



LUBBOCK  
ECONOMIC  
DEVELOPMENT  
ALLIANCE

MARKET  
LUBBOCK

VISIT LUBBOCK

LUBBOCK  
SPORTS



# THE STATE OF BUSINESS

November 14, 2017



# Build a Place

Maura Gast – Irving, TX CVB

“If you build a place people want to visit,  
you build a place where people want to live.”

“If you build a place where people want to live,  
you’ll build a place where people want to work.”

“If you build a place where people want to work,  
you’ll build a place where business has to be.”

“And if you build a place where business has to be,  
you’ll build a place where people have to visit.”

# Site Selection Factors

Site Selector Factors	2016 Rank	2015 Rank	2014 Rank	2013 Rank	2012 Rank	2011 Rank
Highway accessibility	1	2	1	2	2	1
Availability of skilled labor	2	1	5	1	3	2T
Labor costs	3	6	6	3	1	2T
Occupancy or construction costs	4	4	2	4	5	5T
State and local incentives	5	9	11T	8	13T	5T
Corporate tax rate	6	7	10	7	7	4
Tax exemptions	7	11	11T	11T	9	6
Energy availability and costs	8	10	9	10	6	7
Proximity to major markets	9	8	8	15	12	9
Quality of life	10	3	N/A	N/A	N/A	N/A
Available buildings	11	5	4	6	8	15
Available land	12	13	3	13	18	16
Expedited or "fast-track" permitting	13	12	13	14	15	17
Environmental regulations	14T	14	16	17	13T	14
Low union profile	14T	18	14	9	10	10
Right-to-work state	16	17	7	11T	11	12
Inbound/outbound shipping costs	17	19	15	18	16	11
Training programs/technical colleges	18T	15	18	23	22	23
Availability of long-term financing	18T	16	17	16	17	18
Proximity to suppliers	20	20	21	19	19	19
Raw materials availability	21	24	22	20	23	22
Accessibility of major airport	22	21	19	21	21	21
Availability of unskilled labor	23	26	23	24	25	20
Water availability	24	22	25	N/A	N/A	N/A
Availability of advanced ICT services	25	23	24	5	4	13
Proximity to innovation/commercialization R&D centers	26	25	N/A	N/A	N/A	N/A
Railroad service	27	27	26	25	24	25
Waterway or oceanport accessibility	28	28	27	26	26	26

# What Others Say

- Forbes ranks Lubbock 95<sup>th</sup> on its list of Best Places for Business and Careers
  - 42<sup>nd</sup> in Cost of Doing Business
  - 85<sup>th</sup> in Job Growth
- Lubbock ranks as one of WalletHub's Top 15 Cities in America to Start a Business in 2017.
- Lubbock ranks as one of the Top 25 Cities in the U.S. For People Under 35 according to a 2017 Growella study published by CNBC.
- In 2017, WalletHub ranks Lubbock No. 16 on its 2017 list of the 150 Best Cities for Hispanic Entrepreneurs
- Out of 100 cities, Lubbock ranks 49 on Veterans United list of Best Cities for Veteran Homebuyers in 2017.

# What Others Say

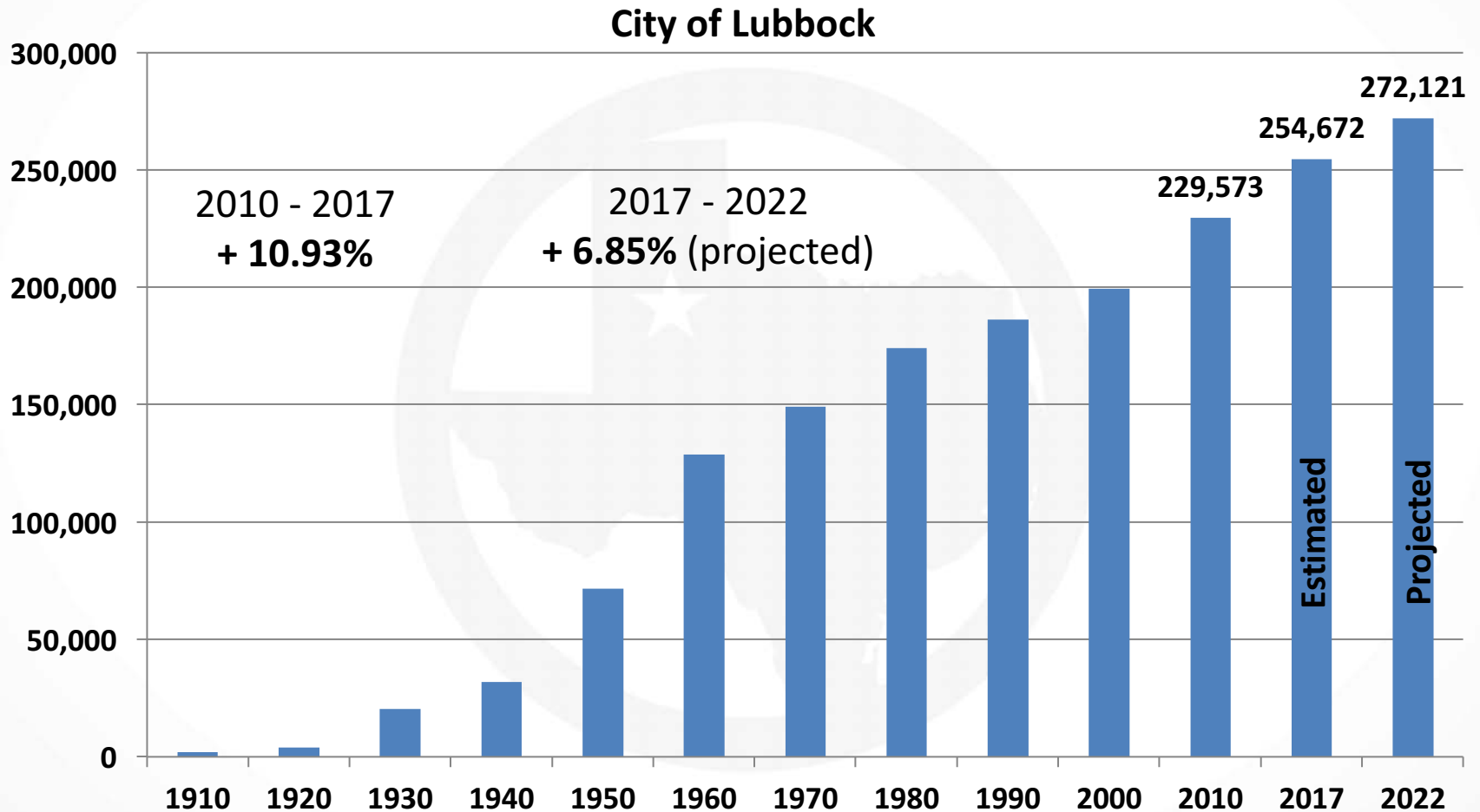
- Out of 200 cities, ValuePenguin ranks Lubbock as the 24th Best City for Small Business in the U.S. in 2017.
- Millennial Personal Finance ranks Lubbock 68th on its list of the Top 150 Cities for Millennials in 2017.
- Move.org ranks Lubbock as the 6th Best City for 20-Somethings in the U.S. in 2016.
- Lubbock ranks in the Top 15 for U.S. Metro Areas with the Fastest Growing Creative Sectors according to a report by Garner Economics LLC in 2016.



# DEMOGRAPHICS



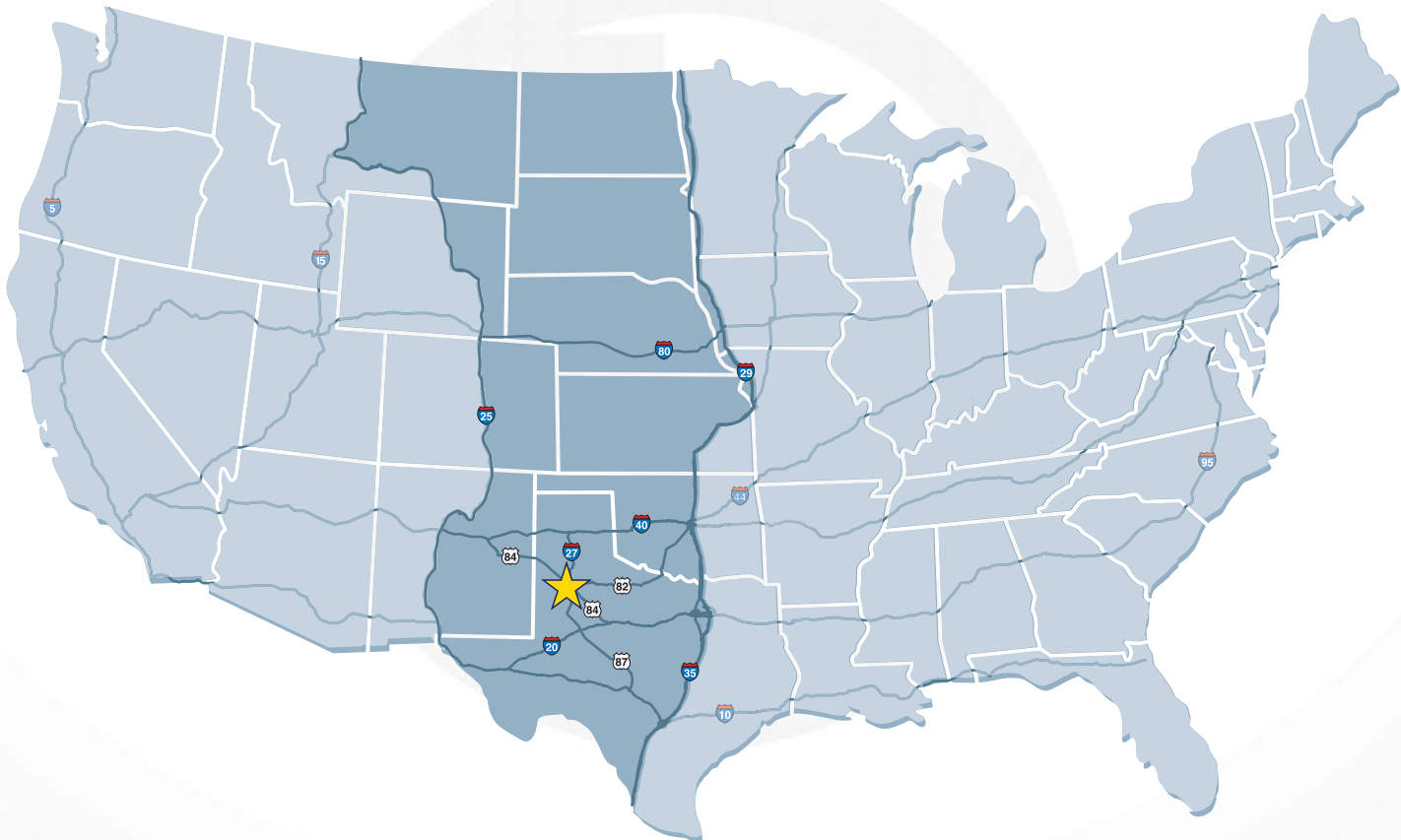
# Population Growth



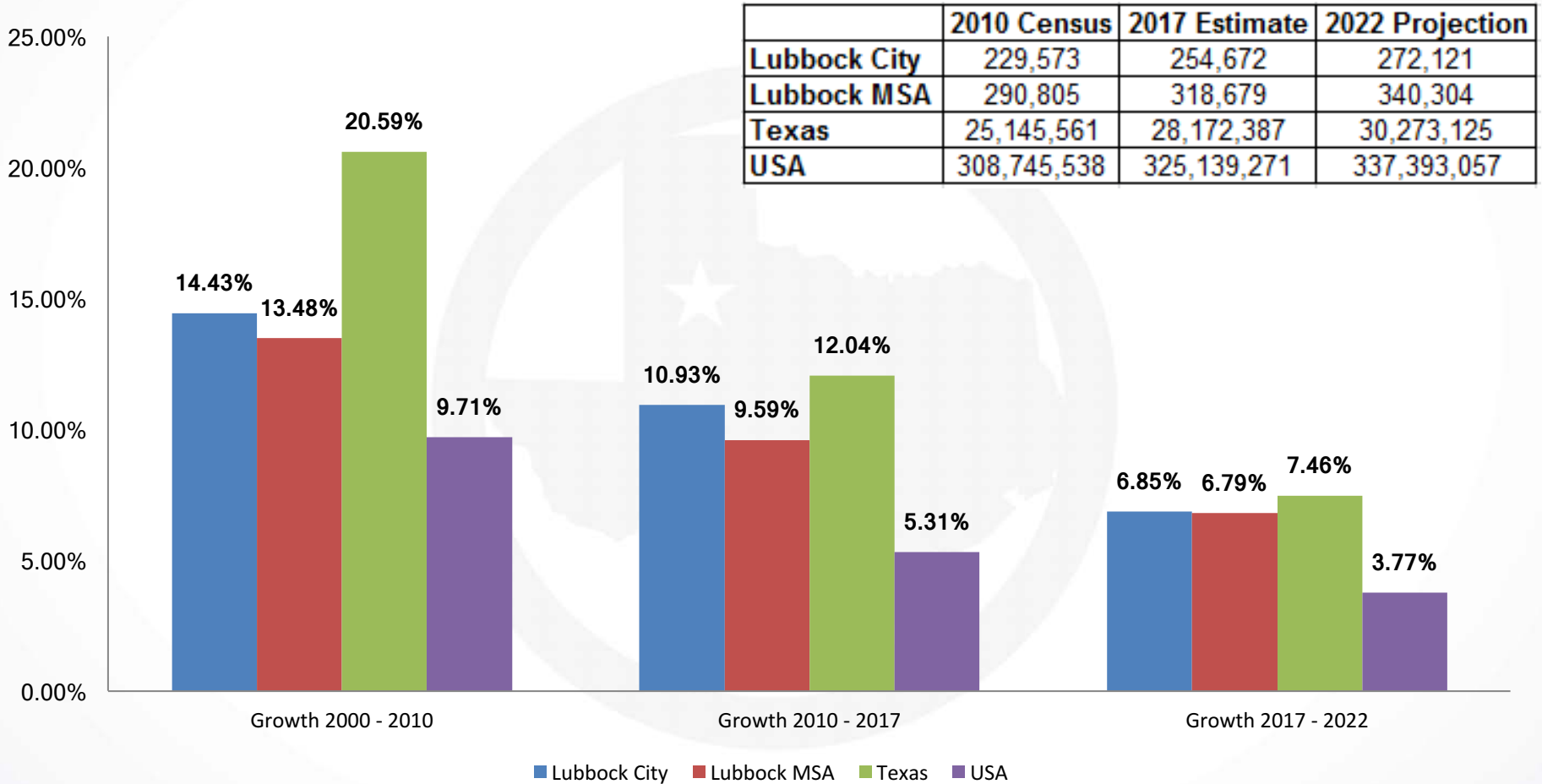


# 3rd Largest MSA

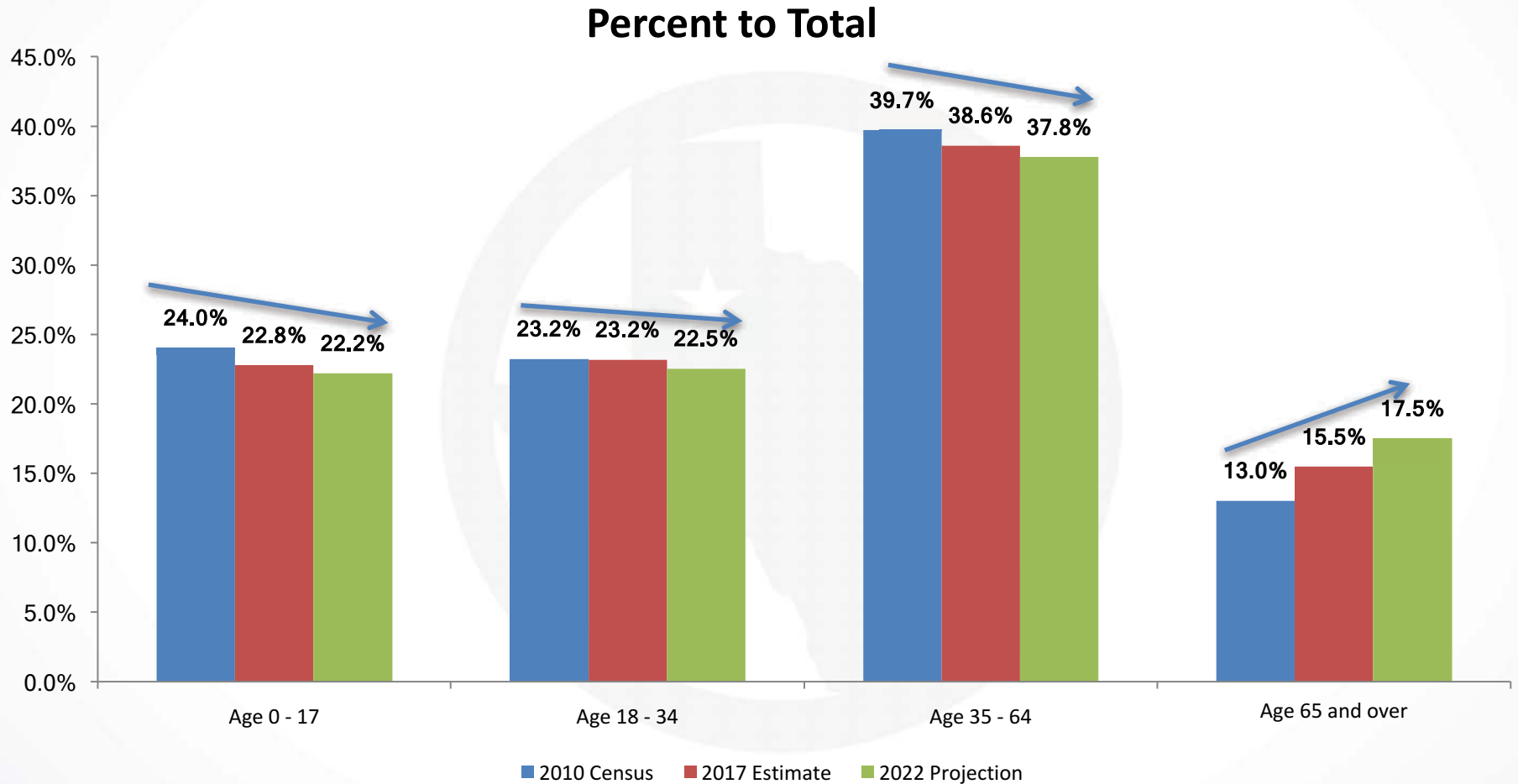
between the I-35 corridor and the front range of the Rockies



