained workforce)
- Best place in the country to live. Con-restrictions the City of CS puts on businesses.
- Business environment complements the high quality of living
- Central location in state and TAMU (2 mentions)
- Clean industry. Texas A&M and the TAMU System. Blinn College
- Cost of Living (3 mentions)
- Economic growth (2 mentions)
- Educated workforce, top flight universities, great geographical location, cost of living
- Education of workforce
- Family orientated atmospheres, texas a&m university
- Geographic location sitting between major metros
- Go to some other city
- Good environment, excellent workforce
- Great community, great people, nice town.
- Great place to start a business and raise a family
- Growing economy with a good talent base
- Hard to say; city needs more community feel and less color & architectural restrictions.
- Highly educated workforce
- I don't think they should until we have a whole new city council, mayor and manager
- If government would get out of the way!
- Incentives from the city county to devdelep and build and hire
- It is likely that the business they want to open is not already here (for larger companies only)
- It's a great place to live (except for August)
- Labor
- Lifestyle - small town but offers a lot. Low cost of living. Good education and community.
- Lifestyle and workforce
- Location
- Location to other large metro cities.
- Loosen development restrictions and requirements
- Opportunities
- Potential profitability & business environment
- Projected growth for the area/region.
- proximity to Austin, Houston, Dallas
- proximity to houston and austin
- Proximity to Houston and Austin
- Proximity to Houston, San Antonio, Dallas, Austin, and Texas A&M.
- Proximity to Texas A&M

## Business Survey Report

## College Station, Texas

- Proximity to Texas A&M University and its research and development centers
- Quality of living
- Quality of life for my employees
- School systems and it's a family oriented town.
- Size and location of College Station
- Strong consumer base
- TAMU and 60,000 students
- Texas A&M
- The City allocates resources supporting a good quality of life (incl. schools, parks, safety, etc.)
- The positive sense of community and high character of its members.
- The quality of life is the best tool in my box to attract employees.
- To be a part of the new medical corridor
- To turn a profit
- Two highlights: cost-of-living for employees and tax environment for companies in Texas.
- Very friendly city centrally located in Texas

## Q34–What Should be the Economic Development Goals for College Station?

In Question 34, the respondents were asked “What should be the top three economic development goals for the City of College Station? The respondent were offered examples: "Attract more high-tech research businesses," "Improve the range and quality of lodging establishments," "Increase commercial air service." [Write in your answers in the boxes provided - 100 character maximum length]?”

The verbatim responses to this question are below:

### 1st Mentioned Goal

- Attract "soft" or light industry - - high tech, etc.
- Attract and expand more high-tech businesses, both in bio (already in progress) and not in bio.
- attract business which benefit from a major university nearby
- attract high-tech businesses
- attract more bioscience entities
- attract more business and grow the bio-tech corridor
- attract more businesses- not limited to high tech
- Attract more businesses to relocate
- Attract more high end business's
- Attract more high paying jobs
- Attract more high tech research businesses (5 mentions)
- Attractive industry with high tax base
- Be easier to work with. Developers find it extremely difficult to work with the City of CS.
- Be more diverse in the types of businesses allowed to develop in College Station, it takes all pay levels and business types to make a "City" run.
- Become business friendly
- Better environment for businesses
- Better paying jobs
- Better Transportation
- Business / Industrial park(s)
- Business friendly development for tax paying businesses
- Continue to bring in research
- Diversify economic base of the City
- Encourage small business -- the large chains are taking over and choking out the smaller business operators
- First, do no harm. do not compete with the private sector or provide an advantage to some but not all.
- Fx transportation
- Fully support independently governed bio-corridor & related A&M efforts
- Give local businesses the same considerations you are giving national chains
- High tech infrastructure
- Improve commercial air service (8 mentions)
- Improve regional and local public GROUND transportation (Austin, Houston, Waco, San Antonio & Dallas.
- Improve sense of community.
- Increase family friendly businesses

- Increase the number of entertainment venues geared toward older adults (35-50 age range)
- Investigate regional light rail
- Less interference with business and restrictions
- Make doing business w/the City of College Station easier for businesses/developers
- More High Paying Jobs
- Offer incentives for new and small business, such as a tax rebate or credit
- Provide greater service to the populace by doing LESS.

