

## **Section 4: Economic Development**

### **4.0 ECONOMIC DEVELOPMENT**

#### **4.1 GOALS AND OBJECTIVES**

GOAL 4: Promote, formulate and guide development initiatives that contribute to expanding the local tax base and providing a diversified economy, while enhancing the quality of life in Rockdale.

Objective 4.1: Provide economic initiatives that will encourage the improvement of existing businesses and the establishment of new businesses that would benefit the community.

Objective 4.2: Provide consistency and stability for nonresidential development in order to strengthen the economic base of the City.

Objective 4.3: Promote Rockdale as a desirable location for new and existing businesses and development.

Objective 4.4: Endeavor to make local taxes and services regionally competitive.

Objective 4.5: Identify and pursue the types of businesses that allow the City of Rockdale to be more self-sustaining and take advantage of existing commercial and recreational facilities.

Objective 4.6: Increase the City tax base and provide new jobs by implementing programs that encourage retail, commercial and industrial development.

Objective 4.7: Provide the necessary studies required to help identify and attract the types of businesses the City needs.

Objective 4.8: Provide the necessary studies required to help identify and attract the types of nonresidential development that takes advantage of existing commercial / recreational facilities.

Objective 4.9: Provide and/or attract vocational and/or higher academic institutions for continuing education of post-high school citizens. Rockdale has a high graduation rate for high school, but a low rate for higher continuing education or college.

## **4.2. OVERVIEW**

Appropriate nonresidential development will benefit Rockdale by building the tax base while both diversifying the economy and improving its quality of life. The underlying expectation is that as new sources of tax revenue are developed tax rates will hold constant or trend lower. By adding jobs, economic development also contributes to greater residential property tax revenue.

Economic development should be planned to be consistent with the needs of the community including citizens' quality of life. Preventing nuisances (e.g., noise, odor) and environmental degradation associated with new development is extremely important to the City. It is the intent of the city plan that environmentally disruptive businesses would not be solicited, and would be considered less-favorable growth in the city plan. Economic development actions should encourage growth of businesses which support the local tax base for City and school services, but also enhance quality of life. With effective planning it is possible to attract good-neighbor businesses to the City.

Subsidization of business is not intended in the plan, as this is not a sustainable policy. Any financial incentives must be linked to known and measurable benefits showing a financial feasibility from the perspective of the City. Whether recoupment of these incentives is from direct or indirect means, it should be understood before making any economic development investment. Proper due diligence is expected to ensure the promises made will be kept and that the City receives the anticipated benefits of economic development.

There are several organizations/business groups that are stakeholders in the economic development of the City. They are Banks/Lending Institutions, Brokers and Realtors, Rockdale Chamber of Commerce, City of Rockdale, Developers, Rockdale Development Board, Rockdale Downtown Association, Rockdale Historical Society and Milam County Historical Commission, Rockdale Hospital District, Rockdale Independent School District, Landowners, Leadership Milam, Local Businesses and Non-Profit Organizations, the Media, Milam County, Rockdale Municipal Development District, State of Texas and the Workforce Development Center.

## **4.3 ORGANIZATIONS/BUSINESS GROUPS GOALS**

### ***Banks/Lending Institutions***

- Provide funding for projects
- Provide information on the local economy and businesses

### ***Brokers and Realtors***

- Provide information on regulations

- Assist in making contacts
- Research property values, titles and any deed restrictions on property
- May assist in negotiation of purchase/sale of property

**Rockdale Chamber of Commerce**

- Marketing of the community to attract additional businesses
- Counseling members to retain current business
- Promotion of tourism through administration of the hotel/motel tax

**City of Rockdale**

- Regulates type and conditions of development (zoning ordinance, subdivision ordinance, development of master plans)
- Provides infrastructure such as water, sewer, drainage, streets, parks, airport
- Provides municipal public safety
- Promotes tourism through collection of hotel/motel tax
- Markets the community through advertising and website

**Developers**

- Research property
- Land assembly, if necessary
- Secure financing of projects
- Arrange for construction of projects

**Rockdale Development Board**

- Review tax abatement requests and provide recommendation to the City Council on the request

**Rockdale Downtown Association**

- Promotes downtown revitalization and development
- Mission Statement – To foster, promote, maintain and encourage the civic, social, commercial, tourist and economic welfare of downtown Rockdale by empowering the merchants in the downtown area with guidance and education and to encourage consumers for greater patronage through various public activities