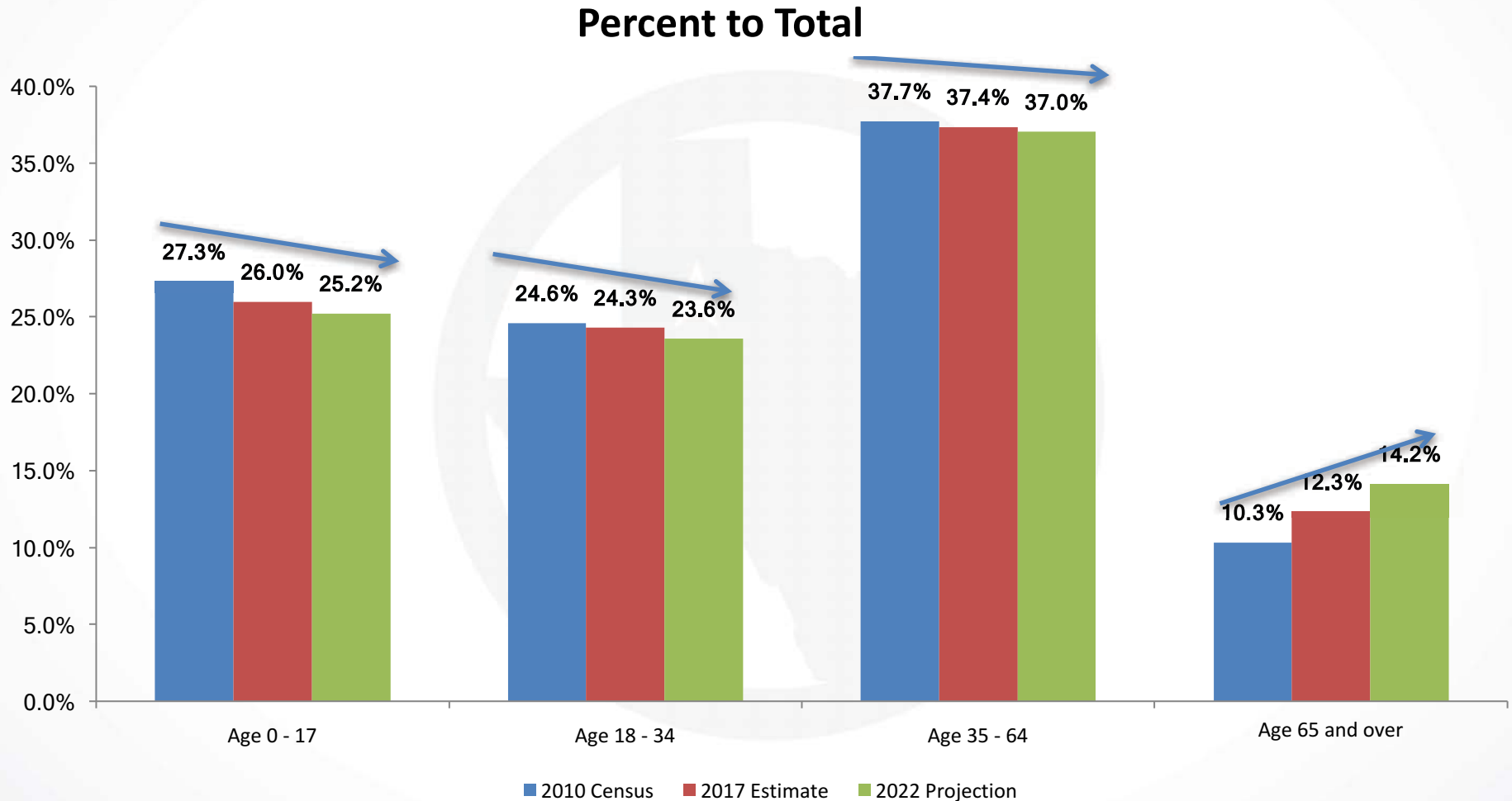
# Population Growth



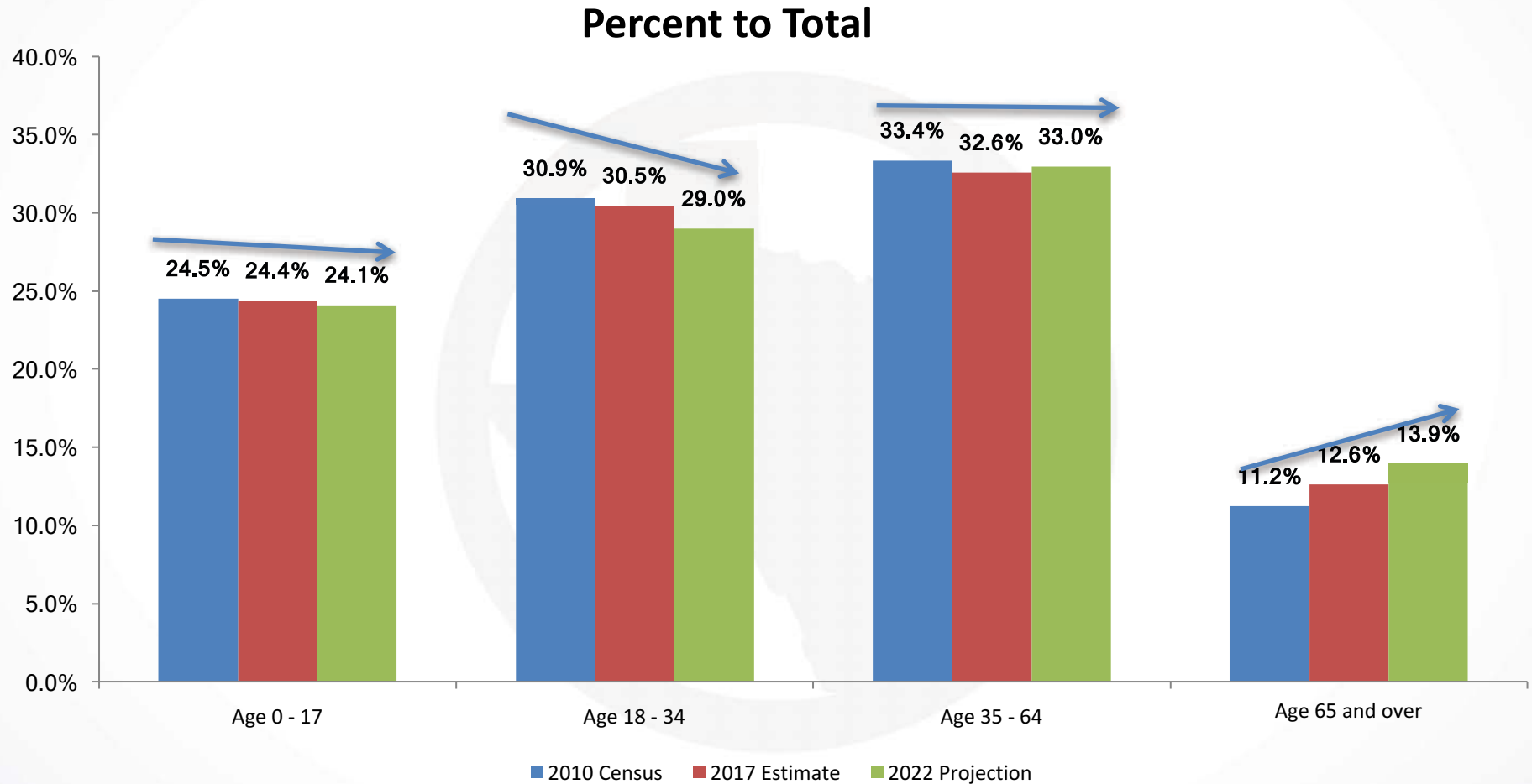
# Population by Age Group - USA



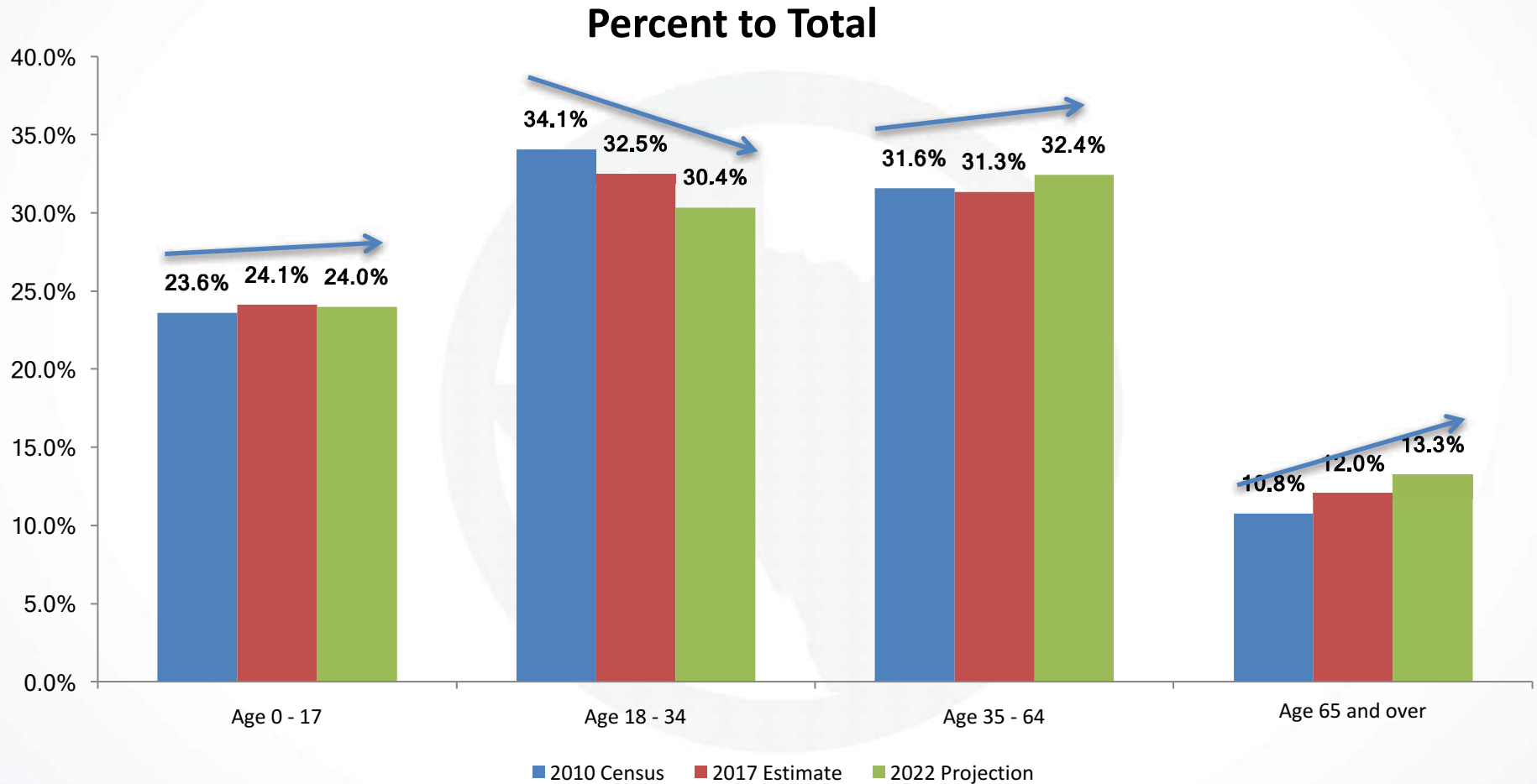
# Population by Age Group - Texas



# Population by Age Group - Lubbock MSA



# Population by Age Group - Lubbock City

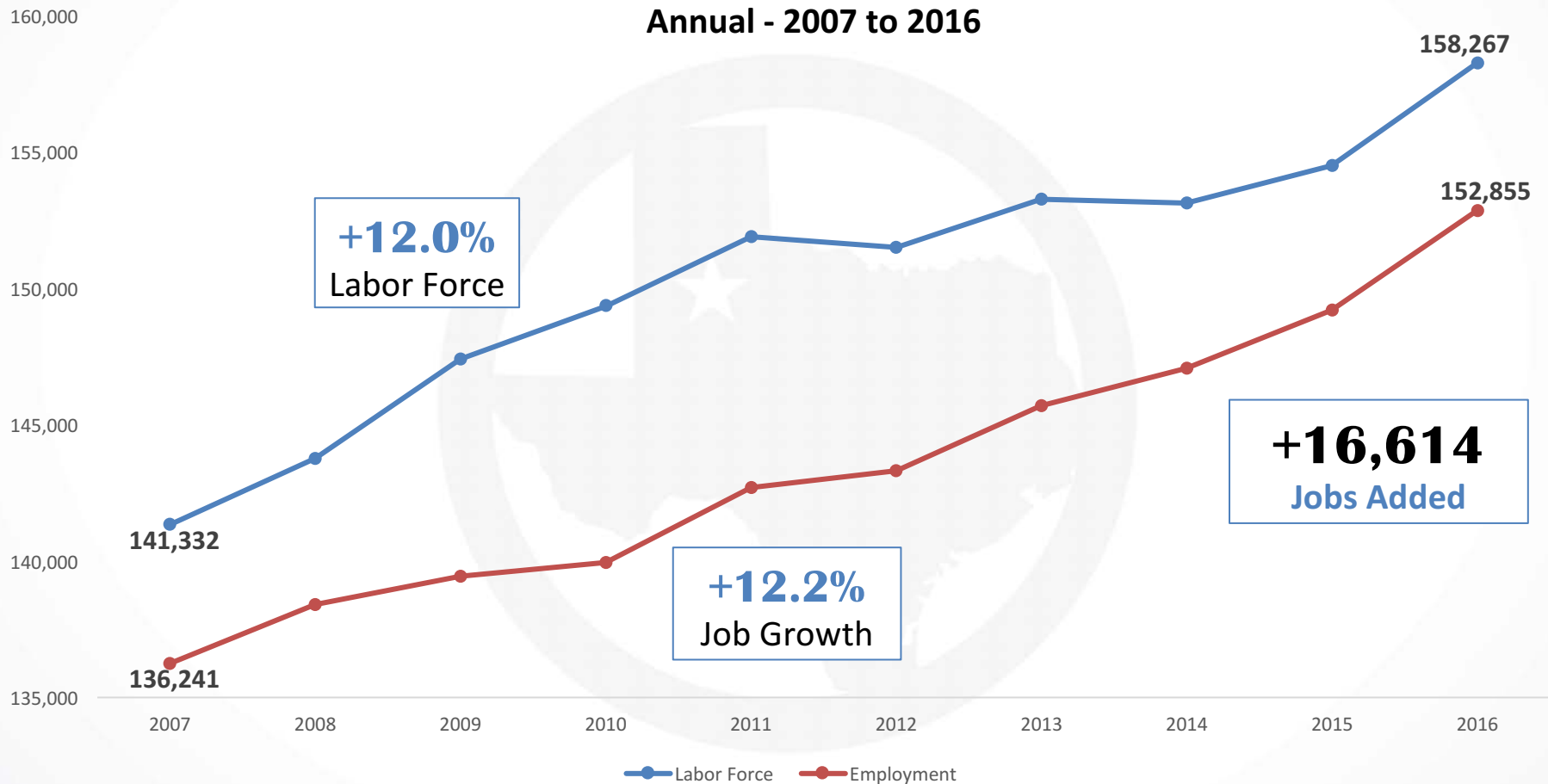




# ECONOMIC PERFORMANCE



# Lubbock MSA Employed Labor Force



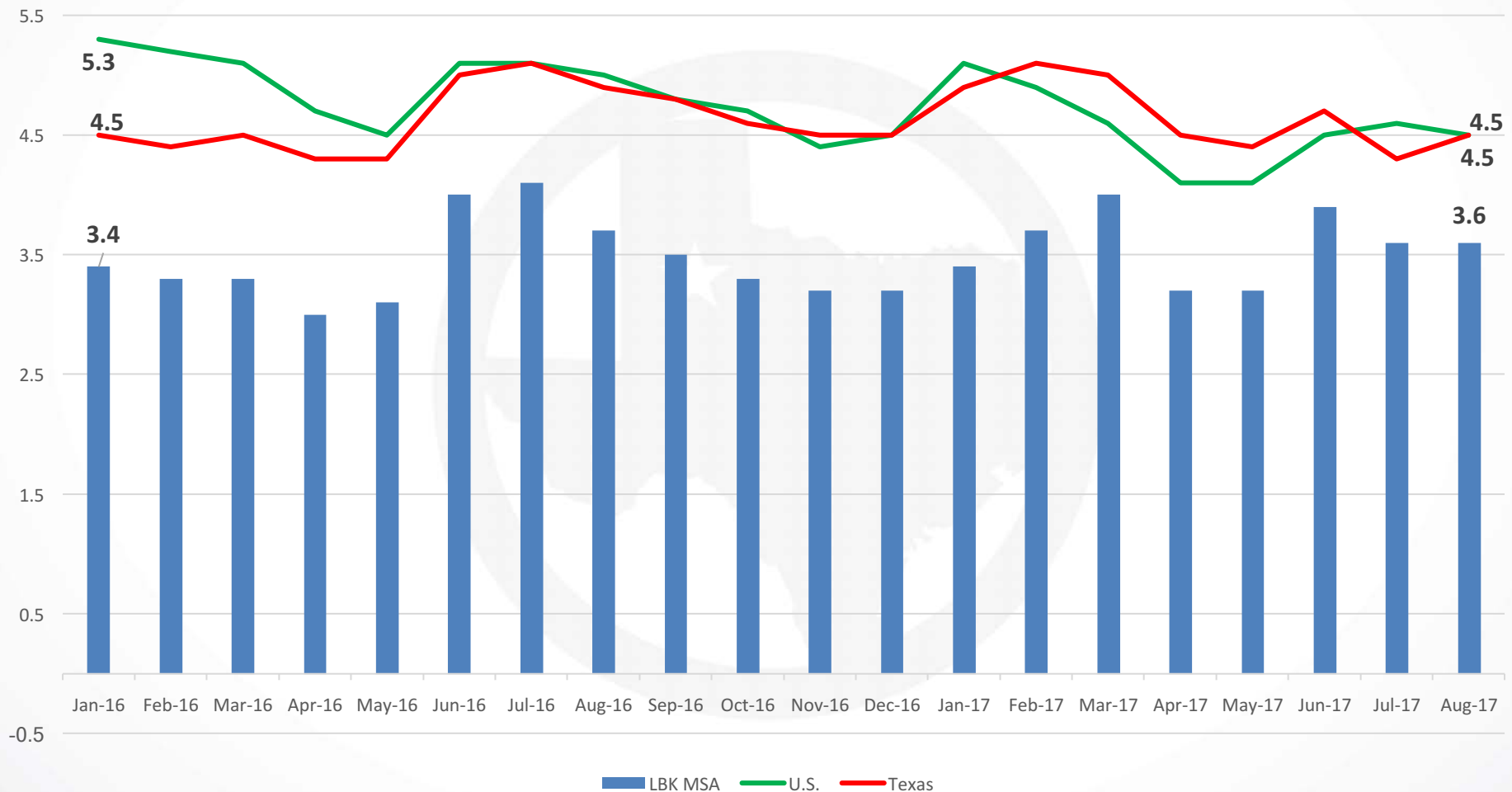


# Job Growth Performance Since 2012

**Aug. 2012 vs Aug. 2017**

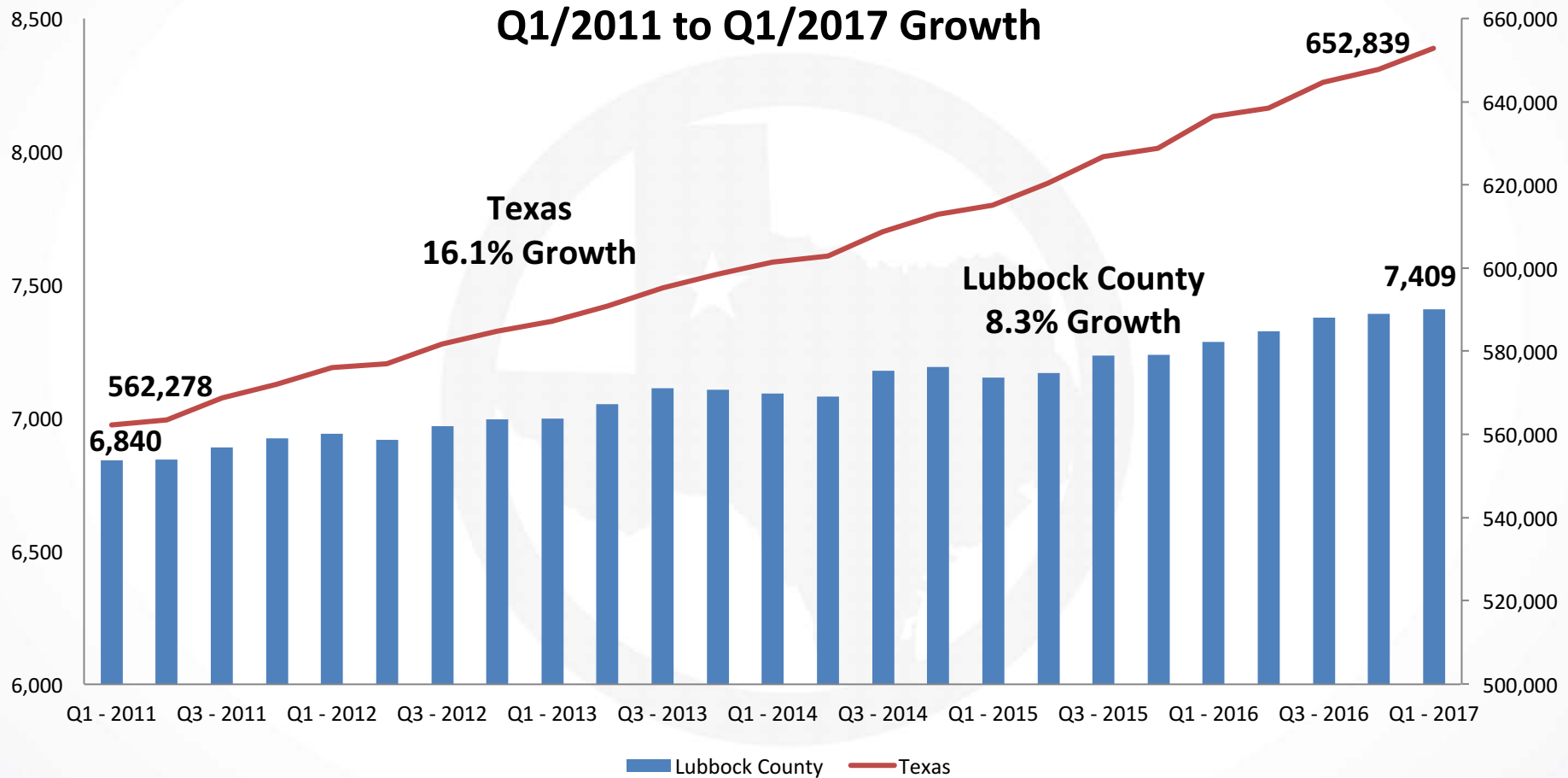
Region	Job Growth	Labor Force
<b>United States</b>	7.7%	3.6%
<b>Lubbock</b>	<b>6.0%</b>	<b>3.8%</b>
<b>Texas</b>	8.8%	6.0%

# Unemployment Rate

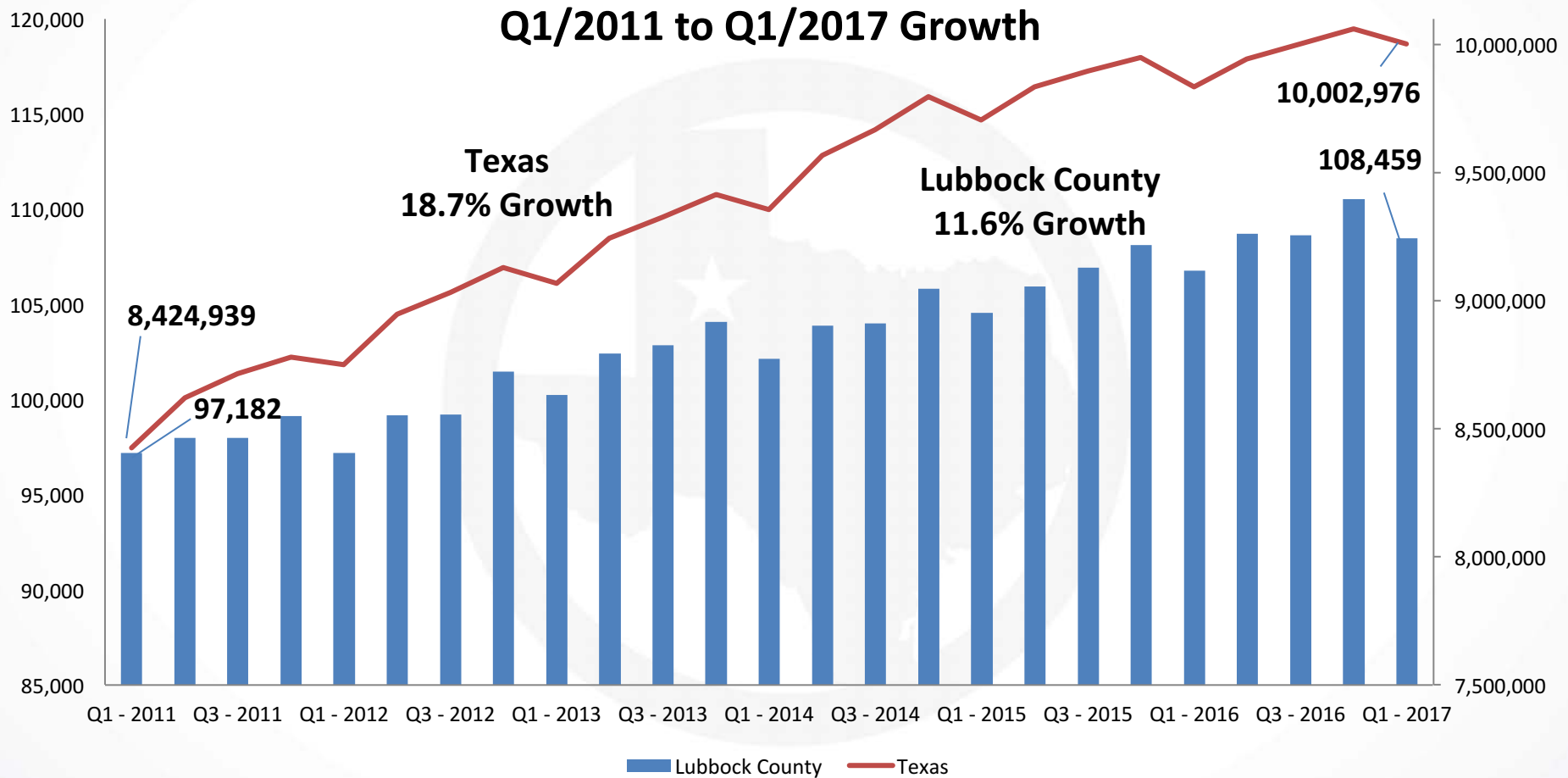


Texas Workforce Commission  
(LAUS)

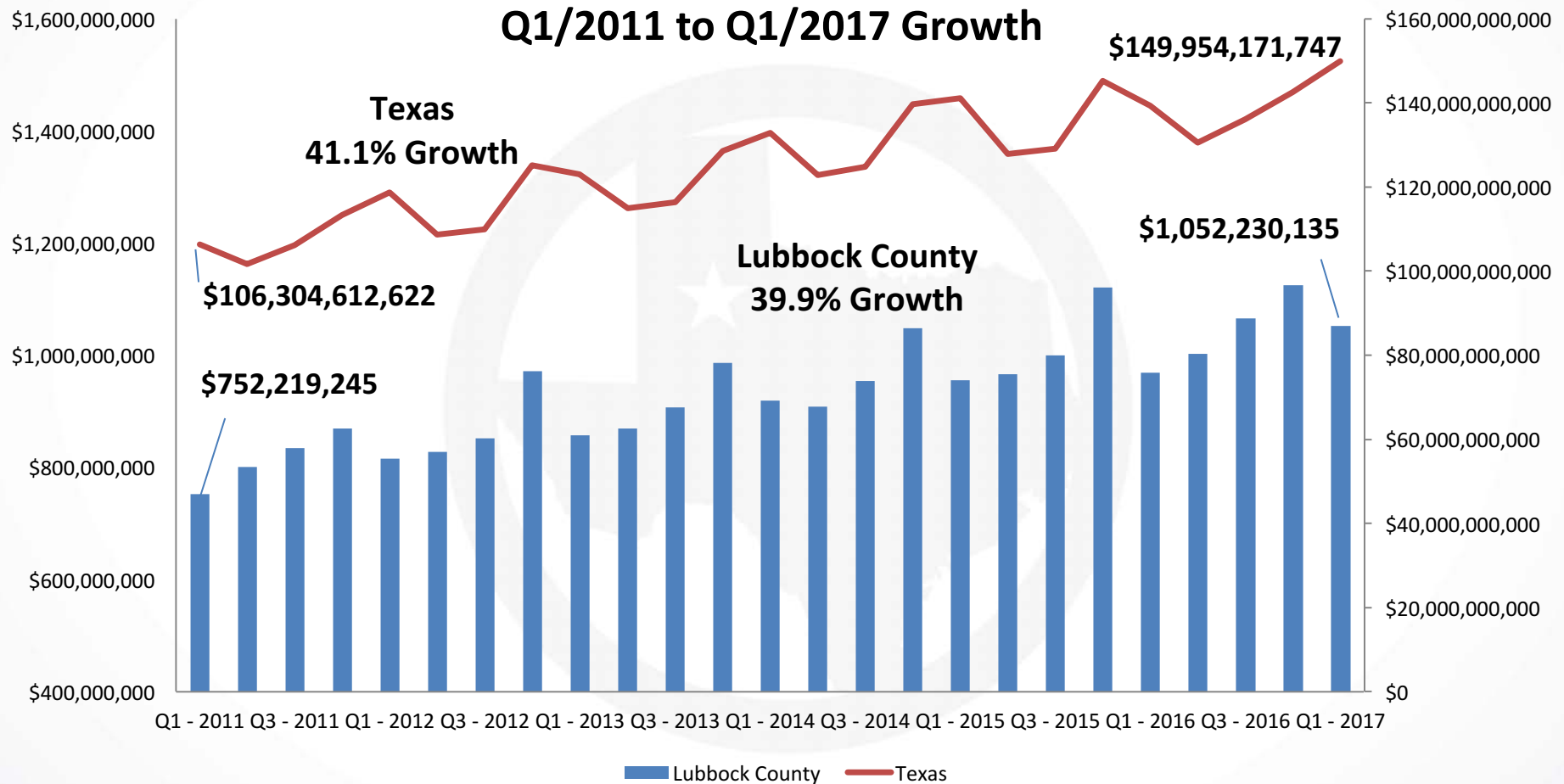
# Establishments - All Private Industries



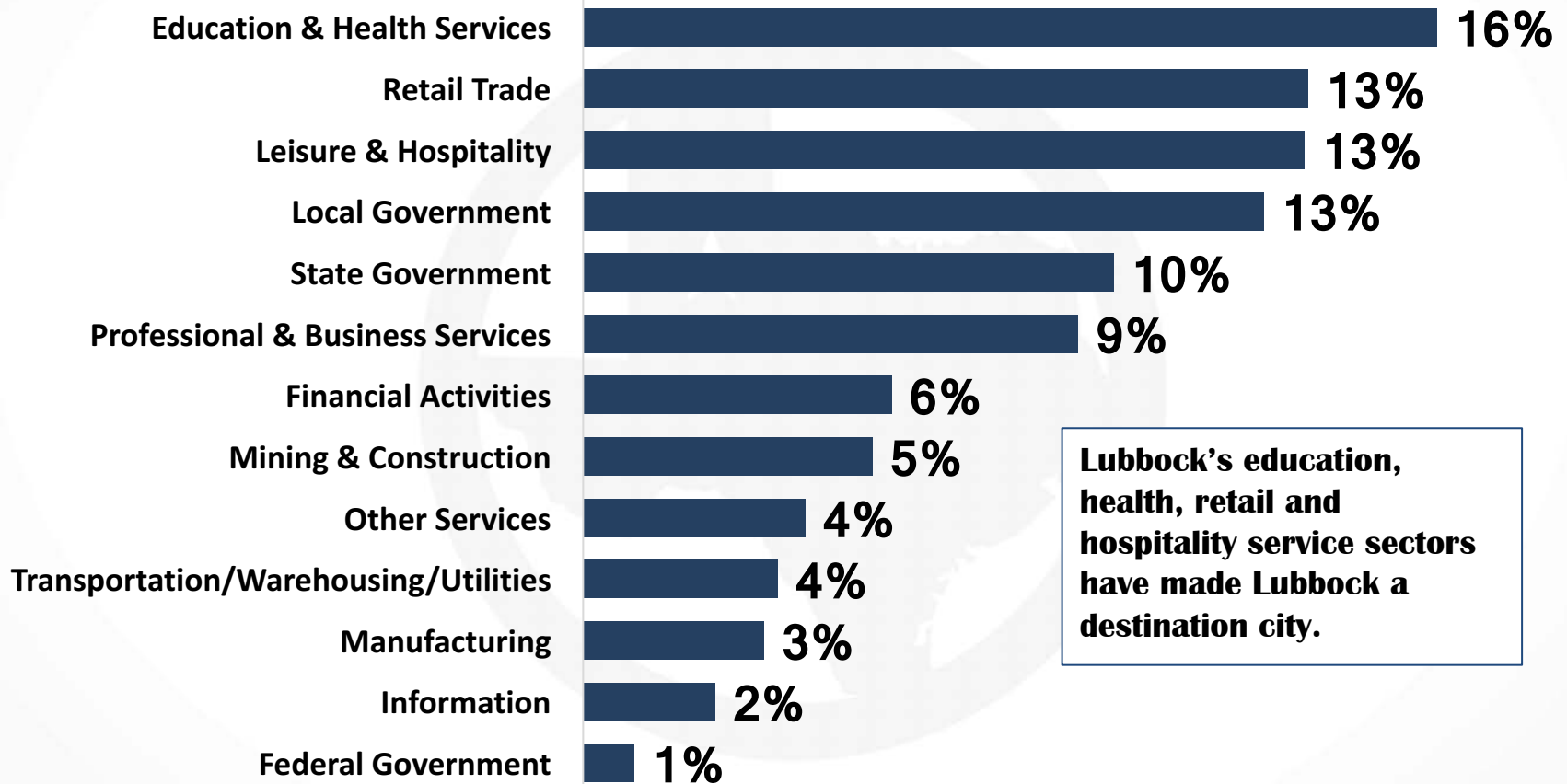
# Avg. Workforce - All Private Industries



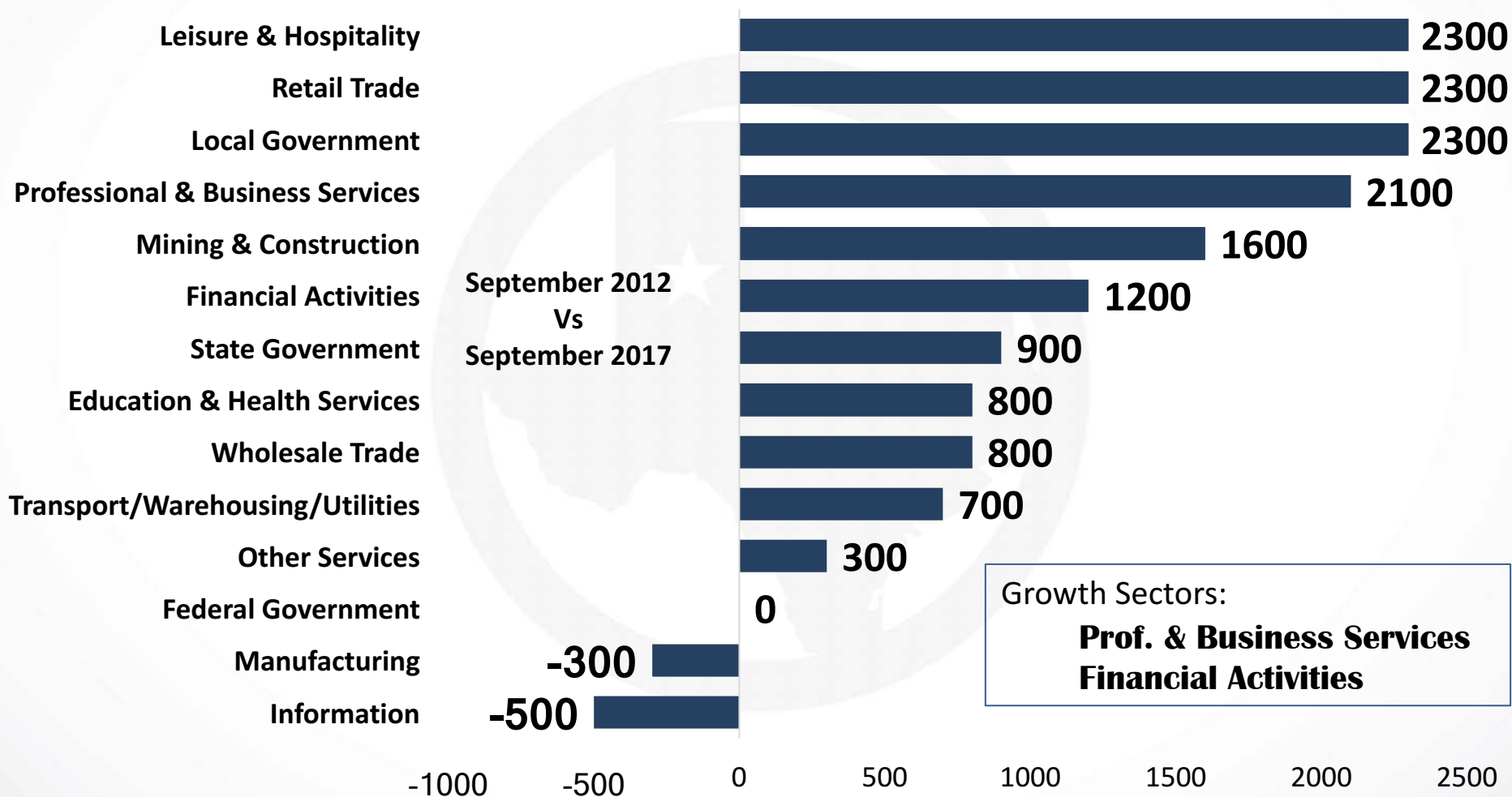
# Total Wages - All Private Industries



# 2017 Industry Employment Distribution

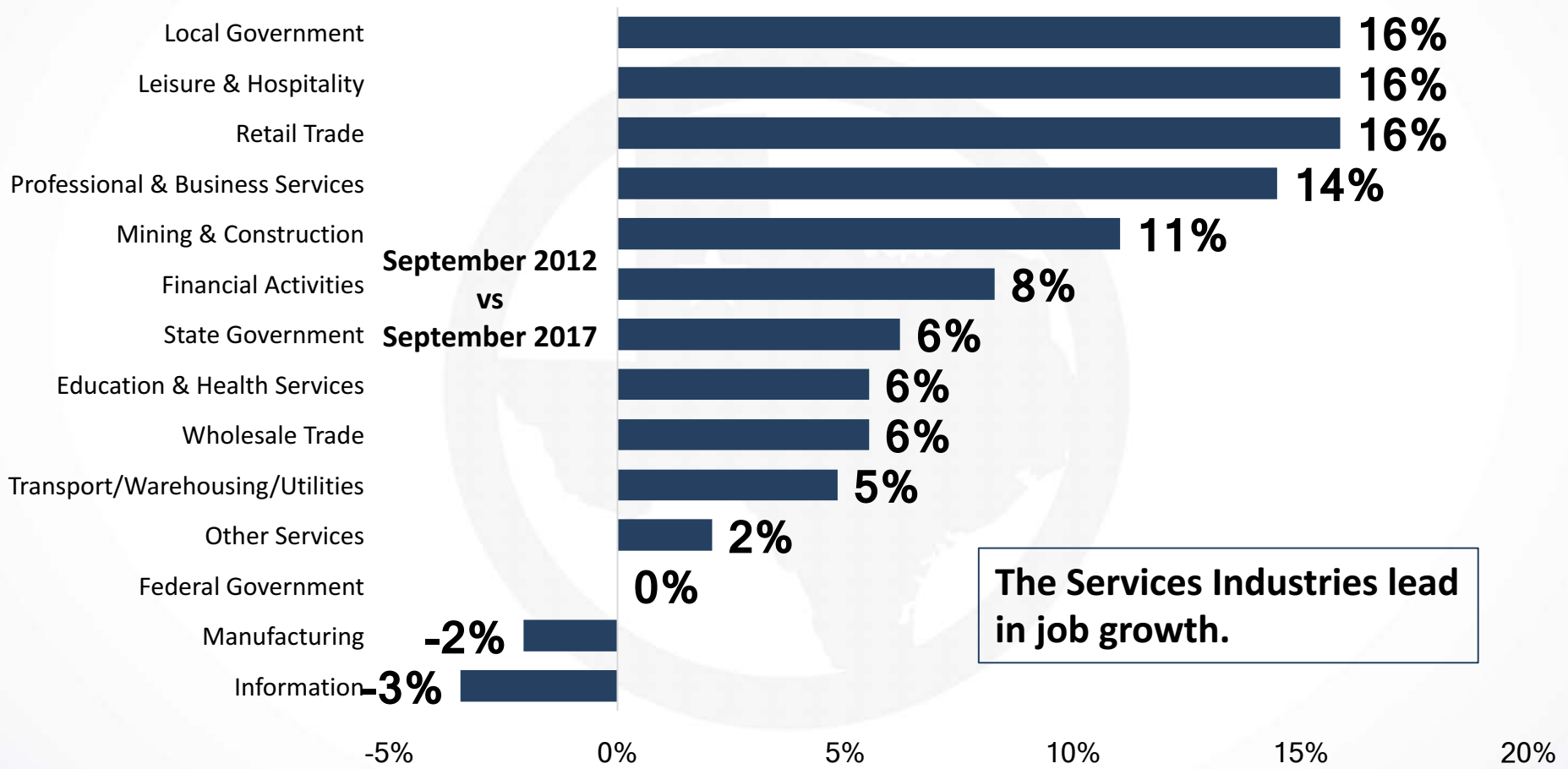


# Industry Net Job Gains



Source: Texas Workforce Commission Employment Estimates (CES)

# Job Growth by Industry

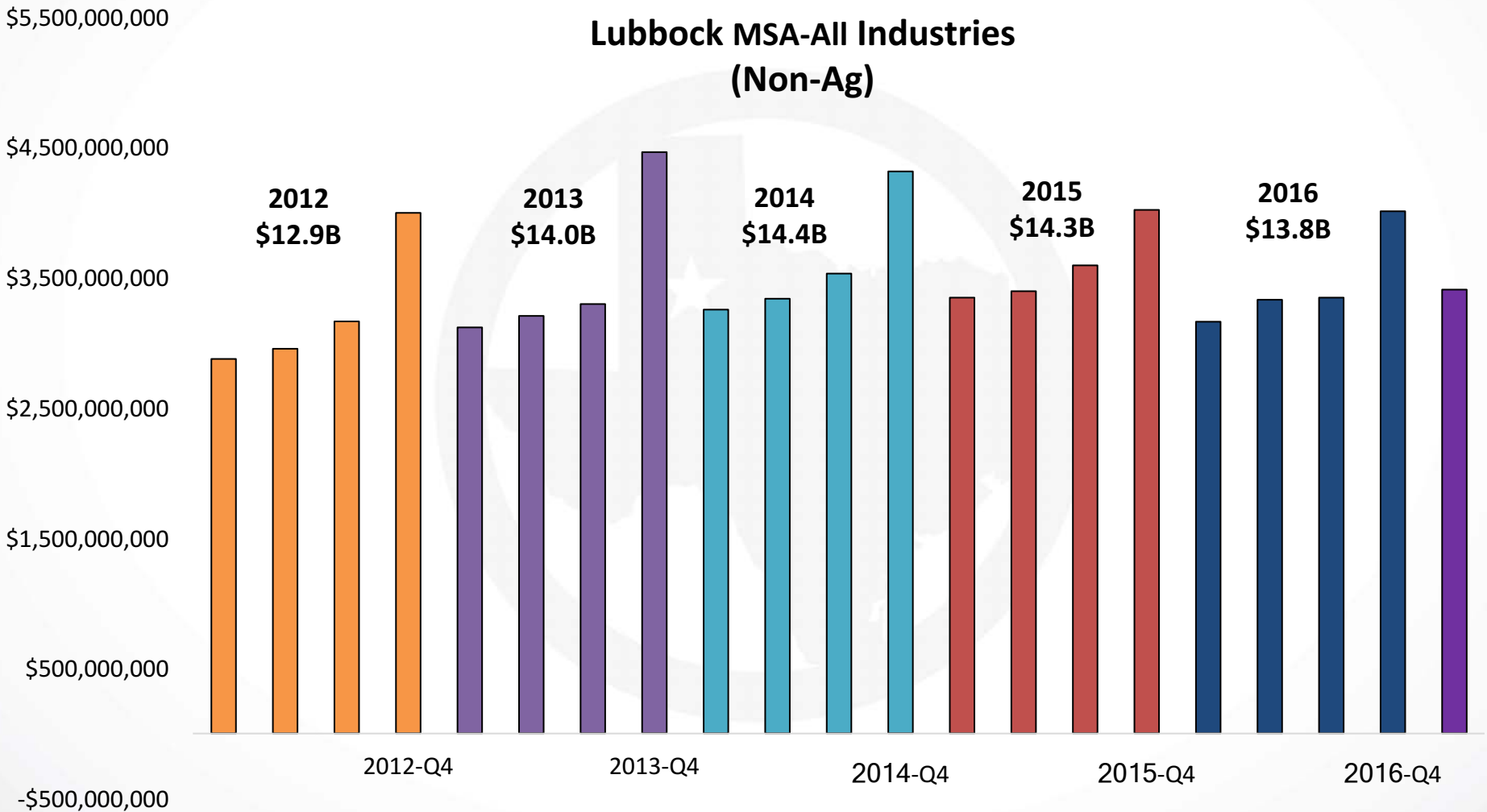


Source: Texas Workforce Commission Employment Estimates (CES)



