

Align Amarillo

Economic Development Strategic Plan

Executive Summary *DRAFT*
June 28, 2017



AMARILLO
economic development corp.



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CONSULTING



ALIGN
AMARILLO

INTRODUCTION

Project Background

In November 2016, the City of Amarillo (City) and Amarillo Economic Development Corporation (Amarillo EDC) partnered to develop a new economic development strategic plan for the community. The City and Amarillo EDC issued a competitive request for proposals for professional assistance in this process. After reviewing proposals from a number of qualified firms, the City and Amarillo EDC selected Avalanche Consulting and Community Development Strategies (CDS) to help develop a new, community-wide economic development strategy in 2017.

Project Process

The primary goal of the strategic planning process was to develop a shared, community-wide vision for Amarillo's future and identify an actionable strategy to help partner organizations throughout the city achieve this vision. The strategy works to align public and private organizations throughout Amarillo and build the resources necessary to help businesses and residents succeed. The seven-month strategic planning process included two phases:

1. *Discovery* – During this phase, the project team engaged with Amarillo stakeholders to understand the community's strengths and challenges and identify an economic development vision for the future. While gathering community input, the project team conducted an in-depth data analysis and benchmarking of trends in the city and region.
2. *Economic Development Strategy* – During this phase, the project team developed an economic development strategy for Amarillo. The strategy sets a vision for the community – developed from the perspectives expressed by citizens, businesses, and leadership throughout the planning process. The strategy includes goals that move Amarillo towards its vision and clear, actionable tactics that support each goal.

Stakeholder Input

Listening to Amarillo residents and businesses is critical to developing a shared, inclusive vision for the entire community. Throughout the strategic planning process, the project team strived to engage the citizens of Amarillo through a variety of avenues. The project team led focus groups around relevant topics, held on-one-one interviews, conducted an online survey, toured the community, and facilitated two public meetings. The strategy also received guidance from an Advisory Committee comprised of leaders from the public sector, private sector, nonprofits, and educational organizations in Amarillo. Overall through the planning process, the project engaged nearly 1,000 Amarillo citizens and asks for their support and input throughout implementation.

ALIGN AMARILLO PROJECT TEAM



Part of the Great Plains and the largest city in the Texas Panhandle, Amarillo had its beginnings in 1887, when the Fort Worth-Denver City railroad was constructed across the Texas Panhandle. Centrally located in the Texas Panhandle and bordered by New Mexico and Oklahoma, Amarillo's economic history was closely tied to agriculture and the energy industry. These days businesses such as copper refining, fiberglass production, meat packing, ordnance manufacturing, customer service operations, and aircraft assembly operations have diversified the city's economy. Serving as a regional medical center also plays a key role in Amarillo's economy. Today, Amarillo is home to 190,695 (per 2010 Census) people and always welcomes newcomers. Amarillo is a strong community of neighborhoods; proud of the quality of life assets available to residents and visitors alike. A wonderful city to live, work and play!



The Amarillo EDC promotes business expansion in the greater Amarillo area to build a stronger, more diversified economy and increase the economic vitality and wealth of the community. With programs focusing on business recruitment, business expansion and retention, as well as entrepreneurship, the Amarillo EDC is dedicated to helping grow Amarillo's economy for tomorrow's generations.

