



PERFORMANCE REPORT

For Public Release

Giddings Economic Development Corporation

With an in-depth review of the major activities spanning 2015-2019
and an overviews of the 2014 business park development/ office
build-out, and 2020 pandemic recovery efforts

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Editor's
Note



Giddings Economic Development Corporation

PERFORMANCE REPORT
2015-2019

Enclosed in this document is a summary of major activities conducted by the Giddings Economic Development Corporation. This report is meant to provide readers with a high-level understanding of the GEDC's past performance and is not inclusive of every project performed or grant awarded; neither is this report meant to reflect how the organization will conduct business going forward. This report was compiled by me, Tonya Britton, GEDC Executive Director, and the claims made herein are accurate to the best of my knowledge. Statements regarding policy are meant to reflect the organization's over-arching philosophy and operational standards, however, exceptions to standard operating procedure may be found.

When and where appropriate, I have provided personal commentary to provide readers with additional insight on the "anatomy of a deal." First-hand witness accounts are meant to increase transparency as so much of our actual work activity occurs behind the scenes, sight unseen. Comments regarding projects and case studies reflect my best memory, experience, perception, documented evidence, and interpretation of the facts.

Initially, this document was meant to provide readers with a comprehensive review of the organization's economic development activities, policy decisions and processes during a five-year period, depicted both through data and in the form of case studies. Due to the impactful nature of two events – the purchase of the Giddings 290 Business Park during the latter half of 2014 and the 2020 pandemic, the parameters of this report have been extended. While the focus remains on activities that took place between the years 2015-2019, summaries of major developments during the year 2014 and 2020 have been included in this report.

Complications in Data Management

Data collection, aggregation, modeling, and analysis can be complicated by a host of factors so the reports on economic impact, total investment, and other data dependent upon interpretation and analysis should be viewed as reflecting trends and approximations. Tracking & reporting the true amount of private investment in a project is difficult due to confidentiality concerns and conflicts in reporting schedules. For example, the GEDC's fiscal year ranges from 10/1 to 9/30; however, this period does not align with the appraisal districts calendar year. Such disconnects in timing, between investment and assessment means that many data points are only estimations.

Further complicating the ability to measure and record economic and fiscal impacts are two issues – the GEDC is unable to connect sales tax data generated with specific projects because the city will not provide the data (even for internal review); so, while we believe that our efforts have mitigated the impact of industry-related downturns, we can't definitively quantify our impact.

And lastly, business activity is not "static." Employee numbers fluctuate, as do property values, and at any point in time, neither may truly reflect the long-term health of a business.

Companies come and go, so our investments in capital projects transcend the original applicant. Property improvements and new construction provide long-term value by increasing the assessed or market value, improving the future viability of a commercial property, reducing criminal activity, and making an area more attractive to other prospects. The inexactness and the nuance of the challenges listed above are the rule, not the exception. They are woven into the fabric of our work, therefore success in the field is measured as much through long-term, incremental change as by how people "feel" about the community and how businesses think about our work. – Tonya Britton, Executive Director, Giddings EDC

Acknowledgements

Special Thanks to

Mayor John Dowell without whose steady leadership and wise counsel, including through the course of the 2020 pandemic, our many successes would not have been possible; **Councilman Alan Casey** for serving as Board Chair and Technical Advisor; and **Angie Brown** for six dedicated years as Secretary/ Treasurer; and to the City Council and the members of the Board of Directors of the Giddings Economic Development Corporation.

With appreciation to **Todd Lang**, International Economic Development Institute for supporting rural economic development; **Dr. Chad Miller**, University of Southern Mississippi, College of Business & Economic Development for HIS well-seasoned guidance; and **Waylon Roosma**, GEDC Intern (2019), Department of Economics, Texas A & M University for assistance with data collection and aggregation.

TERM	BOARD MEMBER	TENURE DURING SCOPE OF REPORT
Current	Gina Mersiovsky	2019-2024
Current	Marty Lindner	2018-2024
Current	Billy Morgan	2016-2022
Current	Councilman Alan Casey, Chair	2016-2022
Current	Mayor John Dowell	2015-2021
Current	Angie Brown, Treasurer/ Sec	2014-2020
Current	Larry Orsag	2014-2020
2014-2018	Councilman Fred Jones,	2014-2018
2014-2016	Evan Gonzales	2014-2016
2011-2017	Trae Urban	2014
2011-2017	Mark Johnson	2011-2017
2012-2014	Ricky Jorgensen	2014
2008-2014	Carl Rost	2014
2011-2016	James Parker	2014-2016
20019-2015	John Simmang	2014-2015

ROLES AND RESPONSIBILITIES

Appointments: The Giddings Economic Development Corporation is managed by a City Council Appointed Board of Directors comprising 7 members, each of whom serves a 2-year term, for a maximum of six (6) consecutive years on the board. The organization employs one professional staff.

Roles and Responsibilities: City Council presents a shared vision for the community’s economic future, with a focus on tax revenue, job creation, property valuation, and quality of life indicators. Council appoints volunteers committed to providing ethical and fiscally prudent oversight of the organization in a manner such that the organization’s activities are likely to translate into measurable achievements and appreciable gains. As board members are subject to the constraints of Open Meetings and Open Records Laws, unlike with other volunteer organizations, the GEDC board is a policy setting entity that does not generally engage in the professional day-to-day operations. These activities are reserved for the paid Executive Director whose responsibilities are as follows:

Giddings Economic Development Corporation



EXECUTIVE DIRECTOR, JOB DESCRIPTION

FLSA Status: Exempt

Population: Approximately 5,000

Budget: \$650,000

Job Summary: The Director of Economic Development plans, organizes, and implements economic development functions from conception to completion, including business retention and business attraction/incentive programs. The director will lead sustainable economic enhancement initiatives, create strategies for success, and work with public and private partners to form a dynamic team dedicated to the city's current and future prosperity.

Supervision Received: Work is performed under the direction of the EDC Board and City Council.

Supervision Exercised: Manages the operations and work activities of the EDC.

Essential Job Functions:

1. Leads Giddings' economic development efforts including retaining and enhancing existing businesses, targeting new businesses, and building local entrepreneurship.
2. Prepares and recommends the budget; administers the approved budget, develops budgetary plans and control to facilitate economic development programs and activities.
3. Develops incentive packages and programs that promote long-term economic opportunity and sustainability.
4. Markets Giddings and aggressively recruits business prospects and economic opportunities through development and distribution of marketing materials, attendance at trade shows, social media, and other relevant means.
5. Manages maintenance of critical information desired by development prospects such as economic data, land/structure availability, demographic and psychographic data, and general market information in a readily accessible format, including availability on the GEDC website.
6. Provides staff support for municipal committees and entities related to economic development.
7. Works with state and local agencies to secure funding and training to enhance the economic development program.
8. Facilitates capital investment to increase the City's property tax base and sales tax base.
9. Reviews and responds to company proposals and clients' requests for information in a timely and professional manner.
10. Delivers updates to the Mayor and City Council regarding possible expansions or relocations.
11. Analyzes current availability of space for retail, office, and industrial use.
12. Makes presentations to City Council, civic groups, and the general public on economic development issues.
13. Assists in the preparation of agendas and agenda packets. Acts as secretary for all EDC Board and committee meetings.
14. Establishes and maintains website information containing an inventory of economic data on Giddings and Lee County, such as population growth, income levels, unemployment levels, taxes, land and buildings for sale and other information pertinent to potential business location and development.
15. Represents the EDC program to elected officials, boards, and commission, and outside agencies; coordinates strategies to integrate EDC services with other programs, departments, and agencies.



The Development Corporation Act of 1979 allows cities to finance new and expanded business enterprises through economic development corporations. Chapters 501, 504 & 505 of the Local Government Code outline the characteristics of Type A & Type B EDCs, authorize cities to adopt a sales tax for funding and define allowed projects.

Type B: Develop Industry AND Cultivate Communities

A Type B Corporation can fund any project eligible under Type A and other projects *including* quality of life improvements AND which are approved through local enabling legislation. Type B Corporations have broad reach, therefore the approval process for Type B projects is lengthier and more transparent than for Type A. Unless previously approved during the annual budget process, projects with expenditures over \$10,000 require public hearing & public notice requirements.

Type A: Industrial Development Leading to Primary Jobs

Type A EDCs are created to fund industrial development projects that create “primary jobs” and are limited to supporting business infrastructure, manufacturing, and research. Type A EDCs can also fund military base realignment, job training classes and public transportation.

To develop the community and enhance quality of life, a Type B Corporation may fund:

sports and athletic facilities, tourism and entertainment facilities, convention facilities and public parks; and related store, restaurant, concession, parking, and transportation facilities related street, water, and sewer facilities; and affordable housing

Type B Approved Projects are designed to promote and develop new and expanded business enterprises that create or retain primary jobs.

recycling facilities
streets, roads, drainage, and related improvements
Public safety facilities
demolition of existing structures
general municipally owned improvements; and/
maintenance and operating costs associated with projects

Type B EDCs also may seek voter approval to spend Type B sales tax funds for a water supply, water conservation program or cleanup of contaminated property.

Exceptions for Small Cities and Landlocked Communities

Type B EDCs created by cities with a population of 20,000 or less and those classified as landlocked communities may use sales tax proceeds to fund projects that promote new or expanded business development that do not create or retain primary jobs.

Giddings Economic Development Corporation



ANNUAL BUDGET

The GEDC’s annual budget is developed by the GEDC Staff and Board each August and submitted for approval to City Council before the end of the month, and then approved in September, prior to October 1, the new budget year.

