

# Choices

ECONOMIC DEVELOPMENT



## CHAPTER

Reaching consensus on a common understanding of economic development principles is a critical first step in creating attainable goals and strategies for the City of Temple. One standard for local economic development involves acknowledging the importance of collaboration and partnership. This is of particular significance for Temple, where local economic conditions are significantly influenced by wider metropolitan and regional trends. For example, the anticipated construction of TTC-35 will influence location decisions for logistics and distribution operations in and around Temple. The effectiveness of economic development policy decisions and efforts in Temple should therefore be judged by how the city positions itself within the greater Central Texas economy.

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Economic development has changed over the years from focusing on low-cost land and wages as the primary selling points to attract industry. With the nation’s changing demographics (e.g., “baby boomer” retirement), attracting and retaining a talented workforce is now a primary consideration for economic development. This is not to say that industrial development should no longer be a focus for Temple or other cities’ economic development efforts. On the contrary, securing land for industrial development should continue to be part of the arsenal that Temple offers businesses. However, one of the most important assets Temple has is its current talent, mostly in the fields of healthcare and life sciences. Understanding what these individuals want in terms of quality of place amenities is critical to keeping them here and attracting more of a talented workforce.

Local citizens and policy makers recognize that Temple has been aggressive and focused on promoting the community as a place to do business. Temple’s economic development efforts should be focused on generating positive responses from private investors as a means for diversifying its tax base and increasing job opportunities, while at the same time

Today, economic development is as much about *employee* attraction as it is about *employer* attraction.

### Redefining PLACE

Much has been written about the importance of quality of life to the site selection process. Communities throughout the nation have positioned themselves by touting their advantages in this regard – good schools, safe streets, pleasant weather. These factors obviously are important, but the focus is still too narrow. Quality of life assumes that everyone thrives in the same environment and is attracted to the same amenities. It assumes that current residents' view of what makes a community would be shared by all.

By contrast, **quality of place** considers what is attractive to a range of residents, both existing and new. The idea of quality of place accommodates growth and recognizes the benefits of change. It recognizes that one person's "good place to raise a family" might translate into another's "there's nothing to do in this town." Quality of place is about providing options, not just for current residents, but also for those who will be residents in the future.

Expanding Temple's quality of place amenities and enhancing its community character will go far in making the city a more attractive location for educated and skilled workers. This chapter builds upon the core community character theme – and associated action strategies – that are found throughout this Comprehensive Plan, particularly in the Urban Design & Future Land Use and Housing chapters.

enhancing the community's quality of place, talent attraction and development, and Temple's overall long-term economic sustainability. A strong linkage exists between quality of place and attracting educated and skilled workers. For example, much of the creative class can be considered "free agents" who enjoy an unparalleled degree of mobility. Ensuring that Temple remains competitive in its ability to draw such workers will go far in assisting local employers to attract the talent they need to be successful. Furthermore, Temple's long-term economic sustainability is connected to its ability to fund necessary City services and improvements. Given that 40 percent of the City's budget is tied to sales taxes, local leaders must remain mindful of the importance of retail sales.

### Purpose

The purpose of this chapter is to provide the City of Temple and its economic development allies with guidance for pursuing opportunities to achieve employment growth and economic vitality in the community. This should not be seen as an overall economic development strategic plan, but rather a set of policies focused on enhancing and expanding the economy. Some issues that have an indirect impact on Temple — but lie beyond the direct responsibility of the City — are also raised in this element. These concerns should be carefully distinguished from the City's specific mission. For

example, one of Temple's greatest economic development opportunities is the nurturing of a healthcare/biomedical research cluster, which will require the assistance and involvement of the Temple Health & Bioscience Economic Development District (Bioscience District), the Temple Economic Development Corporation (TEDC), Scott & White, the Texas A&M University Health Science Center College of Medicine (TAMHSCCOM), Temple College (TC), the Central Texas Veterans Healthcare System (VA), and other organizations associated with economic development.

This economic development chapter is divided into three sections:

- Discussion of trends affecting economic development opportunities in Temple.
- Recommended goals, objectives and actions for leveraging Temple's key economic development opportunities.
- Retail assessment and demographic and economic analysis.

### Issues and Opportunities

Throughout the planning process, a number of issues and concerns were expressed related to economic development efforts in Temple. These discussions formed the basis of the following issue statements, along with analysis of existing conditions, review of the Temple Economic Development Corporation's marketing materials, and examination of the City's Strategic Investment Zones (SIZ) strategy – all within the context of local market realities. These issue statements bring focus to this plan regarding the community's values,

expectations and priorities for addressing employment, income and investment needs in Temple. Following the identification of the key issues is a set of community goals and objectives along with discussion of necessary implementation steps.

**Developing a Healthcare and Bioscience Cluster**

The community has worked for decades in leveraging the existing assets to further develop an emergent healthcare and bioscience cluster in Temple. The community demonstrated its renewed commitment to this economic strategy by creating the Bioscience District in 2004, a unique economic development entity created strictly for the promotion and growth of the healthcare and bioscience economic cluster within Temple. One demonstrable testament to its efforts is the establishment of both the Cancer Research Institute and the Center for Regenerative Medicine located on the Scott & White west campus. Temple is in the unique position of having more physicians per capita than most cities in the U.S. An economic development strategy for leveraging additional growth within this sector should continue to be a primary focus for the City and its economic development allies. One key reason is that the Life, Physical, and Social Science occupational group, as defined by the U.S. Bureau of Labor Statistics, is one of the top five occupational categories with the highest projected percentage increase in employment between 2002 and 2012. Furthermore, employment in life sciences is expected to grow by an additional 18 percent, led by a 19 percent increase in both biological scientists and technicians.

Key planning considerations for the development of a healthcare and bioscience cluster, as addressed by Goal 7.1, include:

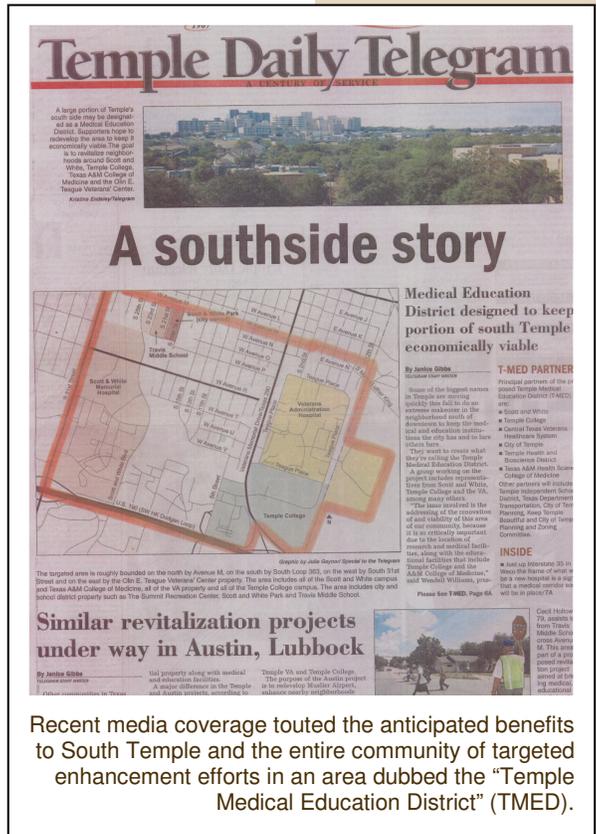
1. Promoting and enhancing both the healthcare mixed use district (TMED) and the west Temple Life Science, Research and Technology Campus (Scott & White west campus).
2. Developing and growing the healthcare and medical research component of the Temple economy while introducing the entrepreneurial climate to commercialize on-going research.
3. Expanding the mission of the Texas A&M University Health Science College of Medicine Temple campus.
4. Further integrating educational efforts with the healthcare and bioscience industry cluster.