**2nd Mentioned Goal**

- A major airline carrier, such as Southwest Airlines or JetBlue would be the best thing to happen to CS & surrounding areas.
- Add specialty grocery stores (e.g Market Street or Whole Foods)
- Allow all restaurants and retail businesses the same opportunity
- Allow developers and/or landowners to use their property as they see fit.
- Attract more nice family type restaurants
- Attract additional entertainment facilities such as a large water park
- Attract high tech and "clean" manufacturing
- Attract high tech manufacturing
- Attract more high-tech research businesses
- Attract more high-tech research businesses (especially lifesciences & energy)
- Attract more light and heavy manufacturing

- Quit trying to be like Austen and dalles
- recruit another full service hotel with meeting space
- Stay ahead of infrastructure needs for growth (streets, water, sewer, electric)
- Stimulate commercial taxi service and enforce metered fares
- Stop micromanaging planning and construction
- To gain one more industry that would help support the city
- X number of jobs created

- Attract more young professionals to bridge gap from students to established professionals
- Better environment for young adults (former grads)
- Better incentives for development
- Create more opportunities for tourism related businesses - fields, convention center, etc
- Deregulate utilities
- Destination name hotel with full service restraint, bar
- Develop regional distribution, although the region may be limited
- Eliminate many building requirements, such as "shades" over windows
- Encourage higher-end retail/dining to appeal to the kinds of employees who would work for the above-mentioned businesses.
- Focus on partnership with TAMU
- Get government regulation out of the way

- Get passenger rail service
- improve air service with more options (5 mentions)
- Improve the quality of traveling performing arts shows
- improve transportation flow and mobility
- Increase Commercial Air Service
- Increase number of food chain locations throughout the city
- Increase the number of FULL SERVICE hotels.
- Loosen color and architectural restrictions.
- Loosen development restrictions
- Lower taxes
- Lower taxes for high tech startups
- make it easier from a regulatory perspective to build
- make older areas nicer
- More high paying jobs
- more housing for young professionals
- Promote a business friendly climate
- Quit trying to Apress the university
- Relax development requirements so that it is advantageous for businesses to develop in College Station and not in the County or other Cities.
- Retain tech companies
- Safer streets- fund police and fire
- Solicite basic industry
- Speed permits and approvals for development
- Strive to have city employees make purchases from College Station retailers when possible
- That government is best that governs least.
- Transportation issues
- upgrade air service
- Work cooperatively with the City of Bryan - foster a united community - not divided by city limits
- X new hotels built

**3rd mentioned Goal**

- Assure top notch health care facilities
- Attract businesses that produce goods and add to the tax base.
- Attract more businesses on a national level
- Attract more highly skilled/trade industries to increase the overall income rate for individuals who are not students
- Attract more international businesses like Gunler
- Attract more retail businesses and get Blinn to put their second campus in College Station
- Attract non retail businesses
- Be easier to do business with
- Better retail to attract business during TAMU games
- Build up, not out.
- Change all city leaders
- Coordinated and integrated approach to attracting high tech businesses
- Create jobs for all economic levels

- Create more friendly environment from law enforcement in northgate
- Decrease regulations on new construction -- signage requirements, etc. Can be restrictive to business.
- Decrease the size of government
- Deregulate college station utilities
- Encourage collaboration
- Favorable tax policies
- Find good ways to promote light industrial development
- Foster development of research coming from t a&m into business ventures
- Get more aggressive in attracting high end business's
- Improve city's image of being a developer friendly city and not one that is difficult to develop in or that acts very adversarial towards developers.
- Improve commercial air service and public transportation
- Improve mass transit services
- Incentivise based on potential tax income
- Increase air to atlanta, austn more flights to dfw, iah
- Increase commercial air service (perhaps delta)
- Increase mass transportation options (freeway, high speed rail and/or air)
- Invest in public broadband internet access.
- Keep college graduates here
- More business development in south college station
- More entertainment
- Open for business mentality
- Provide residents more options for dsl service
- Public safety
- Realize that the city planners are having a negative effect
- Recruit companies/industries that will provide opportunities for all levels of pay low to high end.
- Reduce mobile home sites
- Stay out of the way of highest and best use market forces for new development
- Stop annexing area of other communities that the city can't immediately provide services.
- Term limits for all elected officials.
- Town center
- Utility rates are much higher in cs than they are in bryan and surrounding areas.
- X new flights per day

