

Survey Report

Local Economic Development and Collaboration in West Texas



Sung-Wook, Kwon, Ph.D.
Xiaou Cheng, Doctoral Student
Department of Political Science

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INTRODUCTION

From 2018 to early 2019, the Center for Public Service supported the survey of Economic Development and Collaboration in West Texas. This survey was mailed to the directors of the economic development department when they have an economic development organization such as economic development corporation, and the chief administrative officers, when they do not have a specific economic development organization, in each city government. The survey population is 134 cities located in West Texas (45 in South Plains, 60 in Panhandle, and 29 in Permian Basin), with a response rate of 53.73%.

Survey Population	Surveyed	Responded	Response rate
Total	134	72	53.73%

Geographic Location	Surveyed	Responded	Response rate
South Plains	45	28	62.22%
Panhandle	60	30	50.00%
Permian Basin	29	14	48.28%

This survey investigates the economic development activities in the West Texas cities, which include local economic status, economic programs, challenges for developing the local economy, and actors involved in the economic development activities. This survey also reveals the cooperative and competitive relationships among the surveyed cities.

KEY FINDINGS

Economic Development Priorities and Challenges

- Expanding the tax base is the primary economic development goal.
- Cities strive to improve local quality of life, social equity, environmental sustainability while pursuing a better economic condition.
- Limited funding that can be used for economic development activities, and shortage of personnel and skilled labor who can be dedicated to economic development have become the biggest challenges for cities in West Texas.

Cooperation and Competition

- More collaboration on economic development is observed in the South Plains and Panhandle regions than in the Permian Basin region.
- While collaborating, cities in the South Plains region are more competitive than cities in two other regions.

Economic Policies and Programs

- Tax abatements, low-cost loan funds, infrastructure improvements, and permit assistance are the most popular programs that cities are adopting to improve their local economy.
- Nearly half of the cities view their efforts to develop local economy are the same as their neighbors.

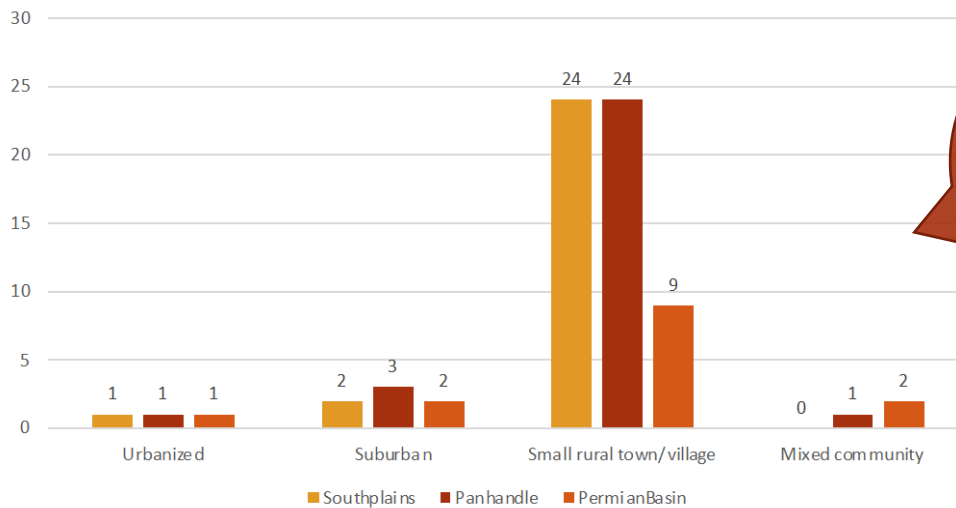
Actors, Organization, and Budget

- City governments and economic development corporations are the primary actors in local economic development strategies. The role of federal and county governments is quite limited.
- The office of the city manager or administrator and economic development departments have been the two most popular organizations that are in charge of local economic development activities.
- The budgets used for economic development vary greatly across cities, and most of the small cities have very limited budgets.

SURVEY RESULTS

PART I: PRIORITIES GENERAL – CURRENT STATUS, PRIORITIES, AND CHALLENGES

Q1. HOW DO YOU DESCRIBE YOUR COMMUNITY?



Most cities in the three surveyed regions are small rural towns/villages.

Q2. INDICATE THE EXTENT TO WHICH THE FOLLOWING GOALS ARE CONSIDERED FOR ECONOMIC DEVELOPMENT IN YOUR COMMUNITY.

Goals	Very little extent	Little extent	Some extent	Great extent	Very great extent
Jobs	5.56%	2.78%	27.78%	30.56%	33.33%
Tax base	2.78%	8.33%	18.06%	44.44%	26.39%
Quality of life	4.17%	2.78%	22.22%	41.67%	29.17%
Environmental sustainability	5.56%	25.00%	36.11%	23.61%	9.72%
Social equity	12.50%	29.17%	31.94%	22.22%	4.17%
Community identity	6.94%	16.67%	27.78%	33.33%	15.28%

Cities in West Texas mainly focus on expanding tax base as the primary economic development goal. Creating job positions, improving quality of life, and establishing community identity are also important goals to achieve in local economic development activities. While developing the local economy, environmental sustainability and social equity also considered less important economic development agendas.

Q3. INDICATE THE EXTENT TO WHICH THE FOLLOWING CONSIDERATIONS MOTIVATED ECONOMIC DEVELOPMENT PRIORITIES ABOVE IN YOUR COMMUNITY?