**Pursuing Nontraditional Economic Development Opportunities**

In addition to education and housing, retail, cultural and entertainment options are critical factors in talent recruitment. This is especially true for more highly educated workers arriving from larger metropolitan areas, such as physicians and scientists. While Temple has made significant strides in the last decade by improving its downtown area and encouraging retail along I-35 and at the Temple Mall, other substantial improvements remain a necessity. TMED, the downtown, and the area in between should be highest priority among commercial redevelopment areas.

“Anything we can do that continues to enhance the expansion of the development of our biomedical science industry and our biomedical complex that is developing out there is not only a great thing for our community but important for our economy.”

Mayor Bill Jones III  
City of Temple



Recent media coverage touted the anticipated benefits to South Temple and the entire community of targeted enhancement efforts in an area dubbed the “Temple Medical Education District” (TMED).

“We’re going to have a major deficit in the labor force. Communities that are the most attractive to talent will be the most successful.”

“We have an opportunity to be the upscale community in Bell County.”

*Focus Group participants*

Much has been written about the importance of **quality of life** to the site selection process. Communities throughout the nation have positioned themselves by touting their advantages in this regard – good schools, safe streets, pleasant weather. These factors obviously are important, but the focus is still too narrow. Quality of life assumes that everyone thrives in the same environment and is attracted to the same amenities. It assumes that current residents’ view of what makes a community would be shared by all.

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Expanding Temple’s quality of place amenities and enhancing its community character will go far in making the city a more attractive location for educated and skilled workers. This chapter builds upon the core community character theme – and associated action strategies – that are found throughout this Comprehensive Plan, particularly in the Urban Design & Future Land Use and Housing chapters.

Another focal point in these efforts should be stemming the loss of retail dollars to other communities in the region. **Temple currently leaks approximately \$490,442,700 in retail**

**spending annually.** It is unrealistic to assume that Temple, or any community for that matter, could reach an equilibrium where no dollars are leaking, but it is realistic to reduce that leakage amount significantly.



New automobile dealerships along the I-35 frontage in South Temple should help to address this significant area of retail spending “leakage” from the local market.

Key planning considerations for the enhancement of retail, dining, and entertainment amenities, as addressed by Goal 7.2, include:

1. Expanding retail sales in Temple.
2. Fostering downtown retail development and establishing an entertainment and cultural district in downtown Temple.
3. Encouraging creative professional sectors in downtown Temple.
4. Encouraging local and outside investments into Temple’s SIZs.

**Promoting Further Logistics, Distribution and other Light Industrial Investments**

Due to its strategic location and superior transportation assets, Temple is strongly positioned for attracting additional interest from both logistics and distribution operations as well as light industrial business. Already, the City has benefited greatly from these sectors and should continue to embrace future opportunities that are promoted by the TEDC. In addition to its existing assets, the future construction of the TTC-35 segment of the proposed Trans Texas Corridor system would further enhance and expand Temple’s long-term business recruitment prospects from these industrial sectors.

Key planning considerations for leveraging of transportation assets to promote logistics and distribution, as addressed by Goal 7.3, include:

1. Continued promotion of the North Temple Industrial Park.
2. Promoting the development of an intermodal site on the southeast side of the community near future TTC-35 and the Southeast Industrial Park.

**Establishing a Positive Image for Temple Education**

School districts and other private schools in the Temple area continue to grow in enrollment and programs. Temple is fortunate to have several public school districts serving residents of the community, including: Temple Independent School District (TISD), Belton Independent School District (BISD), Troy Independent School District, and Little River-Academy Independent School District. The Rogers Independent School District extends into the eastern ETJ. Temple also has several private and parochial schools.

All of the schools in Temple affect quality of life and quality of place and assist greatly in workforce development. Yet, focus group and public meeting participants repeatedly stated that overall perceptions of some schools are negative. Comments at these meetings were specific to the TISD. Regardless of whether this image is justified, community leaders should recognize that school district perceptions matter to economic development. Not only do they influence where potential residents choose to live and therefore where they decide to shop, negative perceptions can also discourage the location and investment decisions of existing businesses and recruitment prospects. As a result, it is critical that the image of Temple area schools be improved as a means for slowing sprawling development currently taking place away from the central city, as well as increasing the community’s tax base. This is not to say, however, that Temple does not offer quality educational programs. For example, Temple High School’s participation in the International Baccalaureate program provides local students access to an innovative, high-quality curriculum that prepares them for a university education.

Key planning considerations for addressing educational system perceptions, as addressed by Goal 7.4, include:

1. Further developing business/education collaborations related to specific industries the City and economic developers are targeting, including health science, life science and bioscience, as well as creative class businesses and entrepreneurs to make Temple more attractive to professionals.
2. Support for an image campaign geared towards existing and new residents touting the real performance of Temple schools.

Community leaders should recognize that school district perceptions matter to economic development.

- 3. Improvements to the physical state of Temple school facilities, including developing a partnership between area ISDs and the City's Parks and Leisure Services Department.

**Goals, Objectives and Action Recommendations**

The following goals, objectives, and recommended actions were formulated to specifically address the issues and needs outlined above. The goals reflect the overall vision of the community, which may be achieved through the objectives and by acting on the recommendations. It is important to note that these are also general statements of policy that may be cited when reviewing development proposals and used in making important community investment decisions regarding the provision and timing of facilities and services.

**GOAL 7.1: A vibrant and growing Healthcare and Bioscience economic cluster in Temple.**

◆ *Promote and enhance both the healthcare mixed-use district (TMED) and the west Temple Life Science, Research and Technology Campus (Scott & White west campus).*

- 1. Designate both campus areas as a Strategic Investment Zone (SIZ).
- 2. Buffer these campuses by designating appropriate and compatible future land uses surrounding the campuses.
- 3. Market the campuses' assets locally, regionally, and nationally as unique assets to Temple and the state.
- 4. Develop a revitalization plan for the entire area between Scott & While and the VA/Temple College (TMED) that promotes a dense, mixed-use campus environment similar to the medical district in Houston.
- 5. Develop incentives to promote investment in this area such as residential density bonuses, increased commercial density allowances, and public sector investments such as parking garages, streetscape improvements, utilities and other public projects. Consideration should also be given to utilizing creative public and private financing mechanisms, such as a Tax Increment Financing District, as one option for stimulating new investment.
- 6. Identify ways (e.g., housing land trusts and partnerships with Community Housing Development Organizations) to preserve a level of affordability in perpetuity for the TMED area so that it becomes a truly mixed-income community by including a full spectrum of housing types at multiple price points.
- 7. Link both campuses with the downtown area through the establishment of additional mobility options (e.g., trolley system, bike paths, etc.). Stimulating the revitalization of

**Bioscience District**

The Temple Health & Bioscience District was created as a result of legislation passed by the State of Texas in 2003 and approved by Temple voters, to establish the district, in that same year. The first such district created in Texas, Temple's Health & Bioscience District is devoted to the development and creation of health and bioscience/ biotechnology opportunities within the City of Temple.

The district is eligible to receive Federal, State or private grants as well as monetary gifts from collaboration with other organizations. In addition the district will identify and recruit biotech and life science -related businesses to locate in Temple. More information about this unique district is available at [www.templebioscience.com](http://www.templebioscience.com).

**Tax Increment Financing (TIF) District:**

TIFs are tools that use future gains in taxes to finance the public improvements in targeted zones. When the public improvement is completed, there is an assumed increase in the value of surrounding real estate, and often new investment (new or rehabilitated buildings, for example). This increased site value and investment creates more taxable property, which increases tax revenues, which are the "tax increment". TIFs dedicate that increased revenue to finance debt issued to pay for the project. TIFs are generally designed to channel funding toward improvements in distressed or underdeveloped areas where development would not otherwise occur.

corridor linkages connecting downtown to both the TMED and the west campus complex should also be a priority (also see the retail goal below).