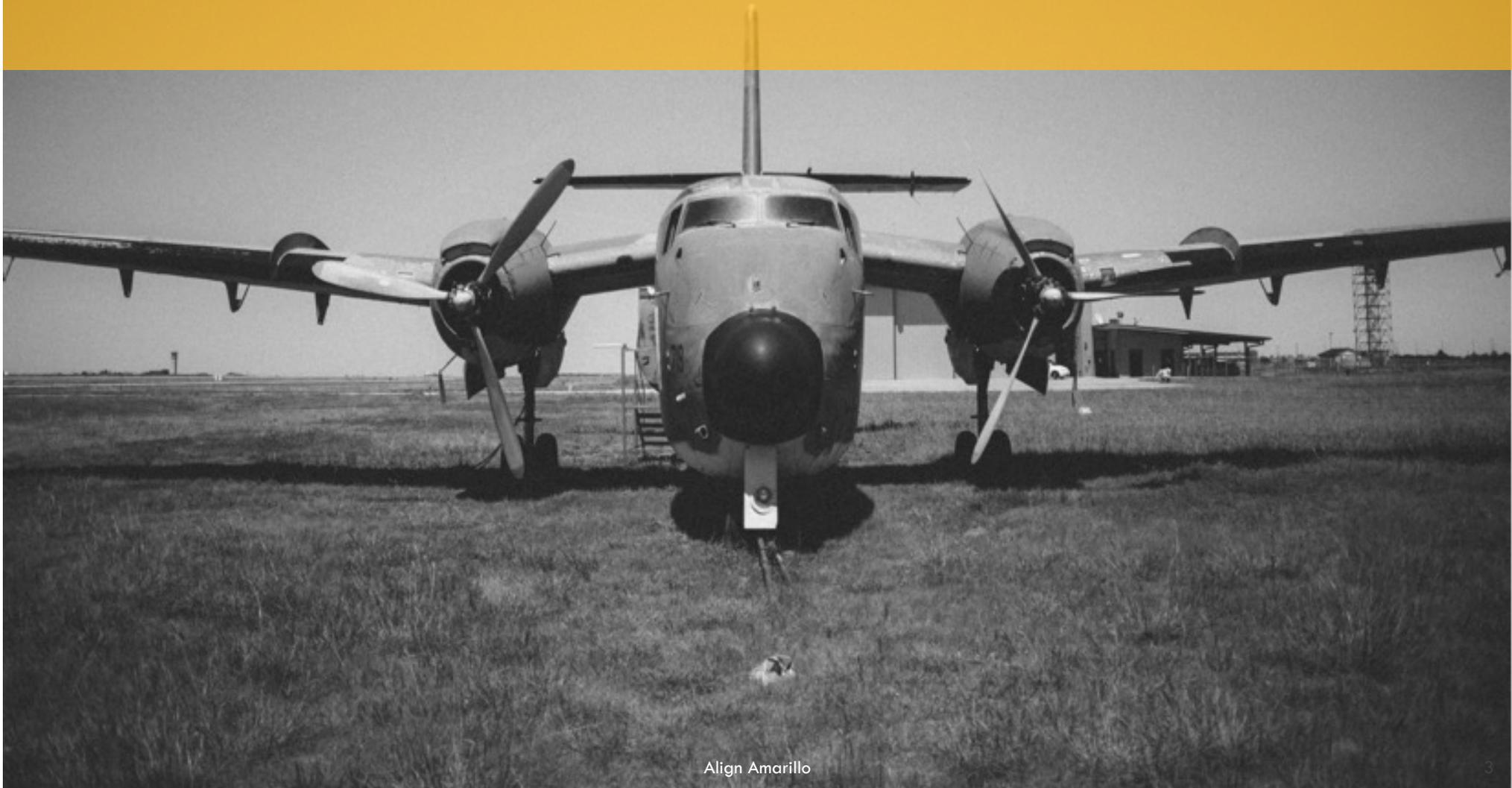


Avalanche Consulting is the nation's premier economic development strategist. Avalanche is deeply driven to make a positive impact and seek clients who are equally inspired to energize their economies. Headquartered in Austin, Texas, Avalanche was established in 2005 and its team has assisted more than 200 communities across the US and abroad.



CDS is a leading national consulting firm headquartered in Houston, Texas, providing economic analysis, public planning, and market research services to clients in a wide variety of industries. Since 1971, CDS has remained at the forefront of the industry by doing three things: 1. Staying actively involved in numerous professional and trade associations. 2. Providing clear, unbiased, and up-to-date solutions by employing the most appropriate and cost effective research methods. 3. Utilizing solution-oriented analysis teams to focus on each project assignment adapted to your needs.

Discovery Findings



ECONOMIC POSITION

Understanding the trends and components of a community's economy is the first step to making a plan to improve it. The following section examines Amarillo's economy from a few angles – job creation, salary levels, industry employment, gross domestic product, and exports. Understanding how these factors are changing in Amarillo relative to the state, nation, and benchmark communities will help us better determine where the economy may be going and how to prioritize future investments.

Amarillo Economic Position – Key Takeaways

- Job growth has been strong at 4.6% the past five years, but it still trailed Texas and the US.
- Amarillo's unemployment rate has fallen steadily from a peak in 2010 and remains lower than before the recession.
- Employment growth has been strong across most industries in recent years, and Amarillo has a relatively diverse economy – with a diversity index of 0.94.
- Average salaries in Amarillo are below the US but in the middle of most benchmarks.
- Amarillo is a productive community, with a per capita GDP in the middle of benchmarks. The local GDP has grown in recent years but at a slower pace than the state and nation.
- Exports from Amarillo have grown more rapidly than most benchmark communities and the US.
- Amarillo's top exports are meat products, a variety of fabricated metal products, oil & gas related products, and aircraft products and parts.



WORKFORCE & EDUCATION

The search for skilled workers has become one of the most important factors affecting the locations of modern businesses. Today most industries seek employees with some level of advanced education – whether a certificate or a masters degree.

Communities that wish to attract new businesses and help their existing businesses grow are helping foster partnerships between the private sector, educators, and local students. These partnerships help ensure that businesses can find the skills they need and that residents are connected to training that will help them advance their careers.

Amarillo Workforce & Education – Key Takeaways

- Amarillo's population grew 4.5% from 2011 to 2016 – faster than the US but slower than most benchmark communities. Almost all population growth occurred in Randall County.
- Amarillo is a relatively young community, and in recent years, the population grew in most age cohorts except those 45 to 54.
- Most residents leaving Amarillo are moving to larger cities in Texas, such as Dallas, Austin, and Houston. New residents to Amarillo are mostly coming from smaller communities in the Panhandle and surrounding region.
- Like the US, labor force participation is falling in Amarillo, but more concerning, the actual size of the labor force only grew 0.8% over the past five years.
- The share of Amarillo's labor force with a some college or a full college degree has grown more rapidly than the overall population, but this has been offset by declines in the number of workers with only a high school degree or less.
- Amarillo's population is 61% white, but the white population shrank in recent years. Non-white residents accounted for all of Amarillo's growth in recent years, but there are economic and educational divides between these populations.
- Amarillo has a larger share of foreign born residents than most benchmark communities.

INFRASTRUCTURE

Infrastructure describes the bones that frame and support a local economy. The roads, rails, jet ways, seaports, fiber optic cables, and other built structures that connect a city with the rest of the world are critical to a thriving economy. This is especially true in the modern global economy, which relies on the constant movement of raw materials, goods, people, and information.