Motivation	Very little extent	Little extent	Some extent	Great extent	Very great extent
Change in the local economy	4.17%	9.72%	34.72%	27.78%	23.61%
Change in political leadership	26.39%	18.06%	30.56%	18.06%	6.94%
Change in economic development leadership	25.00%	25.00%	20.83%	22.22%	6.94%
Increased competition	23.61%	40.28%	18.06%	11.11%	6.94%
Change in population migration	18.06%	22.22%	30.56%	19.44%	9.72%
Increased interests in environmental sustainability	22.22%	40.28%	25.00%	6.94%	5.56%
Increased income inequality	19.44%	37.50%	26.39%	11.11%	5.56%

According to the survey results, these motivations moderately motivated local economic development. Making changes in the local economy has been the strongest motivation. Change in political leadership and population migration reveal some extent of motivation for promoting local economic growth.

Q4. WHEN IT COMES TO GROWTH AND DEVELOPMENT, HOW MUCH DOES YOUR COMMUNITY CONSIDER EACH OF THE FOLLOWING A CHALLENGE?

Challenges	Very little extent	Little extent	Some extent	Great extent	Very great extent
Lack of land available	11.11%	12.50%	30.56%	16.67%	29.17%
Cost of land	6.94%	22.22%	30.56%	16.67%	23.61%
Inadequate infrastructure (e.g. no fiber optic cable, water, wastewater)	11.11%	11.11%	38.89%	20.83%	18.06%
Lack of skilled labor	6.94%	15.28%	27.78%	33.33%	16.67%
High cost of labor	8.33%	29.17%	30.56%	18.06%	13.89%
Limited number of major employers	2.78%	12.50%	18.06%	37.50%	29.17%
Lack of capital/funding	1.39%	8.33%	31.94%	29.17%	29.17%
Taxes	4.17%	18.06%	38.89%	23.61%	15.28%
Poor public transit	43.06%	27.78%	11.11%	6.94%	11.11%
Distance from major markets	8.33%	16.67%	31.94%	26.39%	16.67%
Lengthy permit process	50.00%	34.72%	11.11%	2.78%	1.39%
Poor quality of life (e.g. inadequate education, recreation, and arts/cultural)	11.11%	27.78%	37.50%	13.89%	9.72%
Lack of political support	25.00%	25.00%	33.33%	11.11%	5.56%

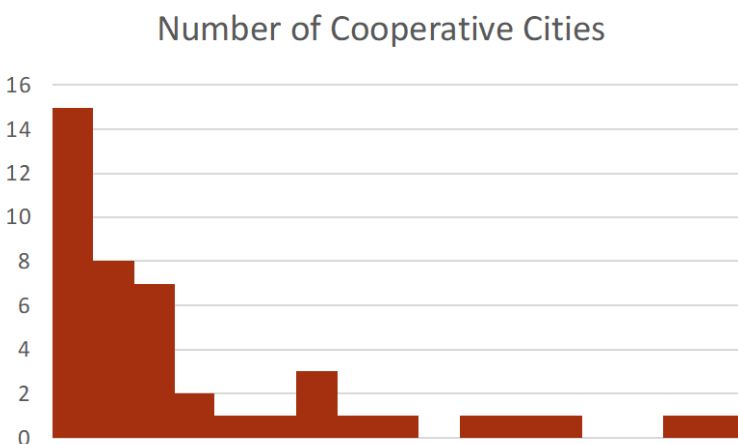
Challenges	Very little extent	Little extent	Some extent	Great extent	Very great extent
Citizen opposition	20.83%	29.17%	33.33%	9.72%	6.94%
High cost of housing	18.06%	40.28%	19.44%	12.50%	9.72%
Declining market due to population loss	20.83%	18.06%	19.44%	25.00%	16.67%
Traffic congestion	75.00%	15.28%	1.39%	4.17%	4.17%
Growth in aging population	16.67%	19.44%	25.00%	19.44%	19.44%
Environmental pollution and devastation	51.39%	25.00%	20.83%	2.78%	0.00%

Lack of skilled labor, limited funding, distance from major markets, and declining market due to population loss have been recognized as major challenges with a greater extent to economic development. Inadequate infrastructure, taxes, poor quality of life, lack of support from political officials and citizens also show some extent of challenges. The public transit system and traffic conditions do not hinder local economic development in the majority of surveyed cities.

PART II: COOPERATION AND COMPETITION

Q5. [COOPERATION WITH CITIES IN YOUR REGION] LOCAL GOVERNMENTS SOMETIMES COOPERATE WITH EACH OTHER FOR ADDRESSING THEIR ECONOMIC DEVELOPMENT ISSUES. PLEASE CHECK ALL THE CITIES WITH WHICH YOUR CITY HAS COOPERATED FOR ECONOMIC DEVELOPMENT OVER THE LAST THREE YEARS.