Since 2015, **the GEDC has operated with an annual budget of approximately \$650,000.** Revenue beyond this amount saved in reserve for special projects expenditures. Our annual budget generally breaks down as follows:

- **Debt Service** - \$200,000 Due to the \$2 million loan the GEDC procured for the purchase of the business park, debt service on the loan is approximately \$200,00 per year for 15 years, currently at 4 ¼% interest
- **Overhead and operational expenses** – \$200,000 Staff salary, rent, website, marketing, feasibility studies, internet/ phone, travel, trade shows, maintenance on rental space, etc.
- **Business Grants & Maintenance on Owned Properties** - \$250,000 Business expansion and recruitment grants, maintenance on GEDC-owned property, and other “project costs” take up the remaining \$250,000.
- **Reserve Funds for Construction and Renovation of Owned Properties** - Thus far, funds for construction on the business park (approximately \$800,000 to date) and matching funds for state/ federal grants have come out of the organization’s reserves, which in 2014 were approximately \$1.3 million. Any funds not used for overhead and operations or any additional sales tax revenue generated is retained as reserve funds.
- **Grant Revenue or Equivalency** - The GEDC supplements capital projects (i.e., Lift Station, CEFCO Signal Light) by facilitating grants that are secured by the City of Giddings.
- **Other revenue** – The GEDC generates revenue from interest on reserve funds through the Money Market Account. The GEDC is also generates revenue to cover the cost of utilities at the Depot Complex from the lease of the historic freight station
- **Properties** – The GEDC owns properties valued in excess of \$3million (These properties show up as assets on the balance sheet and have not been used to secure loans or operating capital. The business park loan as secured with future sales tax revenue.)

City of Giddings 2019 - 2020 Estimate of Sales Tax Revenues			
	<u>Total</u> <u>Collections</u>	<u>City</u> <u>Portion</u>	<u>EDC</u> <u>Portion</u>
Oct 2019	177,628.20	118,418.80	59,209.40
Nov	193,698.54	129,132.36	64,566.18
Dec	160,595.84	107,063.89	53,531.95
Jan 2020	161,433.99	107,622.66	53,811.33
Feb	208,837.97	139,225.31	69,612.66
Mar	158,058.97	105,372.65	52,686.32
Apr	152,390.80	101,593.87	50,796.93
May	183,908.40	122,605.60	61,302.80
June	158,216.46	105,477.64	52,738.82
July	160,376.00	106,917.33	53,458.67
Aug	186,433.08	124,288.72	62,144.36
Sept	145,314.52	96,876.35	48,438.17
Total	\$2,046,892.77	\$1,364,595.18	\$682,297.59
City's Portion	1,364,595.18	104.97% of Budget	
Projected Fiscal Year End	1,364,595.18		
2019 - 2020 City Budget	1,300,000.00		
Estimated overage (shortage) to City Budget amount	\$64,595.18		

Giddings Economic Development Corporation



BALANCE SHEETS: EXPENDITURES & REVENUE 2014 & 2020

Giddings Economic Development Corp. Balance Sheet

As of May 31, 2014

	May 31, 14
ASSETS	
Current Assets	
Checking/Savings	
1100 · Cash	
1103 · Operating-1st National Bank	355,375.18
1121 · Money Market-1st National Bank	630,766.92
Total 1100 · Cash	986,142.10
Total Checking/Savings	986,142.10
Accounts Receivable	
1200 · Accounts Receivable	106,532.67
Total Accounts Receivable	106,532.67
Total Current Assets	1,092,674.77
Fixed Assets	
1501 · Office Equipment	7,855.00
1504 · Railroad Property	114,329.48
1505 · Richter Property	10,635.00
1506 · Kieschnick Property	142,190.31
1507 · Improvements to Property	964,112.26
1599 · Accumulated Depr	-136,400.20
Total Fixed Assets	1,102,721.85
TOTAL ASSETS	2,195,396.62
LIABILITIES & EQUITY	
Equity	
3900 · Retained Earnings	1,849,869.94
Net Income	345,526.68
Total Equity	2,195,396.62
TOTAL LIABILITIES & EQUITY	2,195,396.62

Giddings Economic Development Corp. Balance Sheet

As of September 30, 2020

	Sep 30, 20
ASSETS	
Current Assets	
Checking/Savings	
1100 · Cash	
1103 · Operating-1st National Bank	197,717.01
1121 · Money Market-1st National Bank	1,258,749.07
Total 1100 · Cash	1,456,466.08
Total Checking/Savings	1,456,466.08
Accounts Receivable	
1200 · Accounts Receivable	141,442.96
1401 · Receivable-Refunds	4,475.80
Total Accounts Receivable	145,918.76
Total Current Assets	1,602,384.84
Fixed Assets	
11 · Capital Invest-Depot Complex	
11-2 · Property Purchase	81,879.76
Total 11 · Capital Invest-Depot Complex	81,879.76
1501 · Office Equipment	7,855.00
1504 · Railroad Property	114,329.48
1505 · Richter Property	10,635.00
1506 · Kieschnick Property	142,190.31
1507 · Improvements to Property	1,084,696.00
1508 · Land-290 Business Park	2,452,076.45
1599 · Accumulated Depr	-336,385.00
Total Fixed Assets	3,557,277.00
TOTAL ASSETS	5,159,661.84
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
2000 · Accounts Payable	30,620.53
2010 · Grants Payable	38,014.71
Total Accounts Payable	68,635.24
Other Current Liabilities	
2102 · Bonds Payable-Revenue Current	120,245.63
Total Other Current Liabilities	120,245.63
Total Current Liabilities	188,880.87
Long Term Liabilities	
2552 · Bonds Payable-Revenue Bonds LT	1,228,929.51
2611 · Bond Interest Payable	3,801.10
Total Long Term Liabilities	1,232,730.61
Total Liabilities	1,421,611.48
Equity	
3900 · Retained Earnings	3,652,972.68
Net Income	85,077.68
Total Equity	3,738,050.36
TOTAL LIABILITIES & EQUITY	5,159,661.84

Giddings Economic Development Corporation



SPECIAL PROJECTS: EXPENDITURES & REVENUE 2015-2020

Business Retention, Recruitment and Expansion Grant Expenditures 2015-2020

Done (approximate)	Business & Workforce Development Grants & Incentives	\$970,000
Done (approximate)	Pandemic Emergency Grants	<u>\$190,000</u>
	<i>(Pandemic Grants: Small businesses experiencing forced closures; healthcare providers and expansion of broadband/fiber optic to support remote workers)</i>	<i>\$1,160,000</i>

Special Projects Expenditures 2015-2020 [GEDC Sales Tax Investments in Economic Development]

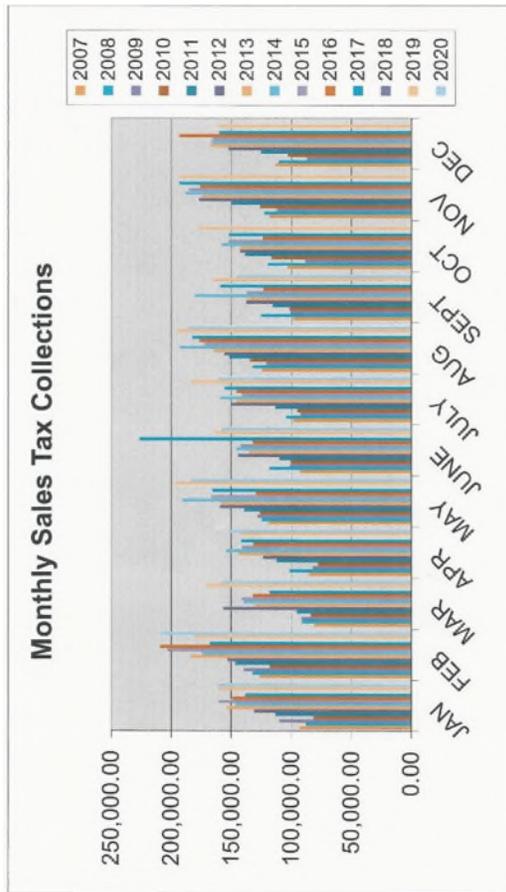
In Progress	Website Design/ Hosting (Half in 2015 & Half in 2020)	\$70,000 Funds
Committed		
In Progress	GIS Planning	\$5,000 Funds
Committed		
Pending RFP	Housing Feasibility Study	\$30,000 Funds
Committed		
In Progress	Sterling Theater Renovation	\$60,000 Fund
Committed		
Pending RFP	Historic Freight Station #2 Renovation	\$35,000 Funds
Committed		
Ongoing	Depot Complex Landscape, Signage, Mural, Depot Museum	\$25,000 Funds
Committed		
Done	EMSI Contract - Economic Modeling Data	\$15,000
Done	WEDA Contract – Site Selection & Industry Recruitment	\$5,000
Done	Retail Strategies Contract – Marketing & Recruitment	\$15,000
Done	Fed’l EDA Grant - Goodman Corp Development Fee	\$40,000
_TBD__	Goodman Corp EDA Grant Fund Mgmt. Fee	\$ _TBD_____
Pending	CARES Act Federal EDA Grant 20% Match ¹	\$400,000 Fund
Committed		
Done	Veterans Honor Park Project	\$2,500 Funds
Committed		
	(and donation of property purchased for the Giddings Economic Development)	
Done	Historic Freight Station #1 Renovation	\$50,000 (partial
payment)		
Done	Giddings 290 Business Park – Development & Maintenance	\$800,000 (estimated)
Done	Giddings 290 Business Park – Debt Service on \$2mil loan	\$800,000 (debt
service)	*Debt service is the amount paid thus far on \$2million loan for \$1,650,000 land	
purchase		
Done	Giddings Lee Co Airport Grant (Original Loan of \$343,000)	\$70,000 (loan write-
off)		
Done	Chamber of Commerce gifted Rural Texas Tourism Website	\$30,000 Value
Done	Chamber of Commerce, \$1 year lease x 3 years (2013-2016)	\$36,000 Estimated
Value		
Done	Lee County Sherriff’s Posse gifted Metal Building	Indeterminate

1. GEDC has pledged a match of up to \$500,000 to bring water lines to the Giddings 290 Business Park, to bring water and sewer to the Sterling Theater Building/ Giddings Brewhaus, and to pave the downtown driveway, parking lot.