# Annual Gross Sales

## Lubbock MSA-All Industries (Non-Ag)

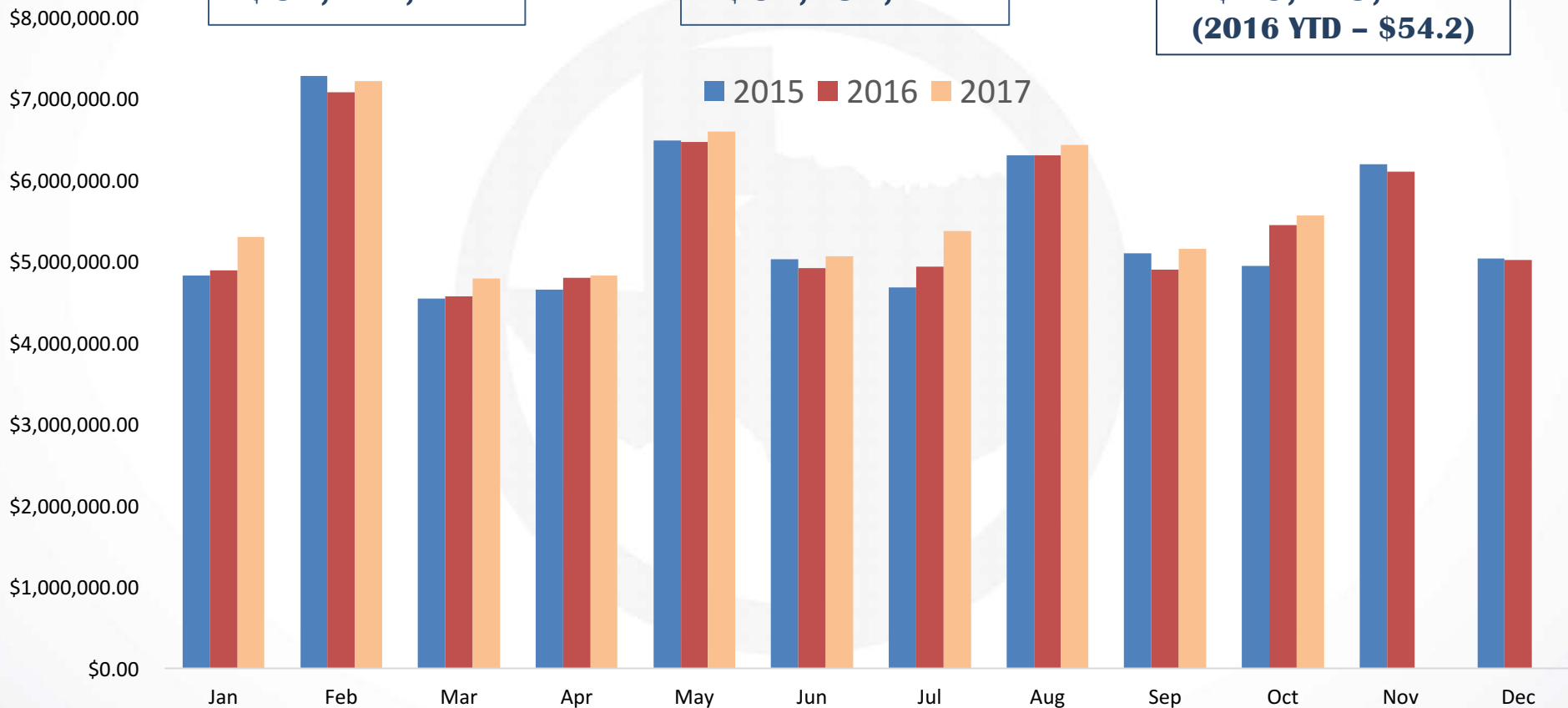


# City of Lubbock Sales Tax Collections

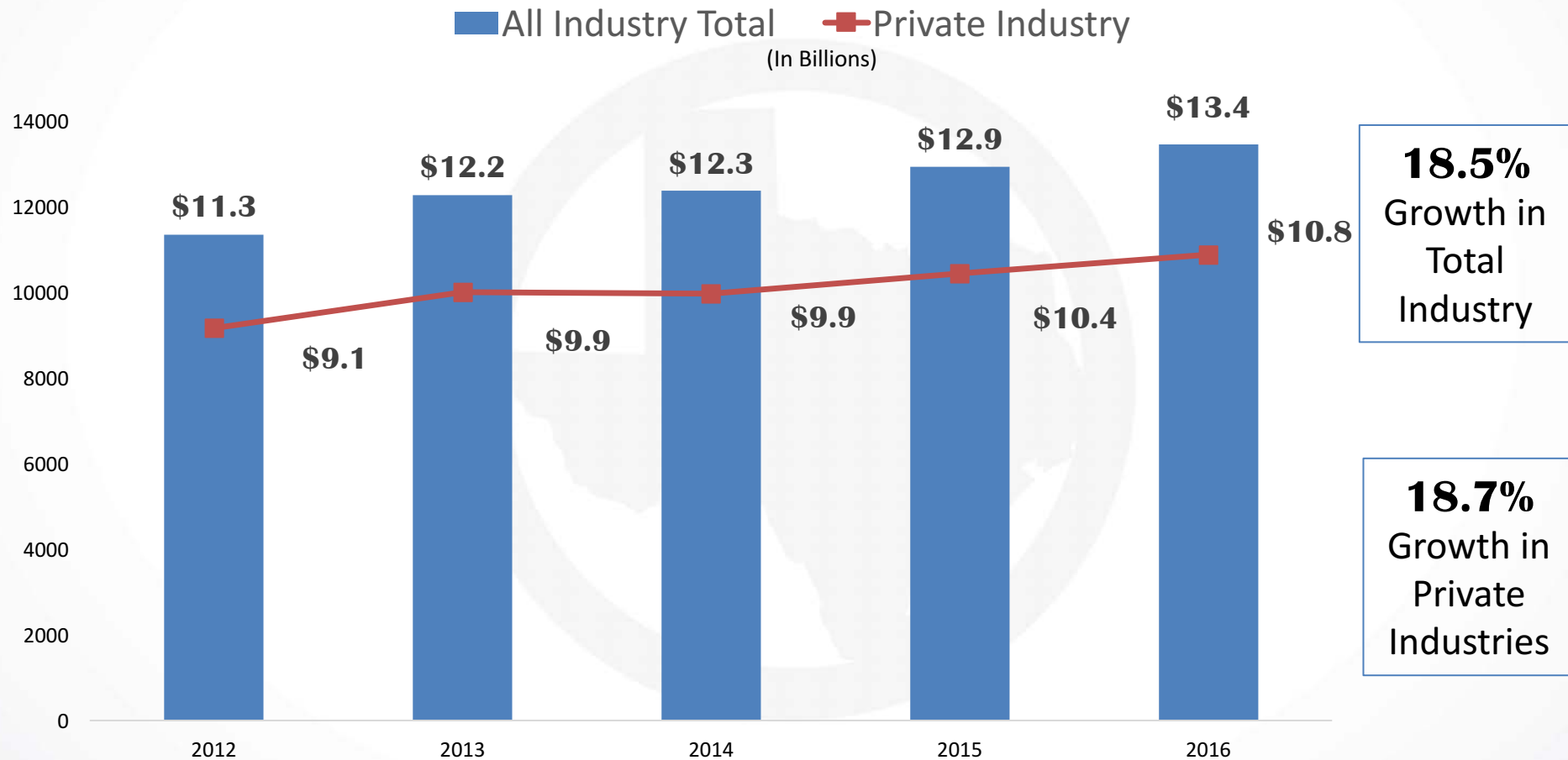
2015 Revenues  
**\$65,033,741**

2016 Revenues  
**\$65,384,054**

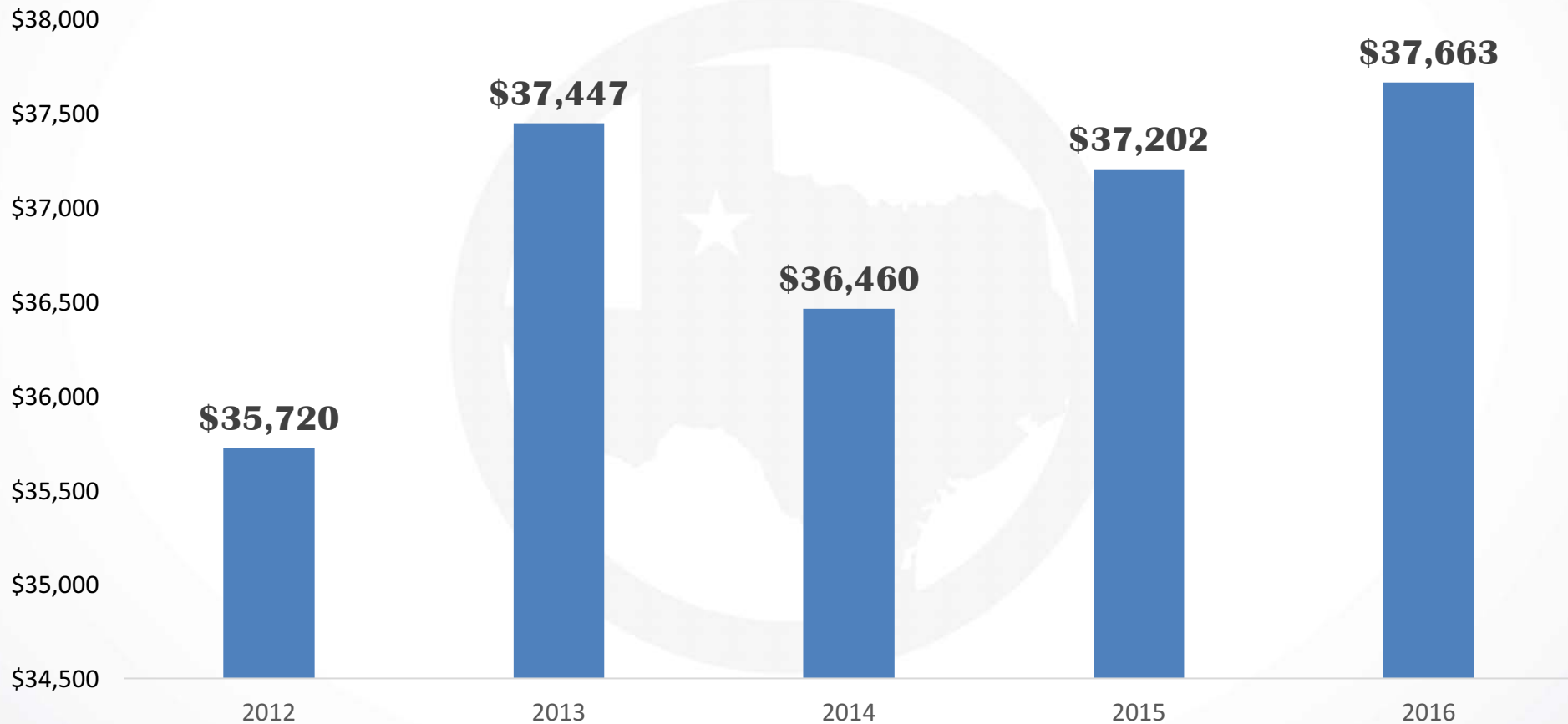
2017 YTD  
**\$56,278,735**  
(2016 YTD - \$54.2)



# Lubbock Gross Domestic Product 2012-2016



# Lubbock Regional GDP Per Capita

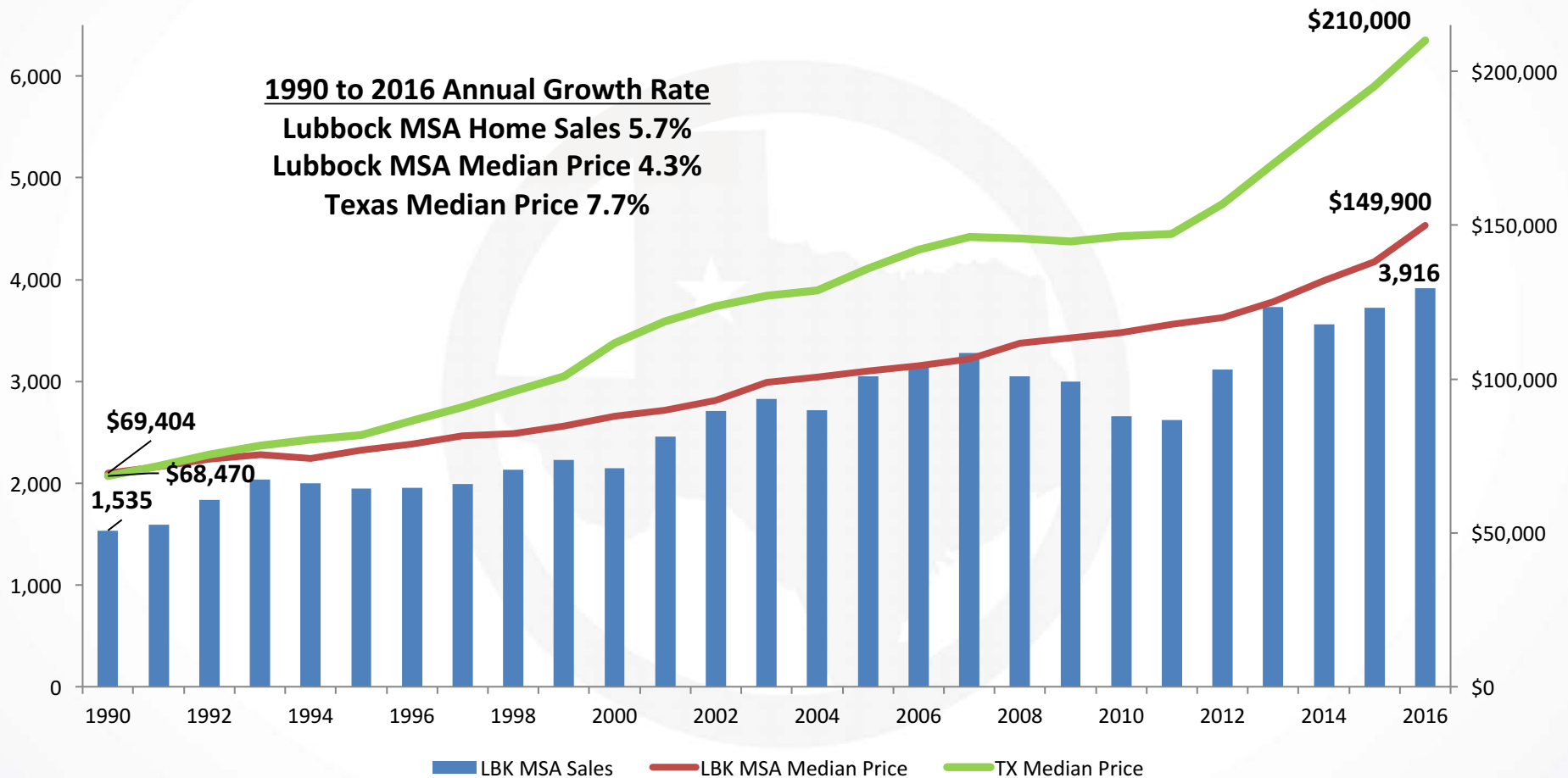




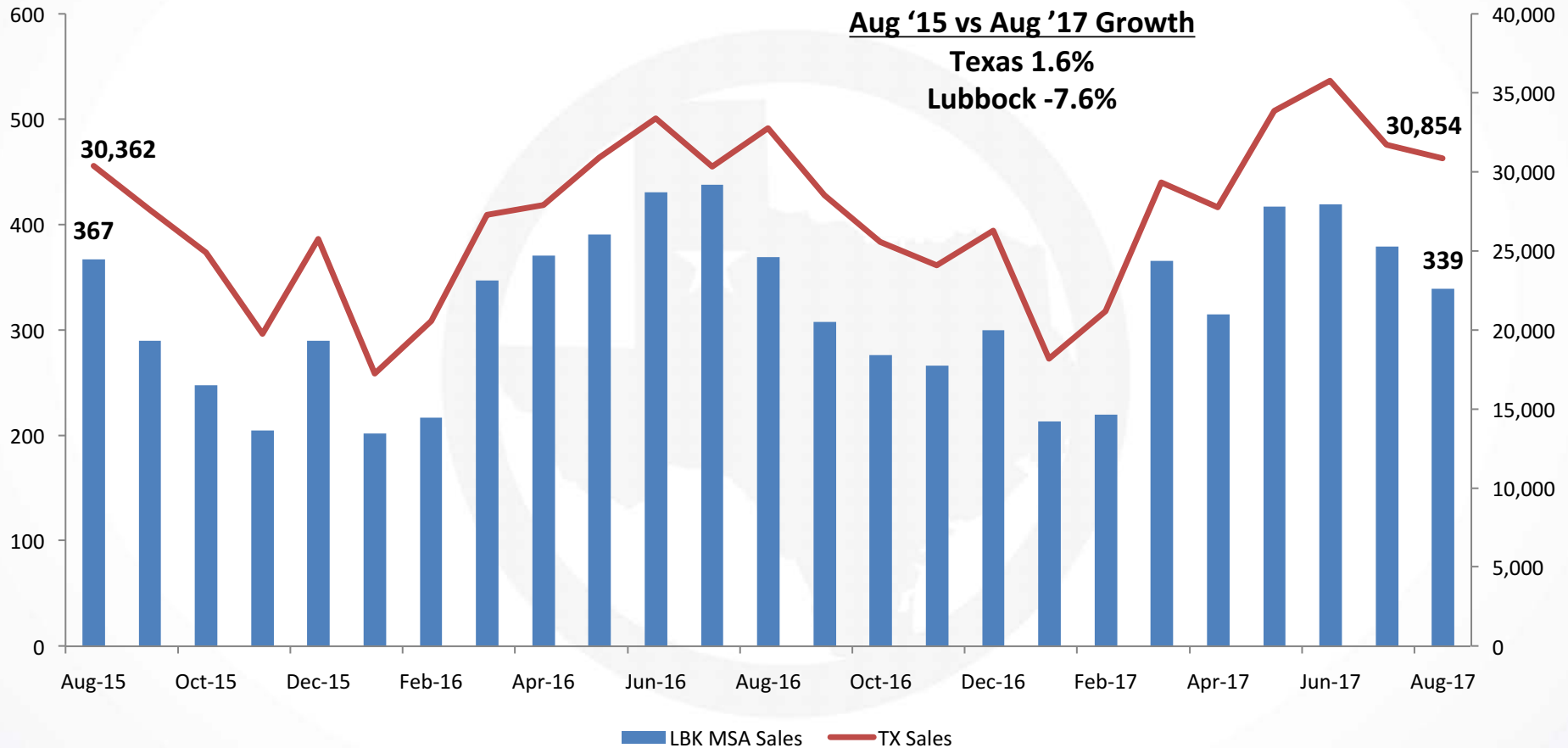
# REAL ESTATE



# Annual Home Sales and Median Price

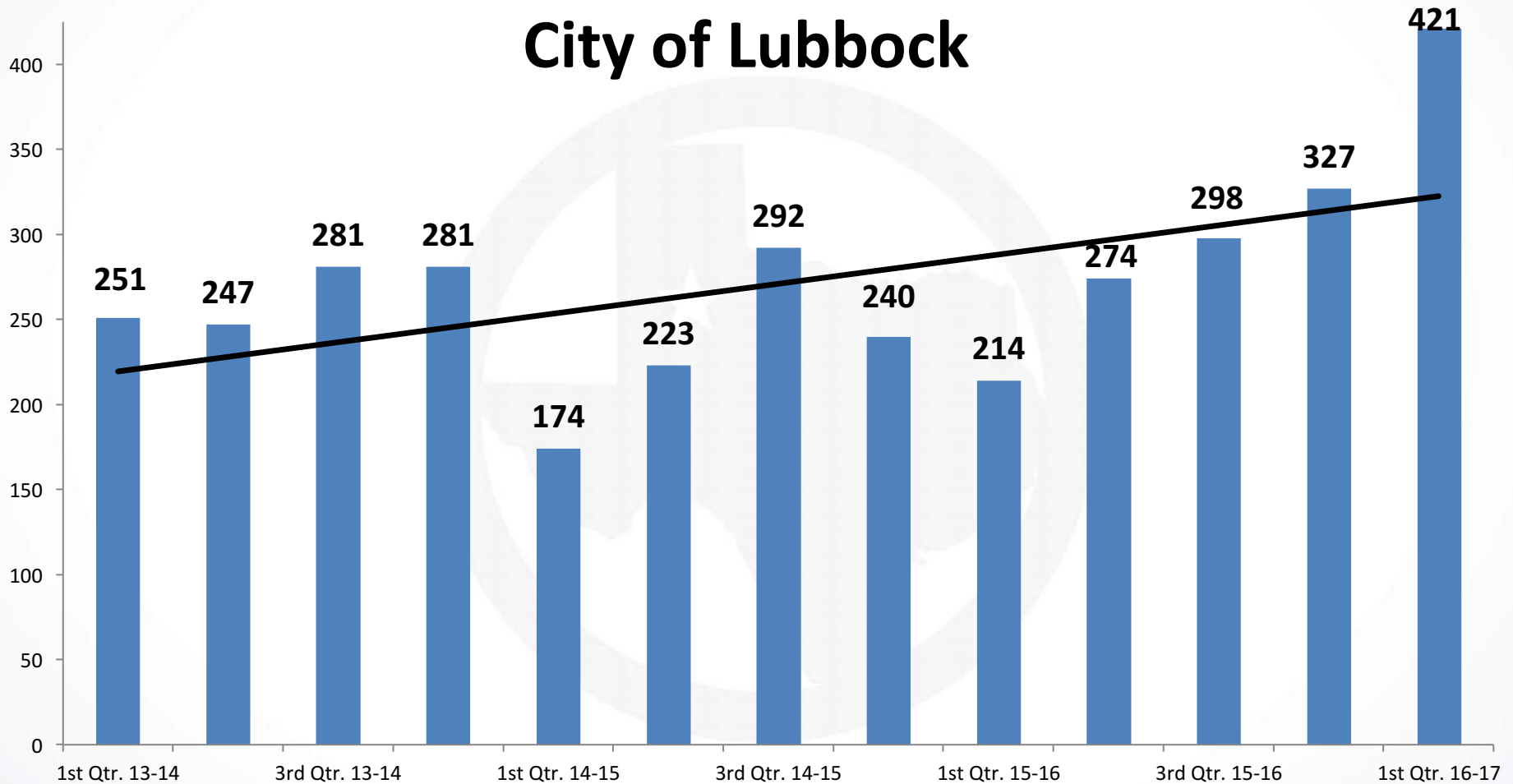


# Monthly Home Sales



# Permits – New Residential

## City of Lubbock

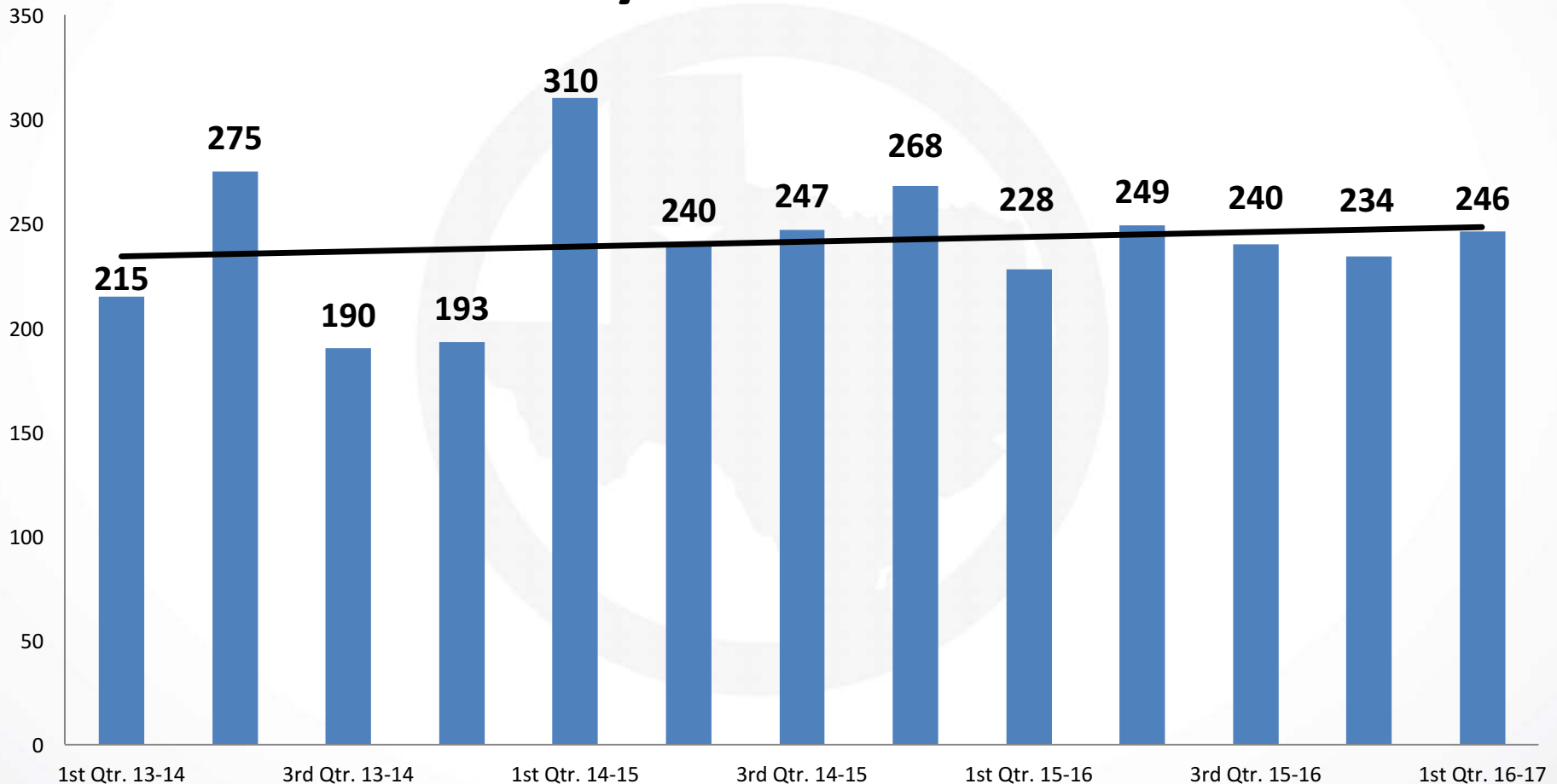


Source: City of Lubbock



# Permits – New Non-Residential

## City of Lubbock



Source: City of Lubbock

# Office Space

Lubbock MSA					
	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
Existing Inventory	1,183	1,190	1,195	1,212	1,226
Total SF Available	725,187	639,032	683,541	768,664	514,006
Vacancy Rate	6.8%	6.0%	6.3%	7.1%	4.7%
Quoted Rates	\$12.70	\$14.34	\$14.16	\$14.10	\$14.18
Downtown					
	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
Existing Inventory	141	144	145	145	146
Total SF Available	352,209	311,286	319,630	339,700	113,285
Vacancy Rate	17.1%	15.0%	15.3%	16.8%	5.6%
Quoted Rates	\$13.06	\$13.29	\$13.10	\$12.90	\$13.75

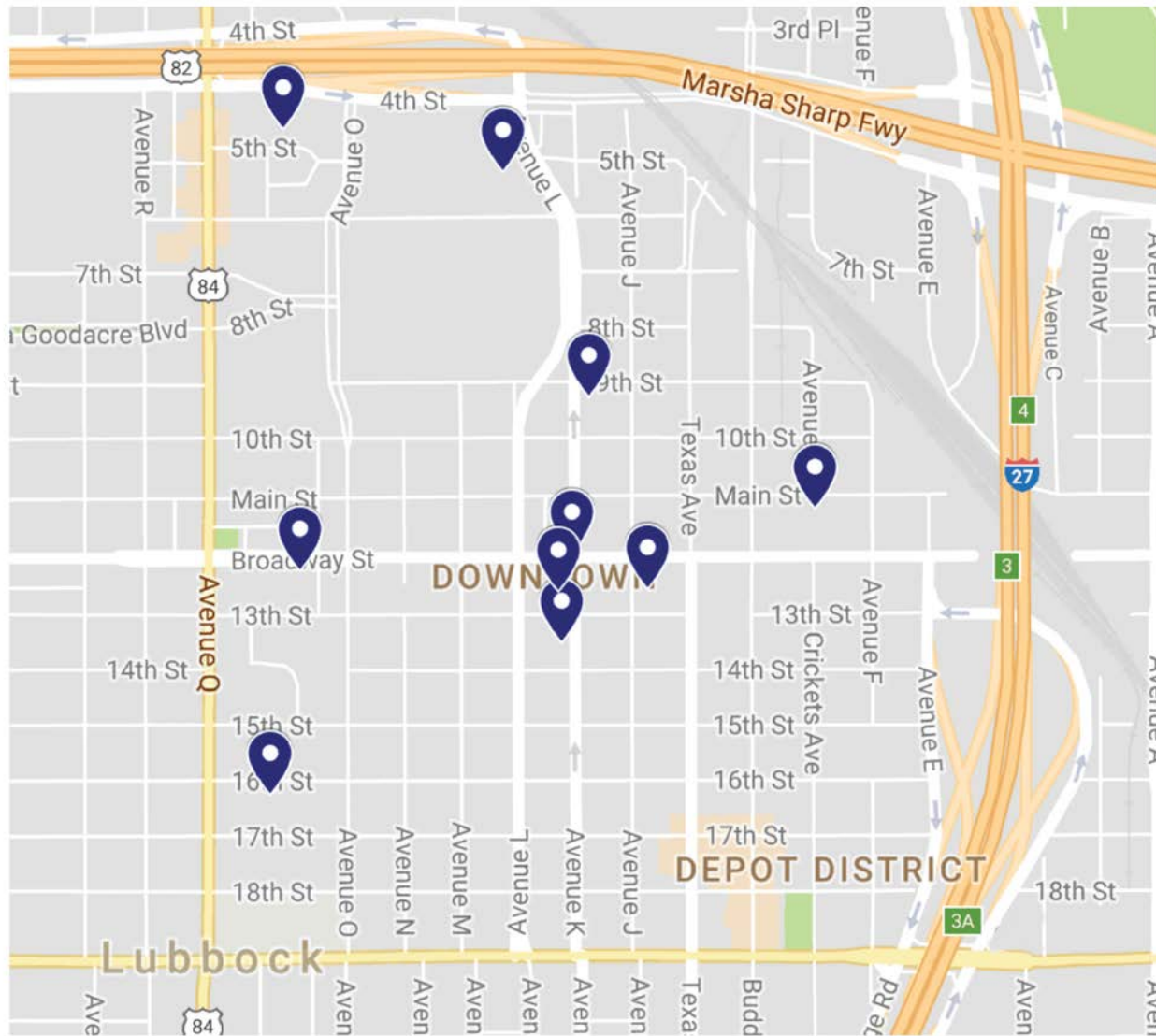
# Industrial Space

Lubbock MSA					
	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
Existing Inventory	2,042	2,050	2,054	2,062	2,070
Total SF Available	1,123,246	734,347	607,256	937,864	751,090
Vacancy Rate	3.4%	2.2%	1.8%	2.8%	2.1%
Quoted Rates	\$3.62	\$5.00	\$4.05	\$3.59	\$3.28
Downtown					
	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
Existing Inventory	72	72	72	75	75
Total SF Available	9,700	21,500	9,500	13,375	5,450
Vacancy Rate	1.3%	2.8%	1.2%	1.7%	0.7%
Quoted Rates	\$7.54	\$3.25	\$3.50	\$4.47	\$4.39

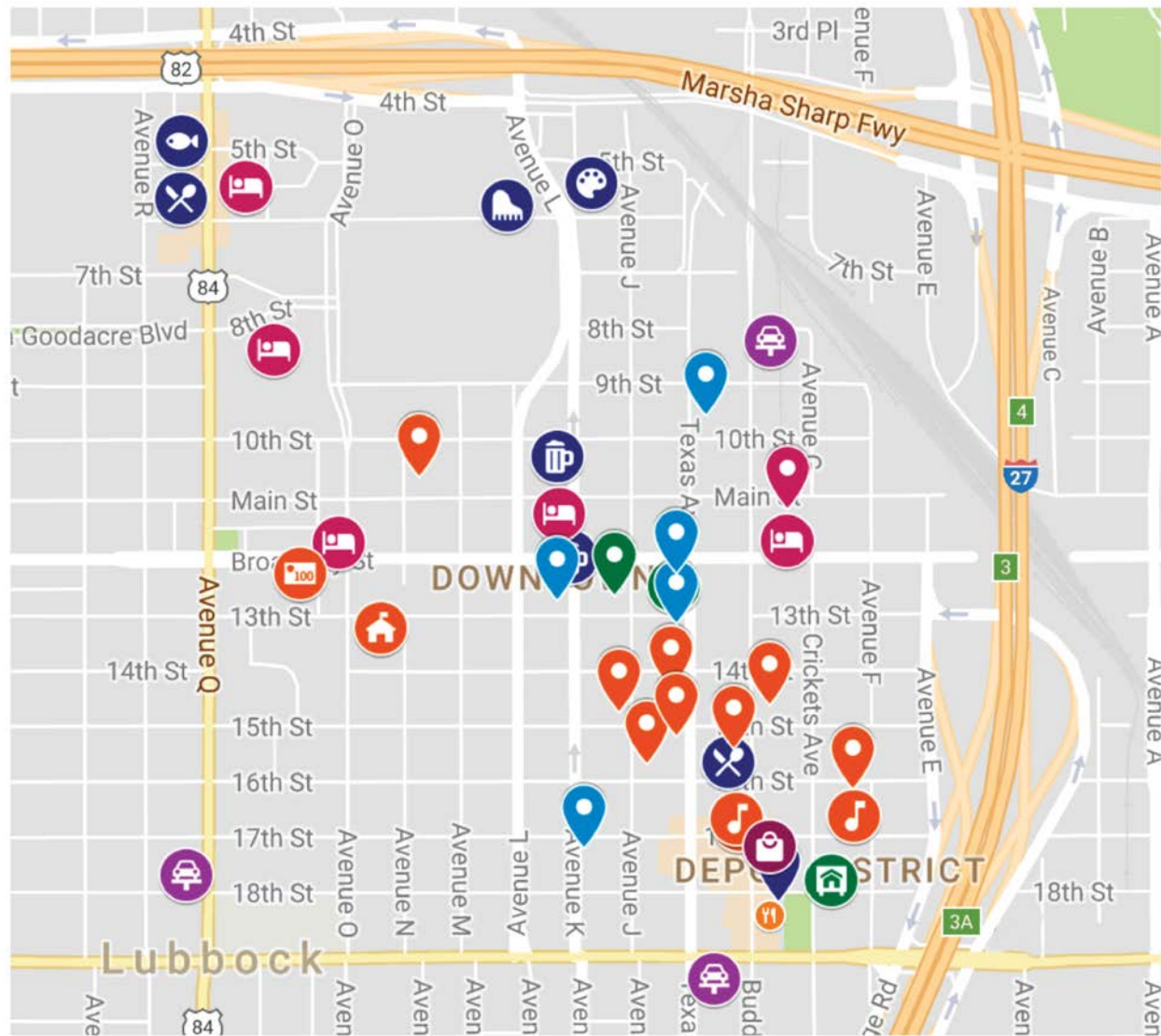
# Retail Space

Lubbock MSA					
	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
Existing Inventory	2,247	2,243	2,267	2,291	2,304
Total SF Available	1,107,715	856,028	824,750	785,008	1,175,302
Vacancy Rate	4.8%	3.7%	3.5%	3.2%	4.7%
Quoted Rates	\$8.94	\$10.40	\$10.91	\$13.38	\$13.41
Downtown					
	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
Existing Inventory	178	175	176	177	176
Total SF Available	53,083	30,600	25,360	6,250	23,086
Vacancy Rate	3.3%	1.9%	1.5%	0.4%	1.4%
Quoted Rates	\$13.27	\$13.57	\$13.09	\$11.48	\$10.00