- ◆ **Develop and grow the healthcare and bioscience research component of the Temple economy while introducing the entrepreneurial climate to commercialize ongoing research.**
- 8. Expand research capacity by obtaining additional research grants to support commercialization of products by existing or future business partners.
- 9. Hold quarterly workshops focused on linking existing researchers with “problems” that life science businesses are having in the region or state.
- 10. Hold an annual site selector’s conference and focus on the commercial applications of research.
- 11. Create a bioscience business incubator program, located on the west campus, to provide the bridge between basic research and commercialization for the creation of jobs and wealth.
- 12. Improve the entrepreneurial climate in life sciences by garnering additional interest from venture capital networks in Temple’s emergent bioscience cluster. For example, the most successful life sciences clusters in the U.S. have on average 30 times more venture capital than other metropolitan areas.
- 13. Support the critical role of Temple College in educating and training the skilled workforce that will be required to grow the healthcare and bioscience research cluster in the future.
- 14. Be actively engaged in finding funding sources to accomplish the mission of expanding the healthcare and bioscience economic cluster as it represents the best opportunity for the future growth of the community.
- ◆ **Expand the mission of the Texas A&M University Health Science Center College of Medicine Temple campus.**
- 15. Continue to lobby for additional resources to expand the Texas A&M Medical School presence in Temple.
- 16. Identify business opportunities associated with this expansion, including companies such as medical device firms or pharmaceutical companies, who would be interested in supporting building construction or equipment purchases.
- 17. Market to the state all of the ingredients that Temple has put in place to promote and enhance the life sciences cluster, and how integral the medical school is in the overall life sciences strategy.
- ◆ **Enhance skills training and education efforts in basic science and life science.**
- 18. Enhance resources at the K-12 level and at Temple College to promote life science education and skills training.
- 19. Further integrate K-12 educational efforts with specific businesses involved in the bioscience industry.
- 20. Market the career opportunities in life sciences in K-12 and Temple College.

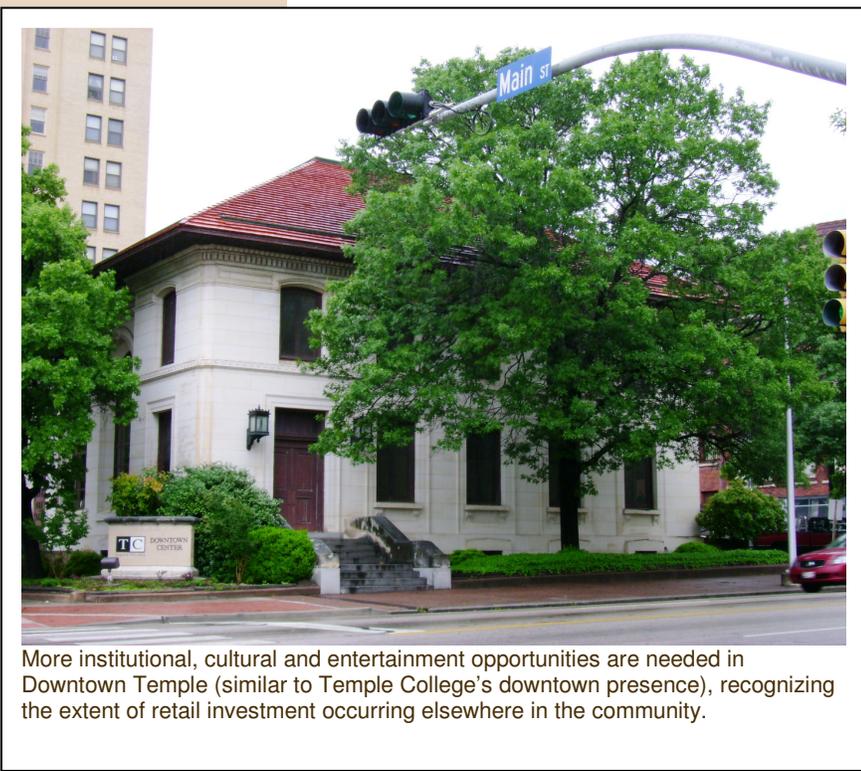
“This is our Texas A&M, our University of Texas, our Baylor area, that we can develop out and make a very vital part of the community. That helps these partners make the decision to invest the dollars they’re investing in that part of our community. With these efforts, the partners are seeing a revitalization of the area, not a deterioration of the area surrounding the big investments they are making.”

*Wendell Williams*  
*President*  
 Temple Health & Bioscience Economic Development District Board – and member of the Comprehensive Plan Advisory Committee

**GOAL 7.2: Tax base enhancement – and the revitalization of downtown Temple – through nontraditional economic development opportunities to assist in the attraction of a talented workforce.**

◆ **Expand retail sales in Temple.**

1. Focus the City's retail development and attraction efforts on promotion of the SIZs and TMED as Temple's most favored locations for new and/or expanded stores. In establishing retail policies, the City should promote the redevelopment of strategic sites that are appropriate for retail operations. To accomplish this, the City should work with both public and private property owners to identify, inventory, and prioritize sites at highly visible or strategic locations within the SIZs and



More institutional, cultural and entertainment opportunities are needed in Downtown Temple (similar to Temple College's downtown presence), recognizing the extent of retail investment occurring elsewhere in the community.

TMED that are most suitable for retail development.

2. Develop an inventory of vacant and underutilized parcels, commercial buildings, and industrial buildings throughout the city, but particularly in the downtown, along strategic corridors and within SIZs. This inventory should contain ownership information, existing property liens on each parcel, and an assessment of the condition of any structures. This property database will be an integral component to overall revitalization efforts and should be updated annually.
3. Develop area-specific plans for each redevelopment or retail area, and then use City-owned land or utilities in place as leverage to stimulate those areas. City-owned land in all of these areas should be seen as assets and catalysts to stimulating the economy. Using creative financing mechanisms with City- or publicly-owned properties, and combining these assets with private sector funding and expertise, can lead to a community-oriented vision for each area.
4. Target office, residential and retail sectors where Temple is "leaking" dollars to neighboring communities (see Retail Leakage summary on the last page of this chapter).
5. Develop a Retail Recruitment Strategy, building upon the retail analysis conducted for this Comprehensive Plan Update, to attract specific office, residential and retail developers and tenants within these leakage areas (a specific Retail Leakage Analysis and specific retail sectors to attract are found at the end of this chapter). The top five sectors to consider focusing retail recruitment efforts on include: (1) New and Used Car Dealers, (2) Grocery Stores, (3) Radio, TV and Computer Stores, (4) Miscellaneous Retail Stores, and (5) Eating Places.

"If there is a way by adding to what we have, making the community a better place to be, then we need to figure out how to do that."

*Lee Peterson*  
President  
Temple Economic  
Development  
Corporation

◆ **Foster downtown retail development and establish and entertainment and cultural district in downtown Temple.**

6. Expand cultural programs in the downtown, to include a children’s science-based museum, fine art museum, and performance art such as opera, ballet or theatre.
7. Further promote the revitalization of historic buildings in the downtown. Consider developing a request for proposals for specific buildings and the City’s intended use. Solicit private sector bids on how they would restore these historic buildings, with specific *pro formas* and renderings.
8. Encourage loft living in the downtown.
9. Implement recommendations from the R/UDAT plan and the Temple Downtown Development Association’s parking study (once completed), which should include consideration of the “pros and cons” of potentially reducing surface parking in favor of structured parking to provide more space for downtown investment and amenities. Like this plan chapter, the R/UDAT recommendations also emphasized the transition of underutilized former commercial space to arts and non-profit activities that would help to make downtown a destination for more residents and employees. Consideration should also be given to establishing a “quiet zone” along the rail corridors through downtown to promote the desired atmosphere for residential and other types of investment.
10. Implement the recommendations of the Temple Downtown Development Association (TDDA) for downtown revitalization and enhancement.