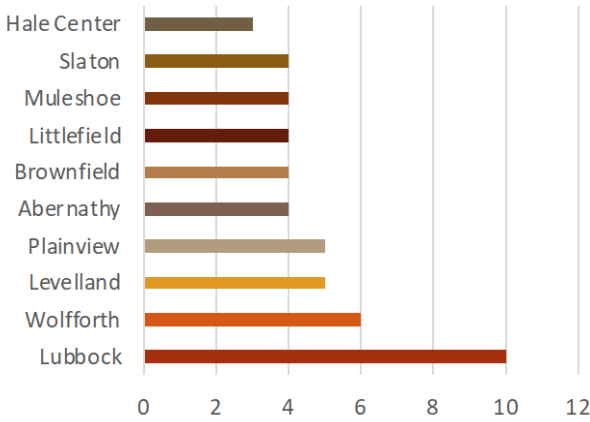
According to the graphs below, most cooperative actions are observed in the South Plains region. More cities are nominated by other cities as cooperative partners for economic development in the past three years with a higher frequency in the region. Especially, Lubbock received the highest number of responses as a local economic development cooperators among all three regions. The Panhandle region also shows that cities in the region tend to find other city governments as their economic development cooperators.



Most of cities in the survey population nominates less than five cooperative cities.

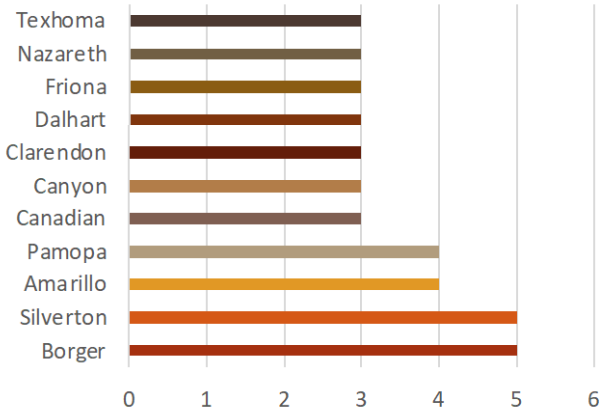
Lubbock and Wolfforth, Amarillo and Borger, and Midland and Odessa are mentioned as their cooperative cities the most frequently in the South Plains, Panhandle, Permian Basin regions, Southplains regions, respectively.

South Plains Region

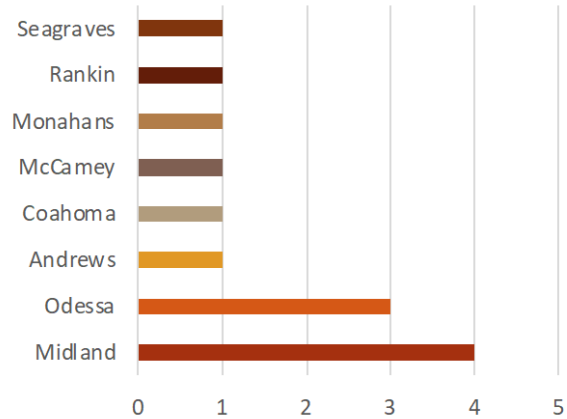


Frequently mentioned cities as cooperators in each region

Panhandle Region



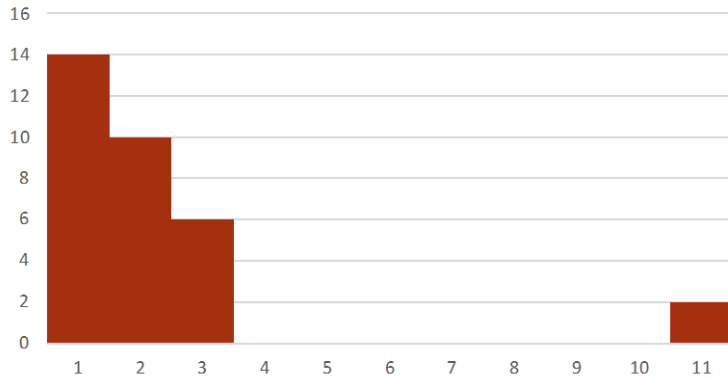
Permian Basin Region



Q6. [COMPETITION WITH CITIES IN YOUR REGION] LOCAL GOVERNMENTS SOMETIMES COMPETE WITH EACH OTHER FOR ADDRESSING THEIR ECONOMIC DEVELOPMENT ISSUES. PLEASE CHECK ALL THE CITIES WITH WHICH YOUR CITY HAS COMPETED FOR ECONOMIC DEVELOPMENT OVER THE LAST THREE YEARS.

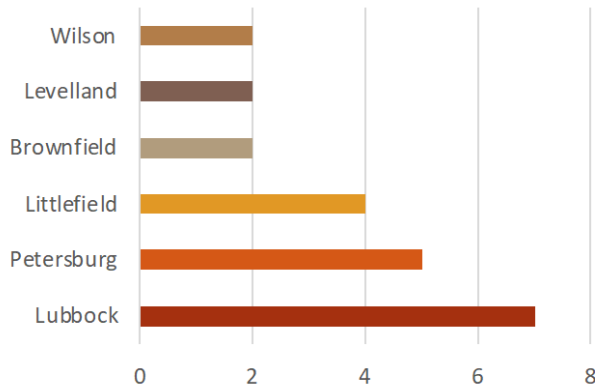
In the South Plains region, more competitive relationships among cities are found. Even the largest city in the region, Lubbock, is considered as a competitor by other cities. However, in the Panhandle and Permian Basin regions, the interlocal competition for economic development is less salient. And small communities do not tend to consider they are competing with major cities in their regions, such as Amarillo and Midland.

