

Economic Development in Lubbock

March 31, 2016



Organizational Background

MLI

- 501(c)(4) Texas not-for-profit corporation
- Est.: 1995
- Organized under the Texas Non-Profit Corporation Act
- Purpose of promoting economic development
- Funded through a property tax allocation

LEDA

- 501(c)(4) Texas non-profit, tax-exempt corporation
- Type A economic development corporation
- Est.: 2004
- Purpose of supporting the creation of new and existing primary jobs
- Funded through a sales tax collection

Organizational Background

- Mission: To promote economic growth by creating high-quality jobs, investing in new capital improvements and improving Lubbock's quality of life.
- 15 staff members – 10 are shared with Visit Lubbock
- Since its inception in 2004, LEDA has assisted more than 140 companies, resulting in over 6,550 jobs and more than \$920 million in new capital investment to the Lubbock area.

What Others Say About Lubbock

- Forbes lists Lubbock as #43 city for Cost of Doing Business in 2015.
- Forbes lists Lubbock as #74 city for Job Growth in 2015.
- Fortune.com recently recognized Lubbock as one of the “Top 10 Cities to find a Job in 2015”
- In February 2015, The Milken Institute ranked Lubbock 20th among the Best Performing Cities in the U.S.
- *Southern Business & Development Magazine* recently recognized Lubbock as one of the “Ten Sizzling Mid-Market Economies in the South”

Lubbock Challenges

- Declining population base in rural areas of the region
- Low unemployment rate – high demand for workforce
- Reliance on public spending

2015 Strategic Plan

3 Guiding Principles:

- *Forward-Thinking*
- *Talent-Driven*
- *Collaborative*

Goals

1. **Business Development** – Grow Lubbock’s economy through retention, expansion and recruitment of businesses.
2. **Talent Management** – Develop, retain and attract talented workers to support current and future employers.
3. **Entrepreneurship & Innovation** – Create a culture of entrepreneurship in Lubbock by tapping into the research and innovation assets of all the components of the Texas Tech University System, its partners and other stakeholders.

Priority Projects

1. Downtown as a destination for investment & employment
2. Launch a talent management system on the national stage
3. Attract major R&D catalyst projects leveraging the components of the TTU System with City and business leadership
4. Advance Lubbock as a hub of innovation and entrepreneurship
5. Establish a community college campus in Lubbock

Entrepreneurship & Innovation

- \$765,000 investment with Texas Tech to develop three programs as well as the newly created Research Park
 - Three-Day Start-Up
 - Texas Tech Innovation Mentorship & Entrepreneurship (TTIME)
 - Accelerator
- Assisting with the Lubbock Chamber's implementation of the Young Entrepreneurs Academy (YEA!)
 - Year-long after school program consisting of students in grades 6-12
 - Generate business ideas and ultimately launch their own companies
- Investing in X-Fab Texas' annual Semi High Tech University
 - Industry-based math and science career exploration program geared towards STEM focused students in high school

Regionally Focused

The Artesia, New Mexico-based dairy foods company, Select Milk Producers, will invest \$250 million to upgrade and expand the former American Cotton Growers denim mill in Littlefield into a state-of-the-industry milk processing plant and is aiming for a late-summer 2018 opening.

Total jobs: 140

Average salary: \$45,000

Value Added at Full Operations: \$23,951,363

Economic Output at Full Operations: \$48,436,618

Growing Business

Monsanto, one of the world's largest sustainable agriculture companies, is expanding their Lubbock operations to include a new cotton seed processing facility. The company will invest \$140 million into building and equipping the new state-of-the-art facility, the largest capital investment project announced since LEDA's inception.

Total jobs: 40

Average salary: \$55,000

Value Added at Full Operations: \$11,200,035

Economic Output at Full Operations: \$27,833,876



Impact of Tourism

- 2014 Lubbock Visitors: 5.71MM
- 1/3 of all sales tax comes from people that live outside Lubbock
- Current number of hotel rooms: 5,400
 - Adding 700 more by end of 2016
 - Adding additional 1,000 by end of 2017

Top Origin DMAs (Person-Days)

Out of State DMAs

Total Non Texans	33.3
Little Rock-Pine Bluff, AR	11.9%
Kansas City, MO	2.8%
Baton Rouge, LA	2.4%
Phoenix, AZ	2.4%
Seattle-Tacoma, WA	1.5%
Sioux City, IA	1.2%

Top Origin DMAs (Person-Days)