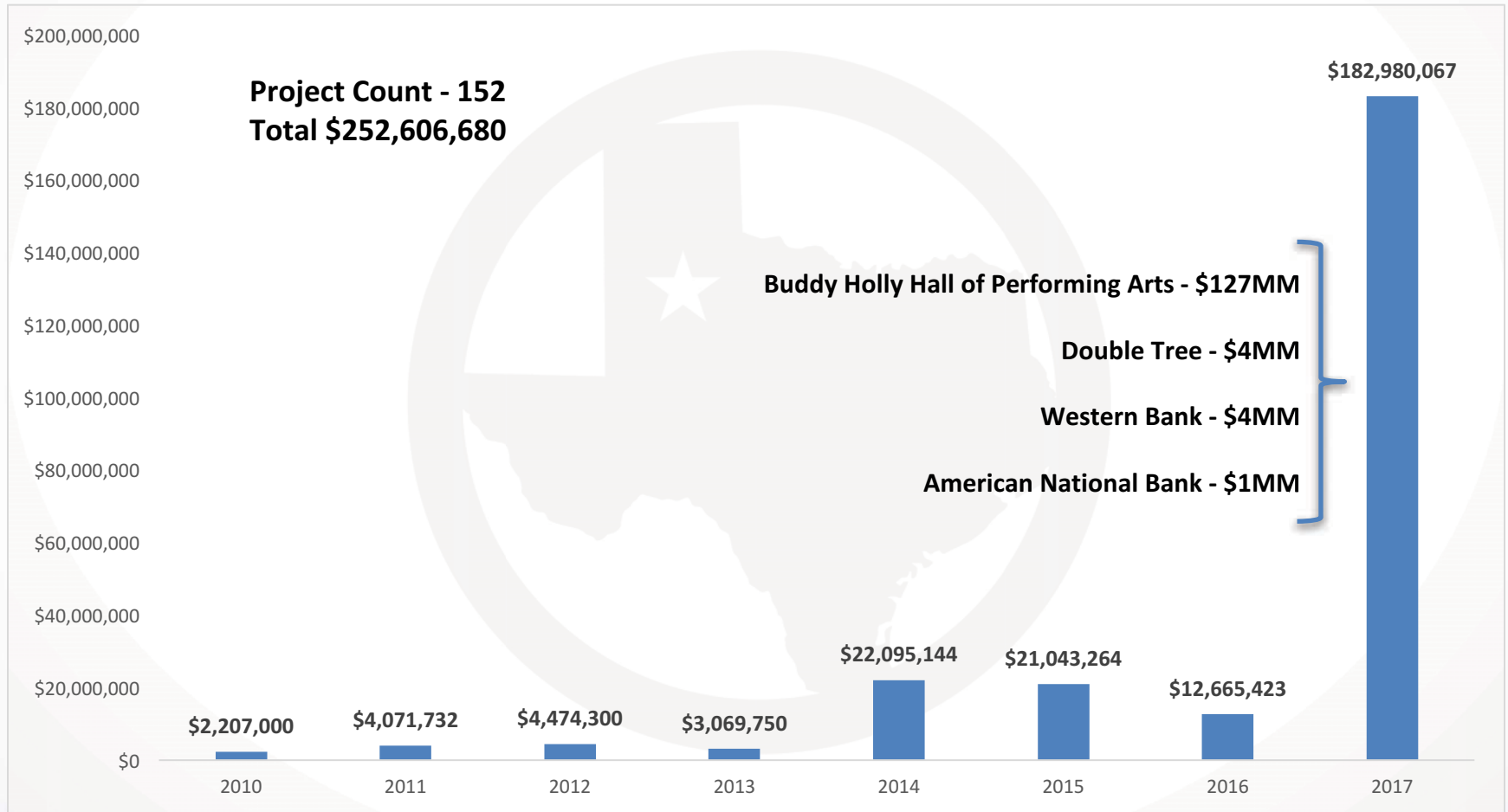
# 2016 Map of Projects Downtown



# 2017 Map of Projects Downtown



# Downtown Commercial Construction Permits





# Downtown

## Courthouse Lofts





# Downtown

## RAW Oil & Gas



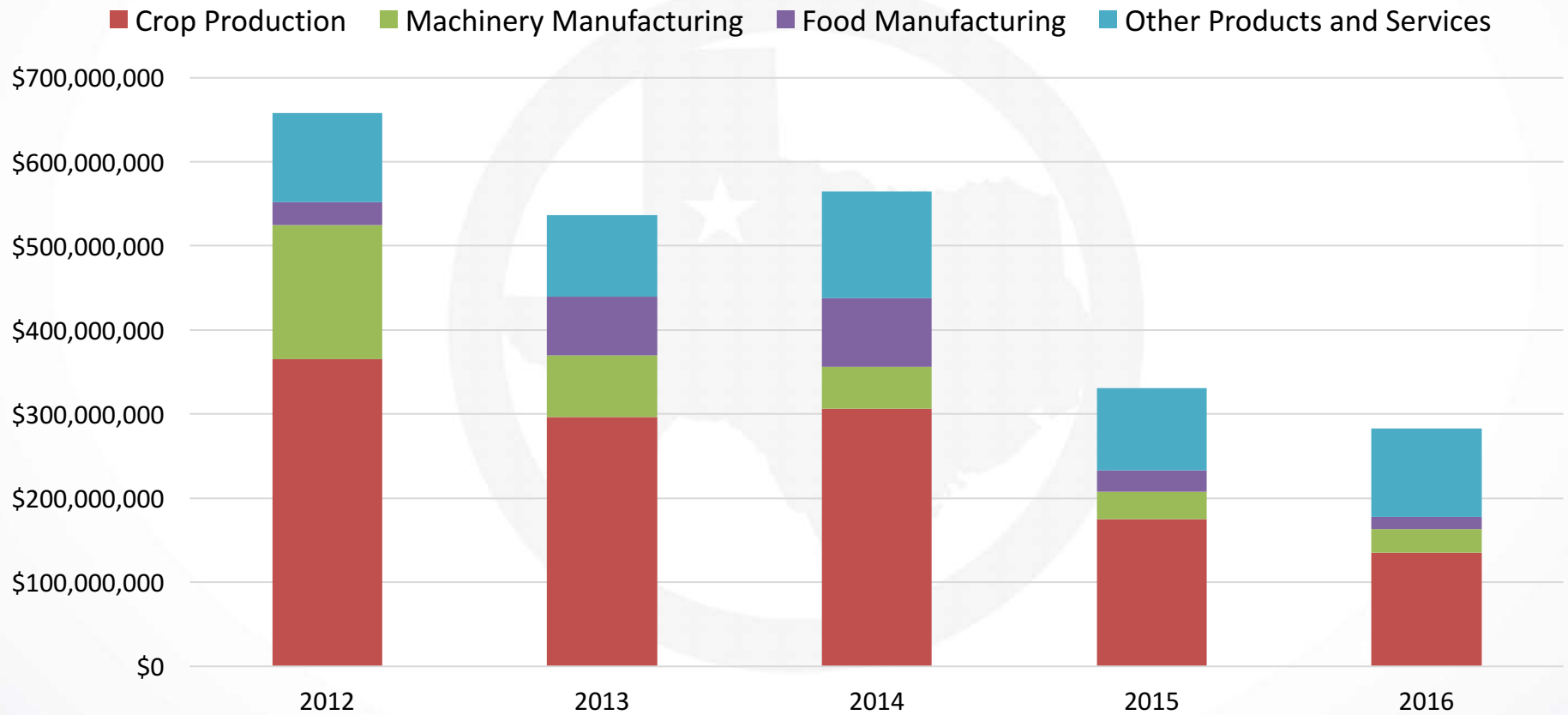


# EXPORTS



# Lubbock MSA Exports

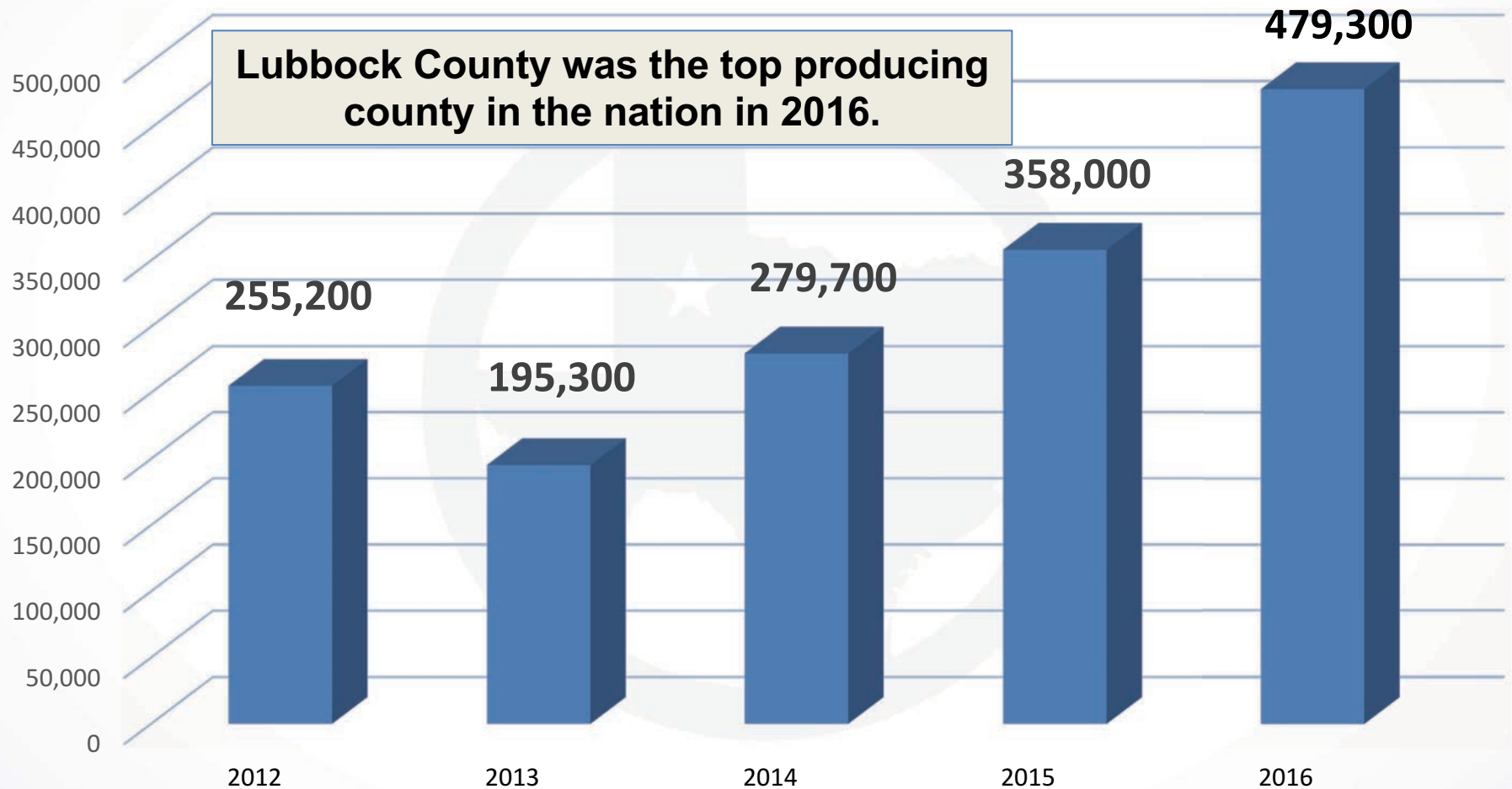
## Agriculture Equals Exports



# Cotton Fuels Growth



# Lubbock County Production (480lb Bales)



Source: Plains Cotton Growers, Inc./USDA-NASS

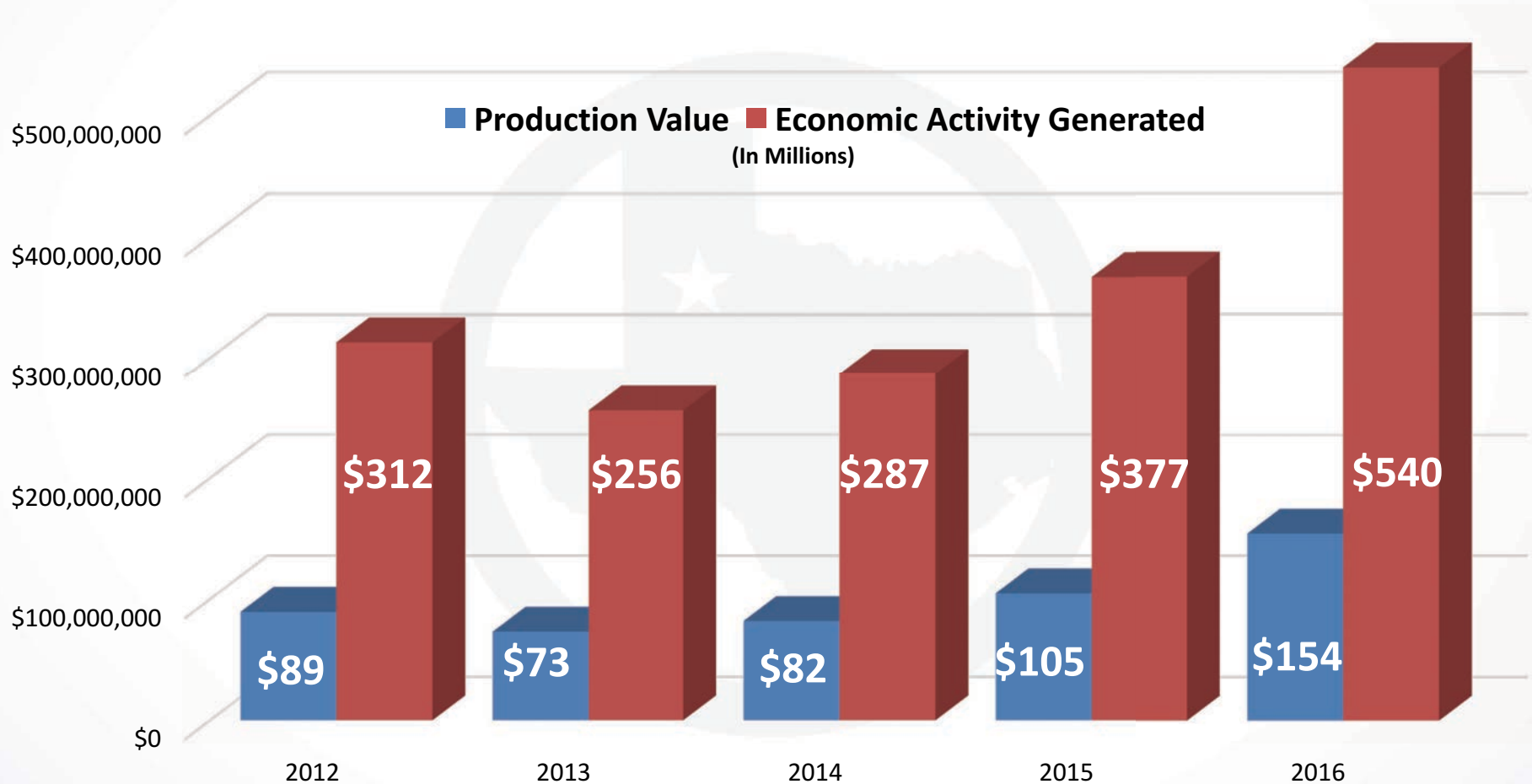


# Lubbock County Production

Crop Year	Bales (480lb)	Avg Price per/lb	Production Value
2012	255,200	\$0.73	\$89,422,080
2013	195,300	\$0.78	\$73,120,320
2014	279,700	\$0.61	\$81,896,160
2015	358,000	\$0.61	\$104,822,400
<b>2016</b>	<b>479,300</b>	<b>\$0.67</b>	<b>\$154,142,880</b>

Source: Plains Cotton Growers, Inc/USDA-NASS

# Economic Activity Generated



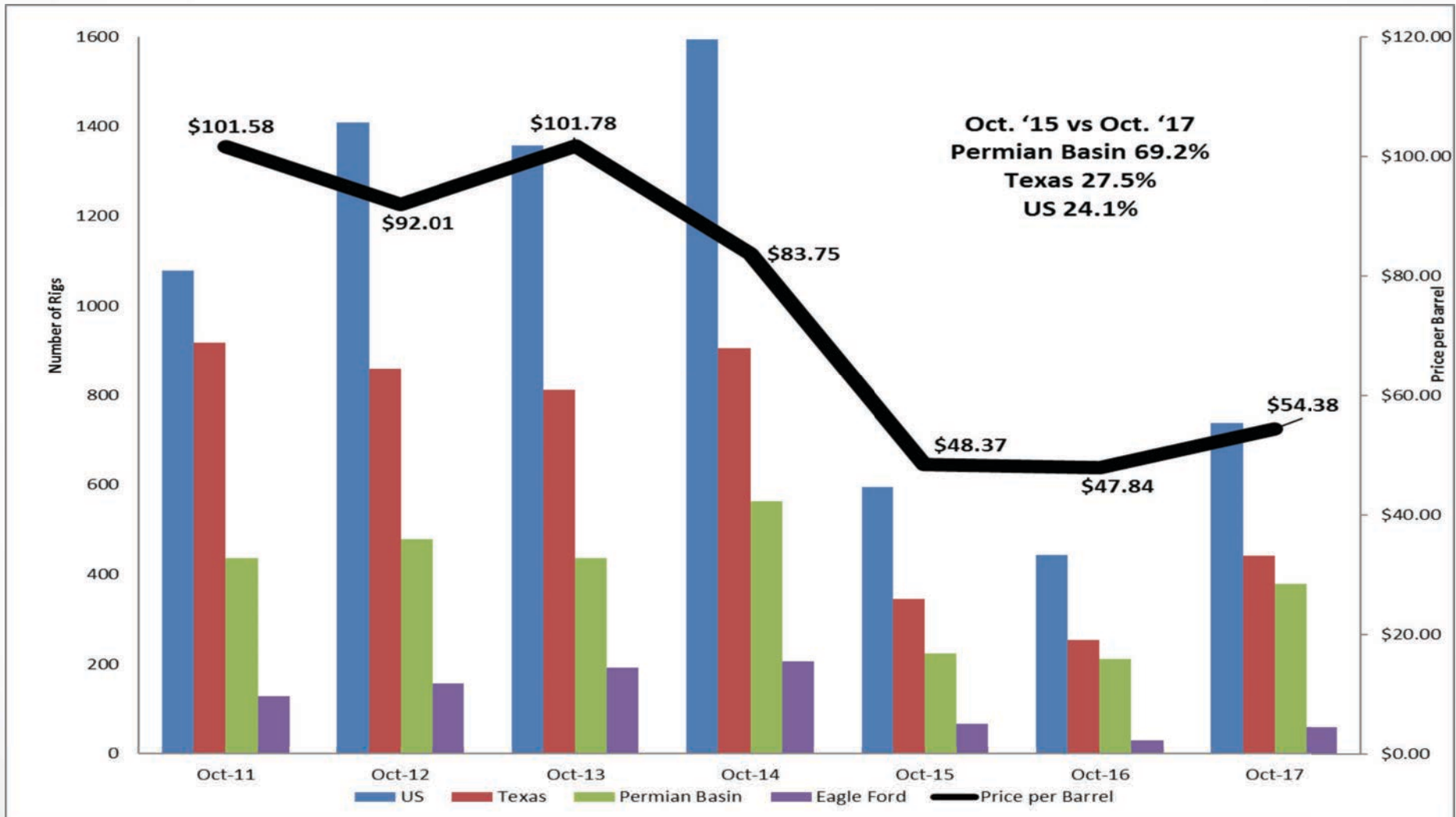
Source: Plains Cotton Growers, Inc./USDA-NASS

## Lower 48 states shale plays



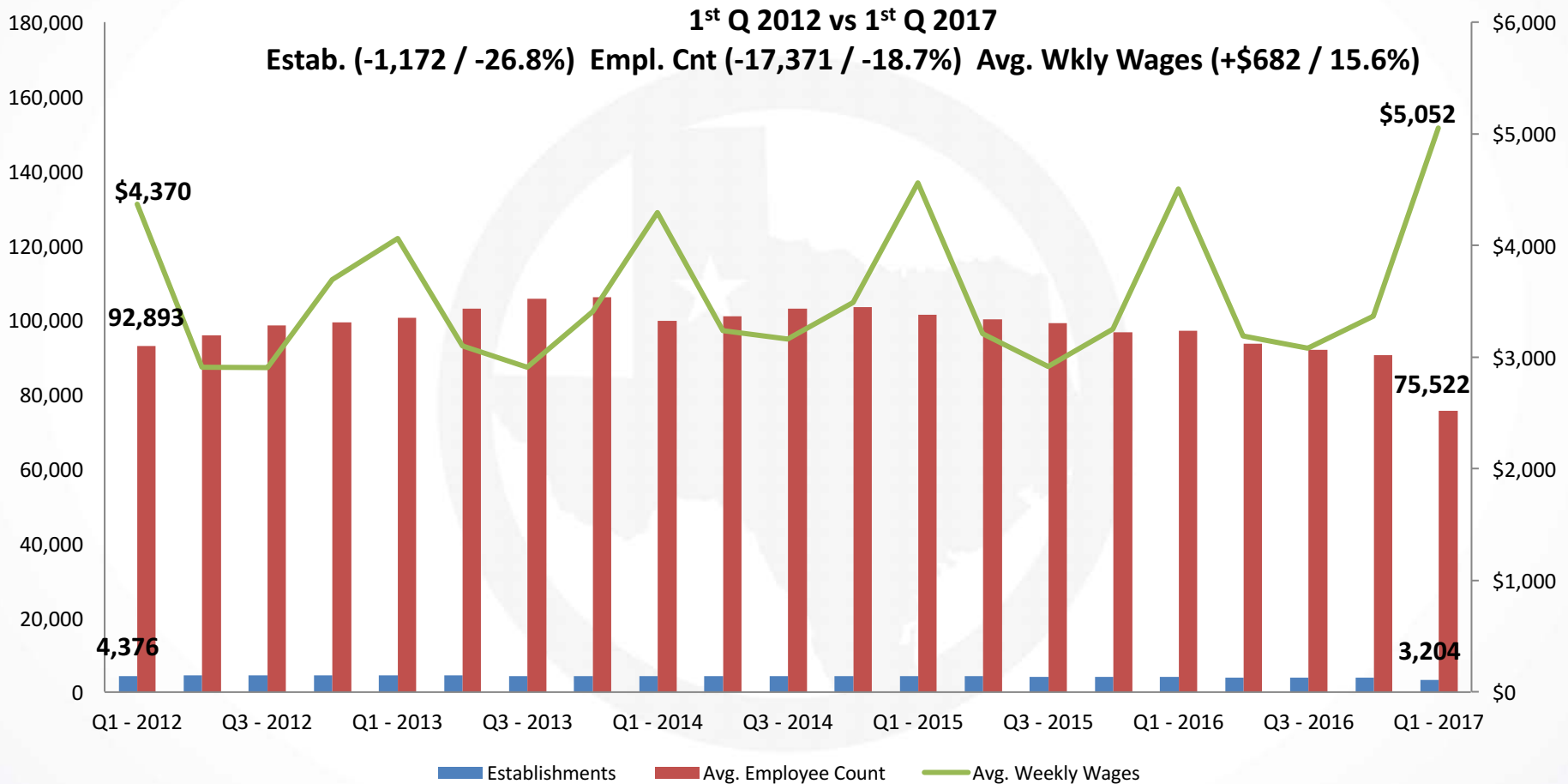


# Oil Rig Counts



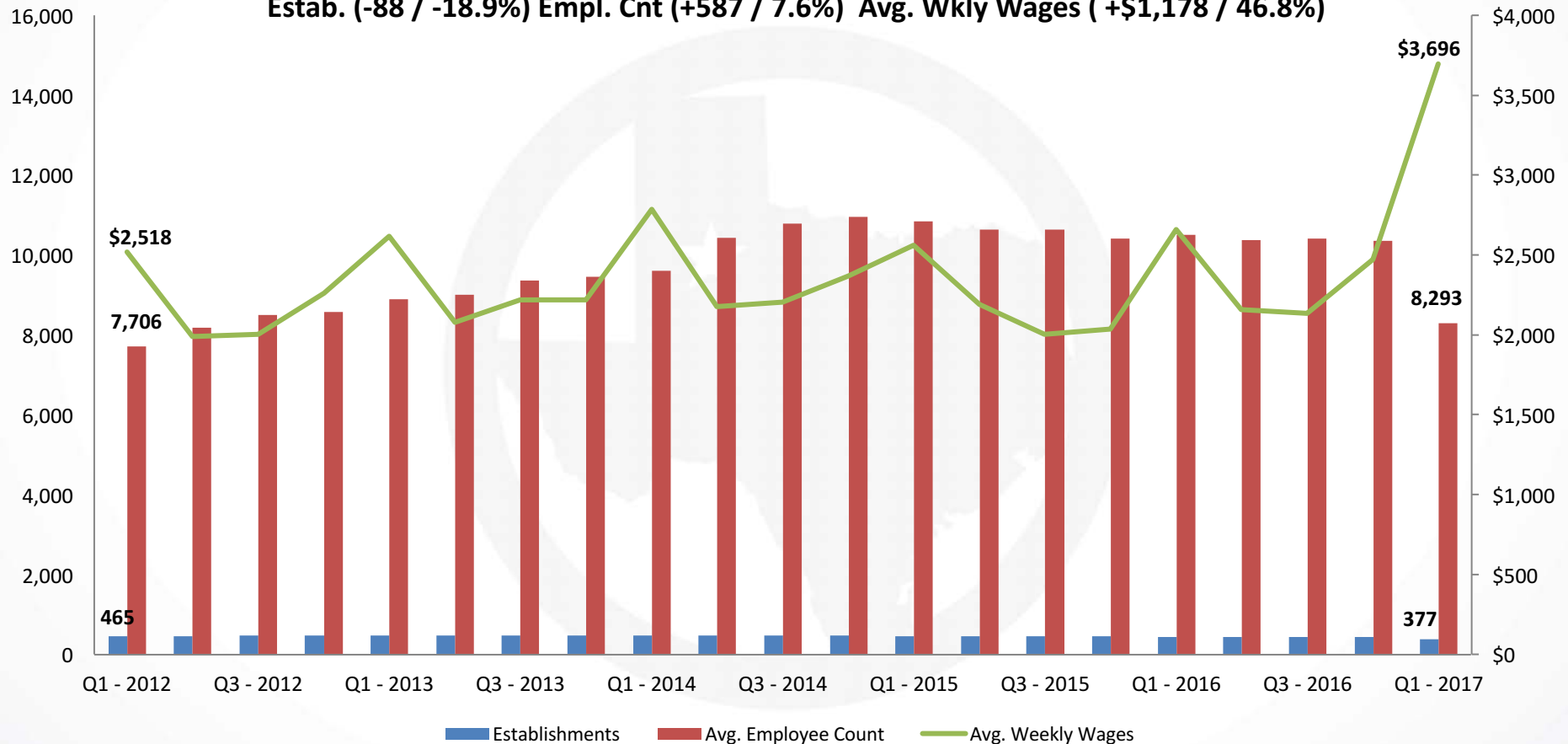
Source: Baker Hughes

# Oil & Gas - Texas

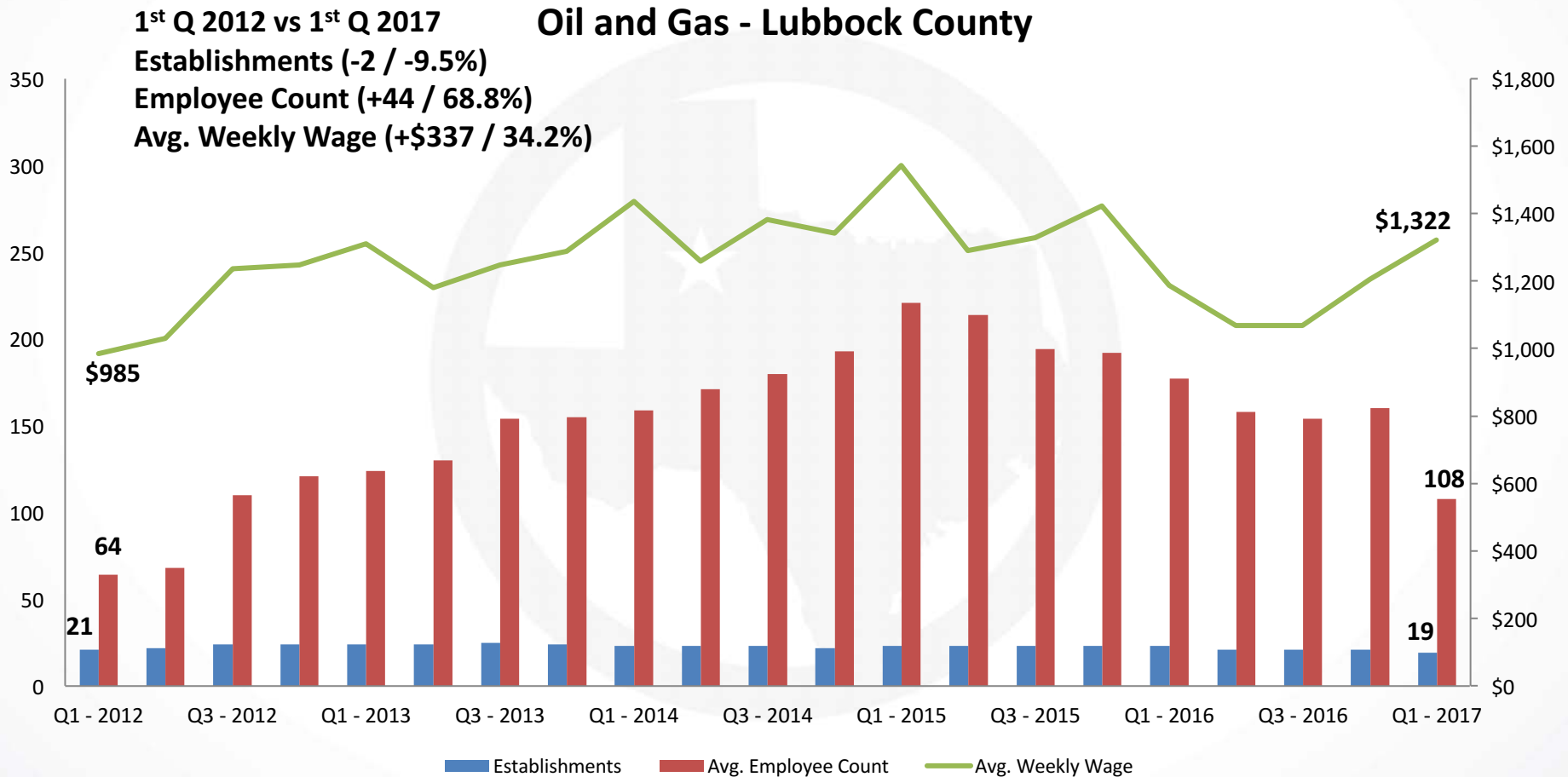


# Oil & Gas – Ector/Midland Counties

**1<sup>st</sup> Q 2012 vs 1<sup>st</sup> Q 2017**  
**Estab. (-88 / -18.9%) Empl. Cnt (+587 / 7.6%) Avg. Wkly Wages ( +\$1,178 / 46.8%)**



# Oil & Gas – Lubbock County



# Oil & Gas – Q1 2012 vs Q1 2017

GROWTH	Lubbock County	Ector/Midland Counties	Texas
Establishments	-9.5%	-18.9%	-26.8%
Workforce	68.8%	7.6%	-18.7%
Payroll	34.2%	46.8%	15.6%