◆ **Encourage creative professional sectors in downtown Temple.**

11. Encourage areas schools (public, private, college) to establish a fine arts and digital arts school in the downtown.
12. Develop an artist incubator in the downtown that is associated with the art school and/or an art museum.
13. Encourage TEDC to include the following creative industries/amenities within its target industry sectors and promote these potential tenants among building owners in the downtown:
  - Advertising
  - Architecture
  - Bookstores
  - Cultural Tourism
  - Dance
  - Design
  - Engineering
  - Entertainment
  - Fashion
  - Fine Arts and Music
  - Photography
  - Printing and Publishing
  - Restaurants & coffee shops
  - Technology
  - Theater

“Uptown Temple will likely never mirror its past heyday as a regional shopping core. The growth and variety of the city’s outer regions has effectively served to preclude Uptown’s ever gaining new large-scale retail development. Rather than attempt to reclaim bygone commercial prominence, Uptown should emphasize and reinforce its role as the meeting ground of all community citizens. Uptown is Temple’s common space, its living room.”

*Report of the Regional/Urban Design Assistance Team (R/UDAT), American Institute of Architects (1998)*

**GOAL 7.3: Expanded logistics, distribution and other light industrial investments through leveraging of Temple’s existing and future infrastructure assets.**

◆ **Continue to promote the North Temple Industrial Park.**

1. Continue to support the TEDC’s efforts to raise awareness of business investment opportunities within the industrial zone. This established



Temple has impressive land and infrastructure assets – plus a long track record of success – to show industrial and distribution prospects.

**Fundamental Economic Development Goal**

This Comprehensive Plan chapter focuses on new and emerging aspects of Temple’s economy, as well as the need to foster its “quality of place” offerings (shopping, restaurants, diverse housing options, cultural offerings, etc.). Not to be overlooked is the community’s economic development activities focused on industrial recruitment, retention and expansion.

The Temple Economic Development Corporation (TEDC) is the lead entity responsible for making this goal a reality, together with the Reinvestment Zone and the City of Temple. The organization’s mission statement below itemizes all that TEDC will continue to do in support of this goal and the overall Comprehensive Plan:

**TEDC Mission Statement**

Provide effective leadership to accomplish comprehensive economic growth for the Temple community resulting in superior quality of life. Build strong community relationships, leverage economic development tools and market Central Pointe Business and Industrial Parks.

1. TEDC, the City of Temple and the Re-investment Zone will continue to invest in new infrastructure to support economic expansion in Temple’s Central Pointe Business and Industrial Parks.
2. TEDC has built a dynamic, talented and motivated economic development team that is comprised of a professional staff, partner organizations and community leaders.
3. TEDC will target industries that pay higher than average wages.
4. TEDC will invest economic development dollars in focused actions identified in its five year (2007-2012) business and marketing plan and actively measure results.
5. TEDC will invest economic development incentives in infrastructure and for the creation of above average paying jobs that provide a reasonable return on investment to the citizens of Temple.
6. TEDC will continue working with local primary sector businesses to grow in Temple. During 2006 and 2007 there were 12 expansions of Temple manufacturing, information technology and distribution businesses.
7. TEDC will continue to facilitate business development opportunities with businesses like Gulf States Toyota (estimated \$120,000,000 investment) and Panda Energy (estimated \$500,000,000 investment) that expand Temple’s job and tax base.
8. TEDC will continue to work with the leadership of the Temple Medical Education District (T-MED) with a focus on commercialization strategies for the health and bioscience industry.
9. TEDC will partner with private sector investors to diversify the commercial sector of Temple’s economic base.
10. TEDC will assist with policy development that maintains Temple’s pro-business environment.

industrial zone provides the community with its best opportunity for garnering interest from short-term industrial prospects due to its close access to I-35 and rail transportation options.

2. Assist in the development of marketing collateral to promote investment in the North Temple Industrial Park. The City and TEDC should develop a high-quality, web-based geographic information system (GIS) to raise awareness of the park. Consideration should be given to whether this system should be hosted on the TEDC website or the City’s.

- Research the websites of other economic development organizations from across the country. Analyze the strengths and weaknesses of competitor sites and determine what elements need to be included on the site. One example of a superior web-based GIS system is that of the Greater Fort Bend Economic Development Council ([www.fortbendcounty.org](http://www.fortbendcounty.org)). Within the Central Texas region, Harker Heights also offers a high-quality GIS-based system at: (<http://cmigis.claunsmiller.com/public/hh/>).
- Maintain an inventory of available properties, especially those in the North Industrial Park and the City’s SIZs, on the new GIS system with specifications regarding size, build-out, incentives, infrastructure, and timing regarding availability. Update this page on a regular basis.

- ◆ **Promote the development of the Southeast Industrial Park near the future proposed location of TTC-35.**
3. Continue to aggressively pursue and monitor future improvements on the TTC-35 corridor. With support from the

TEDC, the City should continue to meet with the Texas Department of Transportation and other parties who can influence the scheduled timing of its construction.

4. Promote a route for TTC-35 that runs closer to Temple to maximize access to the City's existing transportation and utilities infrastructure. The route that the City should promote should lie within close proximity to existing rail lines and the convergence of highways 36/190, 95 and 363. Also, a site in this area would be closer to Temple's city limits (if not already within the City) and would promote new development that would contribute significantly to the City's property tax base.
5. Include Temple's Southeast Industrial Park among the City's list of SIZs to ensure land development ordinances and other policies encourage intermodal developments within the area.
6. Prioritize a list of capital improvement projects for sites within the SIZ (evaluate infrastructure availability at each site, including electricity, natural gas, water/wastewater, road, and telecommunications). Sites with access to the rail lines and the TTC-35 route should be considered a high priority. Consideration should also be given to developing a short rail spur to serve the Southeast Industrial Park.

**GOAL 7.4: Excellence in Temple schools and higher education to assist in attracting employers and employees.**

◆ ***Further develop business/education collaborations related to specific industries the City and TEDC are targeting, with an emphasis on higher-end and creative class businesses.***

1. Develop a best practices database from Texas schools and other states which illustrate successful business and education collaborations.
2. Meet with specific businesses in identified industry clusters (e.g., healthcare/life sciences) that provide higher wages than is typically the case for Temple. Conversations should be held regarding potential collaborations and information sharing (e.g., best practices database).
3. Share performance measurements of area schools with the community, and identify areas where the community can assist in making improvements.
4. Identify specific initiatives on which businesses and educators are willing to collaborate, and investigate potential resources for expanding existing and initiating new programs.
5. Work with the school district, Temple College, workforce board, and private stakeholders to explore the possibility of establishing additional "academies" in Temple ISD, similar to existing programs that teach advanced classes in healthcare related topics. Many communities have established specialized academies to improve the performance of their school system and better suit the needs of all students. These academies provide students the opportunity to choose from a variety of specializations ranging from construction to college preparatory programs. The academies should be focused on specific industries that Temple wants to grow.
6. Continue coordination between Temple College and other local agencies/partners (the City, medical facilities, industry) to develop mutually beneficial programs aimed at skills development and continuing education/certification. One example is to develop a fire training program in Temple, rather than having local trainees seek this education/certification elsewhere.

- ♦ **Develop an image campaign geared towards existing and new residents touting the real performance of the schools.**
- 7. Identify through survey or focus group what the perception of the schools is from the eyes of talented employees who have recently moved to Temple.
- 8. Develop a marketing campaign that is geared towards changing the perception of the schools. Raise awareness of Temple's K-12 educational assets, both inside and outside the community, to improve the perception of area schools. A public relations campaign should be designed, in conjunction with the school district, to accomplish this goal.
- 9. Ensure that public school facilities portray a more positive image. The City should assist area schools in advocating for adequate funding for operations and campus improvements. A "Pride in Schools" program should also be developed to focus on facility improvements, including cosmetic enhancements.
- 10. Recognize and utilize university students and graduates as an important resource for strengthening student achievement in the public school system. In addition, area schools should be encouraged to develop a mentor and tutoring program with Temple College students for K-12 students. The City should also determine and encourage champions for spearheading the creation of a scholarship program for graduates of regional universities to teach at area schools for a minimum of two years. This program should include a stipend and possibly a housing program to enable these new teachers to live in Temple.
- 11. Hold additional focus group meetings to gauge the change in perception, and annually survey new and old residents and business owners on their perception of the schools.
- ♦ **Make physical improvements in the schools which may be cosmetic, including painting, landscaping, and other simple projects which could be done with volunteer resources.**
- 12. Focus initial improvement efforts on area schools and consider a variety of options, including: (1) partnerships between the City and local retailers (e.g., tree farms/nurseries to improve campus landscaping; home improvement stores to sponsor exterior treatments and painting), and (2) individual community volunteers and service organizations (e.g., Keep Temple Beautiful, Eagle Scouts, etc.) to assist in cleaning and beautifying school properties.
- 13. Strengthen physical ties between Temple College and the Temple community by developing a revitalization plan for the area immediately adjacent to the campus and toward downtown, along South 1st Street. Enhancing the campus vicinity will improve the students' experience in Temple by providing them with a wider range of housing, retail and entertainment options in close proximity to the College. Having more appealing commercial and residential development as well as a greater range of "things to do" around the campus could also keep more students on campus and in Temple on weekends. Not only would this mean more students will spend more of their dollars in Temple, it can also foster loyalty among students towards Temple as they become more entrenched in the community.