### Q35–What is the Most Important Marketing Effort for the City of College Station?

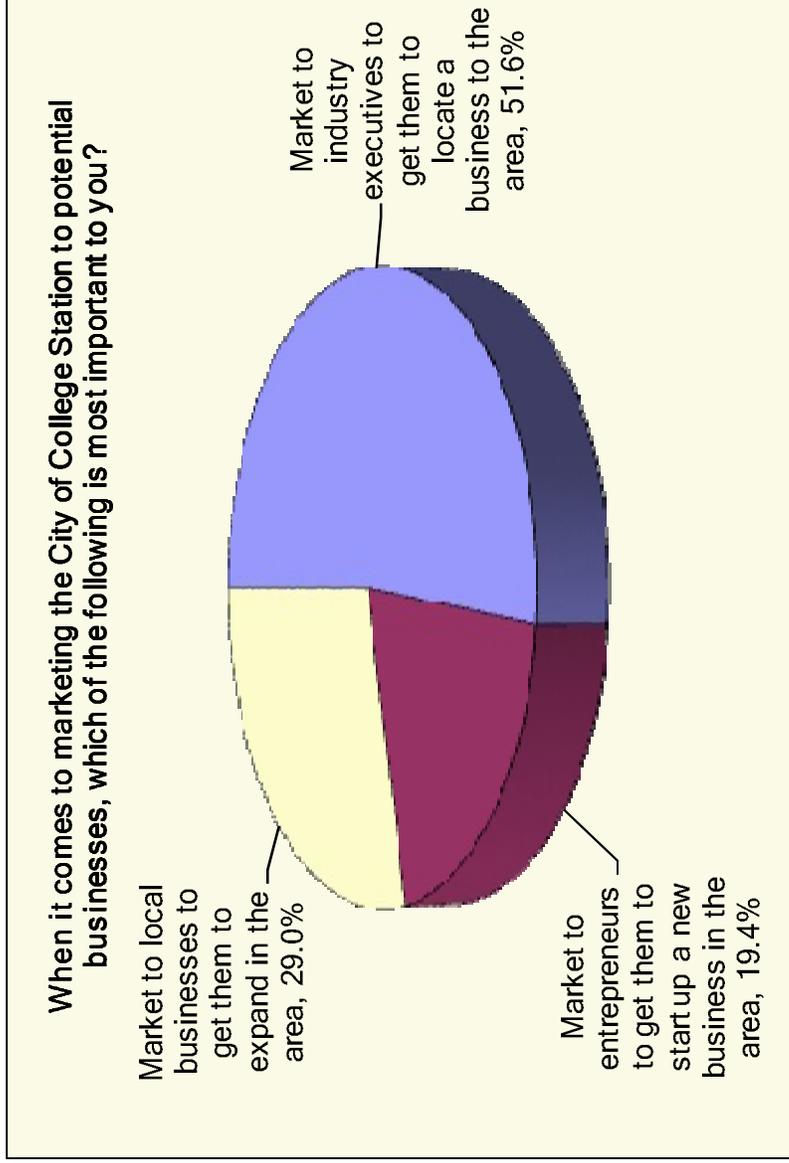
In Question 35, the respondents were asked

“When it comes to marketing the City of College Station to potential businesses, which of the following is most important to you?”

They were asked to select the statement that most closely matches your view of most important.

#### Preferred City Marketing Efforts

- A majority of the respondents preferred to “Market to industry executives to get them to locate a business to the area”



### Q36-What One Word Should be Used for Marketing College Station?

In Question 36, the respondents were asked

“What one word would you use to market the City of College Station to potential businesses?”

Following is a list of the one word marketing pitch. The number in parenthesis is the number of mentions of that word.:

- Braintrust
- Central
- Challenging
- Clean
- Community
- Different
- Diverse
- Dynamic
- Emerging
- Fat
- Friendly (2)
- Fun
- Great
- Growing or Growth (5)
- Ideal
- Inconsistent
- Inexpensive
- Intrusive
- Invest
- Lifestyle
- Livability
- Livable
- Location (3)
- Nice
- Progressive (2)
- Proximity
- Quality
- Regional
- Restrictive
- Synergy
- Texas A&M (5)
- Thriving
- Underemployed
- University

## Survey Questionnaire

### College Station Area Business Survey

#### City of College Station Economic Development Master Plan

The City of College Station is preparing its Economic Development Master Plan and wants to hear from you about doing business in the City and the region. Please take the opportunity to complete this survey and share your thoughts with us. The results of the survey will be used to guide the City in their future projects, programs, and policies. We encourage you to forward this survey to other business owners, managers, and decision makers in the community as well - the more responses provided, the more meaningful the information will be to the City. All individual responses will remain confidential.