**Rockdale Historical Society/Milam County Historical Commission**

- Promotes historical preservation and tourism

**Rockdale Hospital District**

- Provides health services to area residents
- Important factor in attracting business and residents
- Healthcare is a growing industry

**Rockdale Independent School District**

- Provides education for youth (future labor force)
- Provides recreational opportunities for youth
- Businesses and industries often look at quality of schools in making location decisions

**Landowners**

- Acquire property

- Determine if property is for sale
- Negotiate land sale and any conditions on the transfer of property such as deed restrictions

#### **Leadership Milam**

- Coordinates leaders in the county and develops new leaders for the county
- Educates leaders in the county about issues, services and contacts to improve working relationships in the county

#### **Local Businesses and Non-Profit Organizations**

- Provides goods and services to the community
- Promotes the community to prospective business organizations
- Pay taxes (property taxes, sales taxes, possibly hotel/motel occupancy taxes) and fees to support public infrastructure and services
- Utility companies often have economic development departments

#### **Media (KRXT, Rockdale Reporter, area newspapers)**

- Provides information about local events
- Advertises local business

#### **Milam County**

- Provides information about the county
- Provides information on property records
- Regulates subdivision development in the unincorporated areas outside the city's extra-territorial jurisdiction

#### **Rockdale Municipal Development District (MDD)**

- Provides funding for projects which are allowable under state law
- Studies opportunities to attract business, jobs and industries to the community and extra-territorial jurisdiction
- Mission Statement – To aid the City of Rockdale and any interested private or public entity in making the community a better place to live, work, and do business. In so doing, the MDD may help develop and finance any permissible project as defined in Chapter 377 of the Texas Local Government Code and that benefits, strengthens, and diversifies the economic base of Rockdale

#### **State of Texas**

- Determines highway improvement projects
- Provides grants/loans to business prospects
- Regulates environmental aspects of projects
- Governor's Office of Economic Development
- Provides information about cities/local areas

#### **Workforce Development Center**

##### **Job Seeker Assistance**

- Provide job counseling and assistance
- Assist in preparation of resume and cover letters
- Provide skills training in preparing job seekers for interviews

- Provide computer classes to upgrade technical skills

**Employer Assistance**

- Screen applicants based on skills required for the position posted by the employer
- Provide one on one employer assistance with recruiting, retention, compensation and human resource issues
- Provide low cost customized training as required
- Assisting with Job Fairs for employee recruitment

#### **4.4 COMPETITIVE ASSESSMENT**

Many effective economic development programs include property or sales tax incentives paid in order to attract strategic nonresidential investments. The City's current policy involves treating each prospective development on a case by case basis based on a thorough cost/benefit analysis.

The presence of businesses which serve everyday needs can decrease citizens' cost of living and keep tax money from leaving the community. Because of this dual benefit, such businesses are extremely desirable. Retail businesses can be aesthetically pleasing, have low infrastructure needs and cost little to develop.

A healthy economic climate supported by nonresidential investment creates local job opportunities. An example would be light industry and technology businesses which provide higher wage levels, add consistency to the labor force and are environmentally compatible.

The proposed new businesses should be compatible with the predominately residential character of the City; for example, having a low environmental impact. Most service, warehousing and wholesale businesses would meet this requirement. Within the manufacturing arena, light industry would also meet this requirement. A Light Industry activity produces low volume, high value products using moderate amounts of processed materials. It can be carried out near residential areas because it does not produce detrimental side effects such as noise, soot and fumes.

Business development which taps the value of assets already in place is also desirable. Rockdale must be perceived as a desirable location for business and the City must create and present a consistent image to prospective businesses. The following chart shows the population of Rockdale in relation to cities in our geographic area:

Source: texassitesearch.com

### Comparable Cities

	Population
Rockdale	5,366
Bastrop	7,032
Caldwell	3,112
Cameron	5,468
Elgin	7,684
Giddings	5,122
Hearne	4,379
La Grange	4,632
Luling	5,214
Navasota	7,263
Smithville	4,456

Chart 1

Rockdale should be able to compete with any of these cities in the recruitment of business to the city.