Amarillo Infrastructure – Key Takeaways

- Amarillo is a well-connected community – with a logistically strong geographic location and enviable rail and highway access.
- Rick Husband Amarillo International Airport serves the surrounding region and has a relatively high concentration of passengers move through for a community of Amarillo's size, but the number of flights have declined in recent years.
- CenterPort Industrial Park is a highly competitive asset for the community – offering utility-served land and rail linkages that are difficult to find in the Panhandle, Texas, and the US.
- Amarillo is relatively easy to get around – with the lowest average commute time among benchmark communities. The ease of car transportation likely contributes to the low share of public transportation users.
- Utilities are plentiful and affordable in Amarillo – include water, natural gas, and electricity for commercial, industrial, and residential users.
- According to the latest statistics, fewer Amarillo residents have access to high speed internet than most benchmark communities and the national average.
- Amarillo offers a highly competitive tax environment – with no state income tax and one of the lowest city property tax rates in Texas.



INNOVATION

Innovation continues to drive economic growth. The development of new products and processes disrupts markets by creating efficiencies and new opportunities. Startups and other small businesses create the majority of jobs, rent commercial and office space, and purchase goods and services from other businesses – continuously stimulating the economy. According to the US Small Business Administration, small businesses created 66% of all new new jobs in the US since the 1970s. With fewer large corporate projects relocating and opening across the country, cities with the strongest economies today often focus on creating an environment that supports entrepreneurs and small business owners.

Amarillo Innovation – Key Takeaways

- Small businesses and self-employed individuals are highly concentrated in Amarillo – reflecting a entrepreneurial and pioneering spirit frequently shared with pride by residents.
- Patent production is low in Amarillo, but new technologies that are being invented in the community are in areas of local specialization, including Animal Husbandry, Pharmaceuticals, Pumps, Metal Working, and more.
- Texas Tech Health Sciences Center – Amarillo is a major center for Medical and Biological research – capturing the majority of research dollars in these fields for the Texas Tech University System.
- Texas Tech University in Lubbock also conducts extensive research in areas that support Amarillo industries, including Agricultural Sciences and Electrical, Mechanical, and Chemical Engineering.
- West Texas A&M University also supports Amarillo industries with research – especially in Agricultural Sciences and Engineering fields.
- Amarillo College and West Texas A&M University awarded nearly 3,500 degrees and certificates in 2015 with high concentrations in Health Care, Engineering, Mechanics & Machine Repair, and Software & Computer Sciences.
- Amarillo College and West Texas A&M University are also growing – awarding 25% more degrees and certificates in 2015 than 2010.

QUALITY OF LIFE

Quality of life means different things to different people and can be a difficult concept to evaluate with numbers. Many factors that residents cherish about a community – natural beauty, cultural history, friendliness – cannot be directly measured and compared. Nonetheless, it is important to examine the characteristics that define the experience of living in a community – this includes the positives that people love and the challenges that they face everyday. The following section examines a number of metrics widely recognized as contributing to quality of life and that allow direct comparison to other communities.

Amarillo Quality of Life – Key Takeaways

- At \$51,700, Amarillo's median household income is lower than the state and national levels and in the middle of benchmark communities. Median household income grew at a relatively strong rate the past five years.
- Poverty levels in Amarillo are below the US and TX averages but higher than many benchmark communities. As seen in the previous section, poverty and income distribution in Amarillo is also not equally distributed by race.
- Amarillo is the most affordable community among all benchmarked, which makes local incomes stretch further than other benchmarks.
- Homeowner vacancy levels in Amarillo are relatively low – reflecting limited availability of homes for purchase.
- Although homes for sale are relatively affordable in Amarillo, median rents are in the middle of benchmarks. Rental housing makes up a similar share of the market to the US and state averages, and new construction continues to be a similar mix of single-family and multi-family.
- Violent and property crime are slightly higher in Amarillo than benchmarks and state and national averages.
- Students in the Amarillo ISD are outperforming the region and state.
- Amarillo is home to a large arts and cultural community. Sports are an important part of the community – especially youth sports.

TAX GENERATION ASSESSMENT

The analysis produced some clear recurring patterns and findings that have implications for Amarillo's future fiscal health and economic development in the future.

- Much of the City's revenue growth has been driven by new development on its western and southwestern fringes. The City is fortunate that growth in unincorporated areas is relatively limited, meaning that the City can capture the tax revenues from new suburban development.
- While this growth has benefited Amarillo fiscally, it is not a low-risk strategy. If population and housing growth pause or taper off, the City will still have infrastructure to maintain (and at some point, rebuild or rehab) plus the ongoing burden of services such as public safety. Unit costs for all of these responsibilities rarely decline –it usually costs more over time to maintain the same level of service and infrastructure quality. A lack of new development in outlying areas could mean a harsher reckoning between adequate revenue and level of service and infrastructure quality than what the City has typically faced – a historic norm that has allowed the City to maintain a relatively low property tax rate, but which could be challenged in that kind of changing condition.
- Many older portions of the city have stagnated or even declined in tax base value since 2010. These areas have a need for a quality of infrastructure and level of services that will keep them livable and economically viable. Tax base growth in outlying areas likely helps to pay for this legacy burden, but the newly developed areas have their own burden of infrastructure and services to pay for as well. In the long run, this pattern is not very sustainable, and can be recipes for undesired tax rate increases, reduced level of service citywide, and a lack of needed infrastructure investment, all of which will make the city less attractive economically.
- Recent public investments in Downtown Amarillo may have the potential to start the tax base regeneration process. Hotel revenue is the leading indicator of this potential; it should be noted that taxable sales for retail-space-using industries showed a slight increase in recent years, in contrast to surrounding ZIP codes.
- Creating a more sustainable tax base model, however, will entail extending the trends of tax base improvements into adjacent areas of the city, in terms of both residential and especially commercial uses and mixed-use properties. These areas cover too much area to be serviced and maintained to be non-productive. It should be noted that increasing residential values can bring gentrification concerns, but this is a better problem to have than a municipal services crisis.