Older campuses, such as TISD's Lamar Middle School on North 1<sup>st</sup> Street, remain cornerstones of their surrounding neighborhoods and, therefore, need to be maintained at a high standard along with other public and private properties.

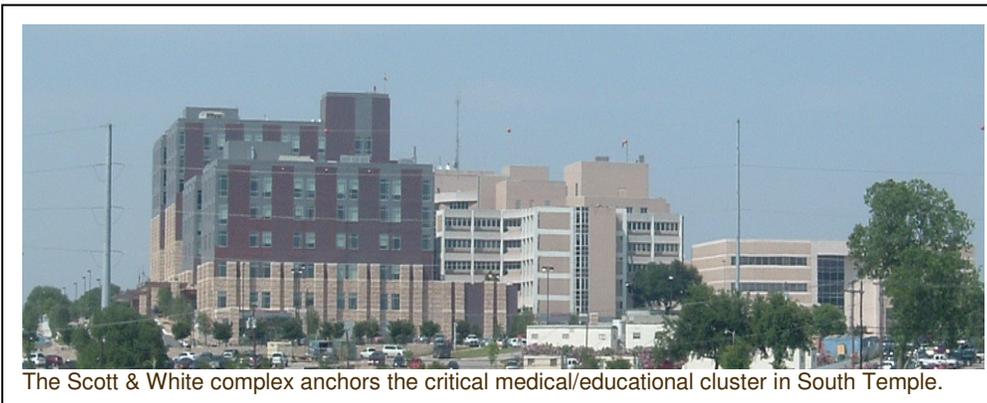
14. Develop collaborative initiatives with Computer Aided Design and GIS classes and other similar programs at Temple College and the Texas A&M Medical School to encourage student-led projects that aid in the betterment of the community. Examples of such programs are design competitions for historic building re-use or parkland design and planning, student consulting projects for area businesses or the City, internship programs with local employers, and community service programs such as Habitat for Humanity or Keep Temple Beautiful.

### Economic Base and Retail Analysis

To better understand the economic development opportunities available in Temple, an assessment of the community's demographic and economic trends was conducted. The purpose of this analysis section is twofold: (1) to identify Temple's overall economic strengths and weaknesses in the context of the wider regional and national economies from a data standpoint; and, (2) to provide a basis for the goals, objectives, and action statements outlined earlier in this chapter to address these issues. The team relied on the most current and accurate data sources (proprietary and public) covering those attributes that most clearly demonstrated Temple's recent economic performance in relation to its peers in the wider Central Texas region. This quantitative analysis included a review of existing economic and demographic data, including employment growth, indicators of labor market health, income trends, and occupational data. For most indicators, Temple was compared to a number of its regional peers, including Killeen, Belton, Georgetown, Round Rock, College Station, and Bryan. Finally, an assessment of retail trends was conducted to determine potential leakages and opportunities.

This data analysis was supplemented by the following activities to inform the overall economic development recommendations in this chapter:

- Tours of Temple area business sites to better understand the city's economic development product from a real estate standpoint.
- Focus group meetings and interviews with area residents, business leaders, and economic development experts to help establish priorities for appropriate goals and objectives.
- Analysis of Temple's retail sector by a leading national retail consultant.



The Scott & White complex anchors the critical medical/educational cluster in South Temple.

#### A Maxim for Economic Development

“You only have one chance to make a good first impression.”

Those who make critical business investment and relocation decisions cannot help but notice a community marred by visual “clutter,” roadways and infrastructure in need of rehabilitation, public buildings and parks in sub-par condition, and private properties that are not well maintained. They figure such a community either is not well off, does not devote adequate resources to its “physical plant,” or is lacking in pride – or some combination of all three.

Most communities are nowhere near such dire straits, but most have their share of challenges when it comes to image and appearance. In the meantime, most businesses choose to locate and grow in attractive environments, which improve their ability to recruit and retain good employees, host clients and investors, and maintain value in their property and investments.

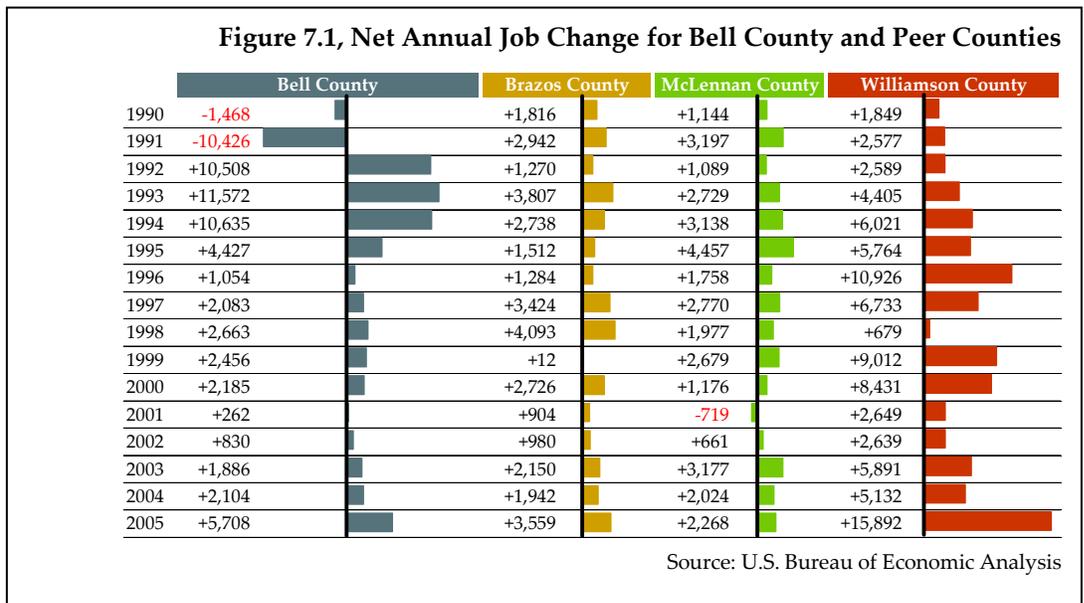
Enhanced community aesthetics and design quality strengthen a community's competitive position, which can lead to increased property values and a stronger tax base for ongoing improvements.

This assessment of Temple’s overall economic conditions reveals the need for a renewed focus and action on the part of the City and the Temple Economic Development Corporation to increase higher-wage employment opportunities for its residents. From both a geographic and economic standpoint, Temple is well positioned for leveraging its opportunities and achieving a higher degree of economic vitality and growth. The community’s location along the booming I-35 corridor, as well as the planned construction of TTC-35, will continue to foster growth among traditional industrial sectors. In addition, the location of a number of significant healthcare assets should provide the catalyst for future growth in this rapidly growing employment sector.