The following chart shows that Rockdale is centrally located to major cities in our geographic area:

Source: city-data.com

### Distance to Major Cities

	Nearest city with 50,000+ population	Nearest city with 200,000+ population	Nearest city with 1,000,000+ population
Rockdale	37 miles (Temple)	60 miles (Austin)	115 miles (Houston)
Bastrop	28.8 miles (Austin)	28.8 miles (Austin)	85.1 miles (San Antonio)
Caldwell	22.0 miles (Bryan)	64.4 miles (Austin)	94.9 miles (Houston)
Cameron	28.1 miles (Temple)	69.7 miles (Austin)	121.6 miles (Houston)
Elgin	21.3 miles (Round Rock)	22.6 miles (Austin)	92.3 miles (San Antonio)
Giddings	47.0 miles (College Station)	49.2 miles (Austin)	97.4 miles (Houston)
Hearne	20.0 miles (Bryan)	79.4 miles (Austin)	105.8 miles (Houston)
La Grange	58.5 miles (College Station)	68.8 miles (Austin)	90.1 miles (Houston)
Luling	43.3 miles (Austin)	43.3 miles (Austin)	64.6 miles (San Antonio)
Navasota	20.1 miles (College Station)	40.6 miles (Northwest Harris County)	60.3 miles (Houston)
Smithville	40.8 miles (Austin)	40.8 miles (Austin)	90.2 miles (San Antonio)

Chart 2

The chart shows that Rockdale does not have a disadvantage to the other cities in our area from the standpoint of location to major cities. Drive times to major cities can be a consideration for companies and workers.

The following chart shows an Age distribution for comparable cities in our area:

Source: texassitesearch.com

### Age Distribution (2010)

	0-4	5-9	10-19	20-29	30-39	40-49	50-59	60-64	65+
Rockdale	8.7%	7.6%	13.3%	14.2%	11.7%	10.8%	11.1%	4.5%	18.0%
Bastrop	7.9%	6.4%	12.6%	13.6%	13.6%	12.8%	13.6%	5.0%	14.9%
Caldwell	8.6%	6.7%	12.0%	16.7%	11.7%	11.4%	12.0%	4.3%	17.7%
Cameron	7.6%	6.8%	13.7%	13.7%	11.1%	10.4%	12.1%	6.0%	19.7%
Elgin	9.0%	6.6%	14.6%	15.4%	12.8%	10.8%	10.9%	4.3%	15.6%
Giddings	7.8%	6.6%	17.0%	16.3%	11.3%	10.9%	10.1%	3.7%	16.3%
Hearne	8.2%	7.7%	15.6%	14.3%	11.3%	11.3%	11.4%	4.6%	15.6%
La Grange	8.1%	6.9%	12.6%	16.6%	11.9%	10.3%	10.9%	4.4%	19.4%
Luling	7.1%	7.7%	14.6%	12.6%	11.6%	11.0%	11.0%	5.4%	19.0%
Navasota	12.8%	7.6%	13.2%	16.2%	12.1%	11.4%	9.1%	3.8%	14.9%
Smithville	7.1%	7.6%	12.8%	12.5%	12.2%	11.0%	10.9%	5.1%	20.8%

Chart 3

This chart also shows that Rockdale is comparable to other cities as far the age distribution for our community. The 20 to 50 age group is approximately 38% of the population of our city. This is comparable with all the other cities. This shows that we have a prime workforce age group. The 50 to 65 age group is at 15.6% of our population. This is also comparable to the other cities.

The following chart shows Rockdale with 92.2% employed and 7.7% unemployed. We have 1,658 persons that are available for work.

Source: texassitesearch.com

### Labor Force Status

	Labor Force	Employed	Unemployed	In Armed Forces	Not in Labor Force
Rockdale	2416	92.3%	7.7%	0	1658
Bastrop	3766	96.0%	4.0%	1	1744
Caldwell	1426	94.6%	5.4%	0	1004
Cameron	2377	85.3%	14.7%	0	1876
Elgin	3947	91.9%	8.1%	1	1873
Giddings	2347	93.4%	6.6%	0	1673
Hearne	1838	90.9%	9.1%	0	1452
La Grange	2166	91.4%	8.6%	0	1476
Luling	2084	94.6%	5.5%	0	1913
Navasota	2970	89.9%	10.1%	0	2268
Smithville	2083	91.5%	8.0%	12	1375

Chart 4

The following charts show the education level attained by the cities in our area.