Special Projects Grants Received 2015-2020

These grant funds typically do not show up on the GEDC’s balance sheet.

Pending	Federal Infrastructure Grant	\$1.8 Million EDA Grant
Done	Downtown Strategic Plan > Goodman Corporation	\$30,000 TDA Grant
Done	Capital Funds Grant – CEFCO Signal Light & Decel Lane	_____
Done	Community Development Block Grant – Lift Station	_____
In Progress	Retail Academy, Retail Strategies	\$12,000 Value Grant
In Progress	XLR8 – UT Austin Development Program	\$15,000 Value – Grant
Done	UT IC ² Institute Pandemic Response - Customized	\$12,000 Value – Grant
In Progress	Local Intel – Business & Investment Web Tool	\$2,500 Value – Grant
Done	Historic Freight Station Renovation	\$50,000 – Grant HOT Funds
Done	Orsag Parking Lot Purchase	\$40,000 – Grant HOT Funds
Done	Sterling Theater Renovation (Friends of Depot)	\$40,000 – Grant HOT Funds



City of Giddings Sales Tax	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	% Change
JAN	109,790.92	81,484.01	112,773.53	130,901.05	153,366.30	146,737.65	149,043.66	138,330.34	154,144.09	160,328.30	161,433.99	0.69%	
FEB	139,427.24	117,585.71	146,510.70	152,946.19	183,458.50	174,395.74	203,306.31	209,263.46	167,734.97	168,316.82	180,742.83	208,837.97	15.54%
MAR	91,398.28	83,627.44	95,255.01	156,539.28	130,131.92	138,681.02	141,746.66	131,855.71	117,842.74	133,340.32	170,722.33	158,068.97	-7.42%
APR	82,069.79	77,495.45	111,847.38	123,493.20	143,662.38	154,258.51	141,195.88	131,533.27	141,525.50	124,999.35	142,625.31	152,390.80	6.85%
MAY	127,895.06	126,069.94	139,148.92	159,325.45	158,896.83	190,958.40	166,165.04	129,390.31	165,490.31	177,166.00	196,291.90	183,908.40	-8.31%
JUNE	101,121.32	100,568.11	109,833.58	144,427.02	135,473.63	145,827.99	142,292.95	132,098.09	226,261.06	165,961.82	163,548.63	158,216.46	-3.26%
JULY	92,404.76	95,077.41	113,245.68	150,048.77	145,037.87	159,124.04	140,960.92	145,653.73	155,419.12	167,432.31	183,462.90	160,376.00	-12.58%
AUG	120,772.94	134,227.44	151,579.86	155,867.02	164,436.05	192,983.93	172,266.82	176,518.15	182,565.07	188,943.46	195,026.78	186,433.08	-4.41%
SEPT	100,759.32	101,600.96	115,560.76	137,604.87	136,820.92	180,371.06	137,035.37	123,496.83	159,034.09	155,254.32	165,124.28	145,314.52	-12.00%
OCT	88,481.45	116,597.33	138,619.75	142,759.43	142,804.90	157,766.19	152,292.32	124,039.72	151,838.83	160,869.93	177,628.20		
NOV	111,808.65	125,959.26	149,678.88	176,838.59	174,217.56	188,378.09	184,970.71	175,980.06	193,266.99	184,237.80	193,898.54		
DEC	87,072.27	103,054.19	124,941.70	152,644.83	167,683.34	166,073.00	165,628.80	183,421.09	160,043.97	166,698.39	160,595.82		
TOTAL	1,253,002.00	1,263,347.25	1,509,005.75	1,783,395.70	1,836,010.20	1,996,555.62	1,908,243.95	1,822,274.08	1,959,372.99	1,947,364.61	2,089,995.82	1,514,970.19	
MTHLY AVE	104,416.83	105,278.94	125,750.48	148,616.31	153,000.85	166,379.64	159,020.33	151,856.17	163,281.08	162,280.38	174,166.32	168,330.02	-3.35%
Est Annual City	835,334.67	842,231.50	1,006,003.83	1,188,930.47	1,224,006.80	1,331,037.08	1,272,162.63	1,214,849.39	1,306,248.66	1,298,243.07	1,393,330.55	1,346,640.17	



DEFINING ECONOMIC DEVELOPMENT

WHAT IS ECONOMIC DEVELOPMENT?

Economic development comes in many forms, serves multiple purposes and means different things in different contexts.

According to the U.S. Economic Development Administration,

Economic Development creates the conditions for economic growth and improved quality of life by expanding the capacity of individuals, firms and communities to maximize the use of their talents and skills to support innovation, lower transaction costs and responsibly produce and trade valuable goods and services.

Economic Development requires effective, collaborative institutions **focused on advancing mutual gain for the public and the private sector. Economic Development is essential to ensuring our economic future.**

The World Bank defines economic development as follows:

The purpose of local economic development is to build up the economic capacity of a local area to improve its economic future and the quality of life for all. It is a process by which public, business, and nongovernmental sector partners work collectively to create better conditions for economic growth and employment generation.¹

The **International Economic Development Council adopted a goal-oriented approach to economic development**, which it describes as “improving the economic well-being of a community through efforts that entail job creation, job retention, tax base enhancements and quality of life.”

Given the expansive definition of economic development, it is no surprise that there is no single strategy to support economic development. Indeed,

a community’s circumstances and goals will heavily influence its economic development strategies and options.

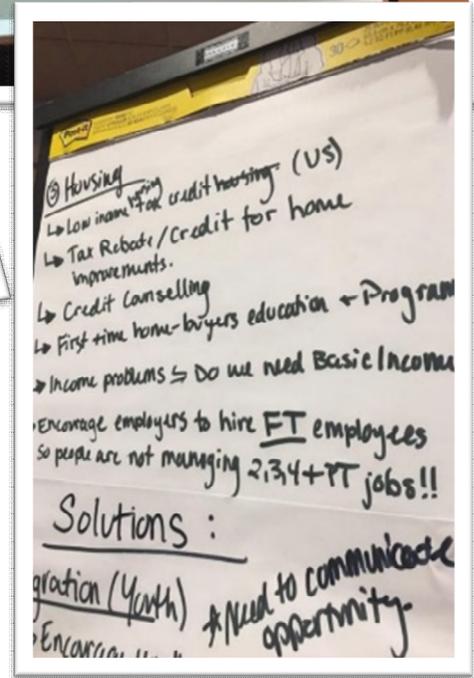
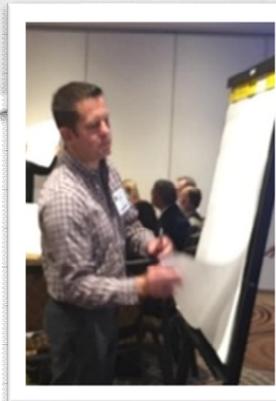
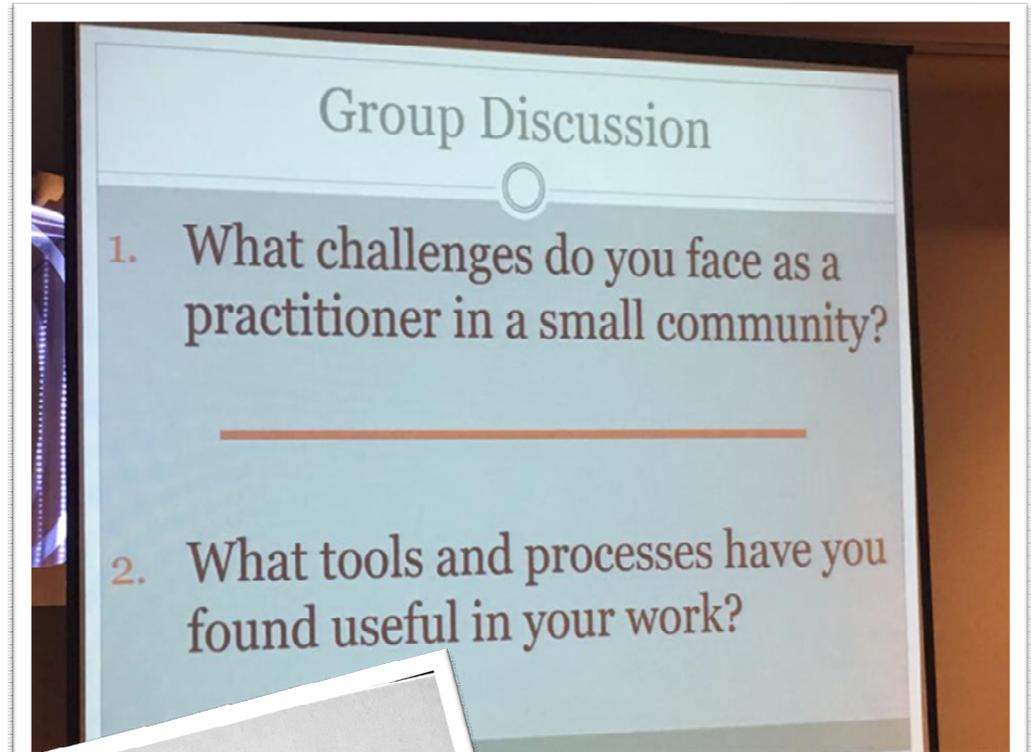
Communities can focus on increasing the profitability of local businesses, increasing the number of local jobs, increasing the quality of local jobs, or striking a balance among these goals. They can seek to attract or retain a relatively small number of large companies, a larger number of small to medium-sized businesses or a combination of both. Communities can concentrate on their local economies, cooperate with neighboring communities, or involve themselves in regional initiatives. They can attempt to support the growth of all local industries or target industries, such as high tech, health care, data centers, biosciences and so forth.