Number of Competitive Cities

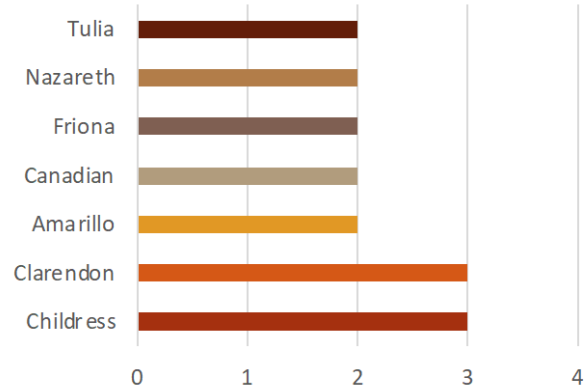


Most of cities in the survey population have less than four cities with which they are competing for economic development.

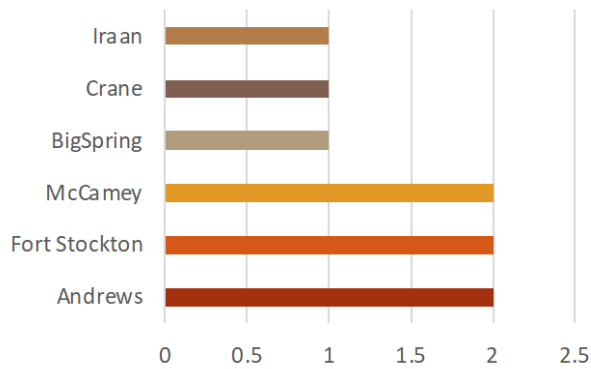
Southplains Region



Panhandle Region



Permian Basin Region



Frequently mentioned cities as competitors

Q7. COOPERATION WITH OTHERS] IF YOUR CITY HAS BEEN IN COOPERATION WITH OTHER REGIONAL-LEVEL AGENCIES, ORGANIZATIONS, OR ENTITIES THAN THOSE IN THE LIST ABOVE FOR ECONOMIC DEVELOPMENT (E.G. THE HIGH GROUND TEXAS), PLEASE SPECIFY THEM.

Region	N	%
South Plains	16	45.71%
Panhandle	14	40.00%
Permian Basin	5	14.29%

In both South Plains and Panhandle regions, more cooperation with regional-level agencies is reported. Most popular regional cooperators are The High Ground of Texas and their regional councils (South Plains Association of Governments and Panhandle Regional Planning Commission, respectively).

PART III: ECONOMIC DEVELOPMENT POLICIES/PROGRAMS

Q8. HAS YOUR JURISDICTION ADOPTED THE FOLLOWING TAX AND BUSINESS INCENTIVES FOR ECONOMIC DEVELOPMENT? PLEASE CHECK ALL THAT APPLY.

Tax and Business Incentives	N	%
Tax abatements or rebate	24	53.33%
Tax credits	5	11.11%
Economic development/Enterprise zones	15	33.33%
Utility rate reduction	4	8.89%
Relief from development fees	9	20.00%
Annexing property to provide serviced land for new business or greenland/land write down or subsidize buildings	15	33.33%
Others	5	11.11%

Q9. HAS YOUR JURISDICTION ADOPTED THE FOLLOWING FINANCING PROGRAMS FOR ECONOMIC DEVELOPMENT? PLEASE CHECK ALL THAT APPLY.

Financing Programs	N	%
Industrial development bonds, Local government issue bonds	1	2.44%
Grant to Business	25	60.98%
Low-cost loans fund	25	60.98%
Others	2	4.88%

Q10. HAS YOUR JURISDICTION ADOPTED THE FOLLOWING BUSINESS ASSISTANCE PROGRAMS FOR ECONOMIC DEVELOPMENT? PLEASE CHECK ALL THAT APPLY.

Business Assistance Programs	N	%
Job training program operated by local government	11	26.83%
Operating business assistance center or small business incubator program	14	34.15%
Infrastructure Improvements	31	75.61%
Zoning Permit Assistance / One-stop permit issuance services / Fast tracking permitting	31	75.61%
Ombudsman Program / Business Round Table / Local Business Publicity Program	11	26.83%
Regulatory Flexibility / Zoning or Building relief	7	17.07%
Other	1	2.44%

Q11. HAS YOUR JURISDICTION ADOPTED THE FOLLOWING MARKETING/PROMOTION STRATEGIES FOR ECONOMIC DEVELOPMENT? PLEASE CHECK ALL THAT APPLY.

Marketing/Promotion Strategies	N	%
Regional approaches to marketing using regional partnership or other regional agency (Pooling Resource)	22	68.75%
Providing community data, resource or information databases (e.g. GIS)	20	62.50%
Lobbying government units to locate government facilities in your community	7	21.88%
Other	2	6.25%

Q12. HAS YOUR JURISDICTION ADOPTED THE FOLLOWING RESOURCE/PROPERTY/COMMUNITY DEVELOPMENT PLANS FOR ECONOMIC DEVELOPMENT? PLEASE CHECK ALL THAT APPLY.