From an economic development standpoint, however, Temple still faces a number of challenges. Employment data seem to indicate that the momentum for employment growth within Bell County has swung to areas away from Temple. At the same time, income levels appear to be lagging while the community’s population is growing older. Combined, these trends indicate that specific catalysts may be required to stimulate activity in higher-wage and more rapidly growing employment sectors, such as through the development of the Temple Medical and Education District (TMED) or an intermodal freight site. Temple is also leaking a significant amount of retail dollars, at a time when the daytime population is nearly double the residents due to major employers.

**Employment Trends**

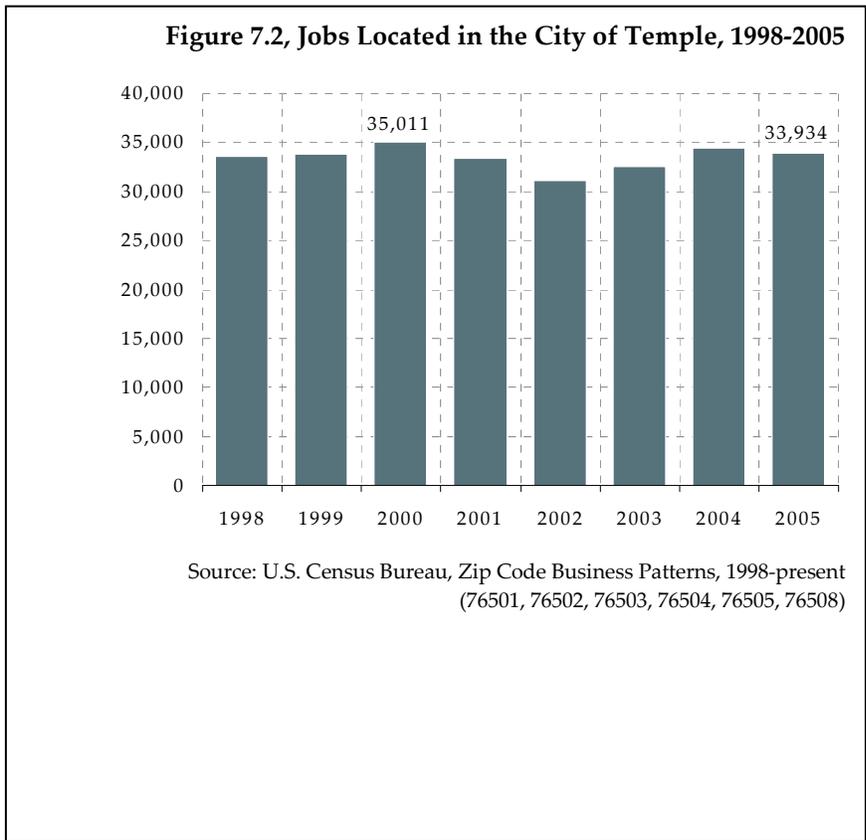
Bell County’s job growth trends since the 1990s compare favorably with several of its peers. From 1992 to 2005, Bell County enjoyed net employment gains every year, as displayed in **Figure 7.1**. Job growth trends, however, have been inconsistent. Following the recession of the early 1990s, for example, Bell County experienced three consecutive years of 10,000+ net job gains. During the latter half of that decade, employment gains were comparatively anemic. Since the last recession in 2001, Bell County has experienced increasingly rapid job gains.



During the same period, net jobs gains were more consistent in Brazos and McLennan counties. In those places, however, gains occurred at a significantly slower pace than in Bell County. Job gains in Williamson County, on the other hand, have increased as Round Rock has emerged from being a bedroom community of Austin to an employment center in its own right. Much of this was the result of Dell Corporation’s decision to relocate its headquarters to that community in the early 1990s.

**Figure 7.2** illustrates job growth within the zip codes that are primarily located within the City of Temple. This is an important consideration given the location of Killeen and Belton in Bell County as well. These data indicate that from 1998 through 2005, the number of local jobs did not increase significantly. For example, approximately 33,600 jobs were located in workplaces within Temple in 1998; by 2005, that figure had only risen to 33,900.

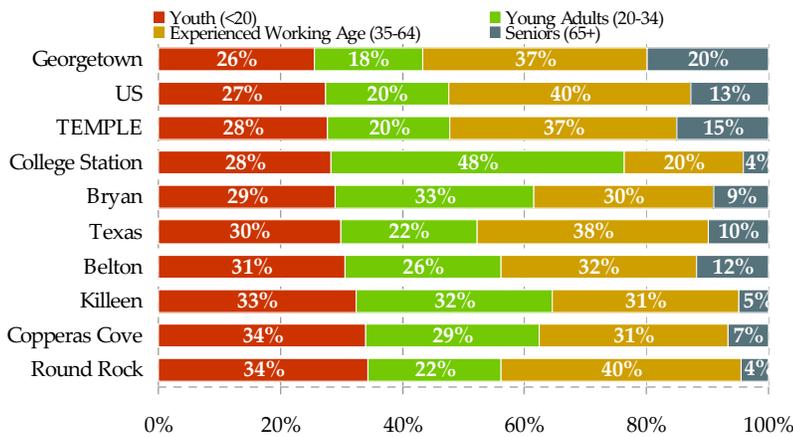
2002 represented the period with the lowest job count in Temple in recent years, coinciding with the last national recession. During the three subsequent years, the number of Temple-based jobs increased nearly 10 percent.



**Demographic Characteristics**

Figure 7.3 provides a comparison of the distribution of Temple's population by age to that of several regional peers, all of Texas, and the nation. This comparison reveals that Temple's population is aging at a more rapid rate than other communities throughout Central Texas, posing significant challenges for Temple's employers over the mid- to long-term. For example, only 20 percent the city's population is 20 to 34 years of age (young adults). If — over the long-term — Temple and its employers continue to find difficulty in attracting and retaining its younger workers, the end result would likely be a pronounced labor shortage (talent attraction strategies cited within this chapter are aimed at easing this potential shortage of younger workers in Temple). Notably, only Georgetown — with its large retiree population — has a smaller share of young adults than Temple. The location of Texas A&M's main campus in College Station accounts for the large share of young adults there.

**Figure 7.3, Distribution of Population by Major Age Group, 2007**



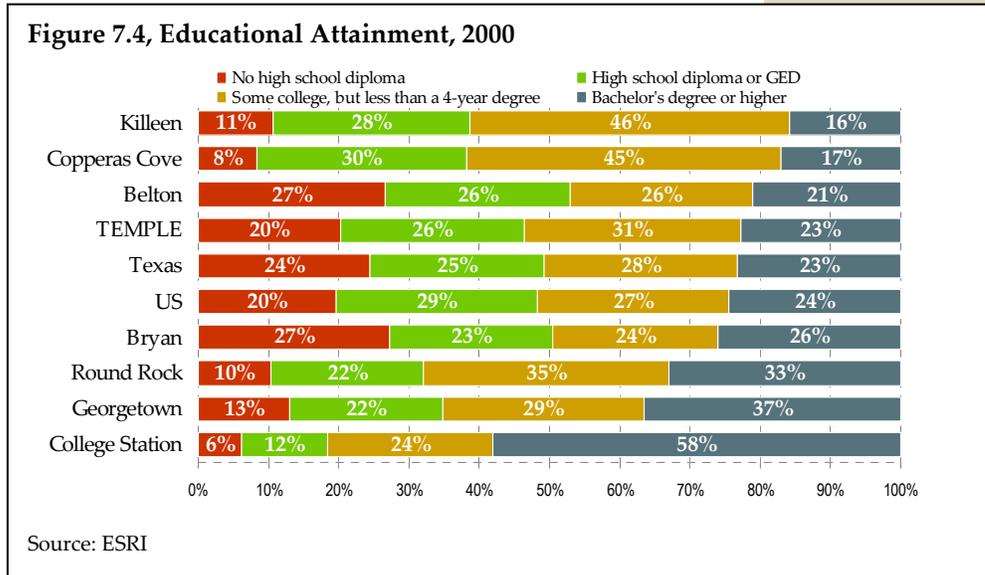
Source: ESRI

As a result, Temple's economic development efforts must include programs focused on assisting employers to create higher paying job opportunities to help attract workers from outside the region. At the same time, Temple should also place increasing focus on improving its quality of place, as discussed at the outset of this chapter, to make it more attractive to potential residents. Improvements in the

downtown and the development of TMED would go far in achieving both objectives.