Once communities decide what they want to do, they typically have a wide choice of tools with which to work. They can offer tax incentives or loans and other financial enticements. They can establish improvement districts, enterprise zones and other kinds of development areas. They can improve roads, sewers, water facilities and other infrastructure. They can offer favorable terms and accelerate approval of franchises, permits and other necessary authorizations. They can support workforce development and training. They can use local government purchasing power to increase a targeted company’s sales, thereby reducing its risks. They can help aggregate demand within the community. They can seek grants, loans and other support from federal and state agencies, foundations, and other organizations.

An increasingly important development tool is improving access to affordable, high-capacity broadband infrastructure. Even here, communities often have multiple options. They can work with willing incumbents, enter public-private partnerships with new entrants, establish advanced communications networks of their own or develop other innovative approaches that work for them. - *Jim Baller, Joanne Hovis and Ashley Stelfox, The Emerging World of Broadband Public–Private Partnerships 2017*

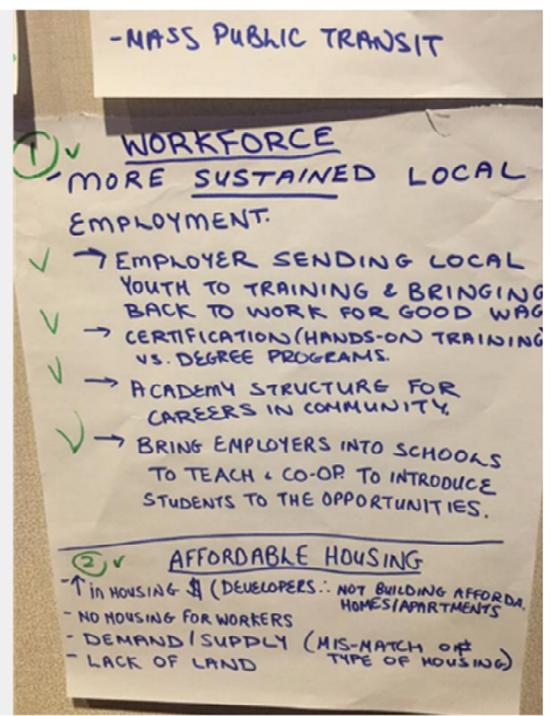
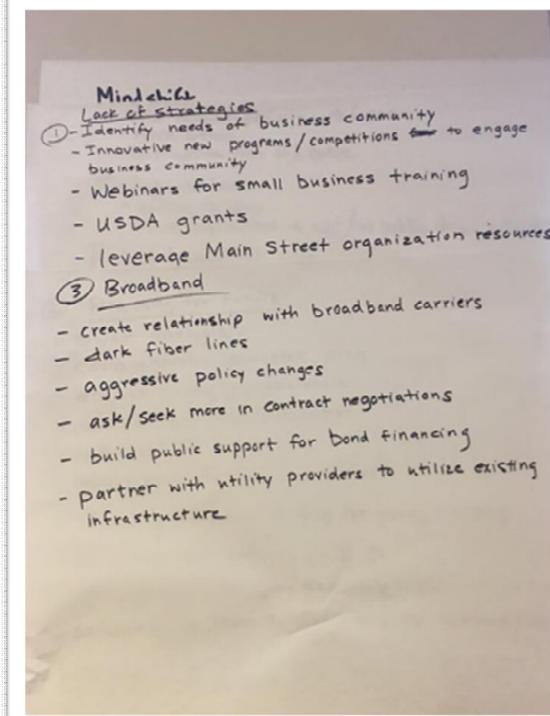
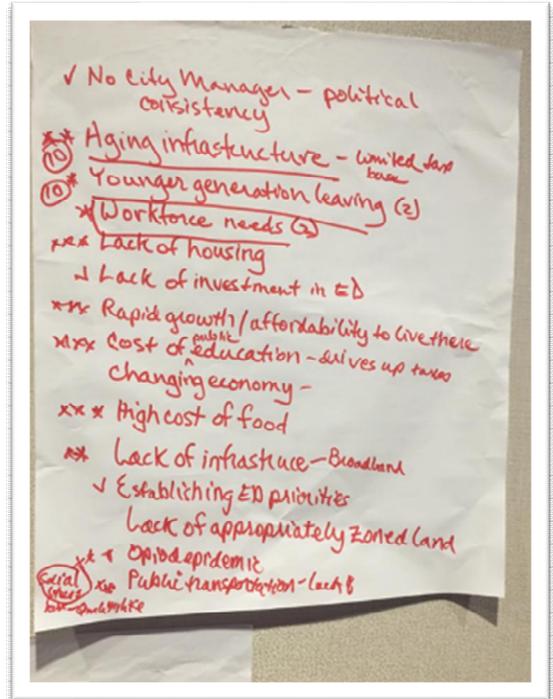
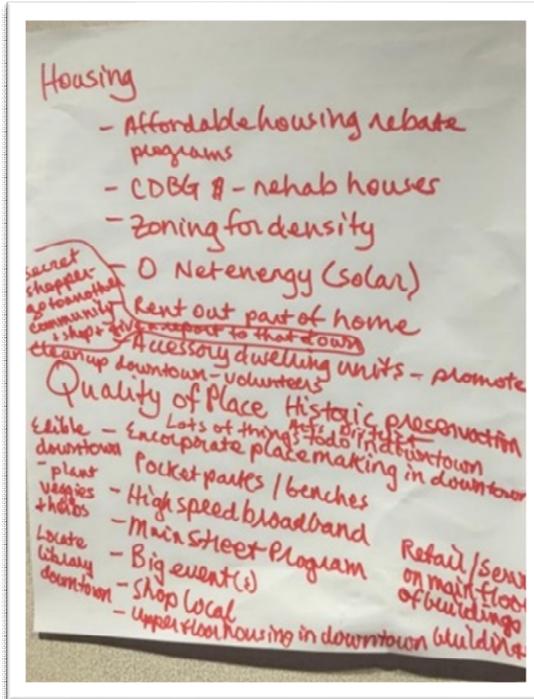
GIDDINGS' ISSUES ARE SMALL-TOWN ISSUES

- *LACK OF QUALITY, AFFORDABLE HOUSING
- *AGING INFRASTRUCTURE
- *LOW WAGES
- *YOUTH FLIGHT TO URBAN CORE
- *LACK OF HEALTHCARE
- *POOR ACCESS TO HIGH SPEED INTERNET
- *WEAK HOME FINANCING
- *LACK OF ACCESS TO CREDIT
- *HIGH COST OF FOOD



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PILLARS TO COMMUNITY SUCCESS



With few exceptions, **Giddings has long been a boom and bust town** dependent upon the oil and gas industry. Since the 1980's, the industry has brought a significant number of good paying jobs to the city, however, when the industry has gone bust, many of those jobs have gone with it. Hospitals, retail and restaurants, support businesses and other assets have disappeared, leaving blight and vacant buildings behind. Unfortunately, it takes much longer to recover from the loss of enterprise and the physical degradation left behind from an industry bust than it does to move through one, two or even three "up" cycles. After a bust, some businesses relocate to nearby towns within driving distance of the original location; others close, never to return.

Communities generally have a mix of companies from various sectors that comprise the local economy. Each community has a different mix of companies; however, communities with only one or two major economic generators live with boom and bust cycles, and struggle to find growth opportunities. Communities with no economic generators cease to have a reason for existing.

By focusing on the 5 Pillars of Community Success, the GEDC has been attempting to "bust the bust," to reduce the negative impact of the downturns in our region's largest industry. We can do this by leveraging social and human capital to diversify the economy and by reinvesting the revenue generated by the industry while the good times roll. A close look at the sales tax revenue that has been generated over the last seven years, even amid two oil and gas downturns and a pandemic, indicates that we have turned a corner. **To stay there, we must resist retracing our steps and instead continue to move aggressively forward.**



Check out how academic theory aligns with the practice of economic development in the 'real world:'

For lots of folks, economic development remains cloaked in mystery and even as explanations are given, articles are published, and reports are provided, the reason and rationale behind policy choices remains unclear. The danger in this is that to the untrained eye, economic developers and their boards begin to look like Jackson Pollock disciples throwing time, energy, and money out into the ether, crossing our fingers, and hoping something sticks. In a professionally managed organization, there is a method behind the madness and economic development projects, policies and practices are founded in at least one economic development theory.

Economic Development Theory Reference: "Economic Development for the Team" by Eric P. Canada

Industry Sectors - Neoclassical Economic Development Theory posits that unregulated capital will flow to areas where it will receive the highest return and that there should be little or no market or government interference. This theory somewhat describes the operating environment of the oil and gas industry within the state of Texas, wherein state laws have been passed preventing municipalities from restricting operations and the industry prefers little government interference and is driven by the global market and access to naturally occurring resources.

As a local EDC, our organization has provided workforce development and site selection assistance to oil and gas related companies; however, our ability to retain a company in this sector is limited by factors beyond control. As evidenced by the bust of the 1980's and the more recent industry downturn, the decline in company investment into the community may not be self-correcting, thus the role of the GEDC is to embrace the benefits the industry brings to the community, while buffering the city against the downturns. In setting policy, the GEDC must accept and understand the economic reality and the constraints within the industry and within which we work. We must support the industry, but also resist bowing to pressure to invest in untenable projects that are sure to become stumbling blocks, rather than escalators on the path toward our goals.

Primary Jobs – Economic Base Theory posits that economies are divided into export/ import goods and services (basic), and non-export (internally produced) goods and services (non-basic). Typically, manufacturing, mining and other industrial jobs, as well as agriculture would comprise an economy's base; however, when the city is the product and the visitor is the buyer, tourism is also considered an "export industry" as we are exporting tourism and importing tourism dollars. Giddings' location on Highway 290 attracts a significant number of travelers who stop and purchase products and services as they move through the city. **It's this creative, but legitimate interpretation of Economic Base Theory that drives the GEDC's decision to invest in businesses along**

the city's main transportation arteries as these businesses – the retailers, restaurants, gas stations and truck stops, the RV dealership and coffee shops bring infusions of cash from outside of the city.