Source: texassitesearch.com

### Education Attainment (Population 25 or older)

	< Grade 9	Grade 9-12	High School	Some College	Assoc. Degree	Bachelor's Degree	Graduate Degree
Rockdale	6.6%	11.9%	44.2%	18.4%	5.2%	9.0%	4.7%
Bastrop	6.8%	7.5%	29.7%	24.5%	5.3%	16.1%	9.9%
Caldwell	13.3%	17.3%	34.3%	15.5%	2.9%	11.6%	6.2%
Cameron	10.1%	10.6%	36.0%	20.9%	5.1%	13.3%	4.2%
Egln	15.3%	13.9%	32.7%	15.6%	4.9%	12.0%	6.6%
Giddings	22.3%	13.7%	32.0%	16.6%	4.1%	8.3%	3.0%
Hearne	15.6%	22.5%	37.7%	12.2%	2.6%	6.6%	2.6%
La Grange	10.1%	14.4%	34.4%	17.1%	10.9%	10.5%	2.7%
Luling	19.1%	16.9%	34.7%	13.5%	1.8%	9.7%	4.2%
Navasota	12.2%	14.9%	40.1%	13.4%	4.5%	11.1%	3.7%
Smithville	9.4%	13.0%	35.2%	18.8%	7.2%	12.1%	4.4%

Chart 5

This chart shows that Rockdale has the highest percentage of people that attained the High School level of education at 44.2%. However, Rockdale falls below the other cities in the percentage of people above the level of High School education. This data shows that we should focus on post secondary education training for this geographic area.

This chart shows the number of business establishment in the cities in our area.

Source: texassitesearch.com

### Total Business Establishments

Rockdale	286
Bastrop	519
Caldwell	237
Cameron	244
Egln	302
Giddings	366
Hearne	192
La Grange	371
Luling	270
Navasota	366
Smithville	165

Chart 6

Rockdale has 285 business establishments. The average across all of the eleven cities is 299. These are potentially 285 recruiters for the development of new businesses in our city.

The above charts show that Rockdale has strengths that compete with other cities in all the above categories. Rockdale can compete with all of the above cities with its lower tax rates, available properties and land, good schools, work force, public safety and small town values.

The main purpose of the economic development recommendations in the City Plan is to help reduce the City's reliance on residential property taxes by extending the nonresidential tax base and by generating more sales tax revenue. By creating opportunities to have the point of sale within the City, sales tax offers an opportunity to retain tax revenue and bring additional revenue from outside the City. Flexibility exists here that is unavailable through property taxes.

#### **4.5 RECOMMENDATIONS**

1. Proactively evaluate economic development opportunities to ensure quality economic development decisions.
2. Identify data and information resources to evaluate economic development opportunities.
3. Evaluate alternative comprehensive funding strategies and appropriate performance measures for the use of economic development funds.
4. Encourage the development of a consistent incentive policy between the City and County for economic development.
5. Locate appropriate retail, service businesses and light commercial businesses that would be appropriate for Rockdale.
6. Leverage opportunities for recreation and tourism businesses.
7. Identify and recruit light industrial businesses for the industrial park.





# Strategic Economic Development Plan

Administered by:

Rockdale Municipal Development District

September 2012

## Mission

It is the Mission of the Rockdale Municipal Development District (MDD) to aid the City of Rockdale and any interested private or public entity in making the community a better place to live, work, and do business. In so doing, the MDD may help develop and finance any permissible project as defined by Chapter 377 of the Texas Local Government Code and that benefits, strengthens and diversifies the economic base of Rockdale.

## Strategy

The MDD will consistently and aggressively focus on promotion of business growth through a highly effective five-point strategy:

- Retention and Expansion of Existing Businesses
  - New and Small Business Development
  - Targeted Marketing and Attraction of New Business
  - Incentives and Infrastructure
  - Improved Quality of Place
- **Retention and Expansion of Existing Businesses**

### A. Formalized Retention Program

- a) Visit 2 Rockdale Businesses per month
  - Include 1 Community Leader on each visit (City Council, School Board, MDD Board, Etc.)
- b) Collect Data including # of Employees, future plans for growth or downsizing, assistance needed for growth, size of building, future building needs, lease or own and if lease what is the lease rate
- c) Work with SCORE to set up a local mentoring program to assist local businesses and entrepreneurs