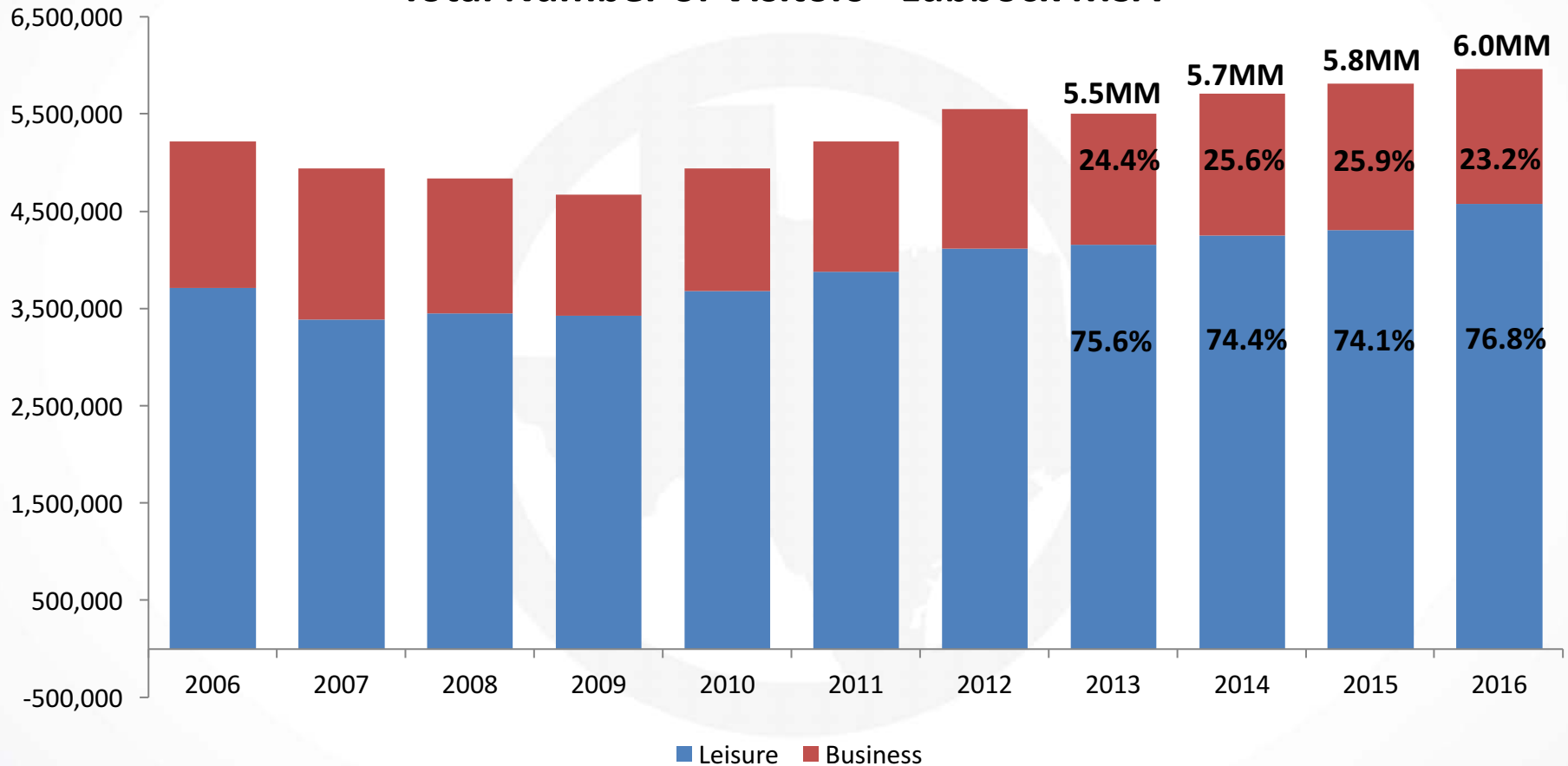


# TOURISM INDICATORS



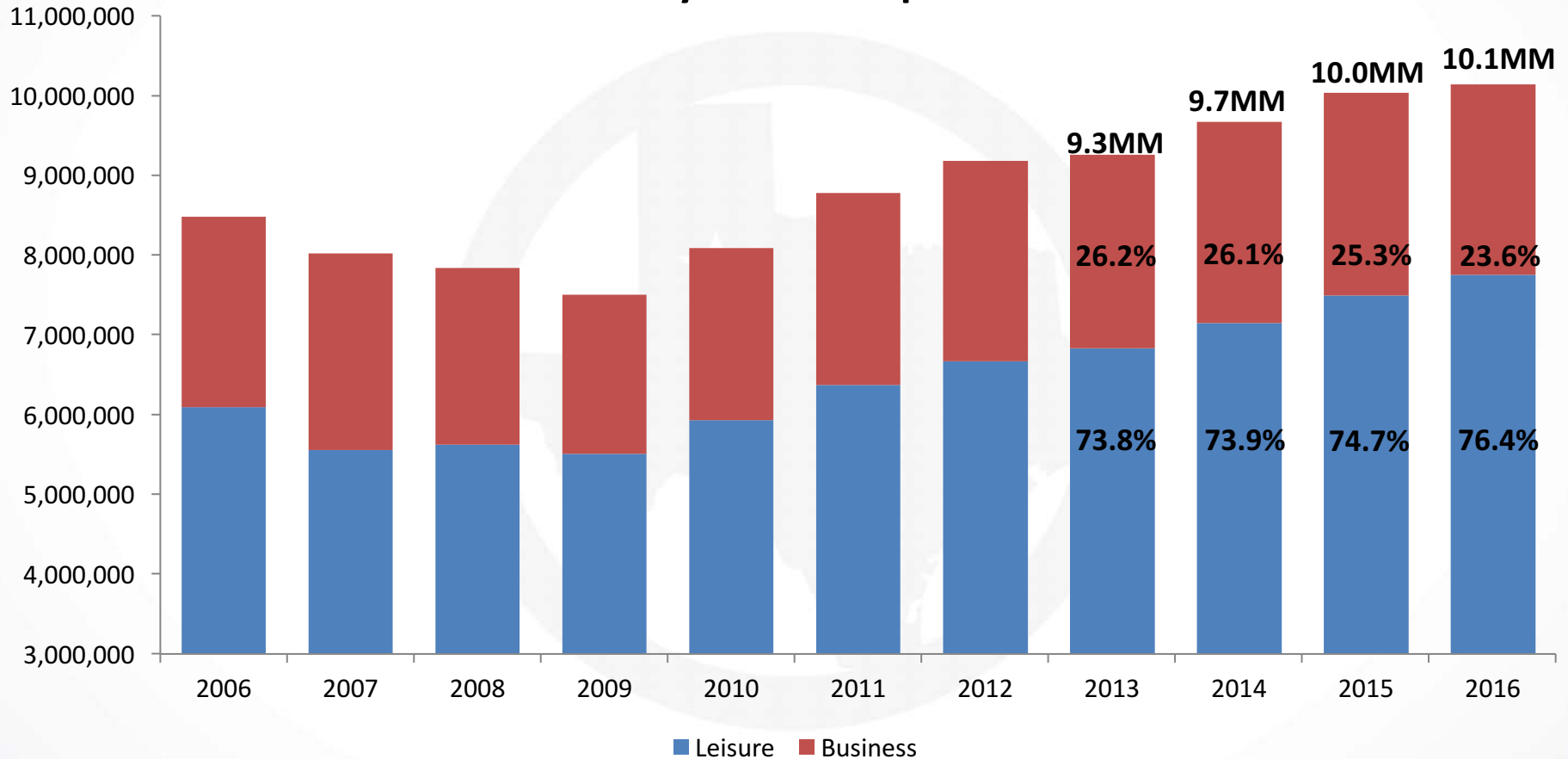
# Traveler Segmentation

## Total Number of Visitors - Lubbock MSA



# Total Travel Volume

## Total Number of Days Visitors Spent in Lubbock MSA





# Top Origin DMAs (Person-Days)

## In State DMAs

<b>Total Texans (Intrastate)</b>	<b>75.6%</b>
Dallas-Fort Worth	28.9%
Amarillo	9.3%
Lubbock	8.2%
Houston	7.0%
Odessa-Midland	6.7%
Austin	6.0%
San Angelo	2.7%
Waco-Temple-Bryan	2.3%

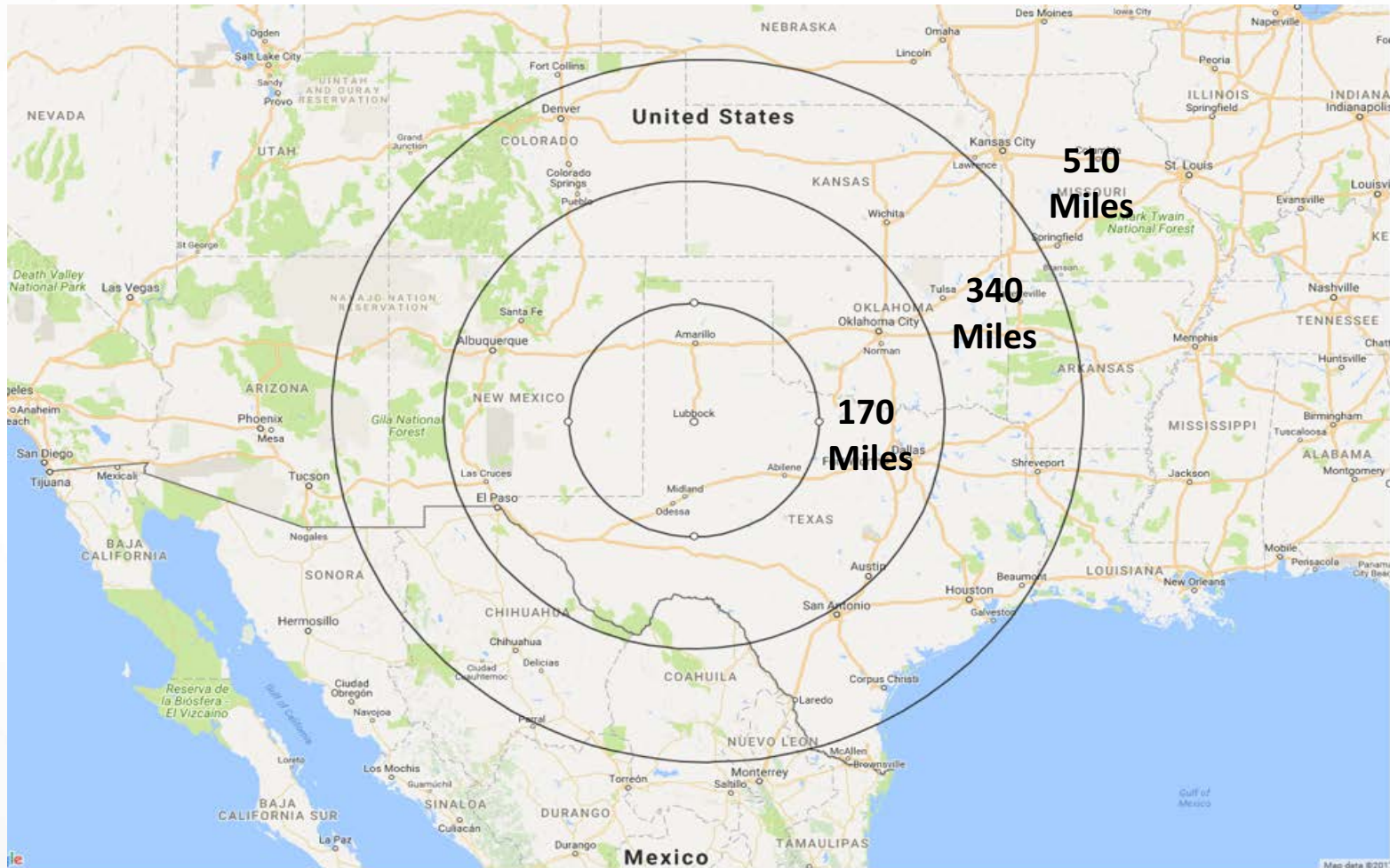
# Top Origin DMAs (Person-Days)

## Out of State DMAs

<b>Total Non-Texans (Interstate)</b>	<b>24.4%</b>
Little Rock-Pine Bluff, AR	3.9%
Albuquerque-Santa Fe, NM	3.6%
Des Moines-Ames, IA	3.0%
Oklahoma City, OK	1.8%
Wichita-Hutchinson Plus, KS	1.2%
Kansas City, MO	1.2%
Baltimore, MD	1.2%
Atlanta, GA	1.1%

# Profile of Visitors to Lubbock MSA

**Average Distance Traveled: 339 miles**



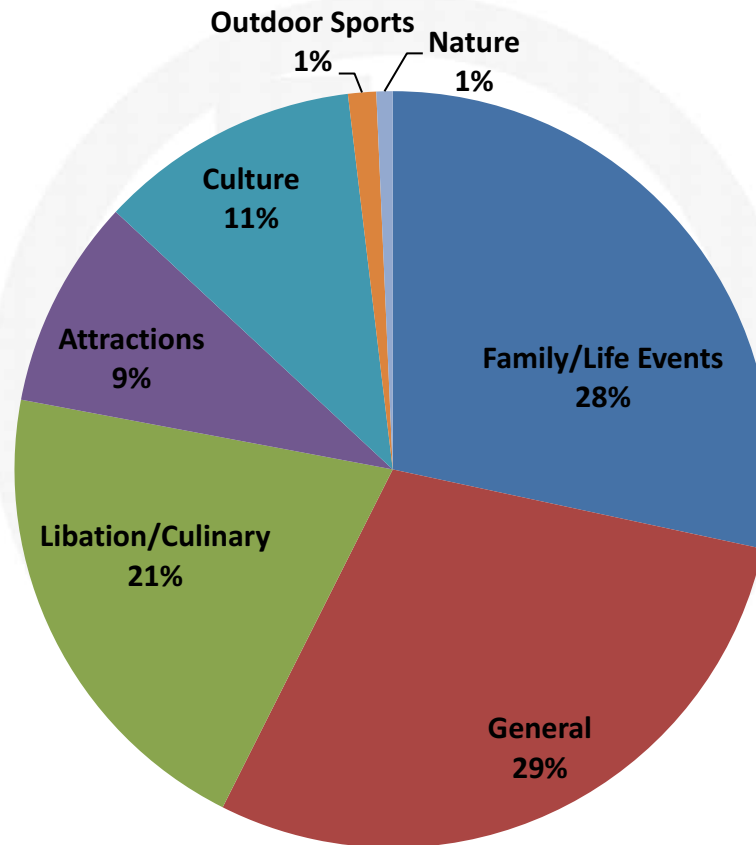
Source: D. K. Shifflet & Associates, Ltd.

# Profile of Visitors to Lubbock MSA

- Avg. Party Size 1.75 persons
- Avg. Length of Stay
  - 1.57 days (overnight and days)
  - 2.00 nights (overnight only)
- Mode of Transportation
  - Auto 86.3%
  - Air 13.2%
  - Other 0.5%

# Profile of Visitors to Lubbock MSA

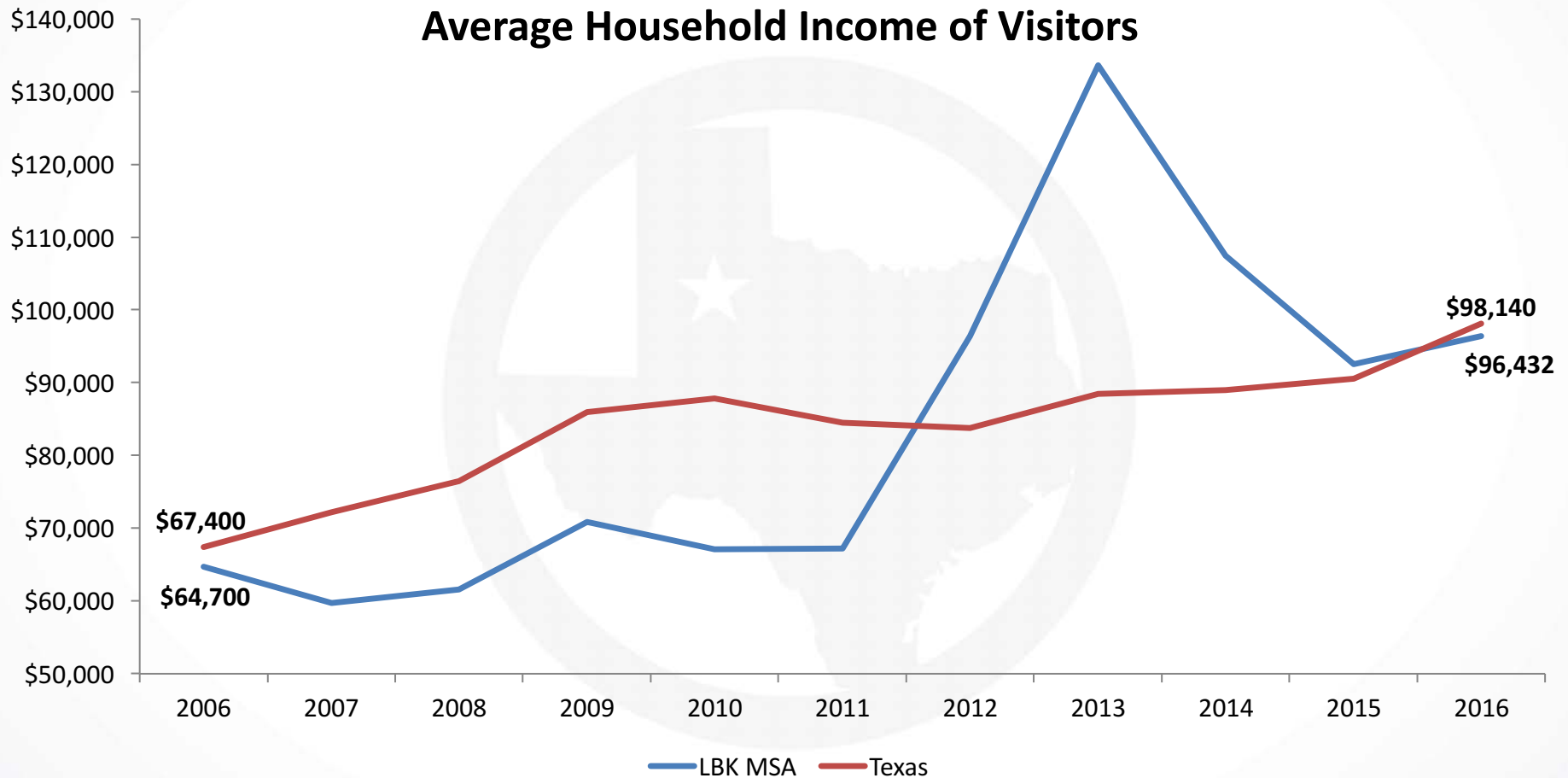
## Activities Participated In While Visiting Lubbock