While franchises bring brand equity to the community, the typical locally owned and operated small business tends to reinvest a greater percentage of their profits into the community through donations to local organizations, by purchasing supplies and services locally, through paying mortgages on their homes and by expanding into additional lines of service or by forming a second business in the community.

Passers-thru often prefer to stop at franchise because they are known locations – safe, consistent, predictable, responsive, while “tourists” more often enjoy the quirky local flavor. While residents value the franchises and the tourist attractions, they also benefit from the run-of-the-mill, locally owned service business (i.e., accountant, hair salon).

Each of these business “types” can be found in Giddings, with franchises clustering near Giddings and the service businesses locating in easily accessible, affordable sites throughout the city, to include on Hempstead, still accessible from Highway 290, but on less valuable real estate. Through its revitalization efforts targeting downtown, the GEDC hopes to develop and recruit more “tourism” related businesses to capture the dollars passing by on Highway 290.

Attraction & Retention - Product Life-Cycle Theory This theory is specific to **industrial location**. The theory suggests that industries locate in different areas as they move through the product life cycle. In the early days of the life of the industry, when it is most innovative, production and product costs tend to be high so a business is often reliant on high skilled labor and business services. Emerging industries tend to locate in metro areas.

If the business is a spin-off company that has arisen due to an unfulfilled industry need that has come about due to a change in regulation or technology, entrepreneurial companies will co-locate where industry is already booming. In Giddings, no doubt a number of start-up enterprises arose during the late 1980's and early 1990's to service pipelines and to provide other support. Those companies may still be operating in Giddings today.

The product life cycle creates opportunities for communities seeking to attract mature companies who are looking to expand operations in order to enter new markets, reduce existing operating costs; or gain quicker, more efficient access to vendors, retailers or end users. One need go no further than Tesla's Elon Musk to see an example of this concept in action:



“There’s no question that our headquarters will remain in California for the short term. Long term, we’ll have to wait and see. The CEO did not specify what we are waiting for, but in his previous threat, Musk said that Tesla’s prospects of keeping manufacturing in California will be “dependent on how Tesla is treated in the future.” The new threat comes after Tesla made a deal with Austin to bring its next factory to Texas. Now Musk added some more color about the decision to go with Austin: When talking to key members of the team that would need to move to Austin from California in order to get the factory going, Austin was their top pick. I guess a lot of people from California, if you ask them what the one place is you would move outside of California, it’s Austin... I went to our team and said, ‘Where do you want to spend time? And where would you potentially move?’ And they were like, ‘Well, Austin is just the No. 1 choice.’” – Automotive News Podcast

For the GEDC, a Tesla Gigafactory within an hour's drive of Giddings may provide opportunities for recruiting vendors, spin-off businesses or even workers seeking a lower cost of living than can be found in the Austin area; however, as the saying goes, someone's loss is someone else's gain. PLC theory doesn't just speak to the opportunity to attract industry, it also presents challenges for retaining existing businesses.

In Giddings, the GEDC has been challenged to identify creative ways to support the local workforce as companies such as TRITEC Performance Solutions acquired family-owned Leeco, and then sold the business to Swedish company Trelleborg. Providing workforce development funding in the form of technical training and management consulting were two tactics the GEDC used to strengthen the existing workforce with the hope that the company would retain operations here and not consolidate to out-of-state operations. Or worse, cannibalize equipment and resources from the existing facility and then shutter what is left, leaving employees behind. While the GEDC's work may not have made a major impact on the business itself, our targeted efforts at helping ensure that the management staff is technically proficient on a range of software programs, must certainly have improved their value to the company and increased the likelihood that workers would be able to transition to another high-paying job in the region, were lay-offs to come their way.

The GEDC also worked to support Altman Plants during the company's expansion here in Lee County, and with Kaemark Salon Furnishings, a company that has repeatedly been challenged directly and indirectly with natural and manmade crisis' ranging from fires to floods to economic downturns, and now a pandemic that has temporarily shuttered many clients nationwide. The GEDC has viewed the company's growth as a retention issue and realizes that the industry's contraction is a retention issue, as well. The GEDC has provided a variety of supportive services to Kaemark. Refer to this report's case study for more information about all three of the companies listed here.

[Knowledge Workers - The Creative Class](#) – These folks embody “out-of-the-box” thinking and entrepreneurship. Historically, this group of workers congregated in the urban core where investment in blighted neighborhoods led to both revitalization and gentrification. Nonmetro counties with higher proportions of people in creative class jobs have higher rates of patent formation and manufacturing technology adoption, and higher rates of job growth. High-tech firms and research and development (R&D) facilities are not often d in rural areas, talent and creativity can thrive here.



With Giddings' proximity to Austin and the installation of last-mile fiber-optic technology (courtesy of Zochnet and Lee County entrepreneur Robert Zoch), the city is well positioned to attract young families spearheaded by creative class workers. Innovative approaches to downtown revitalization including the creation of public-private partnerships and the strategic recruiting of tenants to fill the GEDC's unique historic properties, have led to the development of two new businesses – Dime Box Distillery and Giddings Brewhuas – each of which was founded by a creative class worker and each of whose facility is sure to exist as a psychographic “3rd space,” a place between home and work where knowledge workers like to network and “hang.”

The Starbucks Coffee Shop recruited last year has long leveraged its reputation as a 3rd space for the creative class. The newly installed Tesla super-charging station is a high tech message that the landscape here is changing to accommodate this type of worker; and the Urgent Care with its highly visible location and presentation is a quality of life indicator that exponentially increases Giddings' appeal to young, on-the-go professionals.

While some citizens may resist embracing the creative class lifestyle, we need young families who can carve out a living using their brainpower and hutzpah. The median age in Giddings is 10% higher than Texas, on average; we have a 23% poverty rate (the entire city is a designated Opportunity Zone); and adults aged 20-34 are our smallest demographic, excluding those under the age of 5 and older than 84.

Gen-Z and Generation Alpha – both of whom can legitimately be considered “digital nomads” are knowledge workers by birth. If our population is to grow, if the city is to survive, if we are going to pull ourselves out of the cycle of poverty that has inflicted so much damage on our community, these young adults are going to be our best hope. And while reams can be written about the negative impact of the Coronavirus pandemic, the upside for rural communities is that more companies are embracing remote workers, while more knowledge workers are beginning to see the economic and social benefits of raising their families in rural communities.

[Incremental Change in the Cyclic Economy - Spiral or Causation Theory](#) Spiral causation theory holds that economic development is a “causal” process. The health of a community’s economy can be attributed to specific local events and conditions, and these conditions are reflected back as the community spirals either upward or downward. For example, the closure of a firm will have a ripple effect throughout the community.

As dislocated workers are unable to patronize existing businesses, those businesses suffer with reduced income, which leads to closure and a continuation of the economic decline. To reverse the negative impact of an economic downward spiral, the city and the edc must reinvest heavily and swiftly in the community.

Of all of the theories, Causation Theory is the most consistently and broadly applicable to the city of Giddings and has been the theory that has driven the GEDC’s push for aggressive reinvestment of grant funds and other resources into the community.

Picking up the Pieces of the Great Recession

According to a Harvard Business Review study, by 2011, three years after the recession, approximately 8% of businesses never regained their prerecession sales and profit growth.

For Giddings, the Great Recession and its aftermath resulted in the loss of major automotive dealerships and a long-term care facility, as well as other businesses large and small. Most notably, however, the recession left Giddings with empty buildings stripped of electrical components, copper, and fixtures. Over time, buildings left vacant without air conditioning or electricity became environmental hazards due to mold, flooding and asbestos-laden building materials. These buildings quickly fell out of code. Aesthetically, they fell out of favor. Property crime in the vicinity of vacant buildings up and down Highway 290 increased. Within five years, the multi-million dollar Historic Depot Complex was also falling into disrepair, and there were few signs of the city turning around. To new eyes seeking structures with up-to-date technology and modern spatial and lighting requirements, many of Giddings’ vacant properties were functionally dysfunctional.

*Next Victim
Fish Shack*

When I arrived in Giddings, circa 2014, these properties were everywhere. A prospect driving into Giddings would be greeted with these buildings coming, going, and everywhere in between. The most disheartening part for members of the community with whom I spoke is that it seemed no matter what was tried, it had already been tried before – downtown revitalization and preservation, an industrial park, signage grants...for many residents, what was old, was new again, and none of it stuck. Clearly, the GEDC needed to take a new approach.

*Buffalo Wings
Mexican Food*

Spiral theory informed the GEDC’s decision to vigorously pursue diversification as a core value because we understand it is not enough to simply stop spiraling downward. Before real, sustainable growth can occur, one has to first gain a solid foothold and then commit to the long, arduous and sometimes repetitive journey up out of the hole. For the economic developer and elected officials, its not uncommon for recovery to feel like déjà vu – to be engulfed in the sense that “we’ve been here before. With time and effort, there is a way up and out.

Pizza Hut

Freight Station

Our problem – though on a much smaller scale – was similar to that faced by elected officials in New York, circa 1980’s as they worked to transition the gritty city persona to the glistening, family-friendly tourism mecca it finally became (pre-pandemic). As one story goes, the NY Mayor posted city workers with buckets of paint at each side of the subway. A train would take off, get plastered with graffiti, stop at the end of the line, get a quick paint job, move on down the line. Eventually, the graffiti “artists” became discouraged and left the trains alone. The leaders in N.Y. understood that consistent reinvestment leads to incremental change and eventually lasting change. Eventually, the city will reach a tipping point wherein there will be very little blight, we will have lifted ourselves up and out of the spiral and new growth will be on the horizon.

Freight Station

Depot

When a community has been in a downward spiral, even though the data shows that progress has been made, it doesn’t always feel to residents like much is happening because nothing much is changing yet, FOR THEM. For this reason, working out of a downward spiral can be fraught with political unrest, even at a time when stability is most needed. To navigate this stage of development, leaders must be aware of the challenges associated with incremental change and have a clear vision for the future. They need to be able to accept setbacks on the way to growth and to know that with long-term change, 2 steps forward and 1 step back is the norm.