Resource/Property/Community Development Plans	N	%
Engaging in public/private ventures or partnering with other non-governmental organizations (e.g. Chamber of Commerce)	29	31.87%
Engaging in joint ventures or partnering with other local governments to encourage development	23	25.27%
Local government owned industrial or business park	19	20.88%
Using Business Improvement Districts or a Main Street program	16	17.58%
Community Redevelopment Agency to promote projects in specific areas	3	3.30%
Other	1	1.10%

Q13. REGARDING YOUR LOCAL EFFORTS TO ENHANCE ECONOMIC DEVELOPMENT, HOW WOULD YOU RATE YOUR JURISDICTION'S POLICIES TO NEIGHBORING LOCAL GOVERNMENTS?

Local Efforts	N	%
We do MUCH LESS THAN our neighboring localities	21	35.00%
We do LESS THAN our neighboring localities	8	13.33%
We do ABOUT THE SAME AS our neighboring localities	28	46.67%
We do MORE THAN our neighboring localities	0	0.00%
We do MUCH MORE THAN our neighboring localities	3	5.00%

PART IV: ECONOMIC DEVELOPMENT ACTORS AND FOCUS

Q14. INDICATE THE EXTENT TO WHICH EACH OF THE FOLLOWING ACTORS PARTICIPATE IN DEVELOPING YOUR LOCAL GOVERNMENT'S ECONOMIC DEVELOPMENT STRATEGIES.

Economic Development Actors	Very little extent	Little extent	Some extent	Great extent	Very great extent
Federal government	62.50%	13.89%	13.89%	8.33%	1.39%
State government	34.72%	25.00%	31.94%	5.56%	2.78%
County government	25.00%	30.56%	30.56%	9.72%	4.17%
City government	1.39%	13.89%	15.28%	40.28%	29.17%
Chamber of commerce	37.50%	15.28%	25.00%	13.89%	8.33%
Economic development corporation	25.00%	5.56%	6.94%	15.28%	47.22%
Regional organizations	31.94%	23.61%	23.61%	11.11%	9.72%
Planning consortia	69.44%	19.44%	8.33%	2.78%	0.00%
Public/private partnership	52.78%	19.44%	15.28%	9.72%	2.78%
Private business/industry	37.50%	23.61%	13.89%	16.67%	8.33%
Private/community economic development foundation	59.72%	12.50%	13.89%	6.94%	6.94%
Utility	37.50%	18.06%	20.83%	19.44%	4.17%
College/university	68.06%	8.33%	9.72%	11.11%	2.78%
Citizen advisory board/commission	65.28%	16.67%	11.11%	4.17%	2.78%
Ad hoc citizen group	79.17%	13.89%	4.17%	1.39%	1.39%
Non-profit organizations serving the poor	63.89%	20.83%	12.50%	0.00%	2.78%

City governments and economic development corporations are the primary actors in local economic development strategies in three West Texas regions. The role of higher levels of government, especially the federal government, is limited in local economic development activities. In addition, other actors listed above participate in the development of local economic development strategies to a very little extent in the surveyed regions.

Q15. INDICATE THE EXTENT TO WHICH YOUR LOCAL GOVERNMENT FOCUSES ON THE FOLLOWING BUSINESSES FOR ECONOMIC DEVELOPMENT.

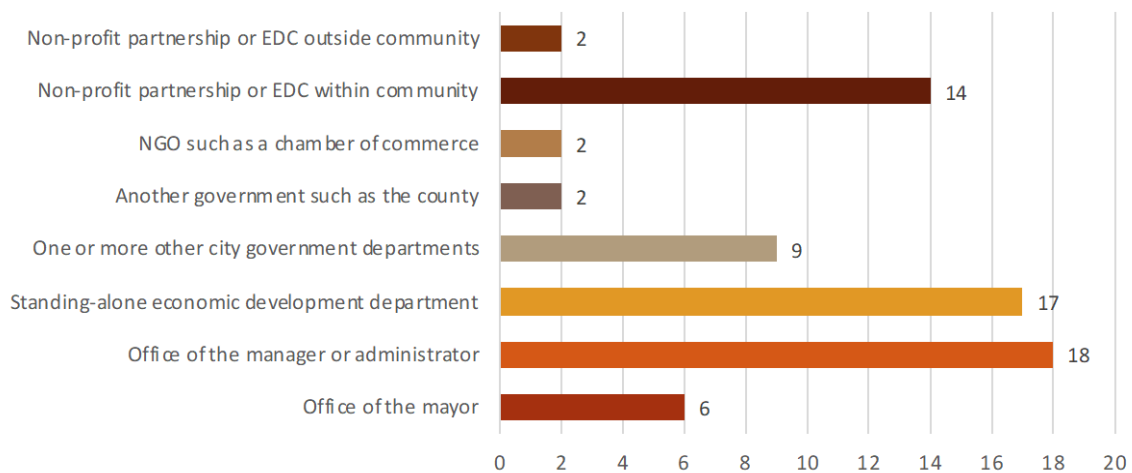
Business	Very little extent	Little extent	Some extent	Great extent	Very great extent
Agriculture	20.83%	11.11%	22.22%	23.61%	22.22%
Manufacturing	31.94%	18.06%	20.83%	18.06%	11.11%
Retail/service	12.50%	18.06%	26.39%	31.94%	11.11%
Institutional (military, government, nonprofit)	65.28%	18.06%	9.72%	4.17%	2.78%
Residential community	19.44%	19.44%	31.94%	23.61%	5.56%
sTourism/hospitality	34.72%	16.67%	26.39%	15.28%	6.94%
Technology/telecommunications	38.89%	23.61%	19.44%	15.28%	2.78%
Health care services	38.89%	15.28%	19.44%	22.22%	4.17%

Agriculture, retail/service industries, and residential community development are important business areas in the surveyed regions as many cities are focusing on these areas with a great or very great extent level. Tourism, technology-related, and healthcare services take smaller proportions of businesses that cities are focusing. Institutional business is the least popularly pursued business area in all the surveyed regions.