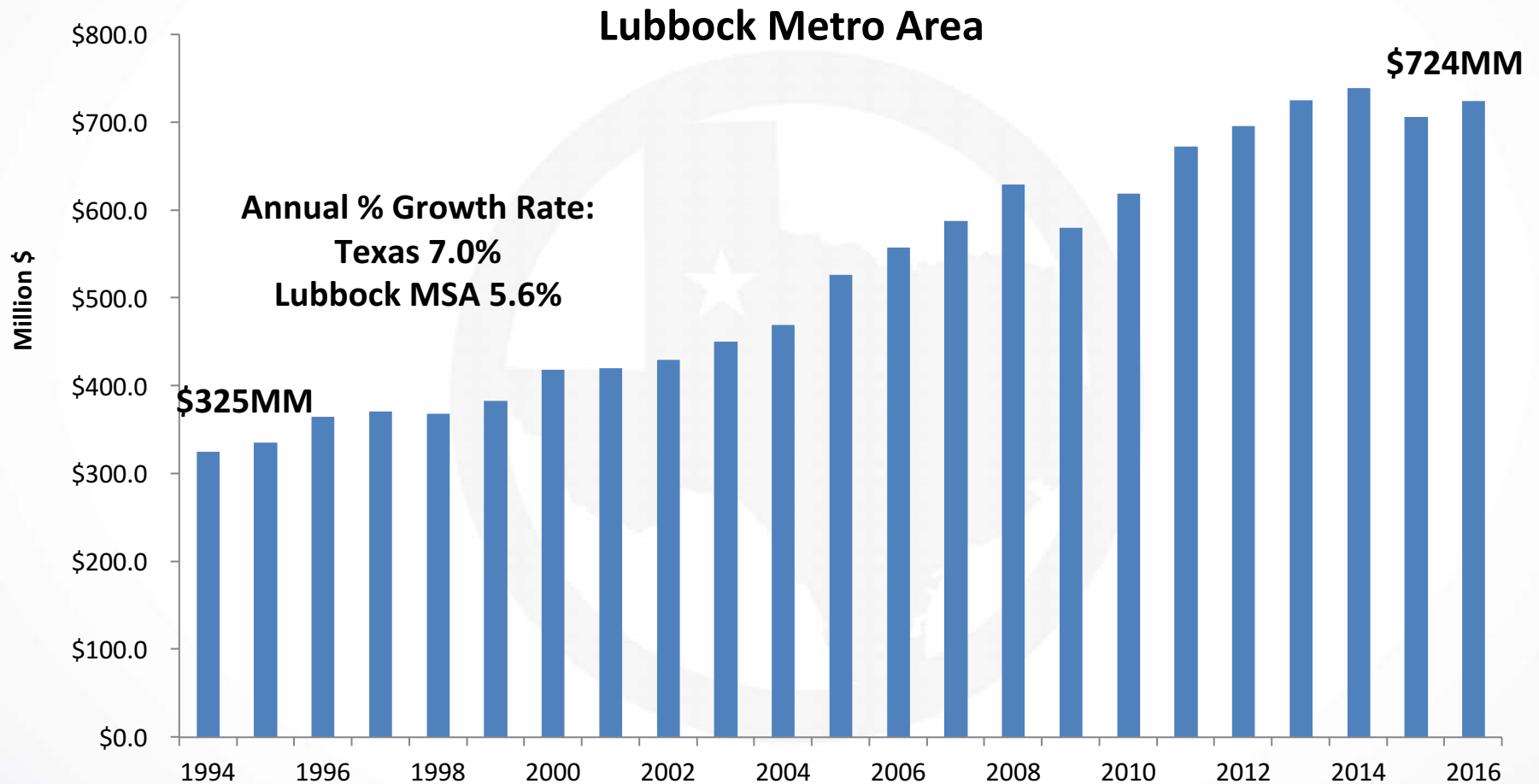
**Average Age  
of Visitors:**

**49.2 years**

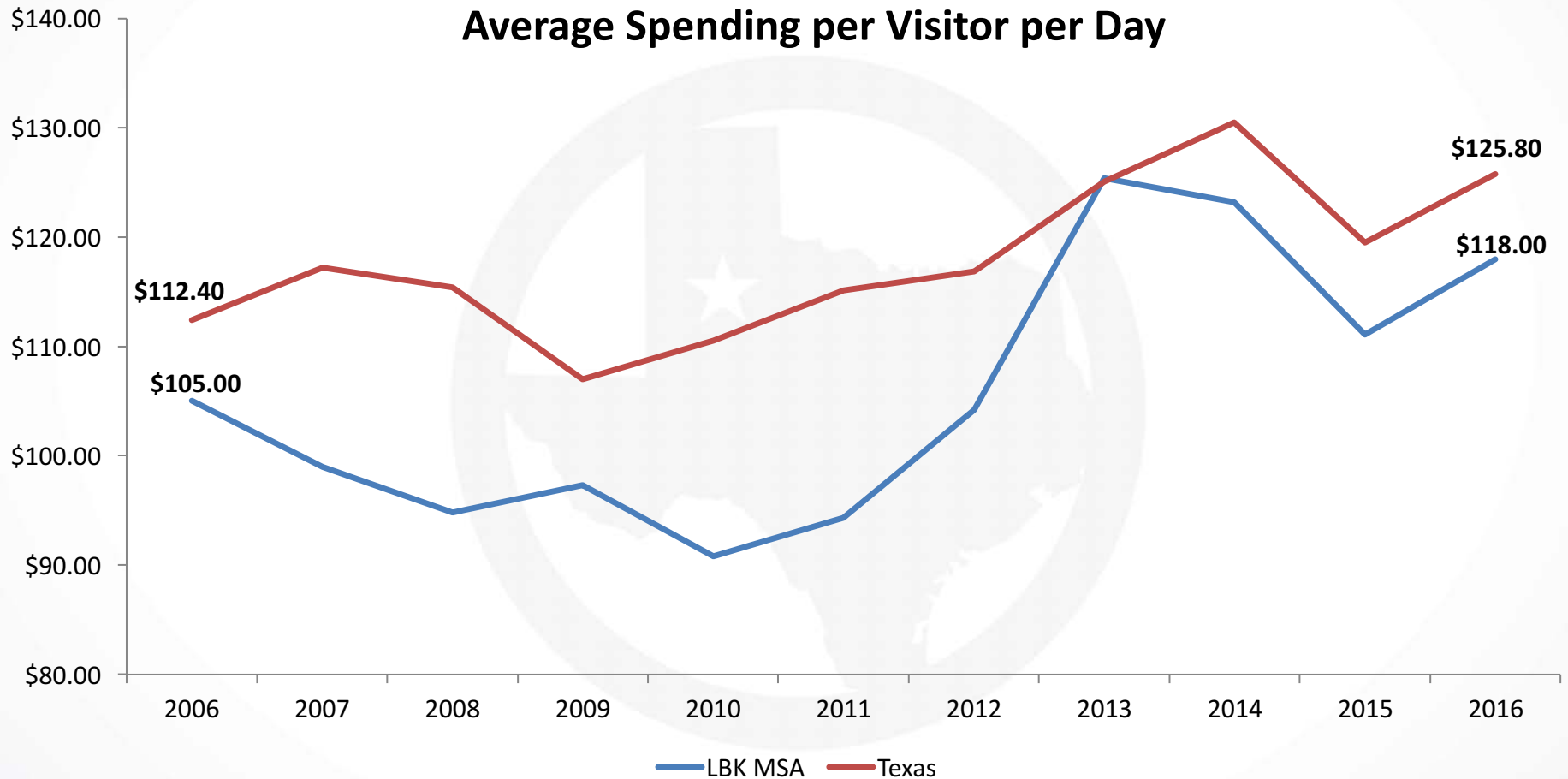
# Profile of Visitors to Lubbock MSA



# Visitor Spending At Destination

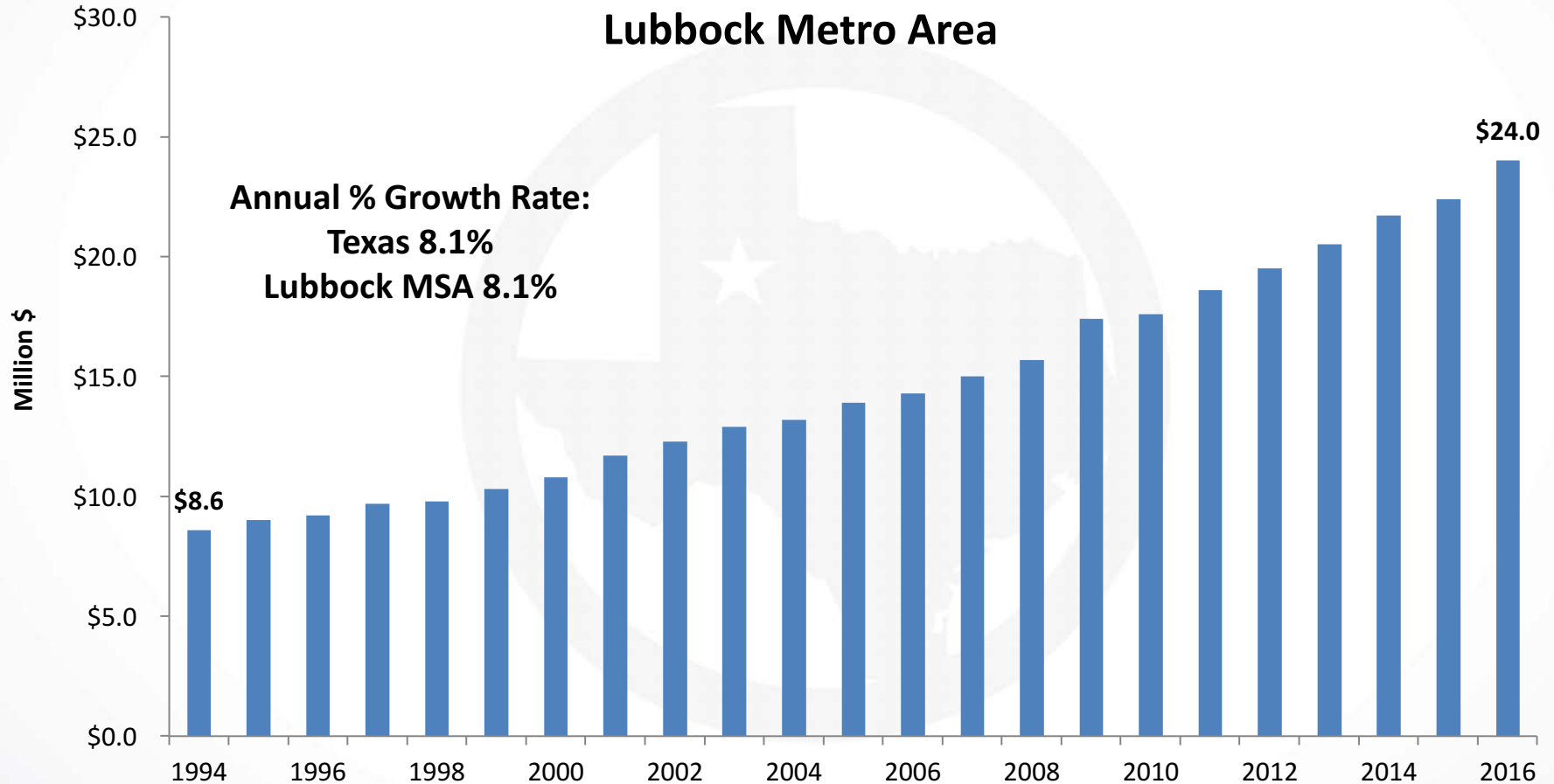


# Profile of Visitors to Lubbock MSA

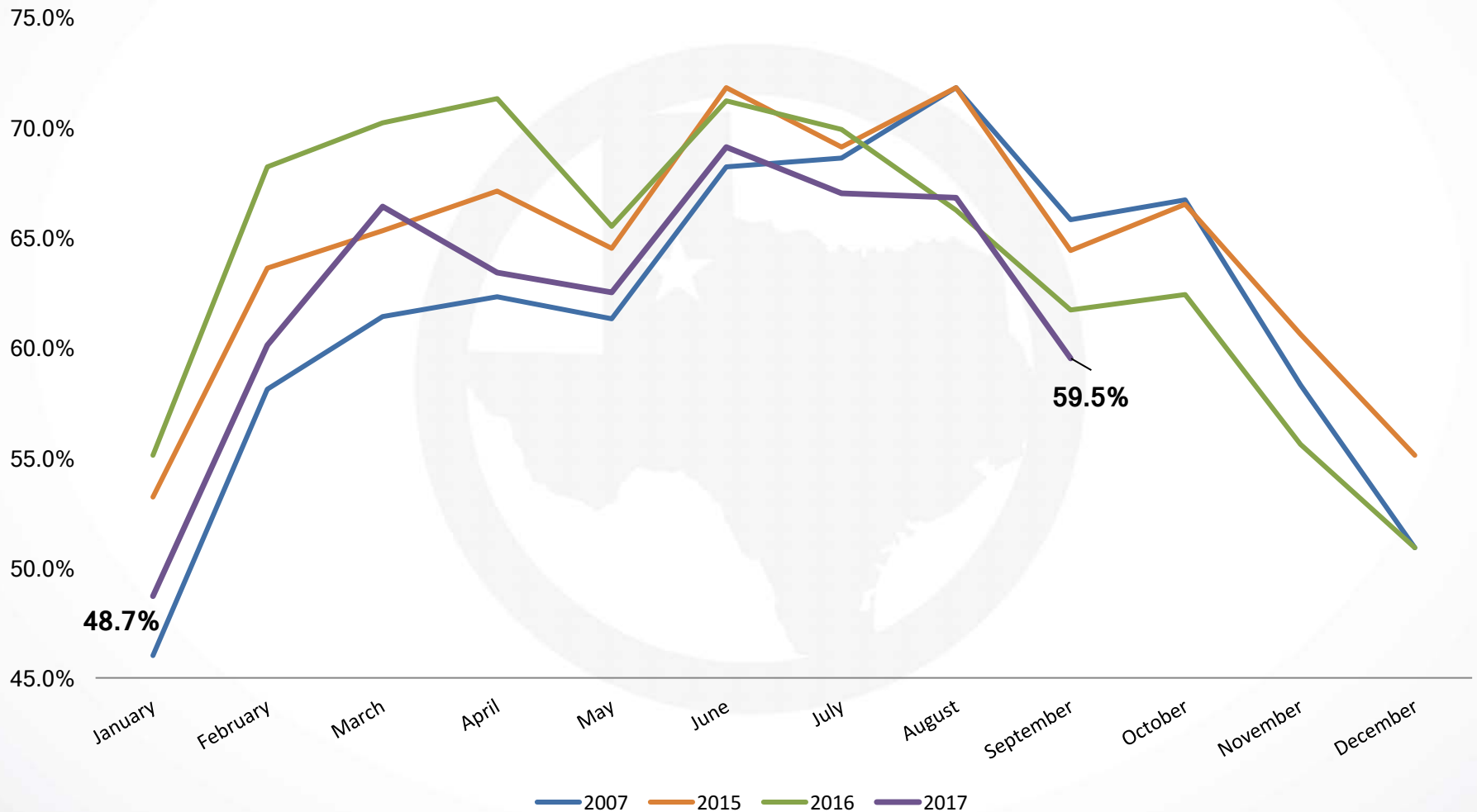




# Travel Impact – Local Tax Receipts

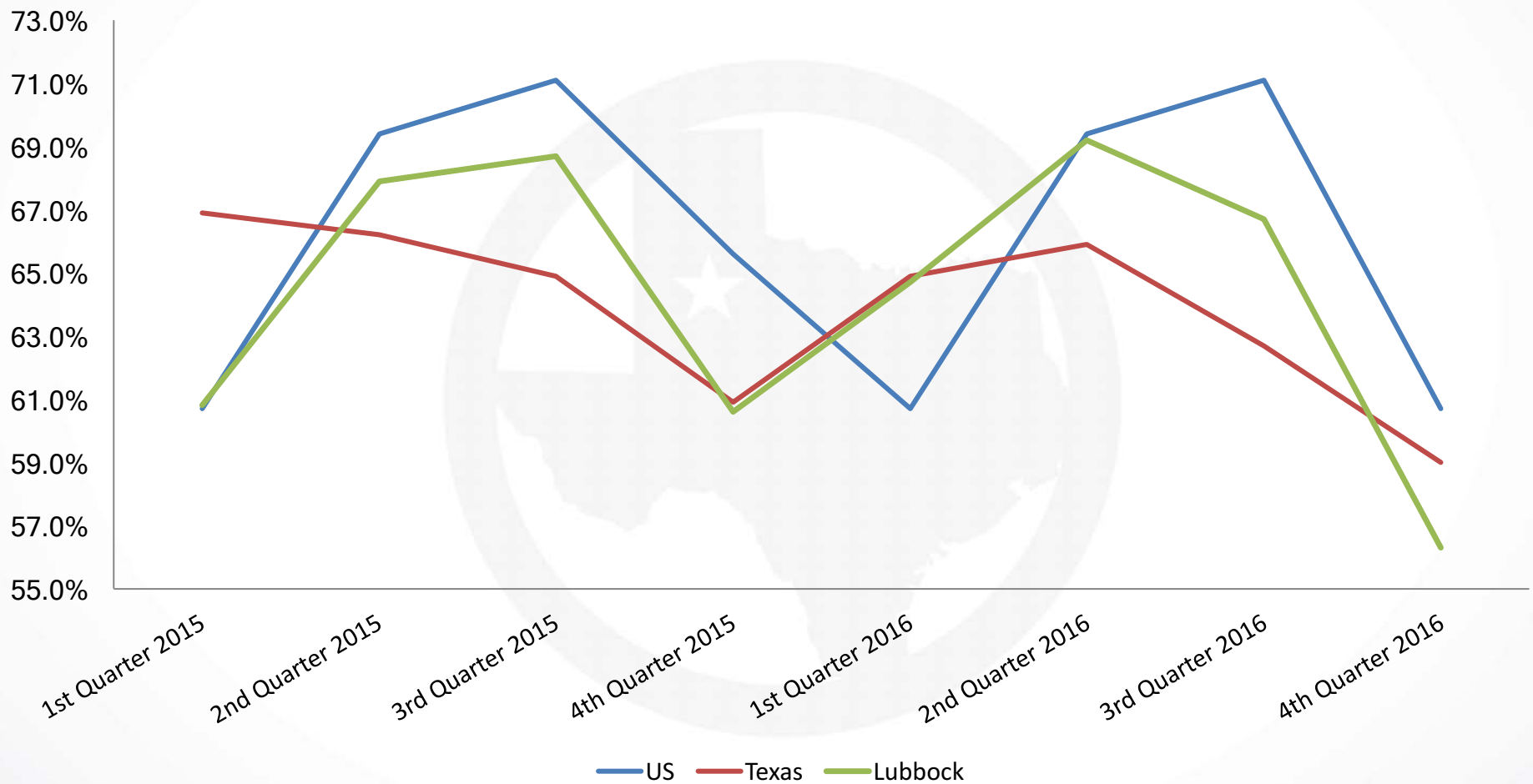


# Lubbock Hotel Occupancy



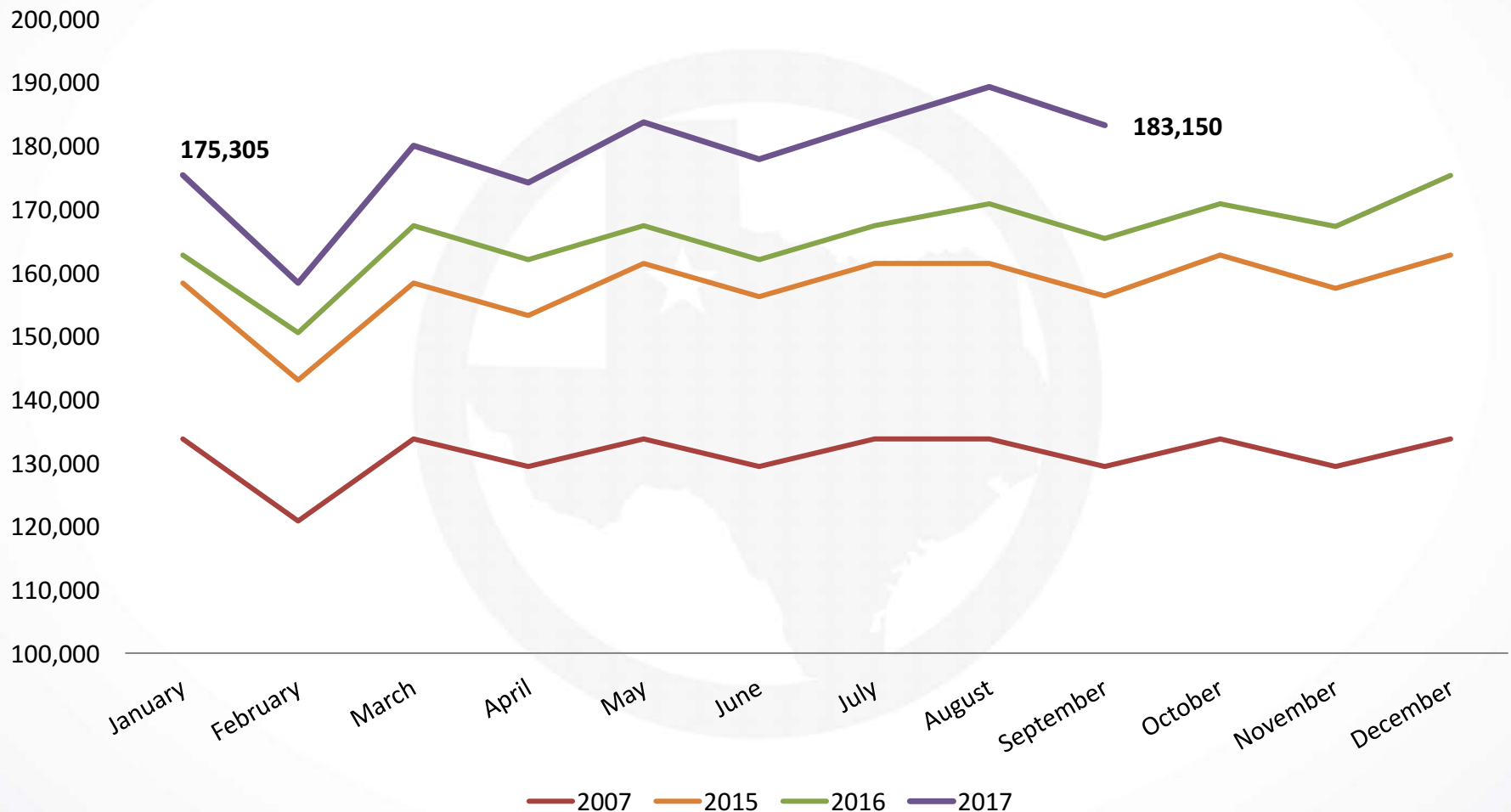
Source: STR

# Hotel Occupancy Comparison



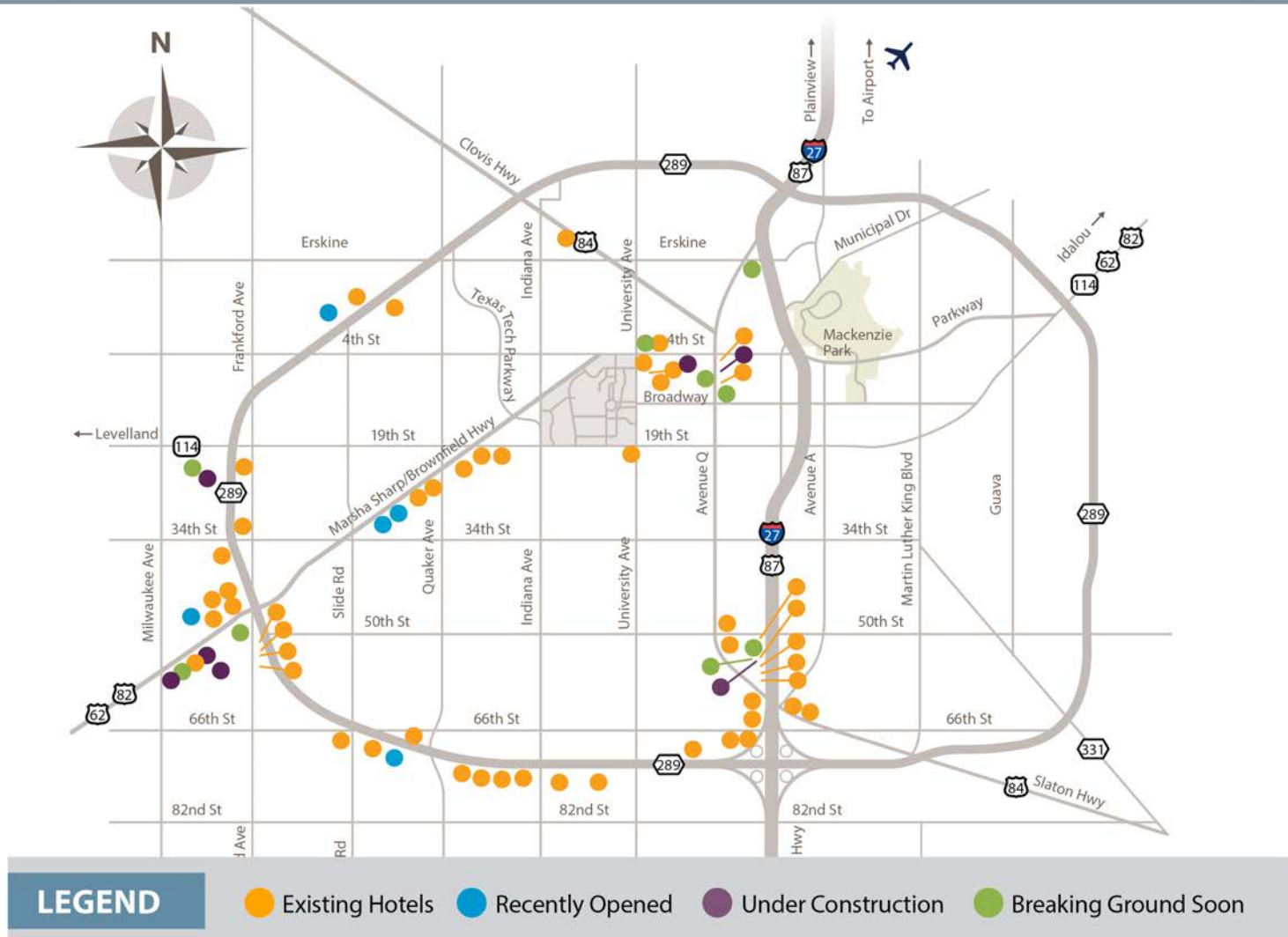
Source: STR, Texas Hotel Lodging Factbook

# Lubbock Hotel Supply



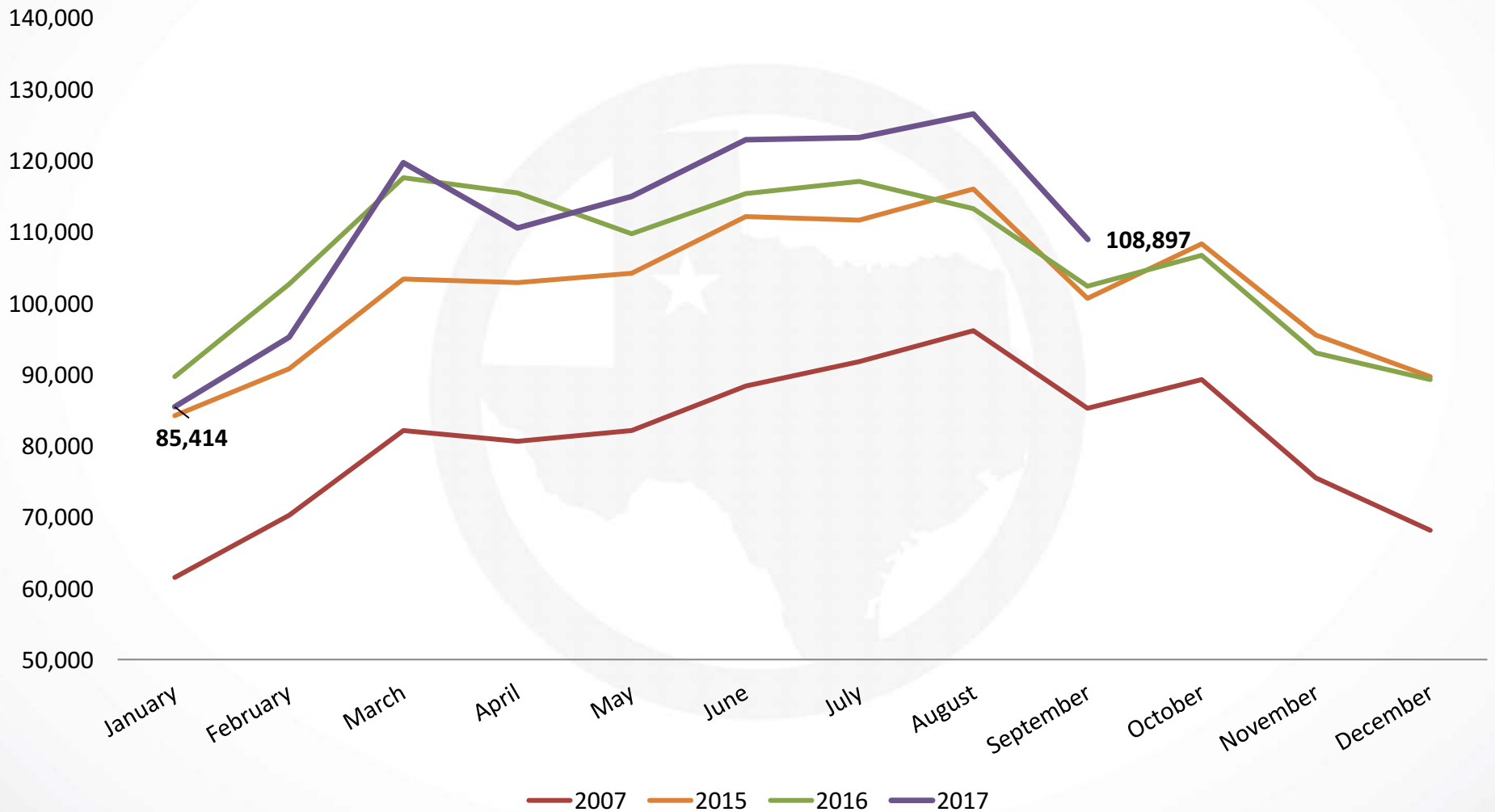
Source: STR

# Hotel Supply Growth in Lubbock



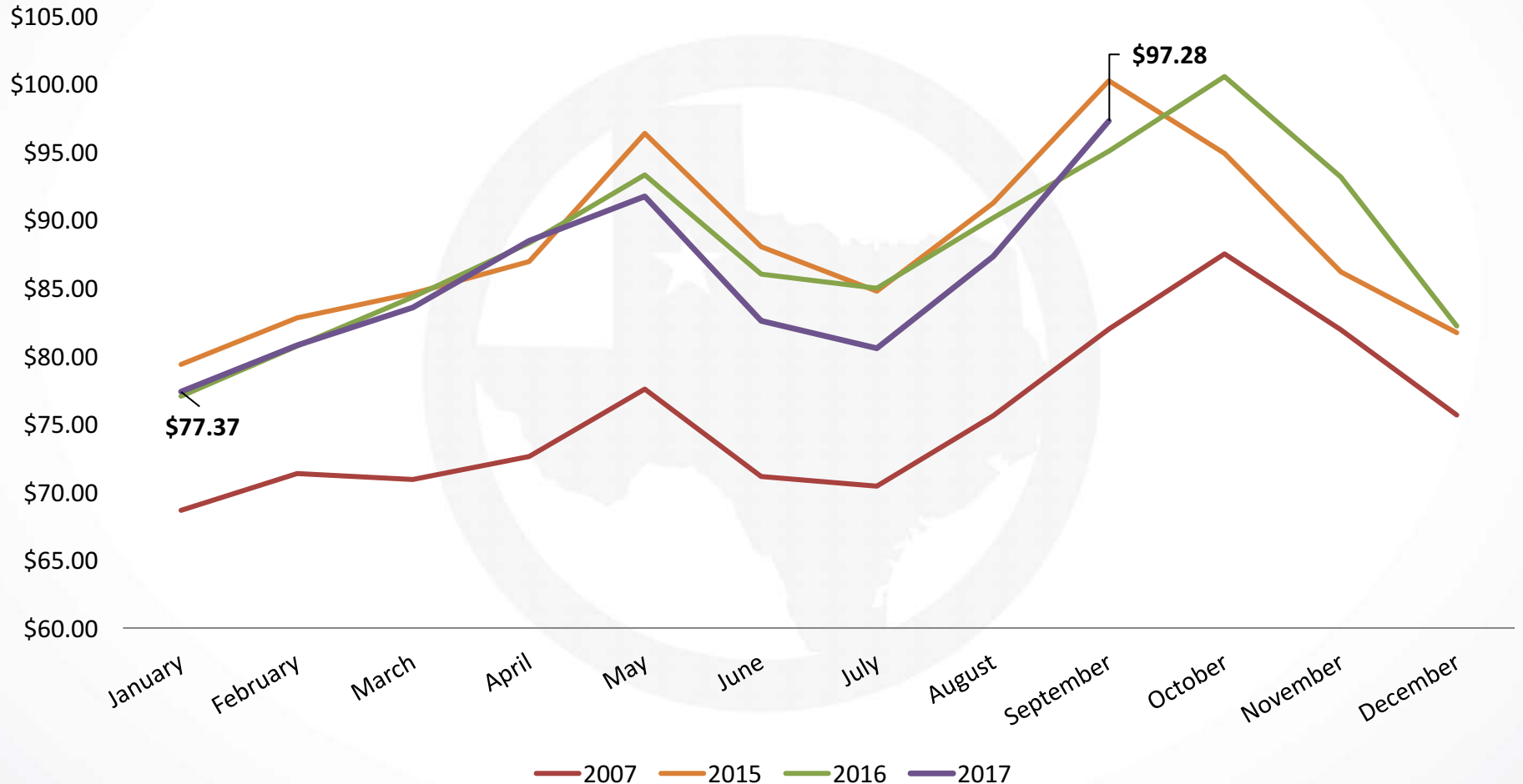
Source: Visit Lubbock

# Lubbock Hotel Demand



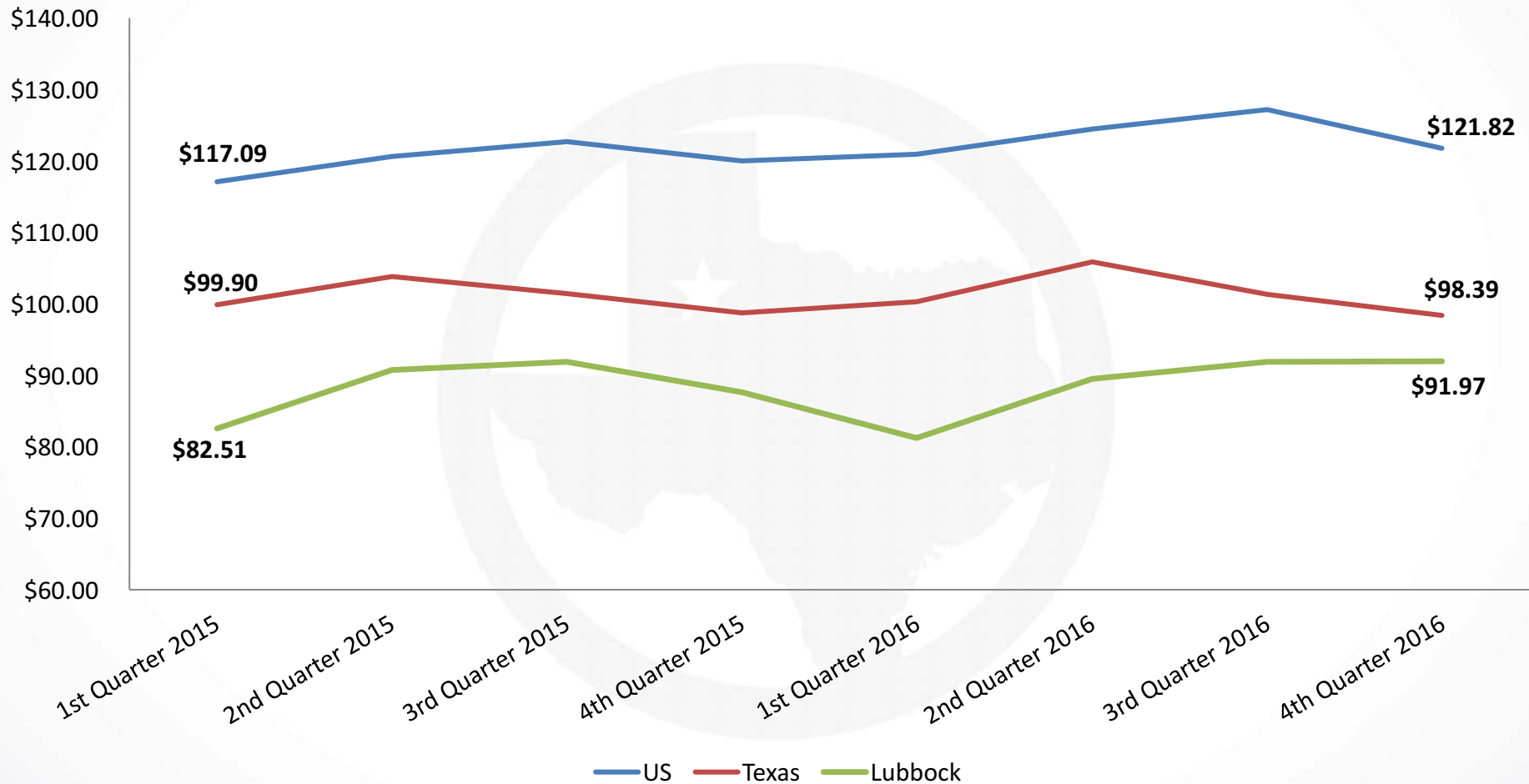
Source: STR

# Average Daily Rate in Lubbock



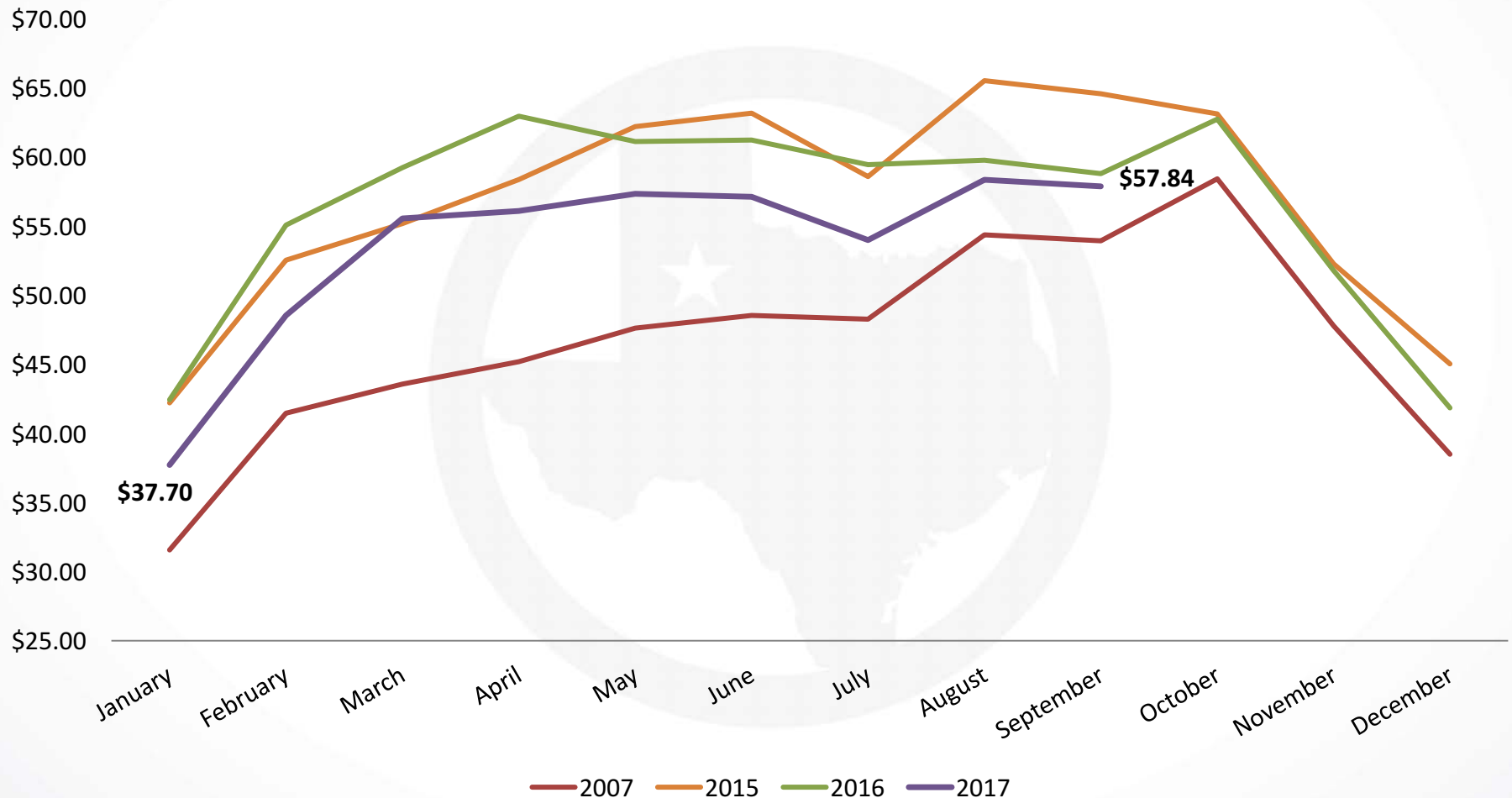
Source: STR

# Average Daily Rate Comparison



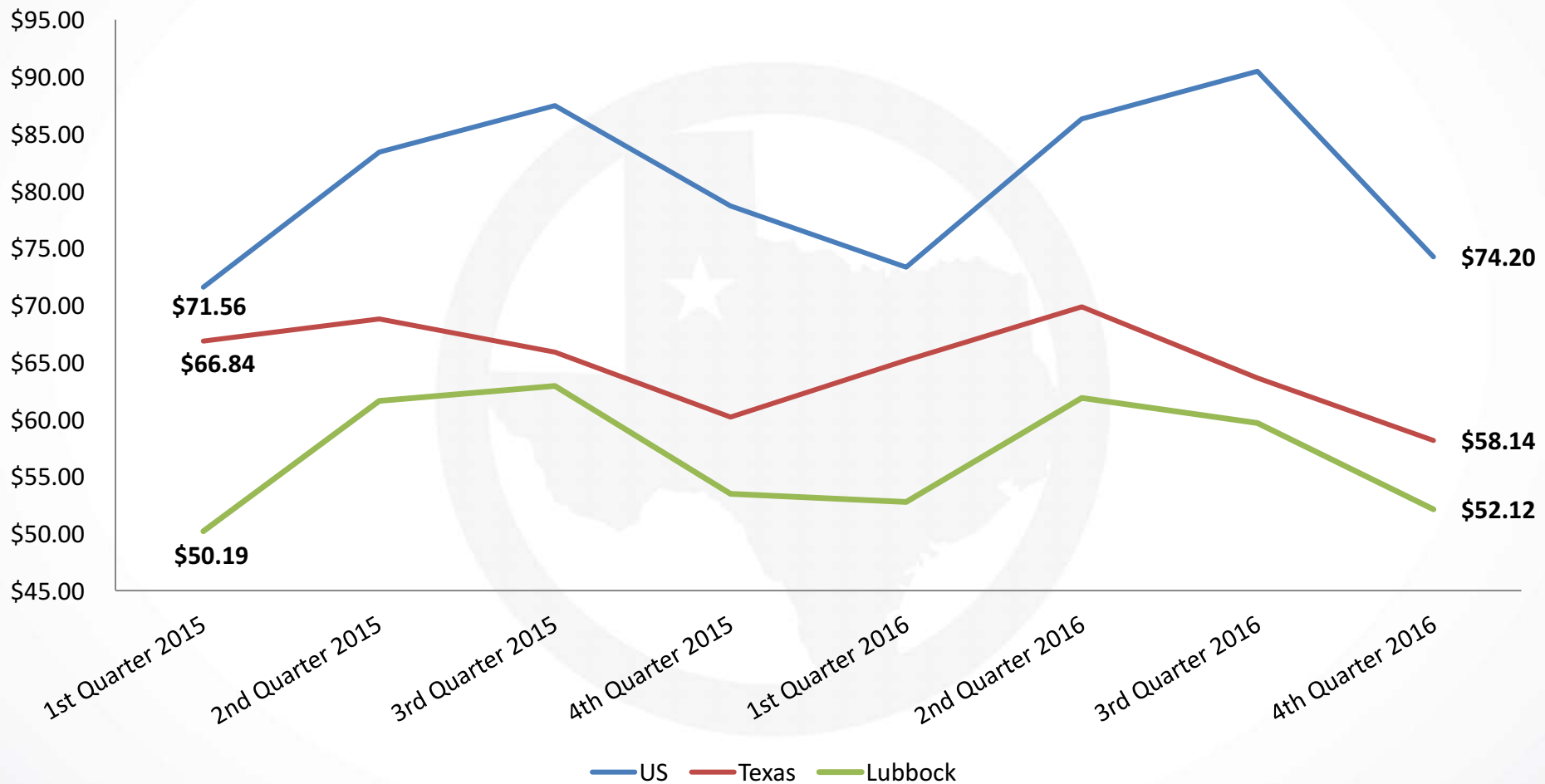


# Revenue per Available Room in Lubbock

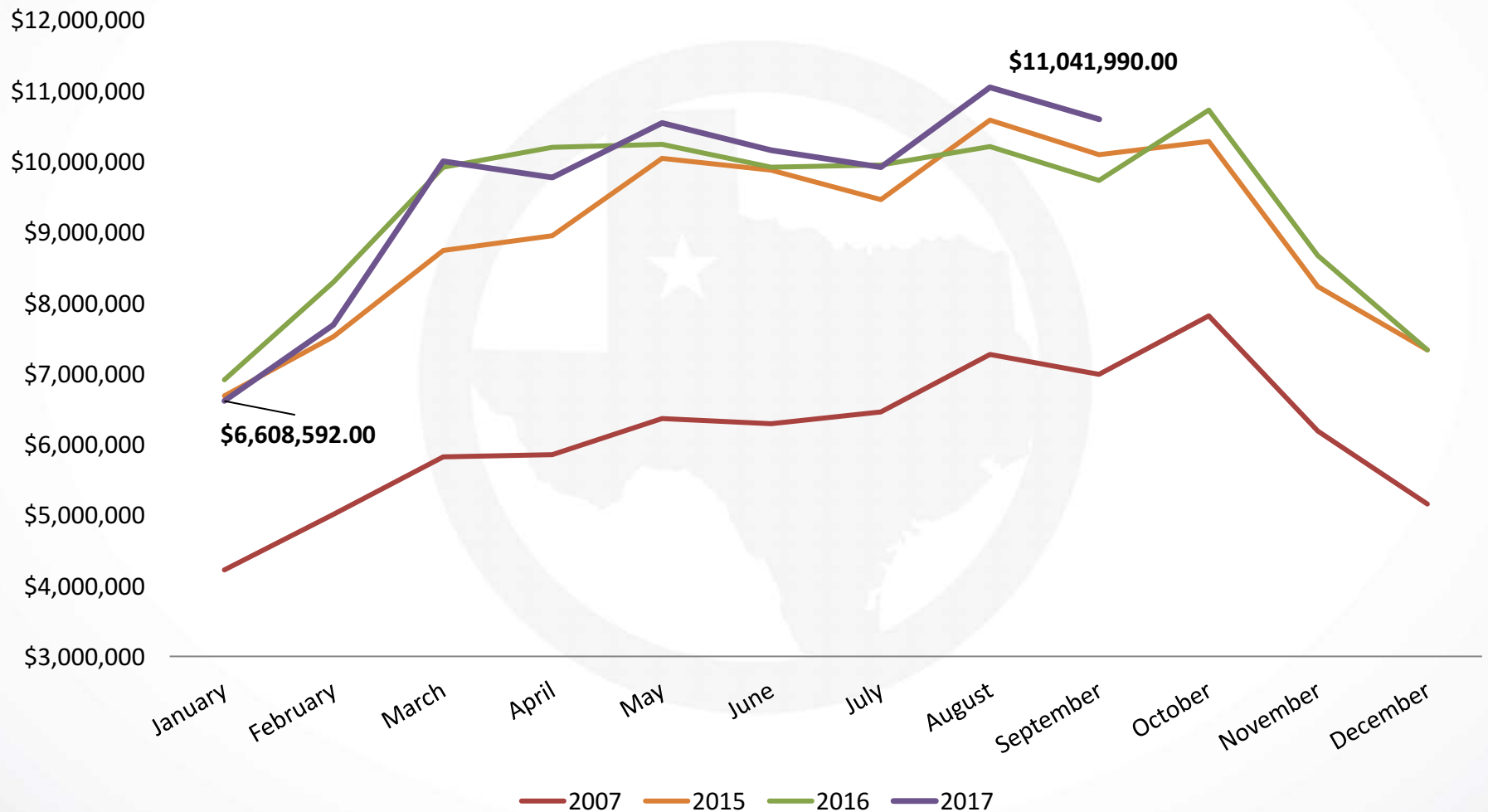


Source: STR

# Revenue per Available Room Comparison



# Total Lodging Revenue in Lubbock



Source: STR



# BUSINESS SURVEY

Sept. 29 – Oct. 2, 2017



# A Special Thank You....

- ...to Mike Stevens and the Action Data team for executing this business survey

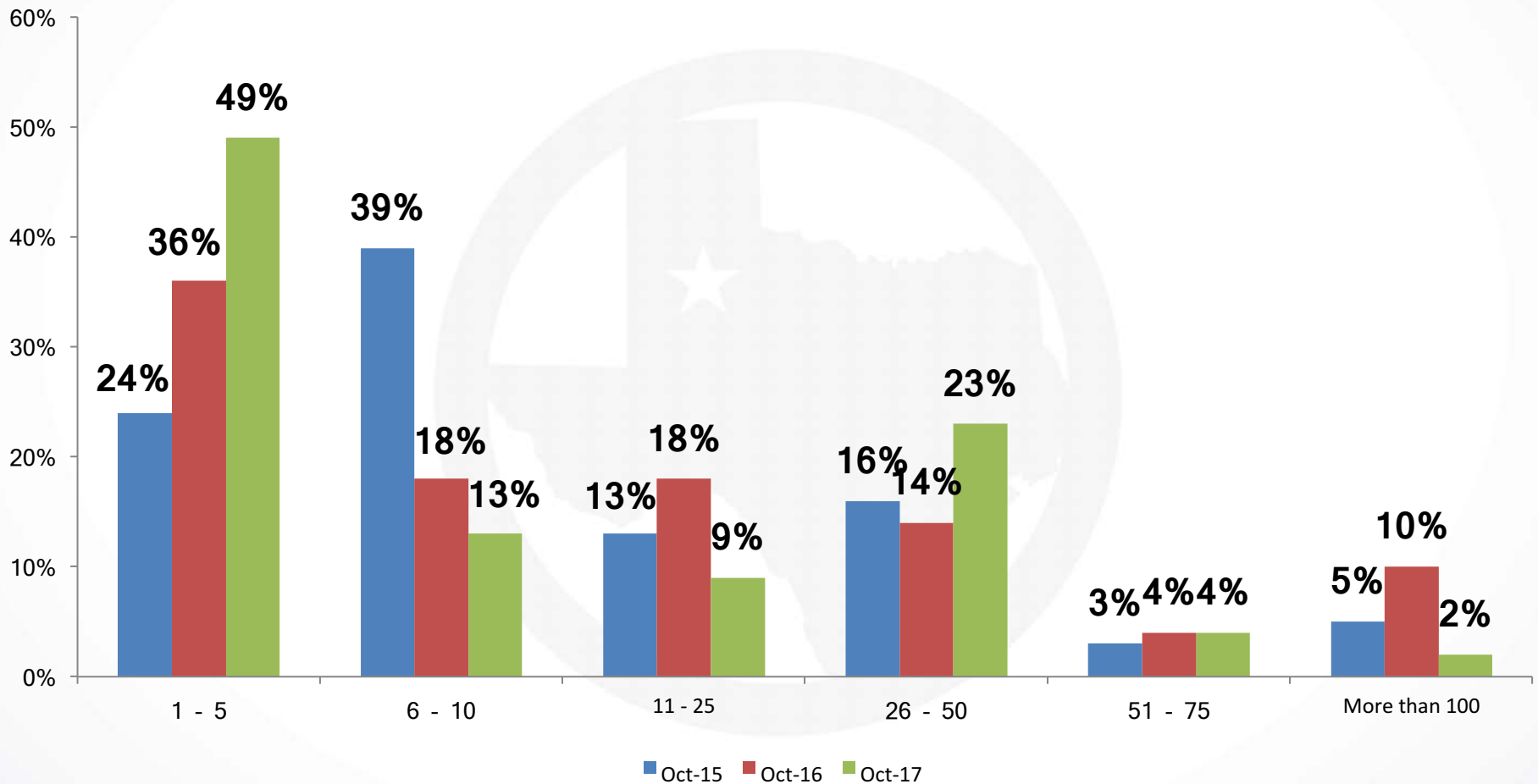
# Business Survey

- Businesses in the Lubbock Trade Area
- 5,486 business surveyed
- Number of Respondents – 960
- Margin of Error  $\pm 3.1\%$
- Respondents ranged in gross sales from \$1MM to \$100MM
- 62% of respondents: 1-10 Employees

# Businesses Represented in the Survey

- With another strong response, 960 business people from the Lubbock metro service area took the 2017 poll. Respondents ranged in gross sales from \$1 to \$100 million. We randomly selected 5486 companies for polling from each sector of our business community.
- The 2017 survey saw two new industries represented, including: Health and Beauty, Workplace Safety. Similar to past surveys construction was the number one responding industry.