Focus District Summary



DOWNTOWN AMARILLO

Downtown Amarillo has experienced many of the same unfortunate economic losses suffered by many cities over the last several decades – loss of retail activity, lack of housing, and a diminished overall role in the lives of many area residents. However, unlike in many cities, Downtown Amarillo remains the principal office submarket of the region, with little or no true competition in terms of large-scale office buildings. Government functions (mostly City of Amarillo and Potter County) have also largely remained in Downtown. In addition, the Amarillo Civic Center and the Globe-News Center for the Performing Arts are the most significant cultural event venues in the city.

Going forward, Downtown Amarillo has the potential to serve three significant economic development functions:

- Desirable white-collar workplace
- Cultural / entertainment / dining amenity for local residents; talent attractor / retainer
- Host to visitors from the greater region and beyond

Each of these roles has some positive trends, but also challenges that will need to be addressed to maximize economic development impacts. The City of Amarillo has already placed a significant focus on Downtown, with capital improvements to streetscape and enactment of a Tax Increment Reinvestment Zone (TIRZ) over the area as a funding and incentive mechanism. Currently active public investments include a “Catalyst Project” featuring a new hotel (through a public-private partnership), parking structure, and retail space. A minor league baseball stadium is also planned pending another public-private partnership agreement. Private sector projects are also underway with both adaptive reuse of legacy buildings and new development.

MEDICAL DISTRICT

Amarillo has a well-established Medical District on the west side of the city, roughly bounded by Wolflin Boulevard, Soncy Road, SW 9th Avenue, and W Amarillo Boulevard. It contains four anchor institutions: Baptist St. Anthony (BSA) Health System, Northwest Texas Healthcare System, the Amarillo Veterans Affairs Health Care System, and the Texas Tech University (TTU) Health Sciences Center Amarillo. Northwest Texas was formerly the public hospital for Amarillo; proceeds from its sale to a private owner were used to fund the Amarillo Hospital District, which assists in the provision of indigent medical care in the city. All of the anchor institutions except the Veterans Affairs campus are located within the Harrington Regional Medical Center, a geographic hospital district designated by the City of Amarillo. Texas Tech has agreements with the other District institutions to function as teaching hospitals.

Amarillo College also maintains its West Campus on the northern edge of the District. While many of the original educational programs at that campus, which dates to 1967, are not specifically related to medicine or health care, the College has consolidated and added numerous facilities and programs to take advantage of its proximity to the District in the last 20 years.



AIRPORT AREA

The City of Amarillo receives many compliments on its airport, for such things as its modern and aesthetically appealing passenger terminal and its extra-long runway (a legacy of its past as an Air Force base). However, the airport is the centerpiece of an area that in some ways is the heart of the Amarillo economy. Major industrial facilities for Pantex, Bell Helicopter, and Tyson Foods, along with an array of other employers, contain thousands of jobs. Amarillo College also has its East Campus in the area. Other public / institutional uses include two incarceration facilities and Highland Park School District.

Due to available land, access to various types of transportation infrastructure (highway, freight rail, airport), and Amarillo's convenient location in the middle of nation, the Airport Area has become Amarillo's key industrial development district.



ROUTE 66

The historic Route 66, the first continuous highway to connect Chicago and Los Angeles, ran through Amarillo, which was near the midpoint of the route. Within the city, its most notable segment today coincides with 6th Street from Georgia to Western. This stretch is characterized by buildings dating from the 1920s through the mid-20th century, a number of which contain independent businesses with antiques, gifts, dining, and bars or entertainment. It is one of the few commercial areas of Amarillo outside the Downtown which is outwardly pedestrian-oriented, perhaps ironically given its historic ties to automobile travel.

National and even global nostalgia for Route 66 has served to give 6th Street a distinct cultural identity. Groups of business and property owners along the street formed the Historic 6th on Route 66 Association and have worked to create place-specific public signage and street furniture to highlight Route 66. They have also put together a website, amarillo66.com, and organize events to drive visitor traffic. A second group has also recently formed that is more oriented toward making 6th Street a more popular destination for Amarilloans, especially young adults.

Route 66 could therefore serve three economic development purposes:

1. Pull in visitor spending from outside the region
2. Foster independent businesses
3. Create a fun, walkable, uniquely Amarilloan commercial zone that serves as quality of life amenity for the local population.

All three purposes, though especially (2) and (3), are closely related and can be mutually beneficial.