We look forward to hearing from you on how we can make our community even more prosperous in the years to come and thank you for your time.

**\* 1. Do you own or serve in an upper management capacity at a business or institution in the College Station / Bryan area?**

- Yes  
 No

**\* 2. What is your position in the organization?**

- Business owner / Chairman / CEO  
 Chief Executive Officer (CEO), not owner  
 Chief Financial Officer (CFO)  
 Top manager, e.g. Executive Vice President, Senior Vice President  
 Other upper management

## College Station Area Business Survey

### \* 3. Describe your organization

- This is our headquarters location and we have offices in other locations
- This is our headquarters location and we do not have offices in other locations
- Our headquarters is located elsewhere

If headquarters is located elsewhere, [Enter location below]

### \* 4. Where are your local operations located?

- Within the City of College Station only
- Locations both within and outside the City of College Station
- In Brazos County outside the City of College Station only
- In another county outside of Brazos County only

### \* 5. How long has your organization been located in the College Station / Bryan area?

- Fewer than 2 years
- 2 - 5 years
- 6 - 10 years
- 11 - 25 years
- More than 25 years
- Don't know/no answer

### College Station Area Business Survey

**\*6. In what industry is your organization? [Please select the one sector that most closely fits your business]**

- Financial activities
- Educational and health services
- Information (journalism, media and entertainment, telecommunications)
- Leisure and hospitality
- Transportation, warehousing, and utilities
- Professional and business services
- Mining, logging, and construction
- Other (please specify)
- Wholesale trade
- Retail trade
- Manufacturing
- Government
- Other services
- Nonprofits and charities (not included above)

**\*7. What is your approximate annual gross revenue?**

- 0 - \$500K
- \$500K - \$1 million
- \$1 million - \$5 million
- \$5 million - \$20 million
- \$20 million - \$50 million
- More than \$50 million
- Confidential / no answer

**\*8. How many people are employed by your organization inside the U.S.?**

- Fewer than 25
- 25 to 99
- 100 to 499
- 500 to 999
- 1,000 or more
- No answer / don't know

### College Station Area Business Survey

**\* 9. How many people are employed in your organization in the College Station / Bryan area?**

- 25 or Fewer
- 25 to 50
- 51 to 99
- 100 to 199
- 200+
- No answer / don't know

**\* 10. Over how wide a market area does your organization in the College Station / Bryan area serve customers or clients?**

**Pick all that apply.**

- The neighborhood immediately around the organization location
- Most or all of the College Station / Bryan urban area
- All of Brazos County (urban and rural)
- Brazos County and surrounding counties
- All of Texas
- The U.S. beyond Texas
- U.S. and International

## College Station Area Business Survey

**11. Please choose the top three reasons that your organization is located in the College Station / Bryan area?**

- Premier location for my industry
- Proximity to customers
- Low business costs
- Available tax incentives
- Lifestyle & amenities
- Historical location
- Available workforce
- Proximity to research
- Proximity to vendors / suppliers

Other (please specify)

**\* 12. How many employees did you hire in in the last 12 months in the College Station / Bryan area?**

- None
- 1 to 9
- 10 to 25
- 26 to 50
- 51 to 99
- 100 to 199
- 200+
- No answer / don't know

**\* 13. From where do you obtain the bulk of your executive and upper management staff?**

- |   |   |  |   |                               |                  |
|---|---|--|---|-------------------------------|------------------|
| Enrolled college students living in College Station and Bryan | Newly graduated college students in College Station and Bryan | Permanent residents of College Station and Bryan | Residents of rural areas and other towns near College Station | Rest of U.S. outside of Texas | Outside the U.S. |
| Executive and Upper Management Staff                          | Middle Management and General Staff                           |  |   |                               |                  |

**\* 14. From your experience, is it difficult to either: (a) attract desired employees to the College Station / Bryan area, or (b) retain existing employees in the College Station / Bryan area? In other words, do you find the existing or potential employees are more likely to prefer living and working in other metropolitan areas?**

- No, I have not found any difficulty in attracting desirable employees to the College Station / Bryan area and/or retaining desirable employees here.
- Yes, I have found it difficult to attracting desirable employees to the College Station / Bryan area and/or retaining desirable employees here.