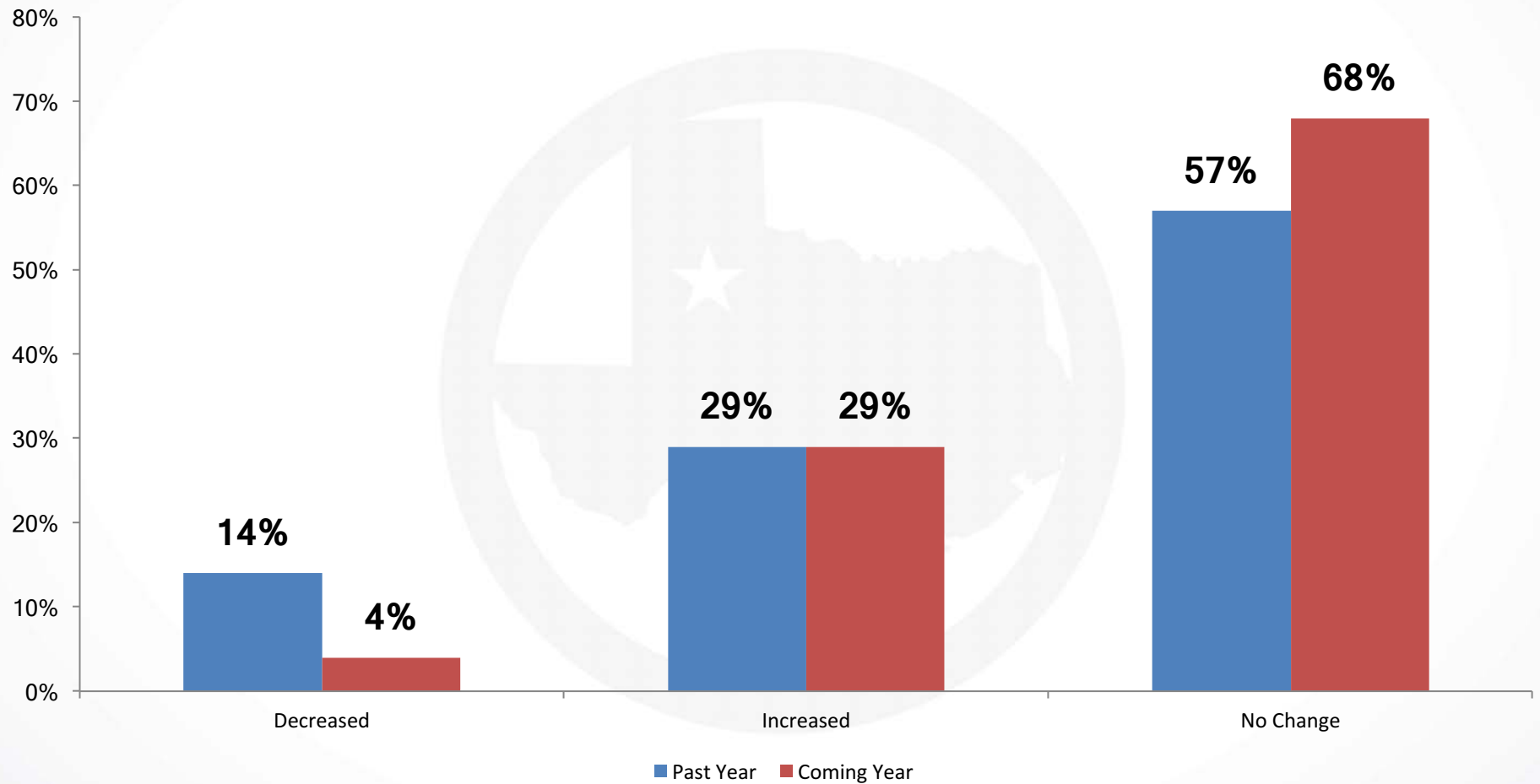
# Number of Employees



Source: Action Data

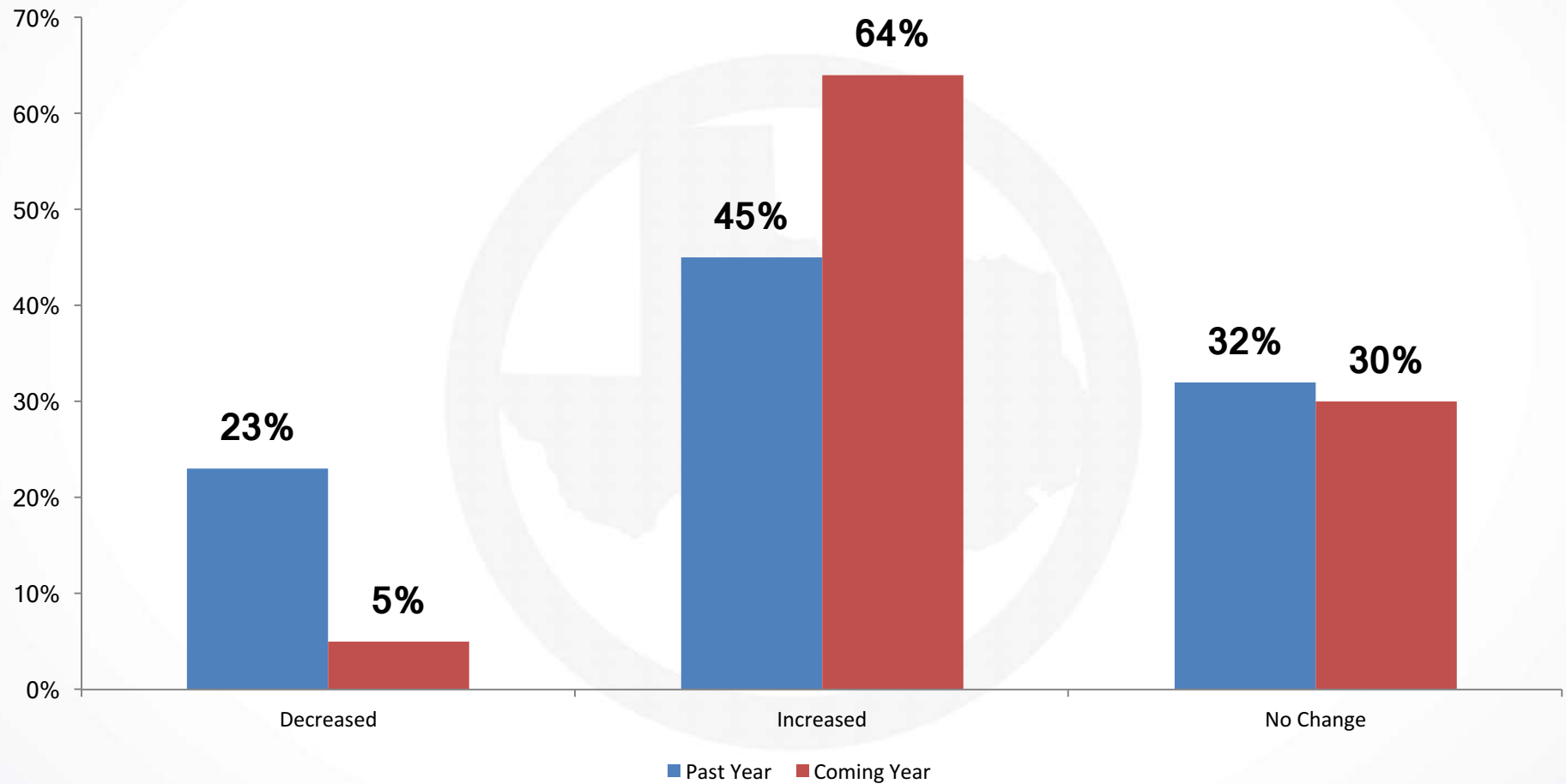


# Employee Count Growth



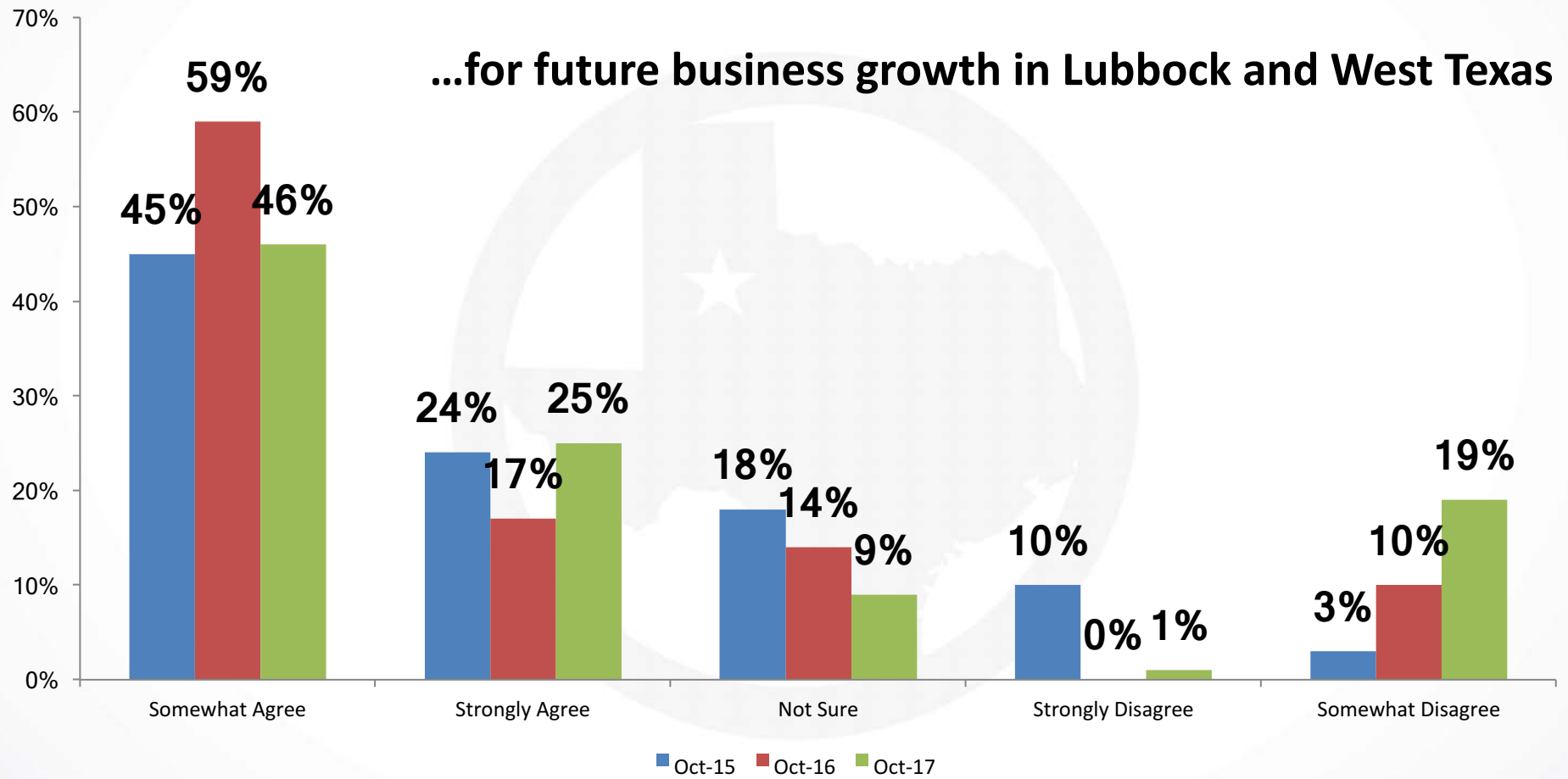
Source: Action Data

# Sales/Revenue Growth

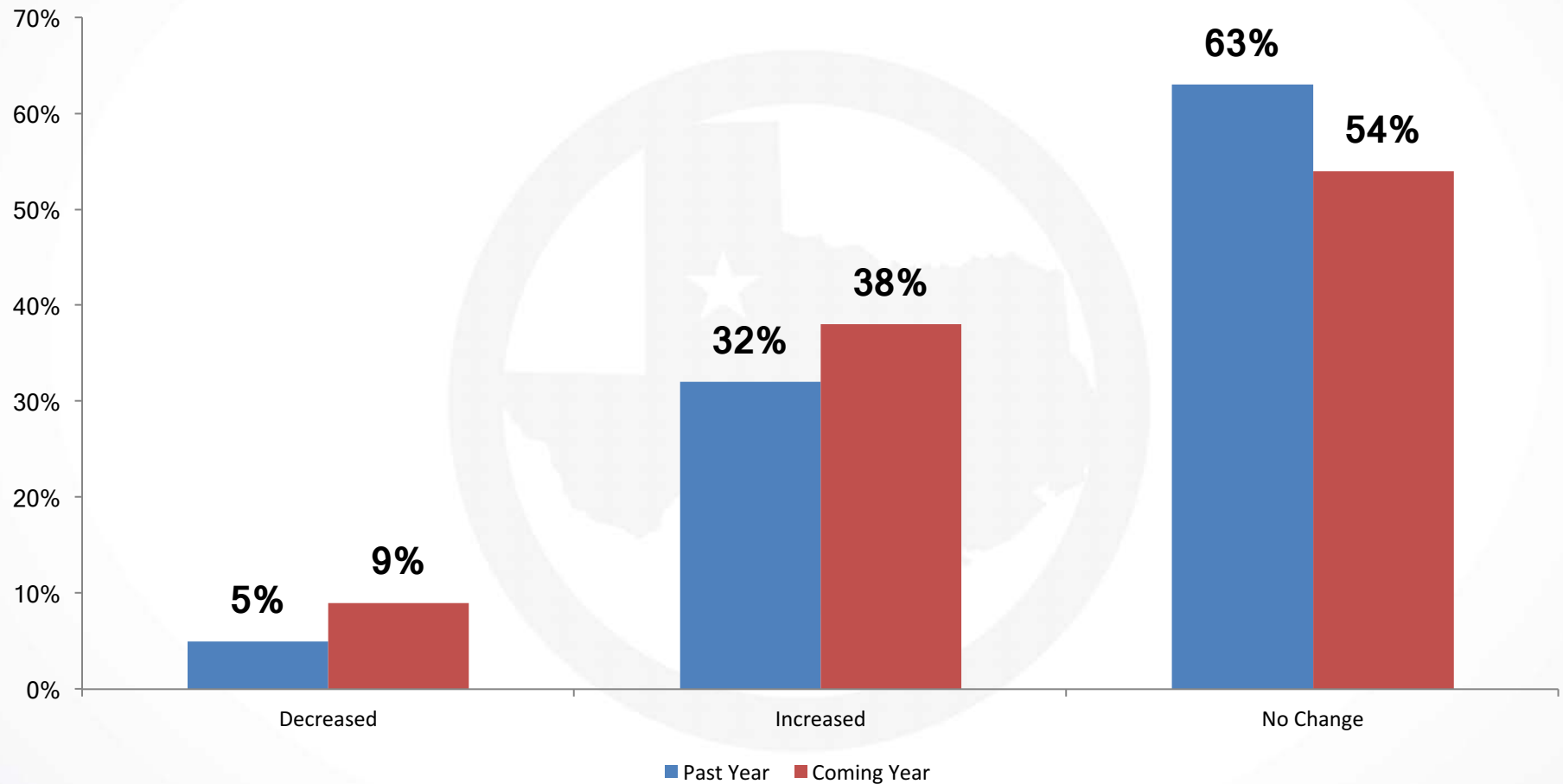


Source: Action Data

# On The Right Track...

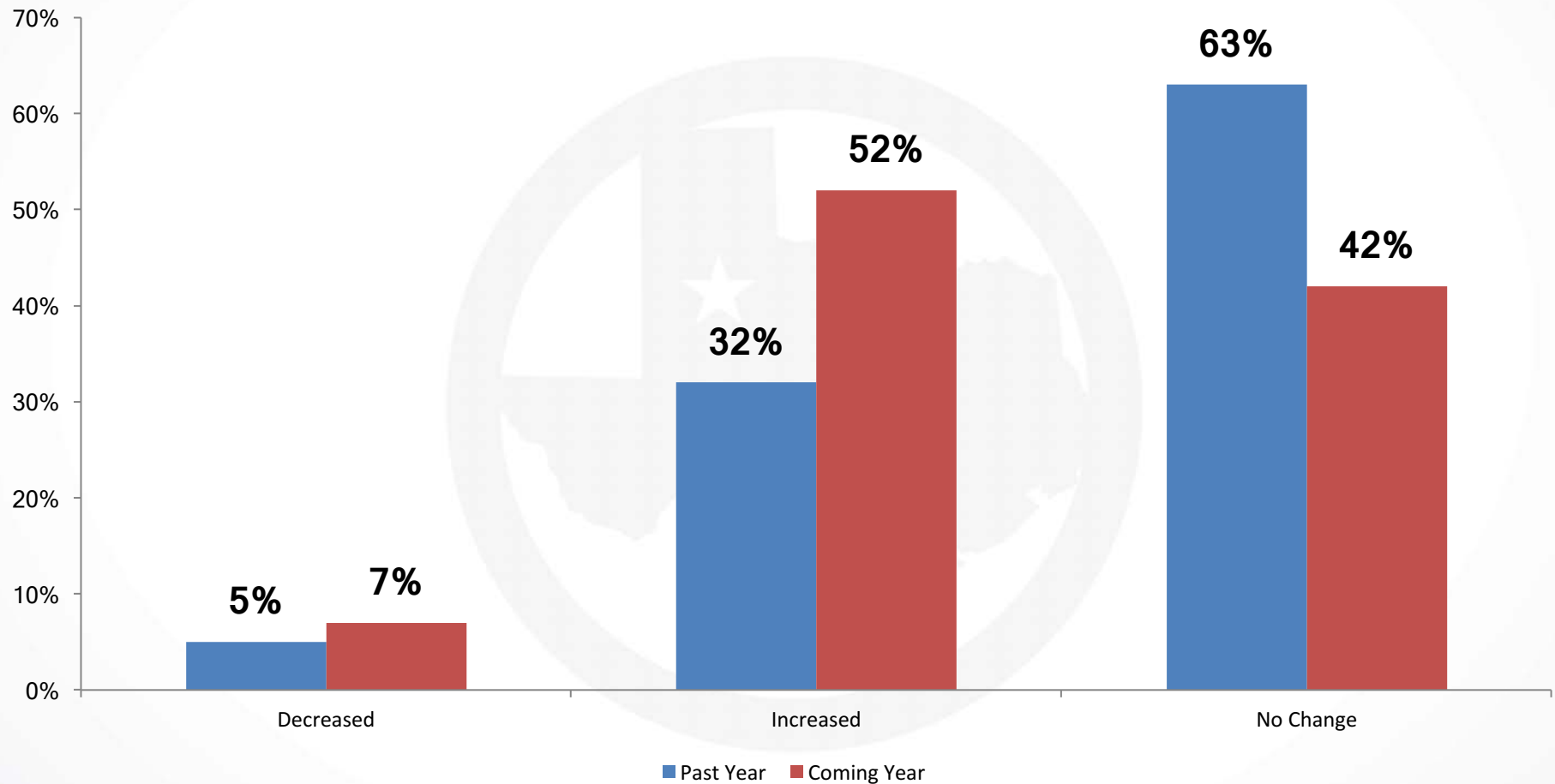


# Spending on Equipment/Facilities



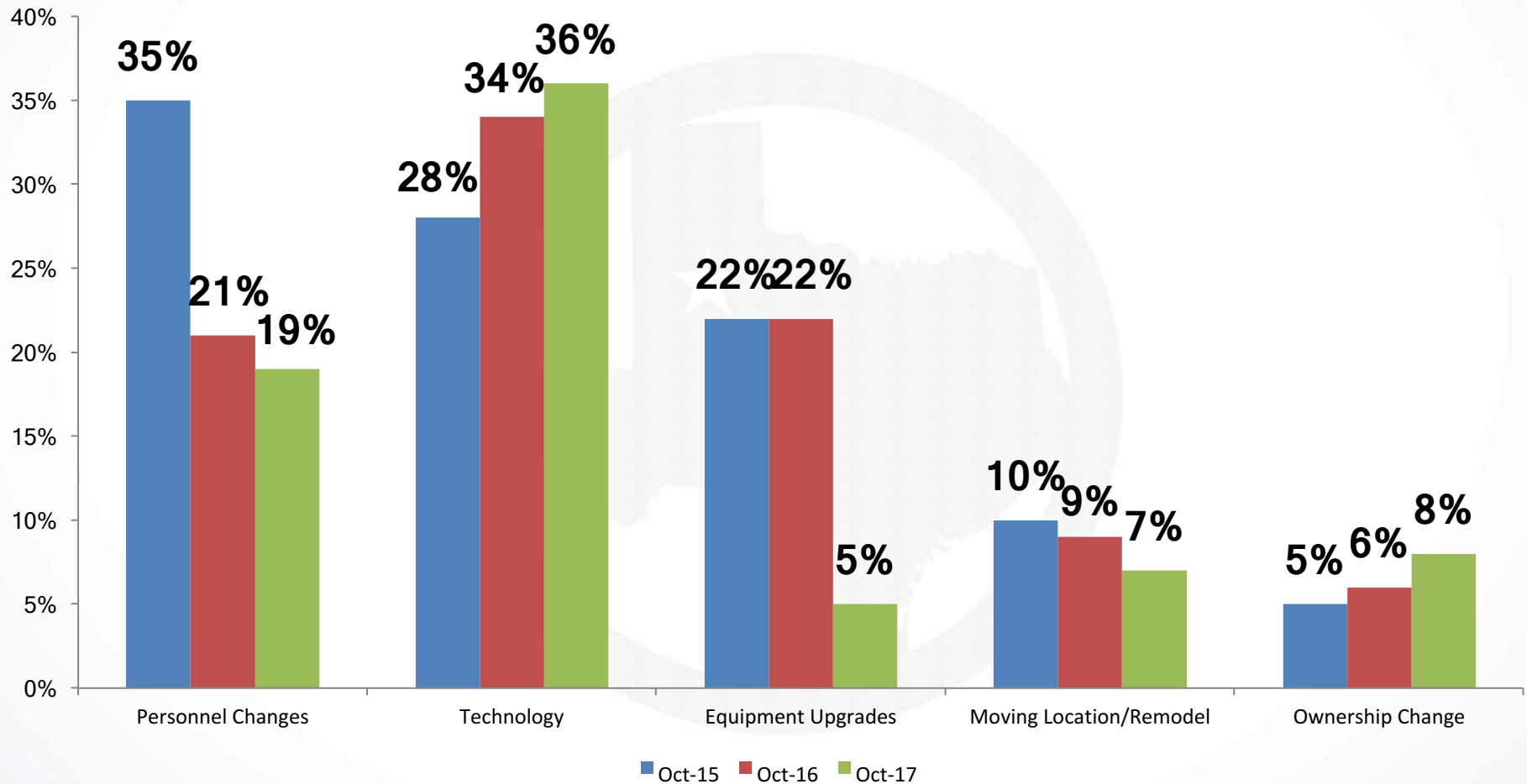
Source: Action Data

# Spending on Health Care



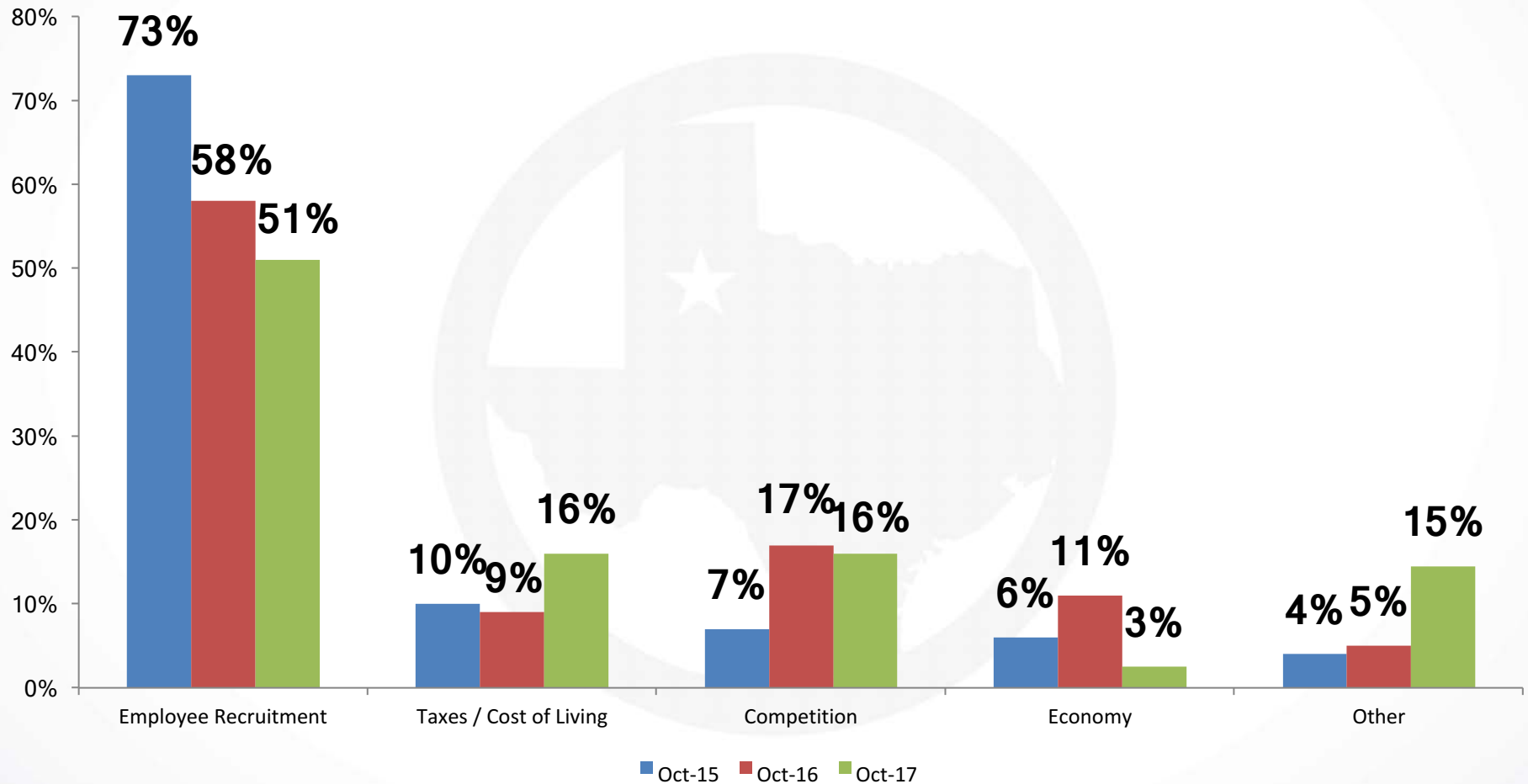
Source: Action Data

# Most Important Changes Made



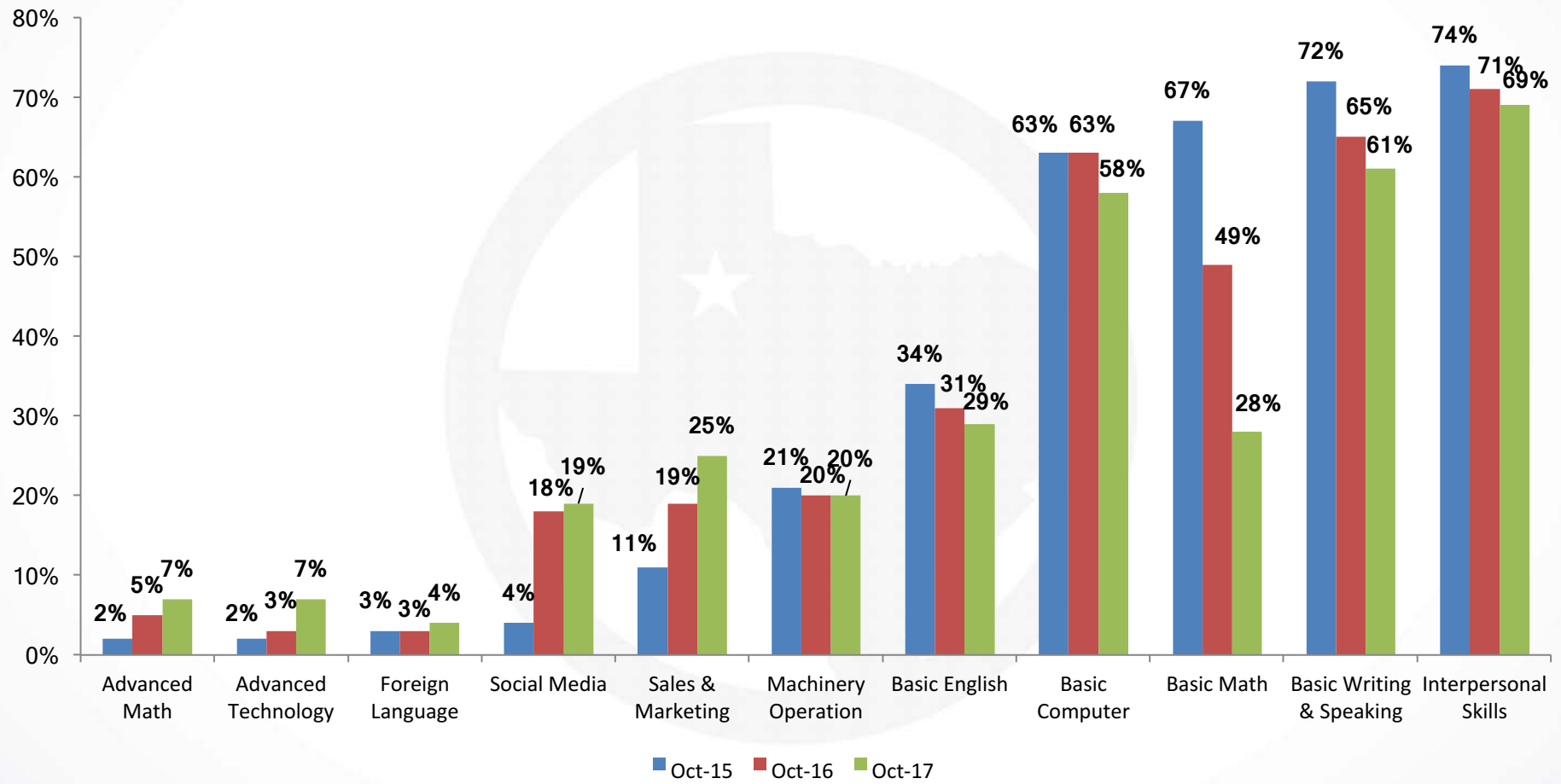
Source: Action Data

# Problems Hindering Growth



Source: Action Data

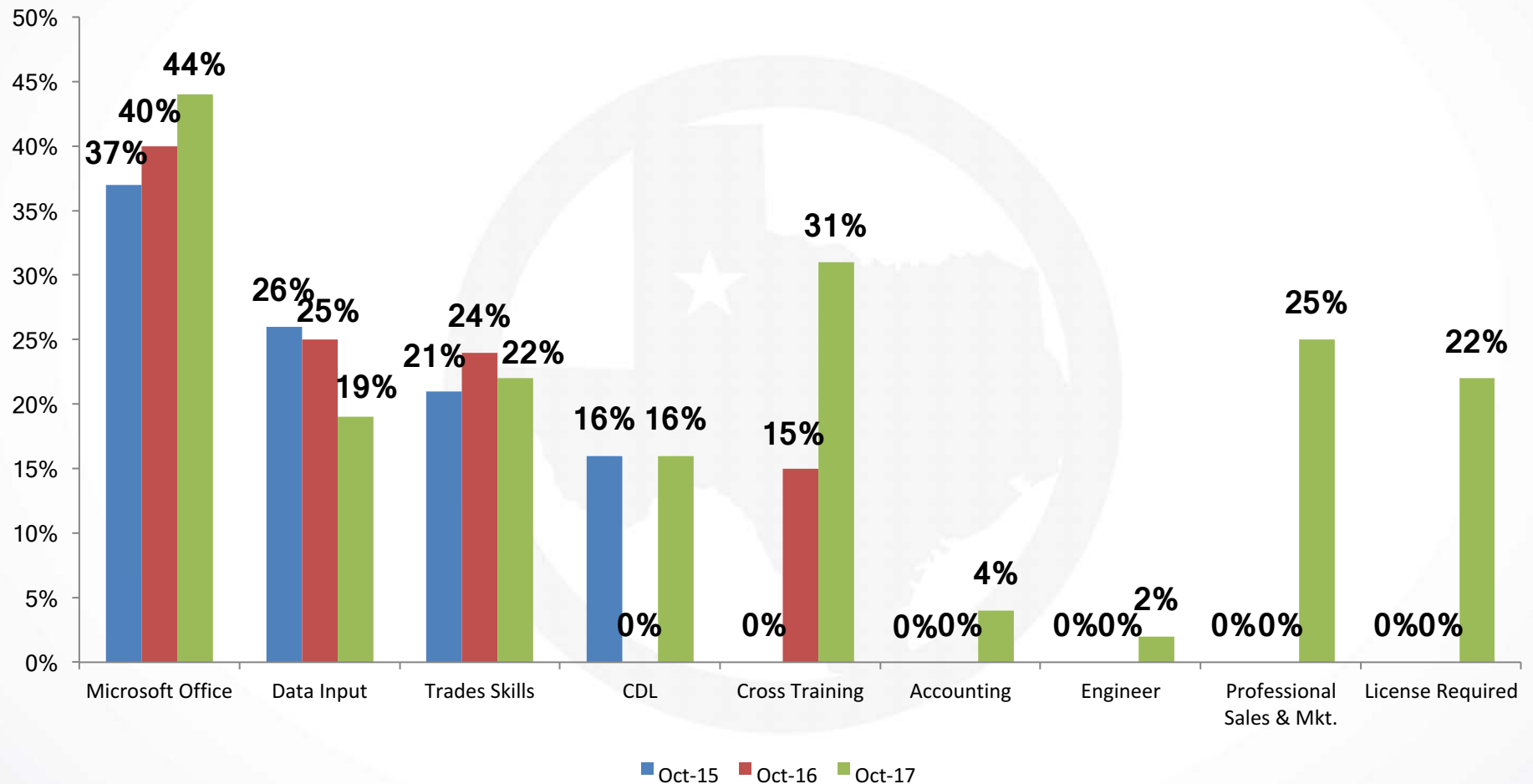
# Top Workforce Skills Needed



Source: Action Data



# Specific Knowledge Needed

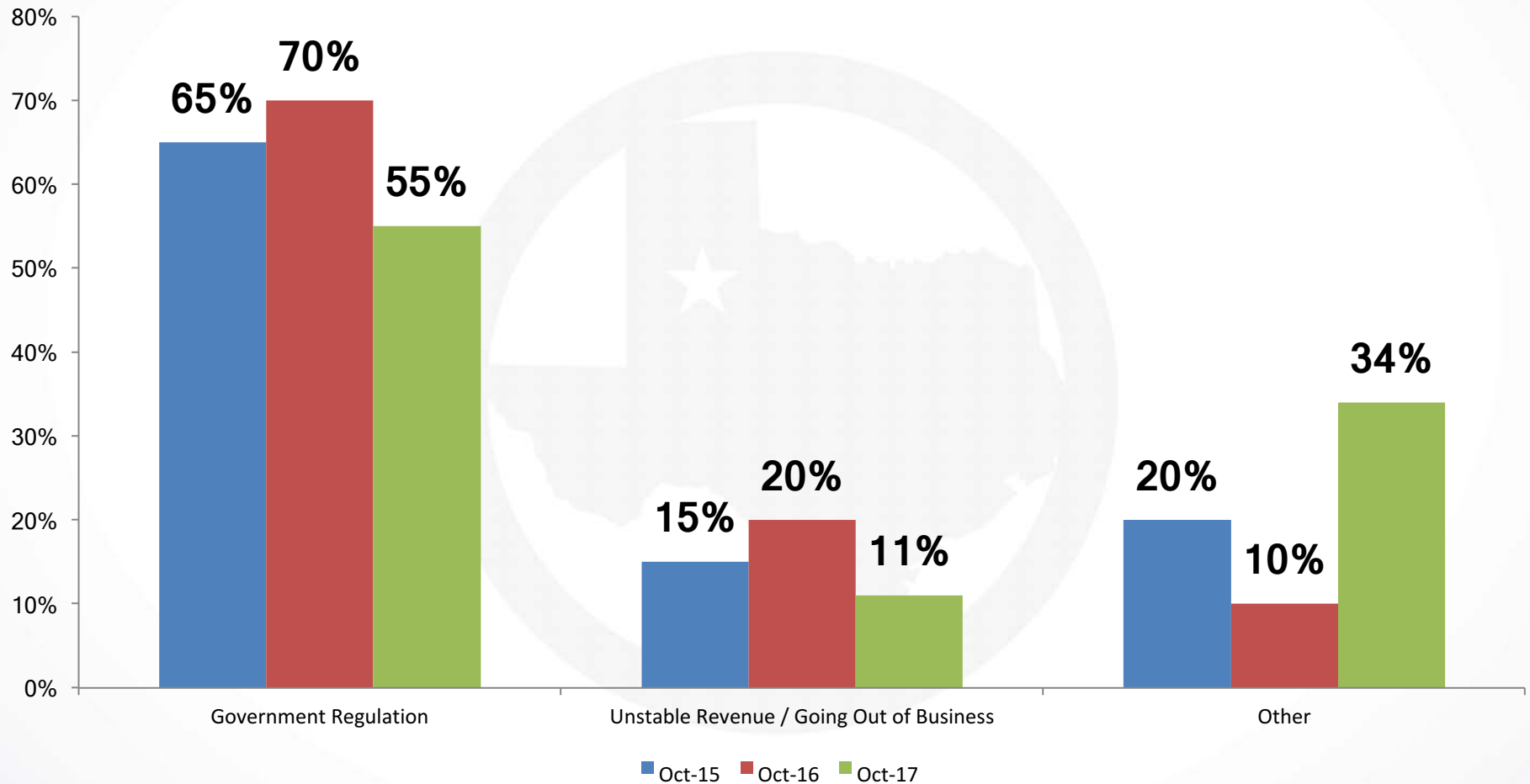


Source: Action Data

# Difficult Skills To Find

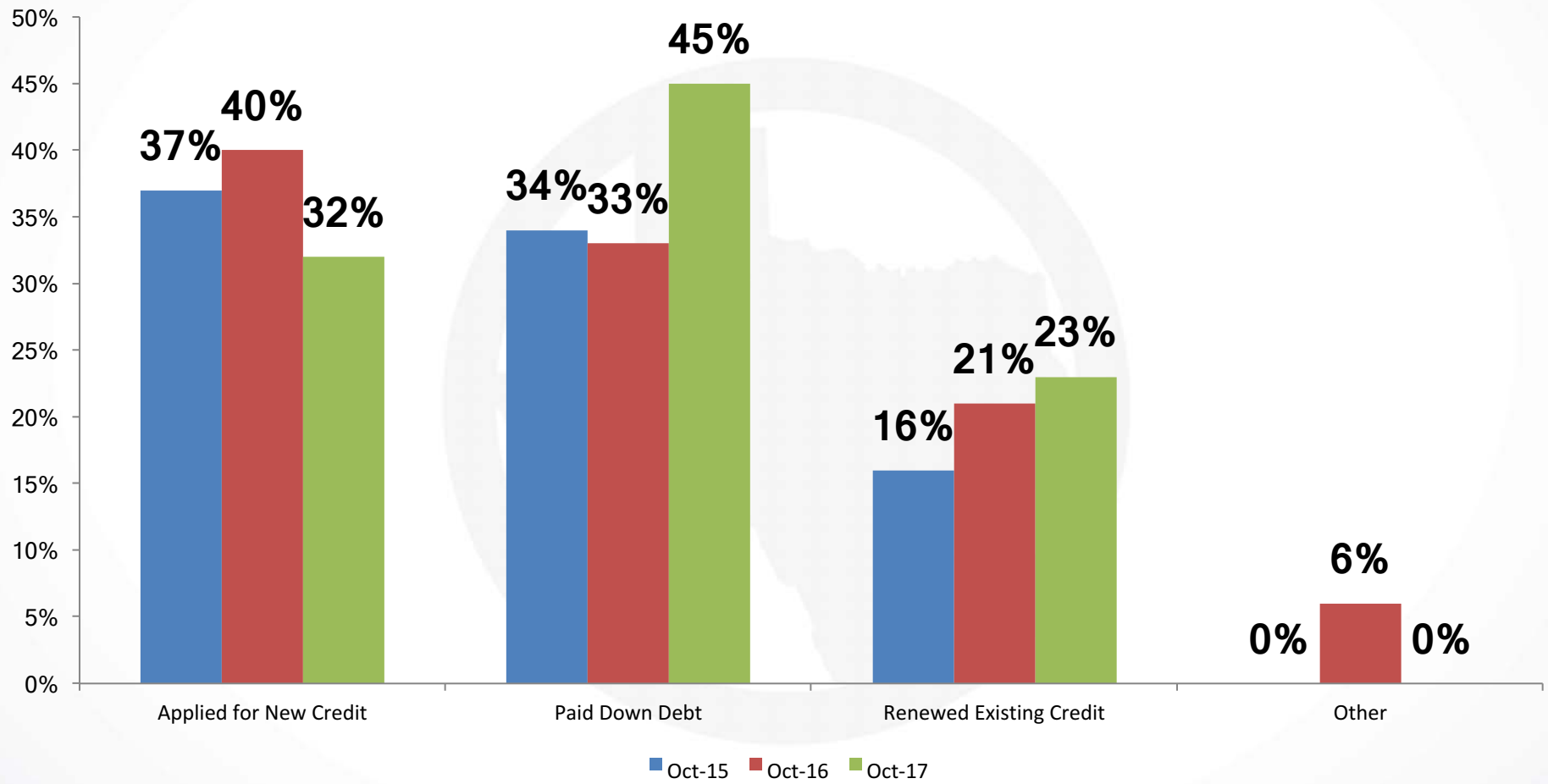
- CDL Drivers
- General Laborers
- Professionals
  - Accountants
  - Engineers
- Machine Operators
  - Crane
  - Dirt Movers

# Biggest Threat Over the Next Decade

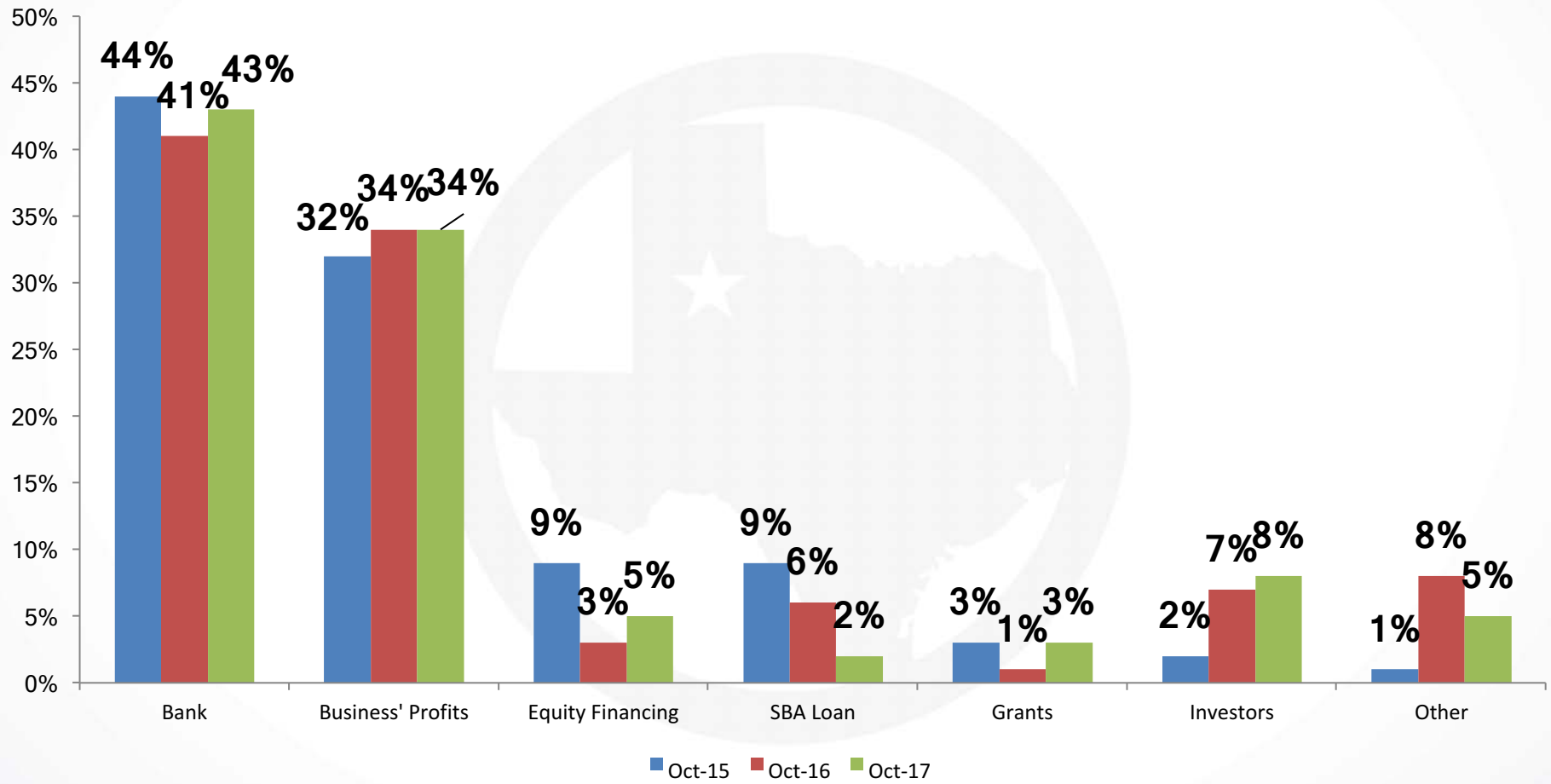


Source: Action Data

# Debt and Finance

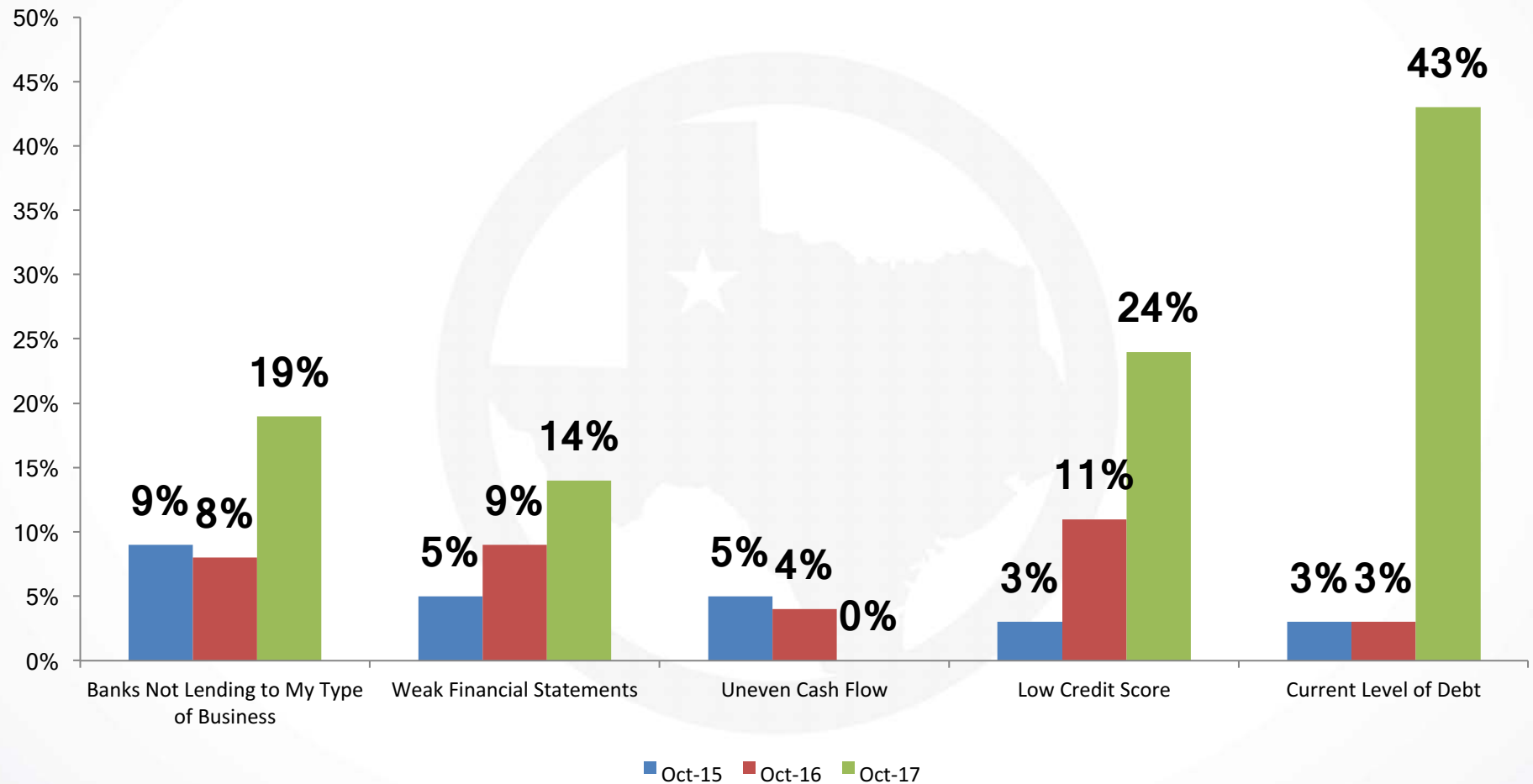


# Financing Sources



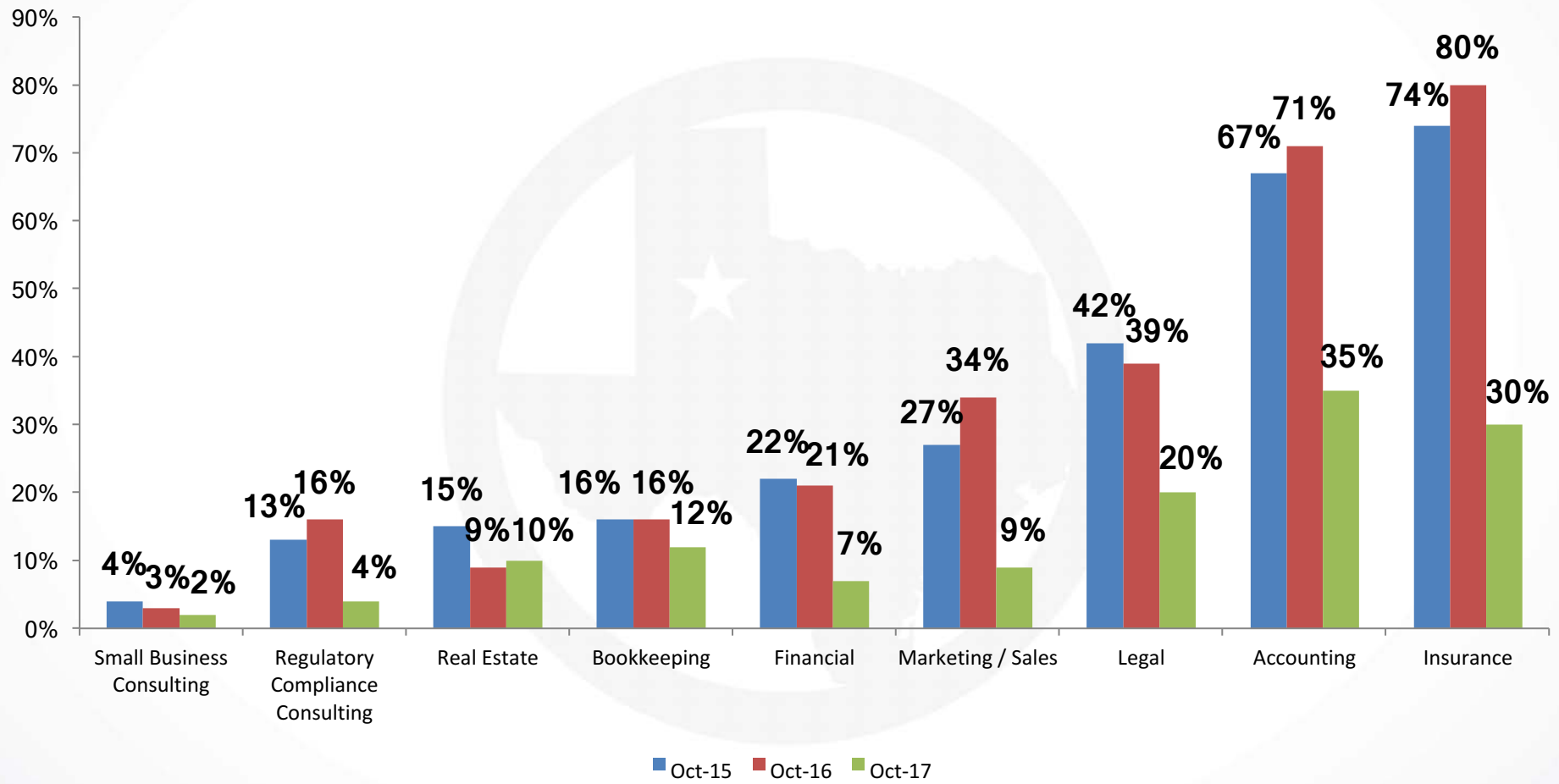
Source: Action Data

# Roadblocks to Credit



Source: Action Data

# Professional Resources Used



Source: Action Data