Target Industry Recommendations



TARGET INDUSTRY IDENTIFICATION

Target industry identification is not an exact science. A city cannot simply plug data into a formula and discover the perfect industry match. Target selection is instead an iterative process – using quantitative and qualitative information to identify target industries that present the greatest opportunities for a city based on local assets, needs, and desires.

Target selection was driven by four primary questions that serve as filters:

1. Is the industry cluster growing and projected to grow within the city, region, and the US?

Cities should focus their economic development efforts on businesses with the highest return on investment. It is therefore important to look at national and international trends to determine whether with proper support the industry will grow in Amarillo in the future.

2. Does the industry cluster already have a presence in the Amarillo?

The presence of an industry in Amarillo demonstrates that the city offers competitive reasons for operating locally. Industry clusters already concentrated in the city offer some of the best opportunities for expansion, recruitment, and startup growth with continued support.

3. Does the industry match the city's assets?

Numerous competitive assets were identified through the Align Amarillo process. Potential target industries were evaluated based on their suitability to these strengths.

4. Does the industry align with the City's goals and vision?

Clusters were evaluated based on whether they reinforce the goals and values identified by the residents, organizations, and leadership of Amarillo through focus groups, interviews, public meetings, and the online survey.



TARGET INDUSTRY RECOMMENDATIONS

Based on the evaluation of global industry trends, Amarillo's competitive advantages, and the community's goals and values, the consulting team recommends the following target industries and niche sectors for the economic development efforts of the Amarillo EDC, City, and other partner organizations in the region.

The full chapter provides detailed profiles of each industry – including a description of industry needs, global trends, and sales messages explaining the opportunity they present in Amarillo.

Amarillo Target Industries



Advanced Manufacturing

Advanced Materials
Aerospace
Defense
Energy



Agricultural & Life Sciences

Agricultural Technology
Food Technology
Healthcare Services
Pharmaceuticals



Aviation & Logistics

Maintenance, Repair, & Overhaul (MRO)
Multi-Modal Distribution
Warehousing



Professional & Information Services

Back Office
Engineering & Design Services
Financial Services
Research & Development
Software & Systems



Destination Economy

National Destination
Regional Hub
Roadside Attraction

Economic Development Vision, Goals, & Recommendations



ALIGN AMARILLO VISION STATEMENT

The vision statement for a comprehensive economic development strategy should reflect the **values and priorities** of residents – providing a guide for the present by building upon the past and aspiring for the future. The statement should act as a signpost when making decisions about Amarillo’s future – such as which investments to prioritize and how to market the city to businesses, talented individuals, and visitors. When developing a vision and goals, the community should be bold – considering where the city could be – not only where it is today.

Through public meetings, interviews, focus groups, and an online survey, the Align Amarillo project team heard the **personal stories of residents and business owners** from across Amarillo and the surrounding region. The words in the following vision statement were carefully chosen to highlight the qualities that Amarillo residents most value and wish to enhance and prioritize in the coming years.

Importantly, Amarillo’s vision statement looks beyond the metropolitan boundaries to include the entire Panhandle. As communities throughout the Panhandle face global competition for opportunities, the City and Amarillo EDC must strengthen the city’s position as its thriving center – providing the shared education, economic, and lifestyle resources that help residents and businesses thrive.

Vision Statement

Amarillo is the heart of the Panhandle – a pioneering ag-tech, life science, and manufacturing region that elevates businesses and families through quality education, infrastructure, and a multigenerational lifestyle.

ALIGN AMARILLO FRAMEWORK

The vision statement provides the overarching, long-term guidance for Align Amarillo, setting the tone and helping identify supportive goals, strategies, and tactics for the next five years. The graphic below illustrates the overall Align Amarillo strategic framework.



STRATEGIC FRAMEWORK

Vision

GOAL 1

GOAL 2

GOAL 3

GOAL 4

GOAL 5

Strategies + Tactics

1.1

1.2

1.3

2.1

2.2

2.3

3.1

3.2

3.3

4.1

4.2

4.3

5.1

5.2

5.3

ALIGN AMARILLO GOALS

Achieving the Align Amarillo strategic vision will require hard work and investment from the City, Amarillo EDC, Potter County, Randall County, partner organizations throughout the metropolitan area, private businesses, and the residents themselves. The following goals will help organize the community to address priorities over the next five years.



STRATEGIC FRAMEWORK

Vision – Amarillo is the heart of the Panhandle – a pioneering ag-tech, life science, and manufacturing region that elevates businesses and families through quality education, infrastructure, and multigenerational lifestyle.

GOAL 1 – TALENT

Amarillo is a leader in applied education – preparing residents for the jobs of the future and supplying employers with a hard-working, highly-skilled workforce.

GOAL 2 – INFRASTRUCTURE

Amarillo is an attractive city – with infrastructure, planning, and support systems in place that make it easy for businesses to grow and residents to get around.

GOAL 3 – INNOVATION

Amarillo is a global center for agricultural and life science research – recognized for its pioneering spirit and culture of entrepreneurship.

GOAL 4 – QUALITY OF LIFE

Amarillo is a family-friendly community – rooted in Western heritage but offering modern housing, cultural, and recreational options for all ages.

GOAL 5 – COMMUNICATION

Residents of Amarillo celebrate their community, and Amarillo is recognized as a top destination for businesses and skilled workers and their families.

PRIORITY EFFORTS

Align Amarillo describes many goals and recommendations, but there are five overarching priority efforts on which the community should focus in the short-term that will have long-term benefits for the entire city and Panhandle region.