Approximately 37 percent of Temple's population can be classified as experienced working age (35-64 years). This figure compares favorably to the state as a whole and is higher than most of Temple's regional peers. Currently, this would appear to be an advantage for local employers: access to a relatively large experienced labor force. Over the long term, however, it represents a threat as this cohort continues to grow older and nears retirement age.

It should be no surprise that College Station, Bryan, Georgetown, and Round Rock have the highest shares of adults (25+ years) holding a Bachelor's degree or higher, given their closer proximity to major four-year universities. As shown in **Figure 7.4**, among its closest peers, Temple enjoys the highest rate (23 percent) of college graduates. When combined with all adults who have at least some college experience, however, Temple lags Killeen and Copperas Cove significantly. This could point to a shortage of workers in industries that do not require a full four-year college education.



**Household Income Trends**

According to recent estimates as displayed in **Figure 7.5**, the median household income in Temple is approximately \$43,800 per year. This figure is comparable to income estimates for Killeen and Belton but slightly lower than Copperas Cove. Round Rock and Georgetown residents, however, enjoy much higher household income levels. College Station has the lowest median household income among all comparison areas. This is due to the large concentration of college students living in the community.

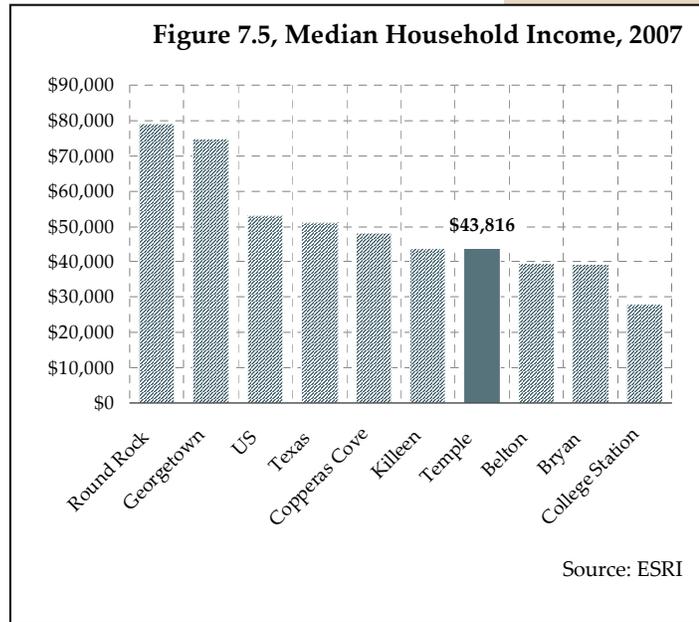
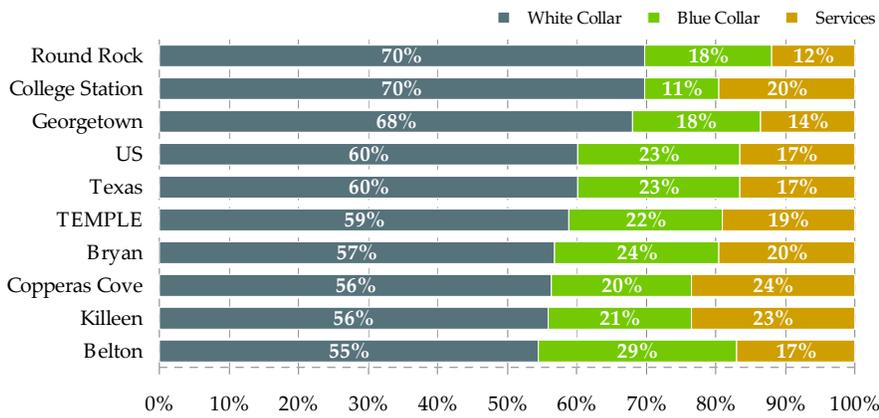


Figure 7.6 indicates projected growth on an annual basis for the median household income in Temple and its peer communities. According to these estimates, Temple can expect to see its median household income increase at a 3.1 percent annual rate. By comparison, Round Rock (3.7 percent) and College Station (3.6 percent) are projected to experience significantly higher annual increases. Nationally and statewide, median income is projected to increase approximately 3.4 and 3.3 percent respectively.

Together these trends hold significant implications for Temple's long-term economic development prospects. Currently, Temple's median household income is among the lowest of its peers, and future income growth is expected to be relatively low as well. This would indicate that the types of employment opportunities available to many local workers

provide relatively low wages and are in non-innovative industries. As a result, the disposable income for local families will be somewhat limited, which has a direct negative effect on both housing opportunities and retail spending patterns in Temple. Leveraging Temple's strong healthcare sector provides employees access to many higher paying jobs. Comments heard during focus group meetings indicate that a large portion of healthcare professionals working locally choose to live outside of Temple. Therefore, both the City and Temple ISD should continue striving to improve their image within the region (see Goals 7.1, 7.2 and 7.4 for related action strategies).

**Figure 7.7, Occupational Distribution of Total Employed Population, 2007**

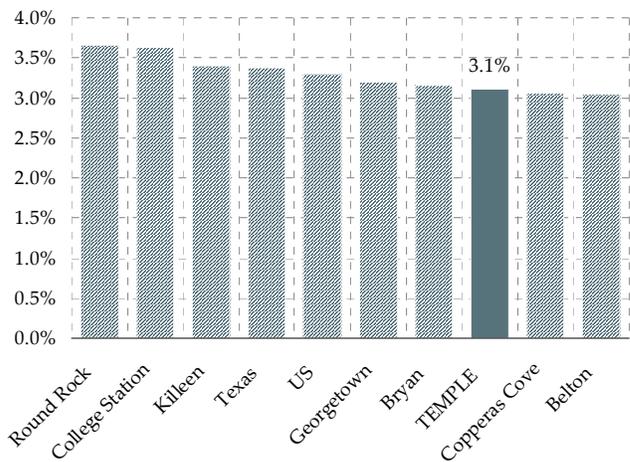


Source: ESRI

**Occupations**

Occupational estimates displayed in Figure 7.7 reveal that nearly 59 percent of Temple's employed population works in "white collar" jobs, a rate that is comparable to national and statewide employment patterns. By comparison, peers that are geographically closer to Temple tend to exhibit a significantly smaller share of white collar workers (i.e., Copperas Cove, Killeen and Belton). In contrast, 22 percent of

**Figure 7.6, Median Household Income Growth (CAGR\*), 2007-2012**

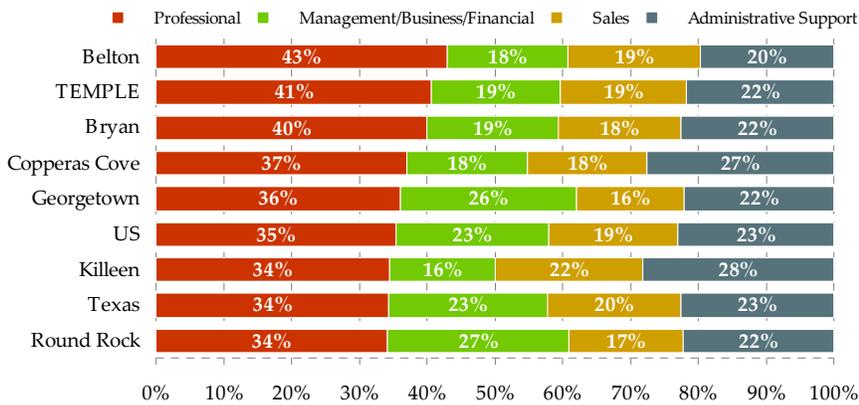


Source: ESRI  
\*compound annual growth rate

local workers are employed in “blue collar” occupations, such as manufacturing, transportation, etc. Again, Temple’s blue collar workforce is comparable to that of the U.S. and Texas. Round Rock, College Station and Georgetown all have much lower shares of their employed residents working in blue collar occupations. Notably, Round Rock and Georgetown currently have the highest median household income levels among all the peers. Additionally, Round Rock and College Station are projected to enjoy the highest income growth rates. This analysis would appear to confirm a strong correlation between white collar employment and income.