## College Station Area Business Survey

**15. What are the reasons you think it is difficult to attract and/or retain employees in College Station / Bryan? Choose up to three.**

- My company or organization does not offer pay levels competitive with similar jobs in other metropolitan areas.
- Employees want more local career advancement opportunities for themselves than what College Station / Bryan offers.
- The spouses of employees want more local career advancement opportunities for themselves than what College Station / Bryan offers.
- Employees and their families prefer the shopping, services, and amenities of a larger metropolitan area.
- College Station / Bryan does not offer the right kinds of housing types or neighborhood environments.
- The College Station / Bryan area is too oriented toward college students.
- The College Station / Bryan area does not offer enough social and recreational activities for young adults.
- College Station / Bryan does not offer adequate commercial air service to other places.

Other (please specify - limit 100 characters)

**\* 16. To better serve your business, what skills should be improved through education and training of your employees? [Please list up to three "top needed" skills improvements]**

Top needed skill

Next needed skill

Other needed skill

### College Station Area Business Survey

\* 17. Using the familiar grading system from school, how would you grade the College Station / Bryan area's economic performance over the past five years?

A  B  C  D  E  F

\* 18. What are your expectations for growth of your organization in the College Station / Bryan area over the next five years?

	Increase	Maintain	Decrease	Don't Know or Doesn't Apply
Capital investments in equipment or systems	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Office / manufacturing / research space occupied	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Employment	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Sales volume	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Selling and/or inventory space occupied	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

\* 19. In your opinion, how suitable is the College Station / Bryan area for attracting the following types of business operations? [Check one box for each row]

	Highly suitable	Suitable	Neutral	Unsuitable	Highly unsuitable
Corporate / US / regional HQ	<input type="radio"/>				
Warehousing / distribution / logistics	<input type="radio"/>				
Research & development	<input type="radio"/>				
Manufacturing / assembly	<input type="radio"/>				
Professional services	<input type="radio"/>				
Sales / customer support / administrative support	<input type="radio"/>				

### College Station Area Business Survey

**\* 20. What do you think of the College Station / Bryan area's various transportation system components with regard to the needs of businesses? Please rate the adequacy of each component's facilities and services.**

	Very inadequate	Inadequate	Adequate	More than adequate	Don't know
Commercial air travel	<input type="radio"/>				
Private / general aviation	<input type="radio"/>				
Freight rail	<input type="radio"/>				
Regional highways	<input type="radio"/>				
Local streets	<input type="radio"/>				
Sidewalks and bikeways	<input type="radio"/>				

We would now like to focus on matters specific to the City of College Station as opposed to the overall metropolitan area.

**\* 21. In your opinion, how is the City of College Station perceived as a place to do business by local business leaders?**

- Positively
- Neutral
- Negatively
- No Opinion/No Answer

### College Station Area Business Survey

22. What do you consider the **GREATEST COMPETITIVE STRENGTHS** of the City of College Station? [Please check the top three strengths of the city]

- |  |   |
|--|---|
| <input type="checkbox"/> Regional geographic location  | <input type="checkbox"/> Entrepreneurship mindset                       |
| <input type="checkbox"/> Cost of living                | <input type="checkbox"/> "Pre K" to 12 schools                          |
| <input type="checkbox"/> Natural environment           | <input type="checkbox"/> Government / political leadership              |
| <input type="checkbox"/> Lifestyle                     | <input type="checkbox"/> Career / job opportunities                     |
| <input type="checkbox"/> Business climate              | <input type="checkbox"/> International presence                         |
| <input type="checkbox"/> Transportation infrastructure | <input type="checkbox"/> Growing local economy                          |
| <input type="checkbox"/> Colleges and universities     | <input type="checkbox"/> Suitable and affordable commercial real estate |
| <input type="checkbox"/> Diversity of residents        | <input type="checkbox"/> No answer / no opinion                         |
| <input type="checkbox"/> Workforce / talent            |   |

Other (please specify)

---

### College Station Area Business Survey

23. What do you consider the **GREATEST COMPETITIVE WEAKNESSES** of the City of College Station? [Please check the top three weaknesses of the city]

- Regional geographic location
- Cost of living
- Natural environment
- Lifestyle
- Business climate
- Transportation Infrastructure
- Colleges and universities
- Diversity of residents
- Workforce / talent
- Entrepreneurship mindset
- "Pre k" to12 schools
- Government / political leadership
- Career / job opportunities
- International presence
- Growing local economy
- Suitable and affordable commercial real estate
- No answer / no opinion