Supporting the Texas Tech University School of Veterinary Medicine

Large animal veterinarians are in high-demand in West Texas, and regional leaders have been working to develop a Texas Tech University School of Veterinary Medicine for thirty years. In 2016, the Amarillo EDC approved a \$15 million grant to assist TTUHSC in developing the vet school in Amarillo. Following the 2017 Texas legislative session, Governor Abbott signed into law a budget that included a \$4.1 million allocation for the vet school – indicating apparent state approval of the initiative. The school will have a tremendous impact on the regional economy – potentially more than any other single project. Leadership must continue energized, coordinated efforts to make this project a reality.

Establishing Amarillo as a leader in applied education

For a city of its size, Amarillo is lucky to have three world-class educational institutions and strong school districts. These schools provide complementary programming that together present a robust overall system. Today, workforce is the biggest topic in economic development and drives the location decisions of many businesses. Through continued program coordination, Amarillo has the capacity to focus these educational resources on the applied needs of regional businesses while also thinking forward to the needs of the future. This foundation is a competitive asset for business attraction and will also help connect residents to pathways for success.

Making Amarillo a global center for Agricultural / Life Science research and innovation

Amarillo is a highly entrepreneurial community with research activity already occurring in the region, but few observers internally or externally regard Amarillo as a research and innovation center. This needs to change. The community should support research across industries, but the city's unique position in the Panhandle and large livestock, agriculture, and life science industries create an opportunity for research and technological development that can have global reach.

PRIORITY EFFORTS – CONTINUED...

Investing in amenities to support a multi-generational community

Amarillo is rich with culture, but not all residents have this perception of the city. Some see the community as aging and deteriorating – with crumbling streets, limited entertainment options, and few of the modern, walkable mixed-use neighborhoods that are popular nationally among people of all ages. Outside impressions tend to be even worse – based on views from I-40 as they drive through town. To stay economically competitive and retain talent, the community must encourage more diverse housing options, construct more youth sports facilities, and generate more positive lifestyle coverage among other strategies.

Spurring a local dialogue about the future and investing in Amarillo

The recommendations in this strategy align economic development efforts in Amarillo and identify new strategies to prepare for the future, but none will be free. Cities cannot rely state or federal governments to solve their problems. The community of Amarillo must invest in itself to achieve its goals and vision. This can require difficult decisions about taxes and funding mechanisms. These conversations have already begun – and the community should not shy away from them – they are critical to future success.

Goal 1

Amarillo is a leader in applied education – preparing residents for the jobs of the future and supplying employers with a hard-working, highly-skilled workforce.

Finding skilled talent has become the primary concern of businesses across the US. The training requirements of jobs continues to change and labor markets are tightening across the country – making it harder for employers to find the workers they need. Employees in Amarillo are known for their work ethic, but workforce growth has stalled as many less-educated individuals have dropped out of the labor pool. Aligning applied educational programs to the needs of businesses and improving access to training for all residents will be critical to ensuring Amarillo's businesses remain competitive in the future. This educational system also provides a foundation to attract businesses to the region. The following recommendations will help Amarillo achieve this goal:

- 1.1 – Expand programs at area ISDs that provide students with the skills they need to build careers in the local economy.
- 1.2 – Align and integrate education programs at AC, WTAMU, and TTUHSC.
- 1.3 – Connect Amarillo's disconnected, underserved, and underemployed population to training, job opportunities, and resources for productive career pathways.
- 1.4 – Continue supporting the Texas Tech University School of Veterinary Medicine.

INFRASTRUCTURE

Goal 2

Amarillo is an attractive city – with infrastructure, planning, and support systems in place that make it easy for businesses to grow and residents to get around.

For industrial users, infrastructure is one of Amarillo's most competitive strengths. The city has rail and highway access, reliable and affordable utilities, a shovel-ready industrial park, a unique airport runway, and much more. At the same time, many of the city's roads are in disrepair, and streetscapes are not attractive, especially when entering the city – creating a poor first impression for visitors. Through interviews and the community survey, residents expressed a strong desire to improve Amarillo's physical appearance. The business community also shared concerns with the City's development review and inspection processes that must continue to be addressed. This will help ensure Amarillo is a city where businesses can build and grow. The following recommendations will help Amarillo achieve this goal:

- 2.1 – Continue to streamline the City's development and inspection processes and improve customer service.
- 2.2 – Continue to plan for utility infrastructure expansion that supports industrial, commercial, and residential development in targeted areas.
- 2.3 – Implement transportation master plan and prioritize road repair, maintenance, and beautification.
- 2.4 – Improve high-speed internet connectivity options in Amarillo.
- 2.5 – Focus District Recommendations



Goal 3

Amarillo is a global center for agricultural and life science research – recognized for its pioneering spirit and culture of entrepreneurship.

Amarillo was established in a remote geography through great effort and risk by settlers with a pioneering spirit. That pioneering spirit remains in the community today – seen in the high share of local small businesses and self-employed individuals, the strong regional banks and other institutions, and the many new business ideas brought to fruition at the WT Enterprise Center (WTEC). Amarillo is also home to numerous researchers at TTUHSC, WTAMU, Pantex, and other organizations developing new applied technologies and services. While home to entrepreneurs, many perceive the community as relatively risk-averse. To stay relevant in the face of technological change, the community must foster its local entrepreneurial culture. The following recommendations will help Amarillo achieve this goal:

- 3.1 Raise awareness of Amarillo's entrepreneurial resources, support local businesses, and tell local success stories.
- 3.2 Encourage commercialization and development of clusters related to the community's research activities.
- 3.3 Increase entrepreneurial education programs at all levels.