Figure 7.8 provides a more detailed analysis of the relative distribution of jobs among white collar occupations. This figure shows that Temple enjoys the second highest employment rate within professional careers, which includes teachers, doctors, lawyers, etc. On the other hand, local residents are employed in management, business, and financial services at somewhat lower rates than elsewhere. Typically, these occupations are among the fastest growing nationally and provide higher wages.

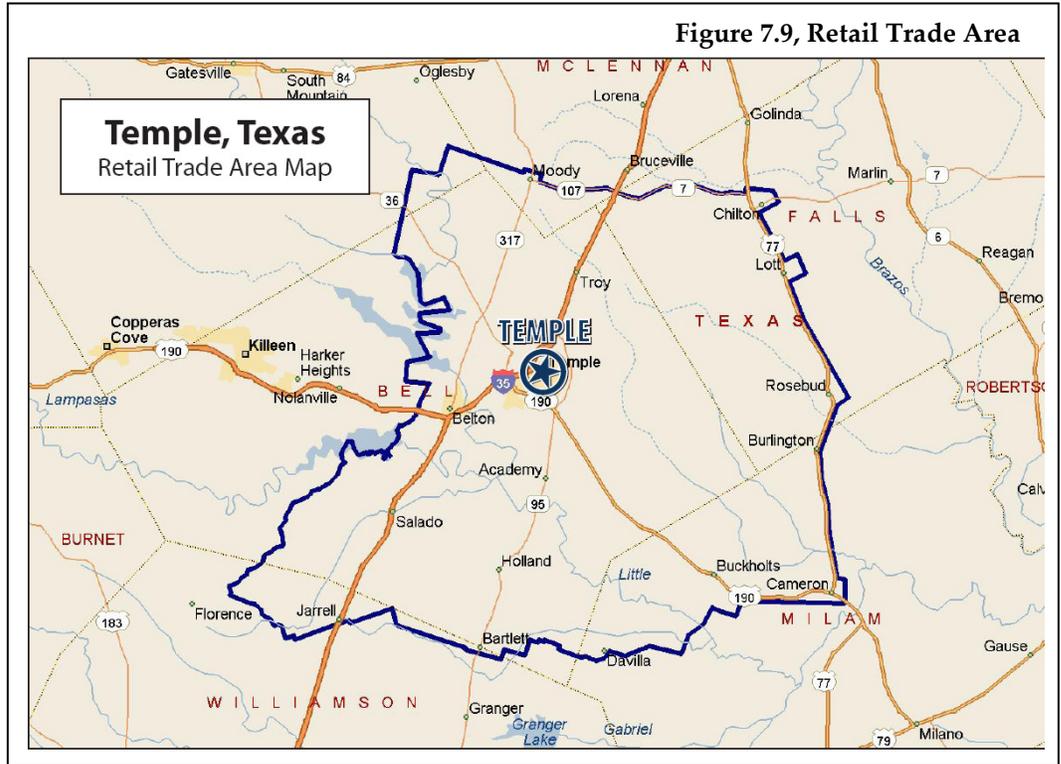
**Figure 7.8, Occupational Distribution of Employed White Collar Population, 2007**



Source: ESRI

**Retail**

**Figure 7.9** illustrates the Retail Trade Area for Temple, based on drive patterns, residential developments, and existing retailer and employer locations. The estimated retail spending within this trade area (based upon a proprietary retail analysis model developed by The Retail Coach) reveals significant retail leakage in several retail sectors.



Retail sectors where spending is not fully captured locally are called “leakage” categories. On the other hand, retail categories in which more sales are captured than are generated by trade area residents are called “attraction” or “surplus” categories.

A retail sales surplus indicates that a community pulls consumers and retail dollars in from outside the trade area, thereby serving as a regional market. Conversely, when local demand for a specific product is not being met within a trade area, consumers are going elsewhere to shop, creating retail leakage. Strategies can be developed for specific retail sectors by analyzing the estimates of retail surpluses and leakages, which give retailers a snapshot of the relative strengths and weaknesses of a community’s retail market. Generally, attraction or surplus categories signal particular strengths of a retail market while leakage categories signal particular weaknesses.

The two tables on the following page illustrate the Retail Surplus and Retail Leakage in Temple, by retail sectors. This information confirms that Temple has a significant amount of retail surplus (dollars coming into the city from outside the local demographic), as well as a significant amount of specific retailer sectors that are leaking substantially.

# Surplus Summary

SIC	RETAIL SECTOR	SURPLUS AMOUNT
53	General Merchandise Stores	\$78,192,880
523	Paint, Glass and Wallpaper	\$42,626,940
5945	Hobby, Toy, and Game Shops	\$14,829,350
556	Recreational Vehicle Dealers	\$3,452,604
555	Boat Dealers	\$854,546
5993	Tobacco Stores and Stands	\$34,031

# Leakage Summary

SIC	RETAIL SECTOR	LEAKAGE AMOUNT
551	New And Used Car Dealers	-\$93,884,860
573	Radio, TV and Computer Stores	-\$86,050,830
541	Grocery Stores	-\$82,134,280
5812	Eating Places	-\$74,883,260
521	Lumber and Other Building Materials	-\$40,632,620
5999	Miscellaneous Retail Stores, NEC	-\$32,517,270
571	Home Furniture and Furnishing	-\$25,850,610
554	Gasoline Service Stations	-\$24,594,120
525	Hardware Stores	-\$23,073,290
591	Drug Stores and Proprietary	-\$12,588,290
553	Auto and Home Supply Stores	-\$11,726,670
549	Miscellaneous Food Stores	-\$11,366,550
526	Retail Nurseries and Garden	-\$11,160,230
559	Automotive Dealers, NEC	-\$11,008,680
596	Non-store Retailers	-\$10,044,050
552	Used Car Dealers	-\$6,844,833
527	Mobile Home Dealers	-\$6,451,621
572	Household Appliance Stores	-\$5,789,346
542	Meat and Fish Markets	-\$5,606,779
593	Used Merchandise Stores	-\$5,349,263
5943	Stationery Stores	-\$5,346,408
562	Women's Clothing Stores	-\$4,603,201
5944	Jewelry Stores	-\$4,058,092
592	Liquor Stores	-\$4,033,386
569	Miscellaneous Apparel and Accessory Stores	-\$3,598,709
543	Fruit and Vegetable Markets	-\$3,588,201
557	Motorcycle Dealers	-\$3,347,929
5947	Gift, Novelty and Souvenir Shops	-\$2,826,498
566	Shoe Stores	-\$2,359,768
565	Family Clothing Stores	-\$2,071,111
546	Retail Bakeries	-\$1,767,874
5942	Book Stores	-\$1,731,482
5813	Drinking Places	-\$1,705,294
598	Fuel and Ice Dealers	-\$1,559,346
5992	Florists	-\$1,258,776
561	Mens and Boys Clothing Stores	-\$1,123,946
564	Children's and Infants' Wear	-\$995,204
995	Optical Goods Stores	-\$828,779

## Addressing Retail Leakage

It is unrealistic for any city to think it can reach a balance with the retail market to where there is no retail leakage. People will always shop outside of their community on their way to work, visiting a friend in a nearby community, or on vacation.

Yet, Temple can make a significant dent in capturing retail dollars that are being spent in certain sectors.

Developing a retail recruitment strategy should be a step the City and other economic partners undertake to support implementation of this comprehensive plan.

## Leakage Data

This retail analysis is based on third quarter 2007 data and combined with a proprietary model that estimates the leakage potential of a defined retail trade area. These are estimates and should be treated as such. A more thorough retail analysis should be completed.