PART V: ORGANIZATION AND BUDGET

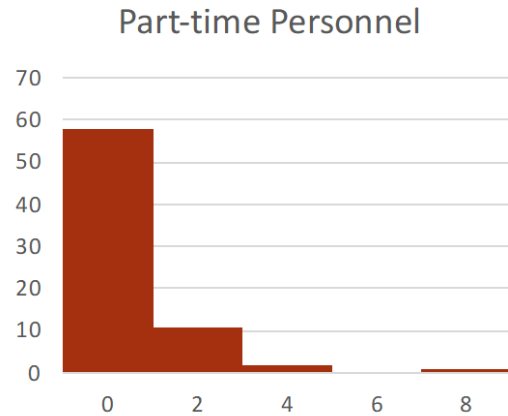
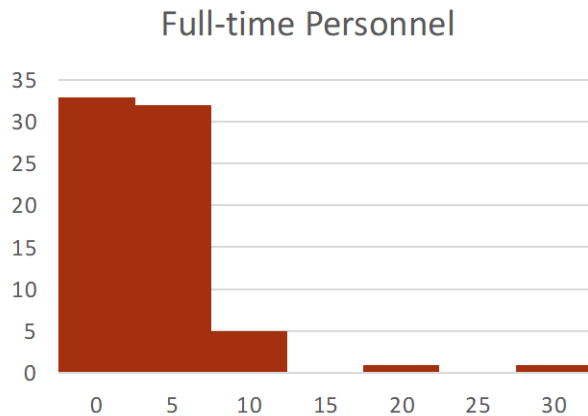
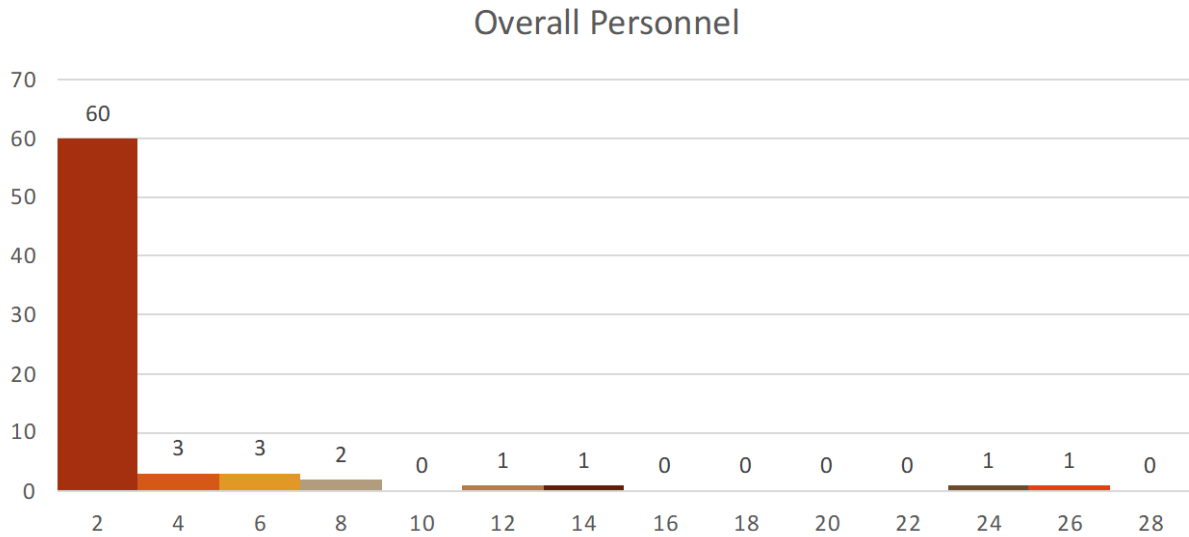
Q16. WHERE ARE THE MAJORITY OF ECONOMIC DEVELOPMENT ACTIVITIES CARRIED OUT BY YOUR LOCAL GOVERNMENT?