[New Growth Theory](#) This theory holds that production of knowledge is the driving force behind long-term economic development. This theory believes that knowledge is different than other goods because it is both non-rival and only partly excludable, which means that ideas can be shared and reused at minimal or no cost. The more knowledge we have, the more we can develop. This provides the basis of sustainability: we can use our knowledge to rearrange physical and human resources to provide a higher value and thus produce more with less.

There are three interrelated strategies that promote knowledge development in economic development objectives:

1. Investing in knowledge production (Research & Development; Technology Transfer)
2. Investing in human capital (skills, education)
3. Promoting entrepreneurship

New growth theory, is the theoretical force behind trends to increase R & D, build research capacity at universities, support entrepreneurship, increase access to venture and seed capital, and increase the number of educated and professional workers in the region.

For the GEDC, investing in knowledge has been a two way street. We have invested heavily in our own access to knowledge through Software as a Service contracts with companies such as EMSI (Economic Modeling Data), ESRI (Economic Modeling Mapping/ GIS) and GIS Planning to better understand our community and to have access to the necessary data, charts, graphs and maps to put together meaningful proposals in support of our business recruitment activities. Our contact with EMSI has also provided us with the career development, career exploration and resume enhancement tools to be able to provide additional services to Human Resource departments and to individual job seekers in need of resume development assistance.

The GEDC has also invested in research through contracting with specialists in the field in order to learn more about the community's needs as they relate to specific industry sectors or quality of life indicators. **The GEDC commissioned a healthcare demand analysis** that included a study of the area's healthcare and social services strengths and gaps and an architectural review of the old nursing home on Highway 290. Through our relationship with the Austin-based listing agent, we were able to convince the property owner of the old nursing home next to the Ford Dealership on Highway 290 to allow our consultant to conduct an architectural review of the building to determine whether the building was viable for reuse. The information gleaned from the report led to the sale of the nursing home property and to our being able to convince the new owner to invest \$100,000 in tearing the building down and clearing the property of blight. The GEDC contributed \$10,000 to eliminate a blighted building so that the land can be placed on the market. There is now no "there, there," and we have all chalked that up as a win. The property has been combined with an adjacent tract and is currently under consideration for sale to a retail developer.

The report also validated our need to recruit an urgent care facility, a project that we later landed after several visits and meetings with Davam Urgent Care at their home office in Magnolia, Texas.

The **GEDC also commissioned a retail and restaurant market study and a year of recruiting services** to be provided by a company called Retail Strategies. This project was hugely informative and has kept our organization from throwing good money after bad on advertising and recruitment efforts directed at a business that would never come to a city of our size, location, or demographics.

More recently, **the GEDC sought and was awarded a \$30,000 grant from Texas Department of Agriculture for the development of a downtown strategic plan.** I initiated this project after the City lost out on a Harvey Supplemental Infrastructure grant due to regional competition, but also because we did not have a strategic plan that included our water line projects. Grantors of federal grants want to know that if a grant award is made, the local elected leaders have the "political will" to implement the project. A strategic plan with City Council's stamp of approval is demonstrative of that "political will." As a result of the strategic plan, the GEDC and the city are well on the way to taking another major step in the revitalization of downtown Giddings, as the city has since

received informal notice that we have been chosen to receive a \$1.8 million pandemic response grant that will allow us to pave the downtown parking lot next to Orsag's, bring water and sewer lines to the Giddings Brewhaus (Sterling Theater) and finally, bring water lines and fiber optic down Highway 290 to the Business Park, thereby ensuring adequate water to support fire suppression for any company considering locating there.

The GEDC has also recently been **approved up to \$50,000 to pay for a Housing Needs Analysis/ Feasibility Study**. Quality, affordable housing is an identified need in Giddings, however, there are a significant number of questions that need to be answered such as price points, impact on the GISD, preferred location and so on. Much like the healthcare and retail studies, this information can be provided to developers of subdivisions and multi-family housing to encourage them to take a look at Giddings as a potential site for their next project.

Understanding the economic landscape is imperative if we are going to effectively use our limited resources in a manner that will achieve results and that will provide the most relevant and necessary services for the community. There is some data that we can collect ourselves, online and through interviews with stakeholders, however, in some instances, there is no replacing the information that can be gleaned from working with professionals in the field whose job it is to understand how and where to find data, what data to review and how to analyze and interpret what their findings.

The GEDC has **recently signed a new contract with web developer Golden Shovel and mapping provider, GIS Planning to revamp our website so that it is more business and consumer friendly**, and to increase our appeal to entrepreneurs, site selectors, university researchers, and existing small businesses. The ability to access real-world data in real-time through GIS Planning's mapping technology will make our site more relevant and useful.

Data and research are highly important to our organization and even more so to those working in other industries. Data analytics is a rapidly expanding career field and the use of data by companies is becoming ubiquitous. Healthcare data, seismic data, housing vacancy data – the types of data needed by a host of industry sectors is endless. Demonstrating that we ourselves understand the value of real-time data acquisition and aggregation, and that our own organization depends on a robust technology infrastructure informs prospects that they will also have access to the resources needed to do their work. **And it's important to note that we are not leaving the oil & gas industry behind, we are working to catch up with where the industry is already headed.**

As we expand our efforts to drive innovation and develop economic opportunities that are dependent upon high-speed networks, our commitment to creating a modern, progressive business climate will enhance our appeal to entrepreneurial start ups and corporate R & D facilities comprising young professionals and college graduates looking to move away from the dense urban core. Laying the groundwork to attract and retain these workers is not a stretch. We are already home to data-driven organizations such as the Ag Seed Lab and the Metrology Lab, and as implied above, the oil and gas industry, whose exploration, drilling and production activities rely heavily on data science and digital engineering.

With our proximity to Austin's regulatory and legislative community, and with major universities within 1-2 hours drive, it's feasible that knowledge workers would consider moving to Giddings. Being able to promote that we have fiber optic also positions us to attract entrepreneurs who would otherwise eschew moving to a rural community out of fear of limited connectivity and lack of professional and social support.

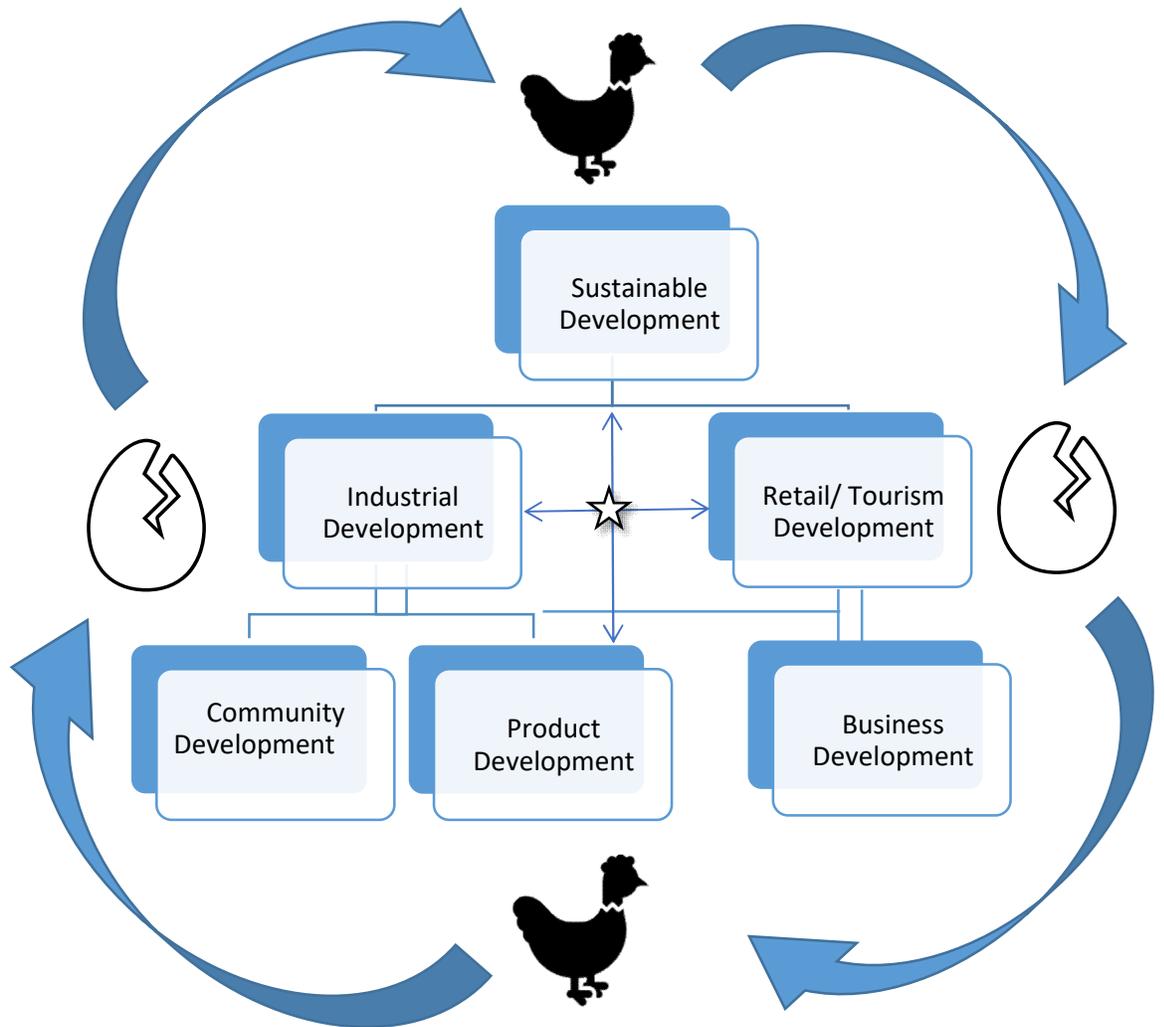
As we expand the technology infrastructure, we will continue to invest in human capital, whether that means assisting companies with training grants, partnering with universities to help our businesses leverage the knowledge and skills of their faculty and graduates, bringing in our own paid consultants, or meeting one-on-one with clients to review market data, discuss the basics of a business plan or just listening and empathizing as they verbalize, in a safe and confidential setting, their hopes and dreams, and fears for the future.