Goal 4

Amarillo is a family-friendly community – rooted in Western heritage but offering modern housing, cultural, and recreational options for all ages.

Amarillo has a long cultural history that has attracted visitors and enriched the lives of residents. From the rodeo to the symphony, residents of Amarillo can enjoy art, music, entertainment, mountain biking, and many more lifestyle activities. At the same time, many residents do not participate in these activities due to limited awareness of them or cost. The community survey and interviews revealed a high demand in Amarillo for more urban and family-oriented amenities – including walkable mixed-use areas, sports facilities, and social gathering spaces for young adults. The following recommendations will help Amarillo achieve this goal:

- 4.1 Raise awareness of existing cultural and entertainment opportunities.
- 4.2 Continue to expand entertainment and recreational amenities – especially for younger residents and families.
- 4.3 Broaden housing options and maintain existing housing stock.
- 4.4 Improve infrastructure and amenities in underserved neighborhoods.

Goal 5

Residents of Amarillo celebrate their community, and Amarillo is recognized as a top destination for businesses and skilled workers and their families.

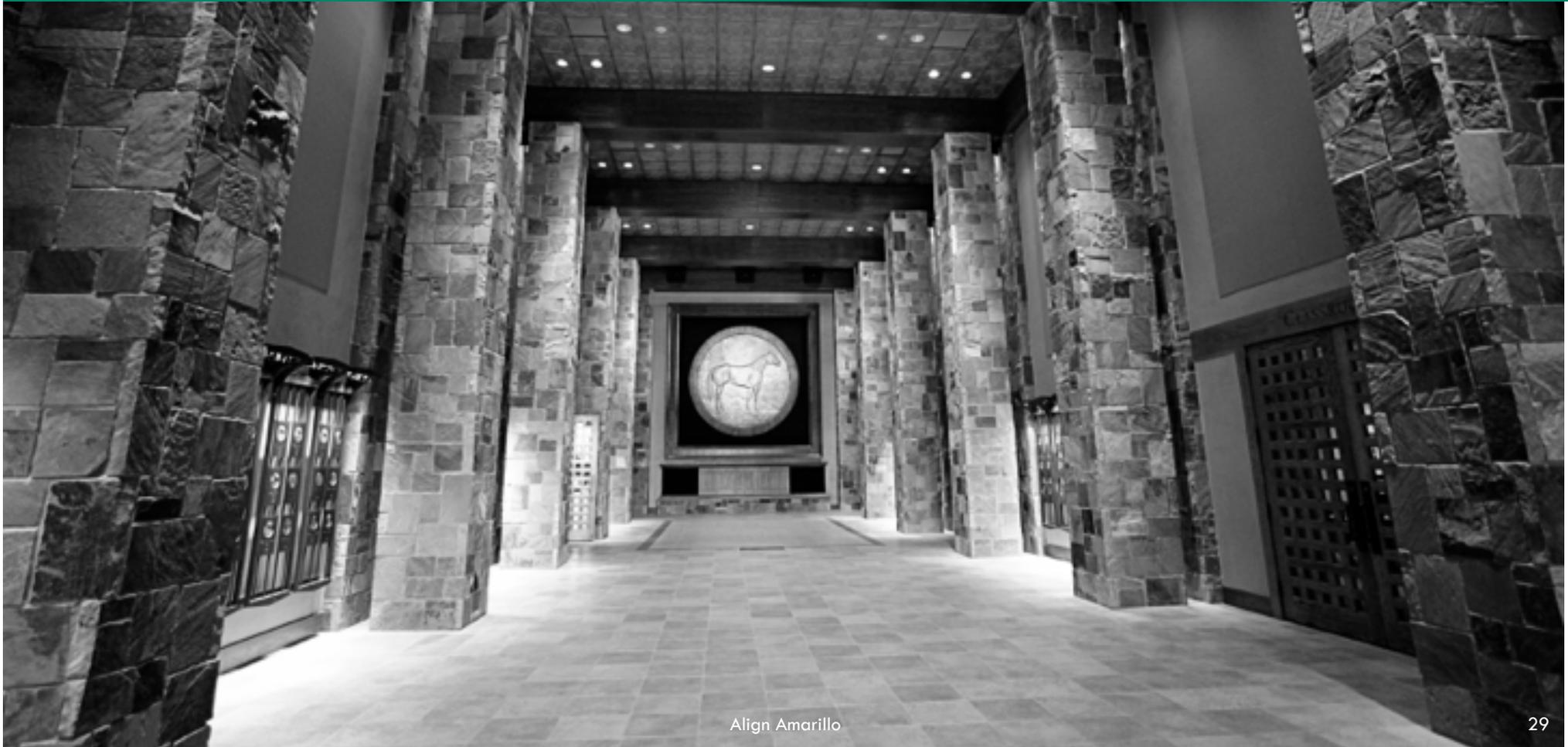
Residents of Amarillo love their community, but in recent years there has been a lot of negative dialogue and civic disunity. The consulting team heard this through discussions with the community, and it was made clear by survey respondents – who expressed a strong desire for greater unity, vision, and overall leadership. A core component of the Align Amarillo strategic planning process has been stakeholder inclusion. The City, Amarillo EDC, elected officials, and partner organizations must continue to maintain this communication in a transparent manner. Communication should tell the positive story of assets in Amarillo and focus on future opportunities. Through proactive messaging, community leaders should foster a dialogue about economic development and the need to invest in Amarillo to address strategic priorities.