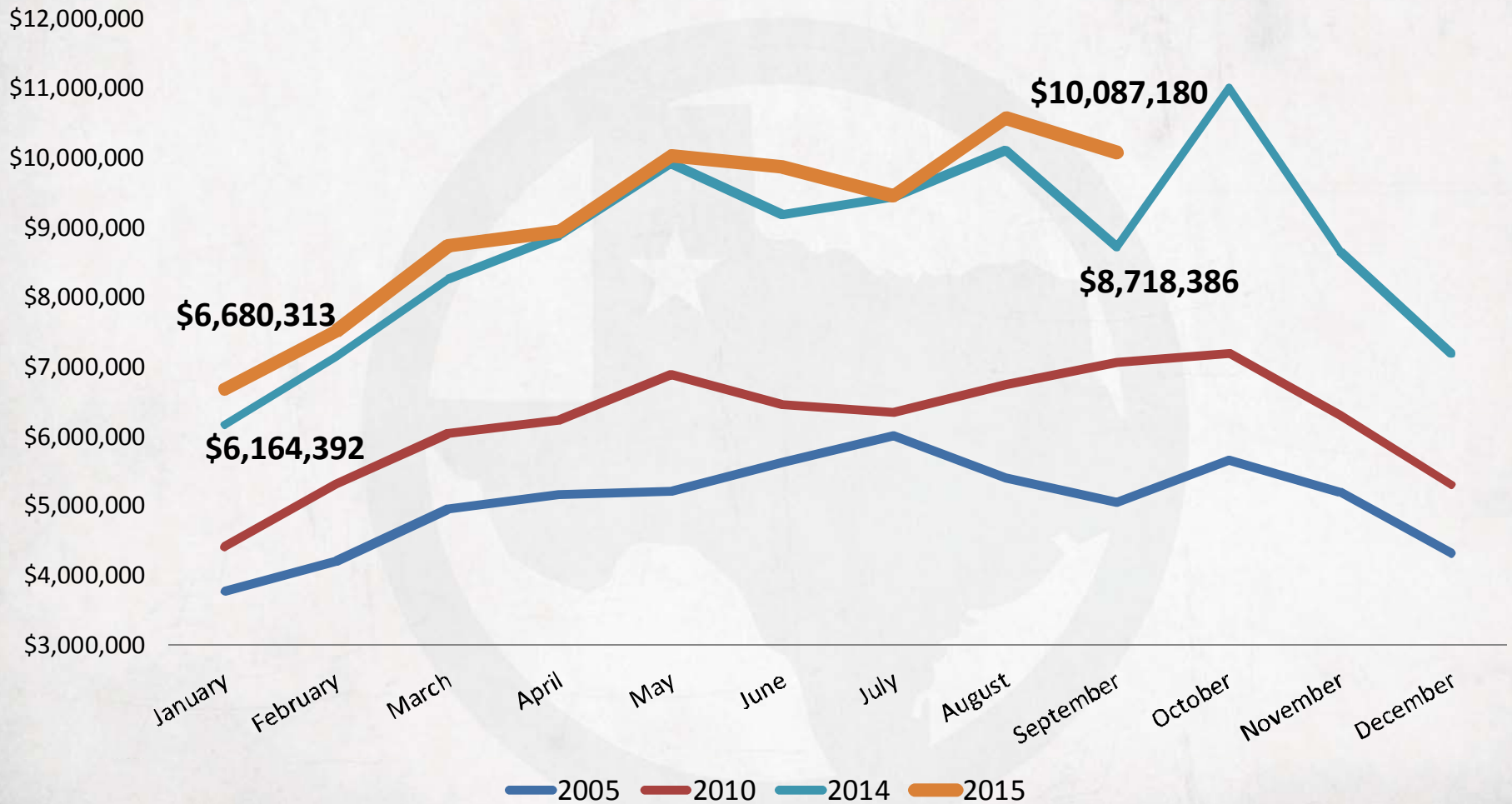
In State DMAs

Total Texans (Intrastate)	66.7%
Dallas-Fort Worth	25.7%
Amarillo	6.1%
Odessa-Midland	5.0%
Austin	4.6%
Houston	4.0%
Waco-Temple-Bryan	3.6%
El Paso	2.2%

Profile of Visitors to Lubbock MSA

- Avg. Party Size 1.76 persons
- Avg. Length of Stay
 - 1.76 days (overnight and days)
 - 2.39 nights (overnight only)
- Mode of Transportation
 - Auto 89.5%
 - Air 8.3%
 - Other 2.2%