In the clutter of a crowded agenda, it's important that we remember and recognize that listening is an investment in human capital too. Sometimes, it's the moments that we spend "in between the doing" where real breakthroughs can happen. That's exactly how our new Veterans Honor Park Project came to be and there's been more than one business client whose aha moment came in the gap between "we can't do that...here's what we CAN do for you."



The Chicken or the Egg?

“In economic development, the right question isn’t which comes first, but rather, what happens in the middle.” – Tonya Britton, GEDC Executive Director



Economic Development



THE SUSTAINABLE MIDDLE GROUND



1991-1998	1998 to 2014		2015-2020
Small Town Texas	Heritage Tourism – VS - Industrial Development <i>Hint: It Doesn't Have to be a Zero-Sum Game</i>		Striving and Thriving We Can (and Should) Do It All
Pre-Community Development to Community Development	Community development transitioning to strategic emphasis on downtown as Tourism Product: Purchase and renovation of the historic depot complex. Early stage industrial and commercial recruitment	Community development to a strategic emphasis on industrial recruitment – GEDC land as product. Vacant buildings become secondary	From 2015-2020, the GEDC adopts a strategy of Sustainable Economic Development, an approach that takes the organization back to its roots, but that builds on 30 years of community, product, industrial <i>and</i> retail/ investment. This progressive, service-oriented project-based (time-limited) approach buffers the city against economic downturns and spurs growth by integrating business development as a core value.
Hwy 77 N – Giddings Industrial property purchased & sold			
Community Development - Purchases and renovates downtown depot complex, creates transportation museum, funds high profile projects-grant to library; and loan to Giddings Lee County Airport (\$360,000 loan); Expands property management; expands financial support to non-			Community Development – GEDC grants the airport with \$70,000 (the principle remaining on the original loan) and gifts the Chamber of Commerce a \$30,000 tourism website and 3-5 years of free rent (2012-2016). Begins strategic revitalization of downtown and rehabilitates deteriorating depot complex properties.

The GEDC’s ‘brand’ has not changed over the years, so much as it has matured and evolved. 1991-1998 – The GEDC operated in various locations, including City Hall. Incorporated in 1996, our role was transactional more than strategic, as we administratively pushed forward the types of opportunities that might land in any small town in Texas.

From 1996 to through 2014, our branded identity shifted from one extreme to another. One group pushed for (much needed) “tourism development” downtown, with the “sellable product” being a renovated Depot Complex. Another sought to abandon that course altogether in favor of Industrial Development. Through this period, valuable commercial and community projects were completed, however, with such a stark U-turn, the GEDC lost much of the social capital it had earned after years of focus group studies and proclamations that activities would lead to a vibrant downtown. The silo-ing between the GEDC and other community leaders, as well as commercial opportunities that were missed during that time, have not been recouped.

2015-2020: With renewed appreciation of our roots, and an awareness of the city’s increasingly competitive position in the marketplace, the GEDC began adopting a more holistic brand that recognizes its Central Texas location, and that incorporates a variety of sectors of commercial activity.

This “**leave no business behind**” approach has seen resources applied to developing the city’s “products” including buildings and the labor force, and in developing community assets such as the Veterans Honor Park, infrastructure and historic buildings, and pro-actively supporting business development such as business planning, permitting and site selection assistance. **With this approach, tourism has been viewed less as a stand-alone strategy than as a logical outcome of sustainable strategic planning and vigorous tactical implementation.**

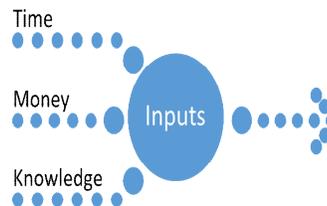


Connecting Resources With Strategic Priorities

STRATEGIC PRIORITIES 2015-2020

In 2015, the GEDC Board and Executive Director provided City Council with a recommended list of strategic priorities. These strategic priorities were intended to inform our decisions, guide our actions and create a framework around which the GEDC would commit the resources of time, money and knowledge with reasonable certainty that our decisions would pay off in measurable achievements.

These strategic priorities were broad and diverse enough to provide us the latitude for creative solutions to unique problems, while pointedly ensuring that no legal or legitimate project, business, or commercial district would be ignored or left behind. They were developed to help us stay on track as we moved forward, to operate with transparency, to operate ethically and legally, and to provide those outside of our organization a cliff-notes understanding of why we are doing what we are doing, and how.



While the original list could be expanded upon, five years later it has proven to be universal enough to stand the test of time:

1. Revisit the GEDC's enabling legislation and align the community's development needs with measurable and achievable economic activity
2. Develop programs for small businesses & entrepreneurship
3. Enhance efforts at primary job creation and industry diversification
4. Focus on workforce development and strategic partnerships outside of the region (city/county)
5. Maintain and develop GEDC-owned properties, including the historic depot complex and the Giddings 290 Business Park

The GEDC operates with extremely limited staffing, heavy reliance on the cooperation and support of partners external to the organization, and within an unpredictable and volatile socio-economic environment. For these and other reasons, to date, the GEDC has not established a comprehensive list of annual goals in the sense that they would be traditionally understood, and has instead chosen to operate by evaluating the organization's performance on a continual bases so as to be able to respond to the rapidly changing landscape, while moving strategically forward using our list of priorities, sound economic theory and industry best practices as guideposts along the way. Within this report, however, you will find that we have developed ongoing "strategic goals" that align with active industry sectors. Projects that align with these goals are ongoing and often span the course of a year or more.

This approach has allowed us the latitude to make course corrections as the political and socio-economic climate dictate, to meet new challenges with creative, "out-of-the box solutions, and to lead with a more responsive, service-oriented approach to prospective and existing clients. While there are times when our organization is unable to meet a business' or an organization's needs, rather than saying no, more often we are able to respond with, "how can we?" This approach reframes every request for assistance, no matter how large or small, so that it is viewed as an opportunity, rather than a distraction from our "real work."



Connecting Strategic Priorities with the Organization’s By-Laws

“Direct economic development” shall mean the expenditure of such tax funds for programs that directly accomplish or aid in the accomplishment of creating identifiable new jobs or retaining identifiable existing jobs including job training and/or planning and research activities necessary to promote said job creation. Annually, the GEDC funds or coordinates with a professional provider or recommended vendor, to facilitated the completion of a feasibility study or needs analysis specific to the targeted areas specified in the by-laws.

Completed: [CAPCOG: Lee County Transportation & Economic Development Plan \(2014\)](#)

- A. Business Development
- B. Workforce Development
- C. Infrastructure Development
- D. Facility Development (2020)



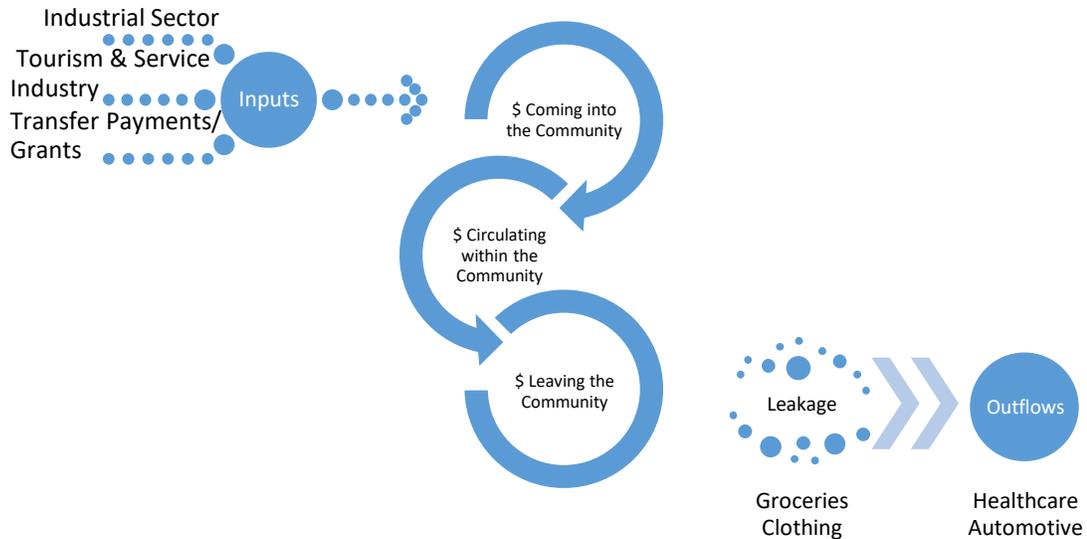
- Completed: [Blinn College Campus Feasibility Study \(2013-2104\)](#)
- Completed: [Retail Strategies Market Study \(2015-2016\)](#)
- Completed: [Healthcare Demand Analysis \(2016-2017\)](#)
- Completed: [Downtown Revitalization Strategic Plan \(2019-2020\)](#)
- Pending: [Housing Feasibility Study \(2020-2021\)](#)
- Recommended: [Industrial Sector Feasibility Study \(2021-2022\)](#)

- A. An economic development strategy to **permanently** bolster the business climate throughout the City. *Diversification buffers against economic downturns. Sustainable economic development builds on the local economies' unique assets to address challenges and provide quantifiable real-world benefits. Sustainable development conserves and enhances existing resource base in a way that allows residents to meet basic needs of employment, food, energy, water and sanitation, healthcare, and housing.*
- B. Strategies to **fully utilize the assets** of the City, which enhance economic development.
 - Invest in and Leverage Human Capital/Labor Force
 - Invest in and Leverage Downtown Development/ Depot Complex:
 - Veterans Honor Park Project: More than Monuments; Also meant to serve an economic purpose by attracting tourists; Walking Trail; Event Pavilion
 - Access to municipal sales tax data to assess project impact, and identify underperforming sectors,
- C. Identification of strategies to coordinate public, private, municipal and academic resources to develop and enhance business opportunities for all citizens of Giddings. This plan shall include methods to improve communication and cooperation between the above-mentioned entities.
 - Public Private Partnerships leverage GEDC properties
 - Academic outreach support GEDC and private businesses
- D. Assurance of accountability of all tax moneys expended for its implementation of the overall economic development plan.
 - Annual audit; Sound fiscal management reflected in case studies. Refer to Balance sheet and financials
- E. Identification of strategies and implementation of those strategies for direct economic development as defined in this Section.
 - Refer to GEDC 5 year report for sector-driven strategies and strategic goals
- F. An annual work plan of work

Economic Development



ECONOMIC GENERATORS



The goal of economic development is to maximize money coming into the community and to minimize money leaving the community.