# Key Findings

- Most participants (71 %) agree that Lubbock is on the right track with 45% of participating businesses indicating growth in gross sales the past year.
- Health care cost increases are slowing, but still a major driver of concern.
- Fraud prevention costs likely to drive up fees for banking.
- In spite of steady local growth and tax rates, business friendly local, state, and national governments, fears remain about a national economic downturn.
- Increased consolidation, and businesses sold or purchased
- Concerns about the local crime rate are sharply reduced





# SOUTH PLAINS COLLEGE



# SPC – Lubbock Center Phase I Complete



Source: South Plains College

# SPC – Lubbock Center Phase I Complete

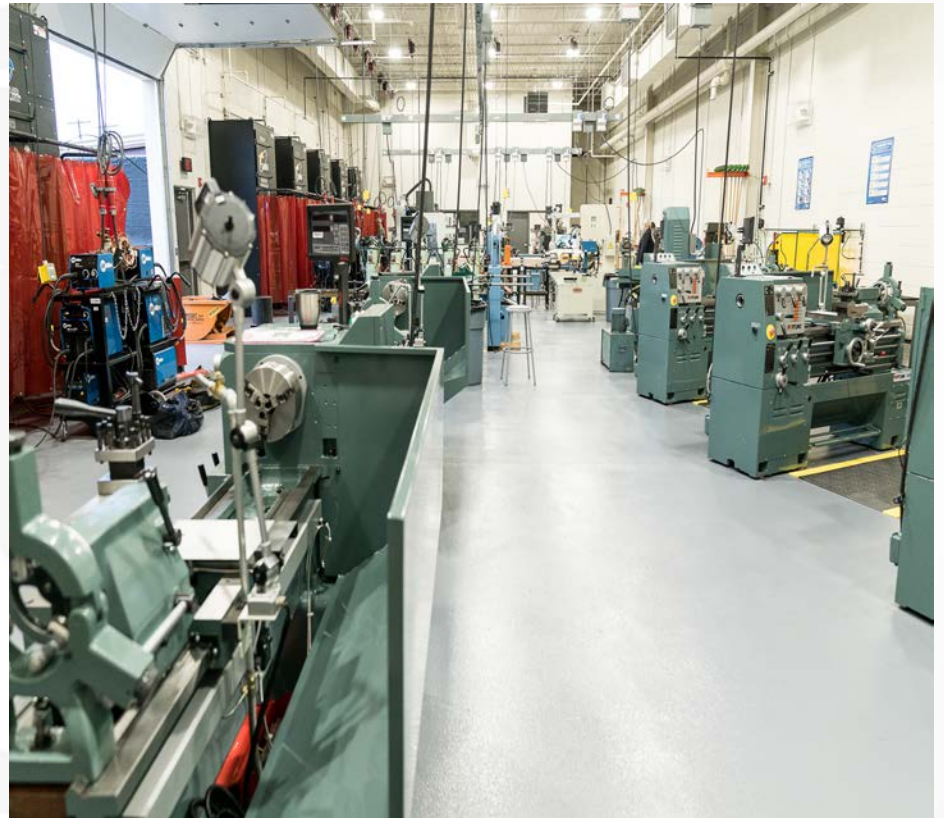
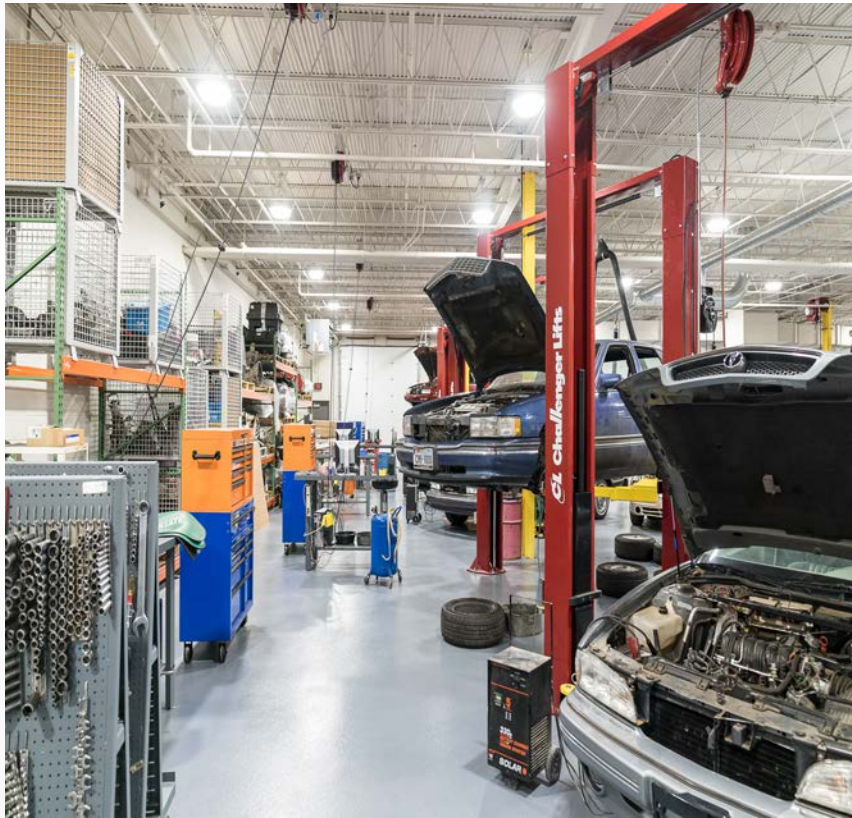
- 53% increase in enrollment
- 513 students enrolled at the Byron Martin Advanced Technology Center - Fall 2016
- 784 students enrolled at the new Lubbock Center - Fall 2017

# SPC – Lubbock Center Phase I Complete





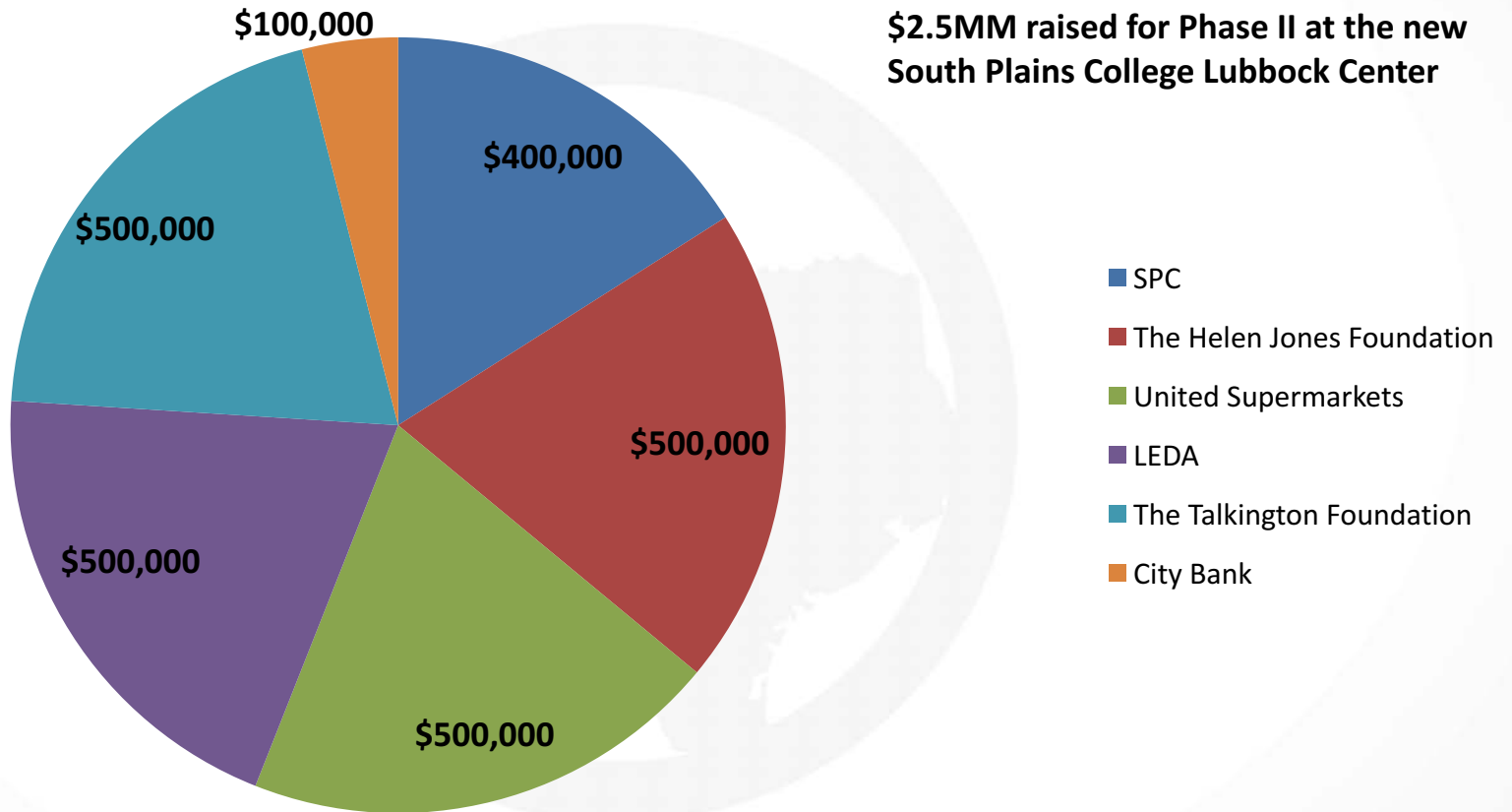
# SPC – Lubbock Center Phase I Complete



# SPC – Lubbock Center Phase I Complete



# SPC - Phase II Culinary Arts





# SPC - Phase II Culinary Arts



Source: South Plains College



# SPC - Phase II Culinary Arts



Source: South Plains College

# SPC - Phase II Culinary Arts



Source: South Plains College



# Monsanto





# Monsanto



**FOR THE EXTENDED PRESENTATION,  
PLEASE VISIT  
[WWW.LUBBOCKEDA.ORG](http://WWW.LUBBOCKEDA.ORG)**

---