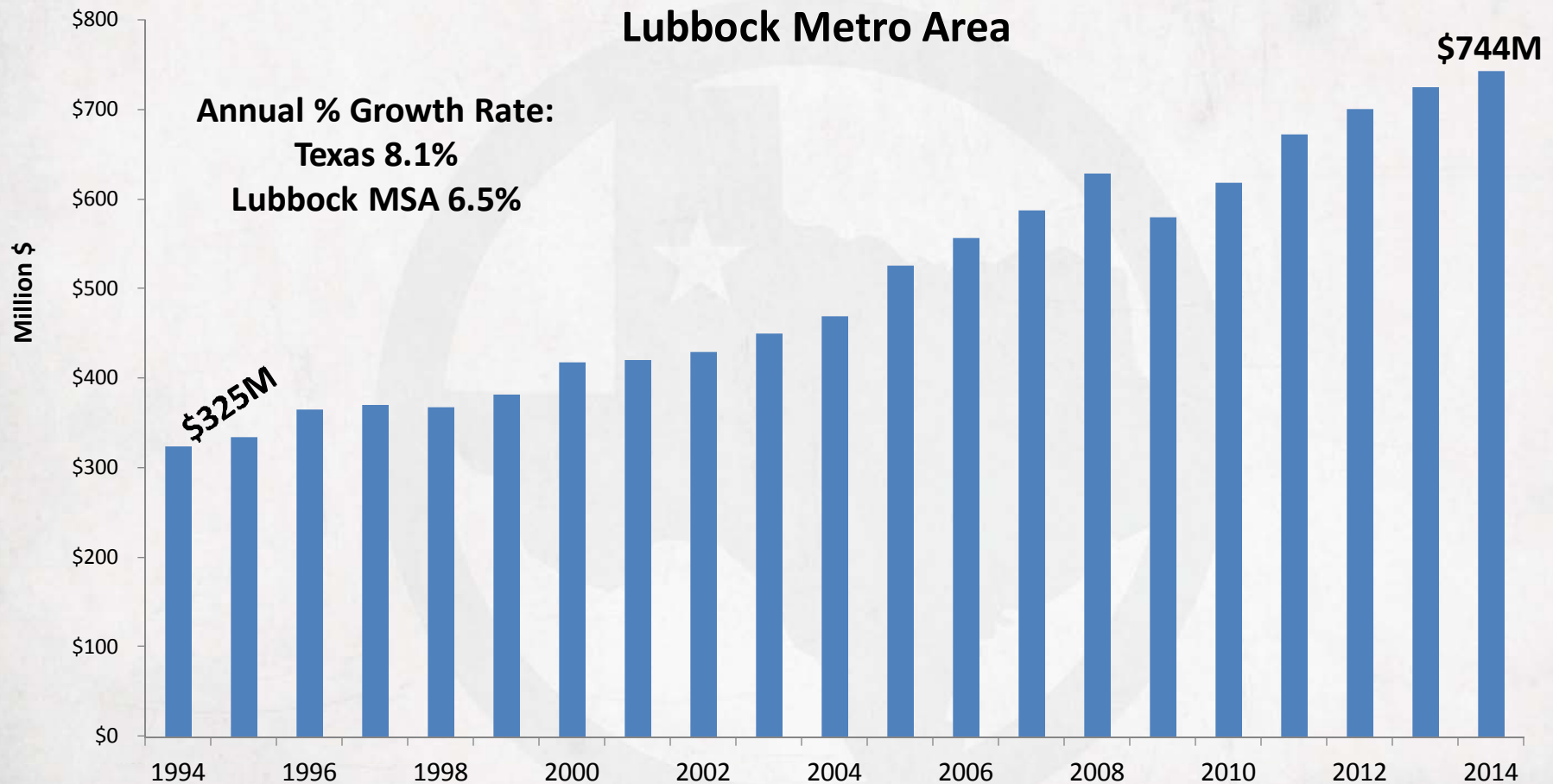
Total Lodging Revenue in Lubbock



Source: STR



Visitor Spending At Destination

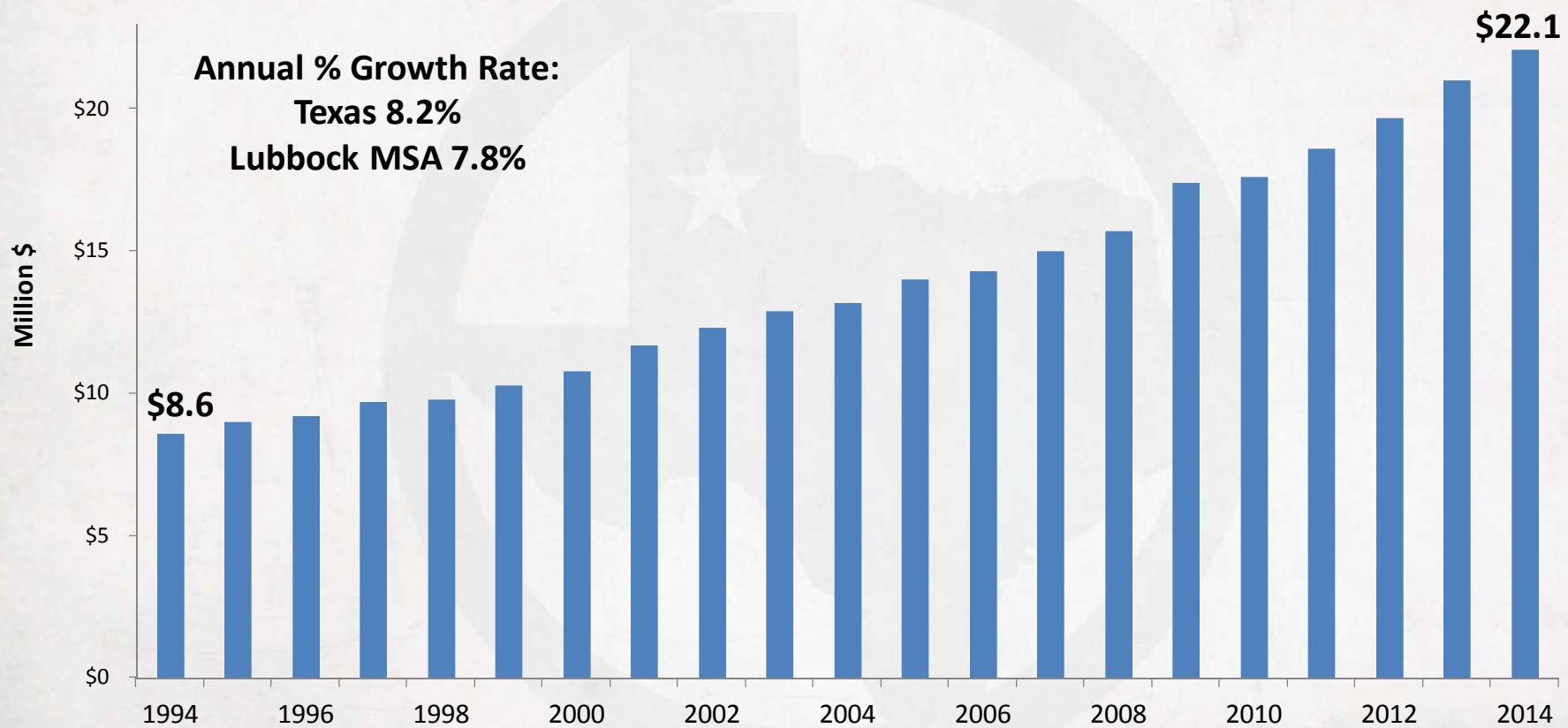


Source: Dean Runyan Associates



Travel Impact – Local Tax Receipts

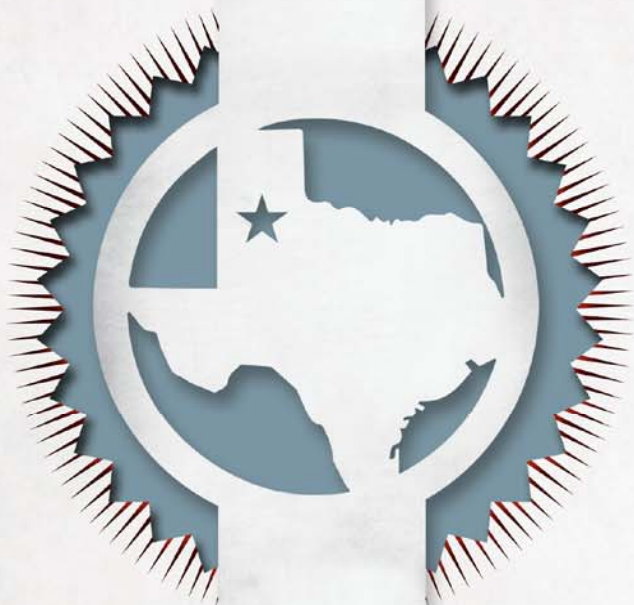
Lubbock Metro Area



Visit Lubbock – Tourism Impact

2014-15 Tax Relief per household in the
City of Lubbock
due to travel related taxes collected from visitors to
Lubbock:

\$644.63 in 2014-15



For more information,
please visit
www.lubbockeda.org.