The following recommendations will help Amarillo achieve this goal:

- 5.1 Communicate internally about the role of economic development and raise awareness of Amarillo's many strengths.
- 5.2 Recruit high-impact primary employers and talented workers for specific, high-skill industries.



Incentive Recommendations



TYPE A / TYPE B RECOMMENDATION

Based on the analysis of incentive tools available in Amarillo and strategic goals, the consulting team recommends that the city continue to utilize the Type A economic development sales tax option.

For nearly thirty years, the Amarillo EDC has been a high-performing organization and their focus on primary job creation has attracted, retained, and helped create new businesses throughout Amarillo. The EDC has a dedicated, professional staff with the expertise and experience to effectively work for the city's best interests.

Like all business ventures, there is inherent risk in economic development activities – some investments will work and others may not – but the Type A sales tax has allowed the Amarillo EDC to be innovative and strategic in their efforts to bolster the local economy. In order to protect business interests, certain aspects of the Amarillo EDC's operations must remain confidential, but recent efforts to increase transparency and communication with the entire Amarillo community create additional assurances that the Type A sales tax funds are being utilized for the public good. The Type A sales tax is also not limited only to primary job investments – it can also be used for job training, targeted infrastructure for new and expanding businesses, and specific transportation infrastructure and equipment.

While switching to a Type B sales tax may seem like an attractive option to fund a variety of projects that do not create primary jobs, this would not necessarily help Amarillo achieve its strategic goals. ***Amarillo's current incentive offerings provide effective tools that support each of the Align Amarillo strategic goals and are administered by organizations with the knowledge and skills to utilize them.***

Additionally, the Type B sales tax would potentially dilute the value of tax funds, create additional controversies in the community, and distract residents from the difficult but important conversations regarding necessary services, tax rates, and long-term municipal fiscal sustainability.

There are numerous projects desired by Amarillo residents that currently face funding gaps – from beautification efforts to an aquatics center. ***If these investments are important to the community, then they should consider funding them through bond elections and city tax revenues – to ensure sustainable long-term operational funding.*** The City currently has one of the lowest property tax rates in the state – which means there are fewer funds available to provide services and programs for the community. That is a choice made by the population, and if they desire more services, residents must recognize that paying for them means identifying sustainable funding sources. If these were funded by a Type B tax, it would raise questions about their long-term stability and the community's willingness to pay for the things it wants.

TYPE A / TYPE B RECOMMENDATION

A Type B tax system might seem like a wonderful potential new source of money for investments, but switching to Type B would only be diverting funds from necessary economic development investments. Every group in the city with a desired project would also see this fund as a potential pool from which to draw, creating division and competition within the community to dedicate these funds to different projects. This could quickly deplete Type B funding and create new frustrations within the community.

There is also the concern that by constructing quality of life and other projects via a Type B sales tax, the city could be left to address maintenance and operation costs without a well-developed, permanent revenue stream attached to each project. This could encourage development in a non-sustainable fashion by prioritizing projects that do not have the market demand or financial support necessary to make them truly viable.

Most importantly, if the Amarillo community does see a strategic, catalyst quality of life project that could benefit from sales tax funding – *the Type A system allows for special projects to be funded through a public hearing and special election*. This provides flexibility within the current Type A system but ensures that any projects are prioritized and fully vetted by the community – a very democratic and transparent use of the funds.

The on-going conversation about Type A and Type B among citizens of Amarillo highlights a need for clearer policies and procedures related to incentive awards throughout the community. **The consulting team recommends that each organization administering incentive tools in Amarillo develop and adopt a formal, transparent incentive policy to guide allocation of future awards.**

The following page outlines the qualities that mark a strong incentive policy.

TRAITS OF A STRONG INCENTIVE POLICY

Incentives can take numerous forms and provide a range of benefits to the recipients, but the most effective economic development incentive policies share some common traits.

Strong incentive policies generally:

- Follow transparent, public guidelines for project qualifications and award decisions
- Utilize evaluation standards consistently across projects
- Are tied to specific goals and criteria, including:
 - Whether the project is creating or preserving high-paying, primary jobs
 - Whether the project addresses goals in the economic development strategy
 - Whether the project supports target industry cluster development
 - Whether the project accelerates redevelopment in targeted geographies
 - Whether the project supports construction of infrastructure or real estate that would not be built without assistance
- Ensure economic impacts and benefits of incentivized projects exceed the costs
- Avoid front loading incentive awards
- Include programs that are available for local small businesses and existing business retention, not only relocation of new businesses
- Utilize claw-back measures in agreements in case recipients do not fulfill their contractual obligations

Along with adopting and following a general incentive policy, communities must also remain flexible with their incentive processes. All projects are unique, and many require creative tools to assist businesses or take advantage of catalyst opportunities. In general, consideration of incentives should begin as a conversation with the business or individual – seeking to understand their needs and identify whether any available incentive tools can assist them or close any gaps.