- **New and Small Business Development**

- A. Survey Rockdale Citizens annually to determine what businesses they are most likely to support
- B. Create programs that promote an entrepreneurial environment
  - a) Develop a Business Incubator in Downtown Rockdale
  - b) Host periodic programs to educate potential and existing entrepreneurs on the latest trends
- C. Assist the City of Rockdale in developing incentives specifically designed for new and small business development
  - a) 1<sup>st</sup> twelve month sales tax rebate for new businesses
  - b) 1<sup>st</sup> year property tax abatement for building owners that locate and new business in their facility
- D. Provide information on federal, state and local programs that assist businesses

- **Targeted Marketing and Attraction of New Businesses**

- A. Developed Target Markets

- a) Identify Industry Targets that match with Milam County Labor Force and resources
- b) Attend at least 2 Trade Shows per year that emphasizes our Industry Targets
- c) Host periodic “coffee” and/or “receptions to educate business and community leaders about our industry targets, activities and what role they can play in Economic Development

- B. Develop new, comprehensive Website for the MDD

- a) Offers all the information site selectors, realtors, investors etc... may need to make an informed business decision to locate, expand or invest in Rockdale
- b) Include Social Networking with Website to include Facebook, LinkedIn and Twitter

- C. Develop Rockdale Business Park

- a) Negotiate with the Rockdale Chamber of Commerce and the City of Rockdale for control of the approximately 170 acres of land that was donated to these entities for the purpose of job creation in Rockdale
- b) Re-plot both parcels as one large park with multiple 5 to 25 acre parcels for development
- c) Construct a 7,500 to 10,000 sq. ft. Speculative (Spec) Building in the Park
- d) Construct a Monument Sign at the entrance to the Park

- D. Conduct an annual “Milam County FAM Tour”

- E. Develop a monthly Constant Contact Communications Program to communicate business and economic development happenings in around Rockdale

- **Incentives and Infrastructure**

- A. Working with the City of Rockdale and Milam County, develop a comprehensive incentive program encourages businesses to locate in Rockdale and assists existing businesses with their growth in Rockdale.

- a) Tax Abatement or Tax Phase In
- b) Sales Tax Rebate
- c) Infrastructure Grant Program
- d) Building Façade Rehabilitation Grant Program
- e) Free or Reduced Cost Land Program
- f) Reduced Cost Building Program (Spec Building Program)

- B. Work with City of Rockdale Staff to identify areas of need in the Community where infrastructure upgrades and improvements need to be made for the purpose of Commercial Growth.

- a) Identify available grants and other funding programs
- b) Investigate Bond Funding opportunities

- **Improved Quality of Place**

- A. Continue moving forward with Rockdale 2022 Visioning Exercise
- B. Complete Downtown Master Plan
  - a) Present plan to the public through various avenues including a joint meeting of the MDD Board, City Council, Chamber of Commerce and Downtown Association
  - b) Make presentations regarding the Downtown Master Plan to various Civic Clubs including Rotary and Lions Clubs
  - c) Request the City of Rockdale, the MDD, the Chamber of Commerce and the Downtown Association officially accept the plan as something they approve and will support with any resources they may bring to the table
- C. Implement the Downtown Master Plan
  - a) Initiate Building Façade Rehabilitation Grant Program (see above)
  - b) Hire Grant Write(s) to leverage Master Plan to acquire TxDOT Transportation Enhancement, Texas Parks and Wildlife, Texas Department of Agriculture and all other monies that may be available to improve downtown
- D. Complete Gateway Monument Project
  - a) Complete Hwy 79 West sign in FY 2012 – 2013
  - b) Complete Hwy 77 North sign in FY 2013 - 2014
- E. Explore funding options to make Patterson Center Improvements
- F. Create a “Young Emerging Leaders” Program (20 -40 year olds)
  - a) Recruit our next leaders conducting a kickoff reception
  - b) Encourage community participation including the development of youth programs
- G. Conduct a “Rockdale Day in Austin” Program during each Legislative Session
  - a) Invite community and business leaders from Rockdale including the City Council and Staff, MDD Board Members and Staff, Chamber of Commerce, Downtown Association and other community participants
  - b) Schedule meetings with appropriate agencies including the Governor’s Office of Economic Development and the State Comptroller’s Office
  - c) Schedule meetings with Rockdale’s elected State Representative and State Senator along with their staffs