Major Economic Development Organization



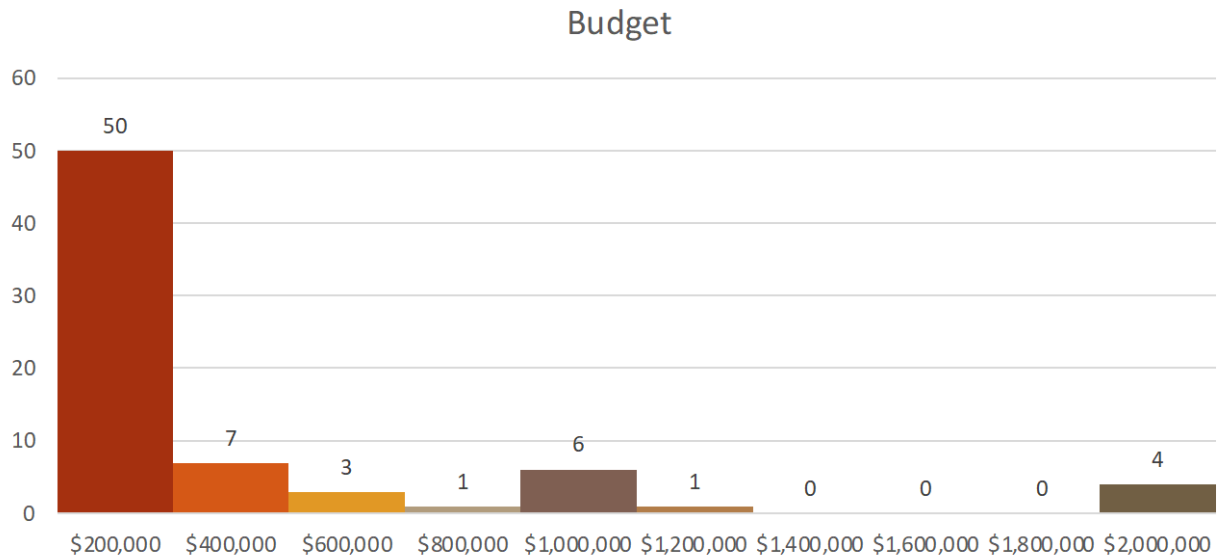
Office of the city manager or administrator and economic development department have been the two most popular organizations that take charge of local economic development activities. Partnering with non-profit organizations or economic development corporation within the community are also frequent choices in the surveyed cities. However, collaboration with organizations and/or corporations outside the community or city government is not popularly selected by the respondents.

Q17. HOW MANY PERSONNEL DOES YOUR LOCAL GOVERNMENT EMPLOY FOR ECONOMIC DEVELOPMENT?



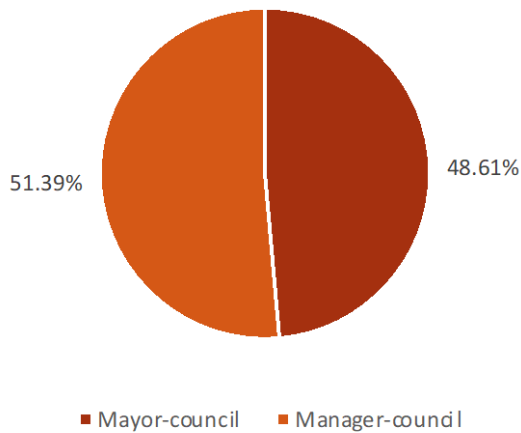
The number of personnel dedicated to economic development activities in the surveyed regions is quite small, and it is understandable as most of them are small and rural cities. 60 out of 72 cities have two or fewer employees working for improving the local economy. Very few cities have over ten employees working for the purpose of city economic development. Generally, cities have a greater number of full-time employees than part-time employees.

Q18. APPROXIMATELY WHAT IS THE BUDGET OF YOUR LOCAL GOVERNMENT FOR ECONOMIC DEVELOPMENT ACTIVITIES IN FY 2017-2018?



Differences in budgets used for economic development vary greatly among cities. Over 60% of cities spend less than \$200,000 on economic development in FY 2017-2018. Many small cities reported no budget for economic development.

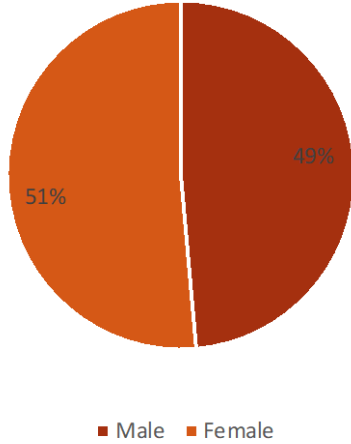
Q19. PLEASE SELECT THE FORM OF GOVERNMENT BEST DESCRIBING YOUR JURISDICTION.



Mayor-council and council-manager forms of government are two major institutional forms in West Texas. The percentage of these two forms are quite close for those who responded to the survey.