Other (please specify)

---

**College Station Area Business Survey**

**\* 24. What industries would you like to see expand in the City of College Station? [Check the box next to each industry that you would like to see expand]**

- Agriculture
- Automotive
- Aviation / aerospace
- Biosciences / life sciences
- Creative / design
- Distribution & logistics
- Education
- Energy
- Film & entertainment
- Financial services
- Government
- Healthcare / hospital
- Hospitality / tourism
- Nonprofit / social services
- Professional services
- Public administration / government
- Security / defense & military
- Software / IT / telecommunications
- No answer / no opinion

Other (please specify)

**\* 25. What retail businesses would you like to see expand in the City of College Station? [check box next to each type of business that should be expanded]**

- Arts, crafts, and antiques
- Specialty grocery stores
- Museum and cultural centers
- Restaurants and nightspots
- Furniture and appliances
- Discount general merchandise stores
- Copy, office supplies, and computers
- Fitness and physical recreation
- High end clothing and accessory department stores
- Boutique apparel shops
- Full service hotel
- I have no preference

Other (please specify - 30 characters max)

### College Station Area Business Survey

**\*26. Should the City of College Station be proactive (via incentives, land use designations, special infrastructure investments, targeted marketing programs, etc.) in attracting office, research, and industrial development?**

- Yes, the City should actively work to encourage all types of office, research, and industrial development
- Yes, as long as the uses offer primarily high-paying jobs
- Yes, as long as the uses offer primarily high-paying jobs AND do not include "heavy" manufacturing or warehousing
- No, the City should let the market decide
- No, the City should work to limit office, research, and industrial development

**\*27. In what ways should the City be proactive? Please choose all you think the City should use.**

- Financial incentives
- Special infrastructure investments
- Special land use designations and planning areas
- City-developed commercial real estate sites
- Targeted recruitment and marketing programs

Other (please specify)

**\*28. Should the City of College Station be proactive (via incentives, land use designations, special infrastructure investments, targeted marketing programs, etc.) in attracting additional retail development?**

- Yes, the City should actively encourage all types of retail development
- Yes, but only for upscale or "destination" retail stores
- No, the City should let the market decide
- No, the City has enough retail space and should work to limit additional development

## College Station Area Business Survey

**\* 29. In what ways should the City be proactive? Choose all that you think the City should use.**

- Financial incentives
- Special infrastructure investments
- Special land use designations and planning areas
- City-developed commercial real estate sites
- Targeted recruitment and marketing programs

Other (please specify)

**\* 30. Are you considering relocating to, expanding, or opening a business location in College Station in the next 5 years?**

- Yes
- No

**\* 31. Why would you not consider expanding or locating in the City of College Station?**

- General business or financial conditions don't permit it
- Expansion or relocation is not necessary or beneficial for the organization
- One or more reasons specific to the City of College Station - please explain

### College Station Area Business Survey

**32. What two efforts could the City of College Station undertake to make the city a more competitive location for your business or organization?**

- Improve transportation systems
- Improve underground utilities and drainage
- Improve digital / telecommunications infrastructure
- Loosen development restrictions and requirements
- Speed up the development and permit process
- Offer incentives to developers and/or businesses
- Redevelop older areas
- Improve public safety and emergency services
- Add more parks, trails, and other amenities
- Develop a new mixed-use town center
- Develop a convention or conference center
- No specific efforts are needed

Other (please specify - limit to 100 characters)

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**\* 33. What is the top reason that a company should choose to locate in the City of College Station? [Please write your choice in the box below, limit is 100 characters]**

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### College Station Area Business Survey

\* 34. What should be the top three economic development goals for the City of College Station? Examples: "Attract more high-tech research businesses," "Improve the range and quality of lodging establishments," "Increase commercial air service." [Write in your answers in the boxes provided - 100 character maximum length]

Top Goal

2nd Goal

3rd Goal

\* 35. When it comes to marketing the City of College Station to potential businesses, which of the following is most important to you? [Select the statement that most closely matches your view of most important]

- Market to industry executives to get them to locate a business to the area
- Market to local businesses to get them to expand in the area
- Market to entrepreneurs to get them to start up a new business in the area

\* 36. What one word would you use to market the City of College Station to potential businesses? [Write one marketing word in the box below - limit 20 characters]

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