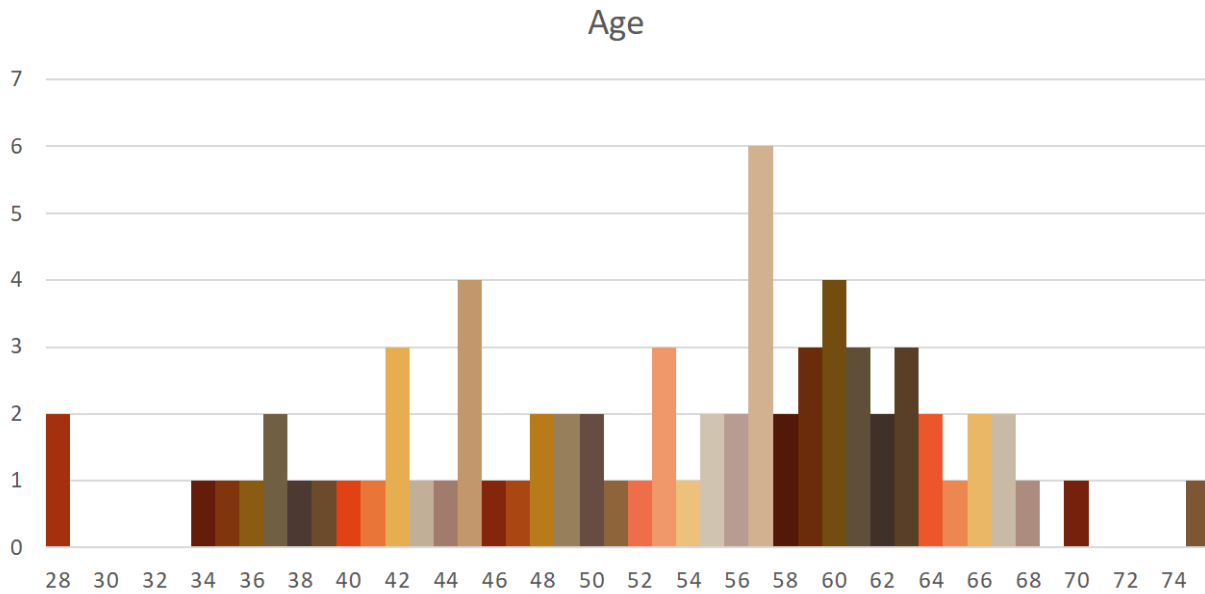
PART VI: DEMOGRAPHICS OF RESPONDENTS

Q20. WHAT IS YOUR GENDER?

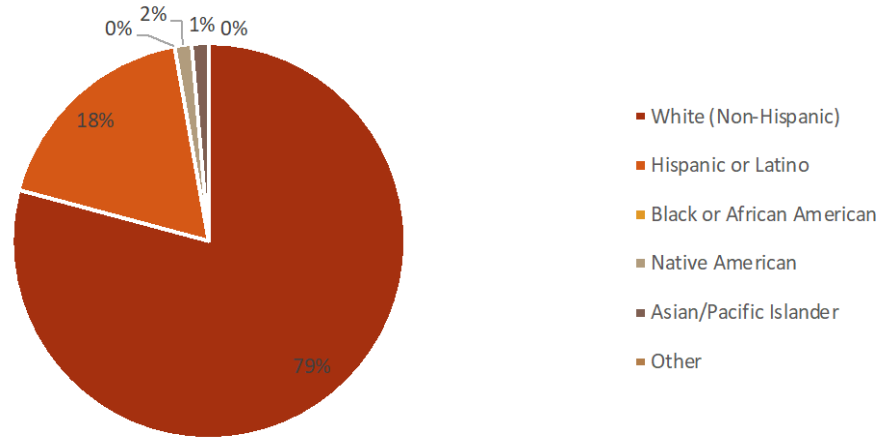


Economic development leaders are half and half in terms of their gender, which shows that this policy arena is led by many female economic development professionals in West Texas.

Q21. WHAT IS YOUR AGE?

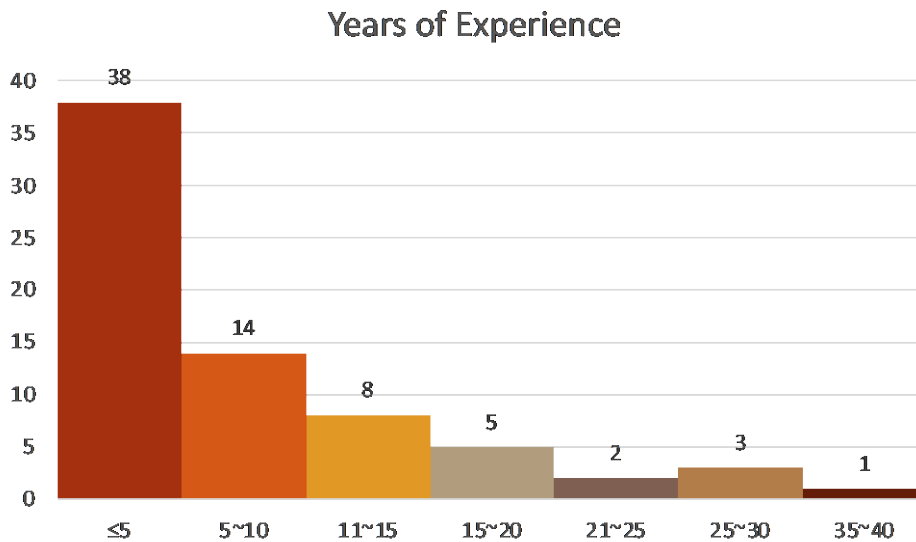


Q22. WHAT IS YOUR ETHNICITY?



Over two-thirds of the respondents are White (Non-Hispanic) people. The second-largest ethnicity of respondents is Hispanic or Latino. A small group of respondents is Native American and Asian/Pacific Islander. During the time when the survey was conducted, there was no Black or African-American leader who was most responsible for economic development in their cities among the respondents.

Q24. HOW MANY YEARS OF EXPERIENCE DO YOU HAVE IN YOUR CURRENT POSITION?



Overall, the respondents have relatively short-term working experience as their cities' highest-level economic development leaders. Most of them have less than five years in their current positions. However, a couple of the respondents stated that they had previous working experience related to this economic development leadership position when they have not reached five years in the current position.

For more information on this survey research, contact Dr. Sung-Wook Kwon,
Director of the Center for Public Service and associate professor in the
Department of Political Science, at sung.kwon@ttu.edu or (806) 834-4786.



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