With this in mind, the GEDC's efforts are designed to

- Capture money flowing into the community. This includes revenue generated from industrial jobs from companies such as Trelleborg, DigTech, Cargil Nutena, Kaemark, and others including those in the oil and gas industry. This segment also includes revenue generated from retail and restaurants serving travelers
- Absorb money flowing in and encourage reinvestment so that it circulates within the community. Existing businesses that provide localized services such as insurance companies, banks, salons, attorneys, surveyors, liquor stores, boutiques, and others; as well as social security, Medicare/ Medicaid and grants
- Stem the outflow of capital and lost opportunities by focusing on businesses that fill gaps, thereby keeping money in the community.

Job Creation & Retention

There are four types of jobs: primary, secondary, tertiary, and quaternary. These jobs typically accompany specific sectors which bring money into a community. **The type of job creation the GEDC pursues follows and develops the flow of money into the community, while attempting to stem the outflow:**

- Primary jobs involve getting raw materials from the natural environment, e.g. mining, farming
- Secondary jobs involve making things (manufacturing) e.g. making cars and steel.
- Tertiary jobs involve providing a service e.g. teaching and nursing.
- Quaternary jobs involve research and development e.g. IT.



INCENTIVES AS A VALUE PROPOSITION

The approach to incentives for Business Retention, Recruitment and Expansion (BRRE) varies by EDC and by city. Some BRRE efforts include a provision for financial incentives and others do not; however, while nonfinancial alternatives arguably provide a benefit, financial incentives can be one of the most impactful ways of helping a business. Financial inducements can be controversial as naysayers sometimes view a business, or more often, a business person, as not being worthy, or of not being in sufficient need; however, studies have shown access to financial capital is a major barrier to **small businesses** and is critical to helping them thrive.

Use of Incentives

With little more than \$250,000 set aside annually for BRRE, the GEDC must use its funds fairly and wisely. Within this report, we show the strategic use of sales tax dollars as a deal closing tool for hesitant clients, as gap-financing for strained budgets, as a way to expedite projects, as tools to encourage development in blighted areas or to discourage companies from leaving the city. We also embrace “quality of life” projects, so long as they align with our strategic priorities and within the parameters of the law.

Our Funds are used to recruit companies in targeted sectors, to support local start-ups and expansions, to develop and retain incumbent workers, to acquire new hires, to incentivize companies to complete capital projects on properties that they may not otherwise wish to undertake or could not afford, and to help with crisis recovery. Throughout the pandemic, the GEDC assisted businesses experiencing forced closures and restricted operations and healthcare providers acquire PPE to keep employees and patients safe and assisted a local internet provider with expediting broadband for remote workers. The GEDC also works to leverage its funds in ways that extend well beyond the original project – refer to Janda Monuments, CEFCO, Giddings RV Travel Center, Giddings Brewhaus, DigTech and Dime Box Distillery as examples.

Diversity as a Core Value

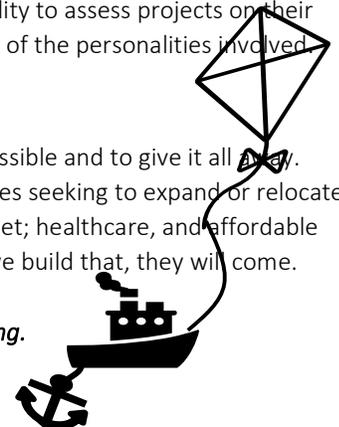
In spite of claims that the GEDC is “ beholden to the good old boy network,” a cursory review of our projects and data show that the GEDC has committed taxpayer dollars to a broad, diverse set of projects, that the decisions behind the use of funds have been thorough and thoughtful, that the flow of money is transparent, and that incentives and services have extended into the reaches of every corner of the city. **Our organization has led with diversity - socially, economically, and geographically - and it shows.**

The GEDC recognizes that being able to provide capital is one of our “super-powers.” In as much as it is a strength in that it allows us to “choose winners and losers,” the use of incentives is also a means to an end. The organization uses incentives as a tool to help businesses and to meet our own strategic objectives. We take our role seriously and recognize that we have a professional and ethical responsibility to assess projects on their merit and to participate as a member of the team, in good faith and regardless of the personalities involved.

Myth-Busting

Some believe that the only way to land a big company is to save as much as possible and to give it all away. Reasonable incentives demonstrate a pro-business climate; however, companies seeking to expand or relocate are also concerned about access to a skilled workforce; safe and reliable internet; healthcare, and affordable housing. Companies and employees want to work where they want to live. If we build that, they will come.

Sitting on money with the hope that “someday our ship will come in” is dreaming. Dreaming without action is not economic development. Reinvesting resources and revenue into “development” is economic development.





Purpose of Incentives

Incentives should aim to alleviate obstacles to business growth and to incentivize companies to remain and expand within the host community. As a best practice, incentives should be offered with an expectation of return and to reach established economic development objectives. The strategic use of incentives should align with the organizations’ priorities as they relate to developing specific industrial sectors, locations, and project types.

The most common types of incentives provided by the Giddings Economic Development Corporation include:

- Property Improvement/Restoration Incentives: These can be cash grants or property tax rebates to support renovations and improvements to facilities
- Equipment/Machinery Incentives: These incentives could include rebates of property or sales taxes on new building materials, machinery, and equipment. Incentives may also include cash grants
- Workforce Development Incentives: These incentives provide funding for the retention of incumbent workers and/or the attraction of new hires.

GEDC Incentive Awards (2015-Present)

Row Labels	Sum of Grant Amount
Retention/ Expansion	\$ 180,700
Recruitment	\$ 294,000
Growth	\$ 97,050
Formation	\$ 399,500
TOTAL GRANTS	\$ 971,250.00

Financial incentives can be direct or tax-based; be awarded on a statutory or discretionary basis; and be paid up front or withheld until earned (as required criteria are met). As standard policy, the GEDC provides cash grants as reimbursements based on the acquisition of receipts and/ or proof of work performed.

Applicants must participate in an initial assessment interview with the Executive Director and submit a written application prior to appearing before the GEDC board of Directors. On average, the GEDC Executive Director and the client engage a minimum of four (4) times together, by phone and/ or in face-to-face meetings prior to the application being submitted for approval.

The Executive Director may make a recommendation to the board; however, the GEDC board of directors makes the final award determination. If the recommended award is greater than \$10,000 the GEDC seeks City Council approval to commence with the project. The approval process requires two readings of a resolution and the affirmative vote of most of the Council. If the business is outside of the city limits, the GEDC also seeks permission from County Commissioner’s Court to provide the award.

Due to the unique nature of each business and the extensive considerations that the GEDC Board applies to the award decision, there is no specific formula that governs the amount of the award.

QUALIFICATION Statutory

Strengthen new/ struggling industry, encourage hiring in distressed neighborhoods

As a 4B corporation operating in a county with a population of <20,000, the GEDC can provide grants for a variety of purposes, without consideration to primary job creation.

GEDC funds target small (<500) business recruitment and expansion within the city limits. Companies operating or intending to operate within the city limits (except for the Giddings 290 Business Park), may also qualify for

federal IRS incentives. As Census Tract 4 is an economically distressed region of the state, the city is a designated Opportunity Zone with the IRS; projects in the city may also qualify for New Markets Tax Credits.

Examples of when and under what type of circumstance the GEDC has used various incentives:

Indirect (Tax-Based)

- Abatements, credits, tax rebates, GO bonds
- Offset costs of remediation, strengthen new/ struggling industry sector or region, encourage hiring

Two (2) companies within the past six years have received tax rebates via 380 agreements with the city:

- Little Caesars, formerly the purple oblong Bumpers Building on Highway 290. The original building was “taken down to the studs” and re-framed to create a larger, more typical footprint and presentation.
- Ben’s Body and Paint, formerly Traeco, on Highway 290. The Traeco building was demolished and replaced with a larger facility and an expanded paved parking lot

Direct Local Sales Tax-Funded

- Business Start-Up, Recruitment, Expansion and Attraction, R & D, export development
 - The majority of the GEDC’s business attraction and expansion projects receive site selection assistance and direct grants from the GEDC.
 - Refer to the spreadsheet for a comprehensive list of grants and look further in this document for a sample of case studies

Discretionary Grants may be provided in extreme cases that would otherwise result in crippling job loss

- The GEDC is generally not called upon to award discretionary grants, however, the corporation made an exception during the Coronavirus Pandemic
- In a rare move, from March to June 2020, the GEDC provided approximately \$100,000 in Business RETENTION grants to small businesses experiencing forced closures or restricted operations due to the Coronavirus pandemic, and awarded approximately \$30,000 in small grants (<\$5,000) to cover operating costs for healthcare providers in need of PPE and staff training. A list of recipient businesses is included in elsewhere in this report.
- Prior to the disbursement of funds, the GEDC sought and received approval from the GEDC attorney, the CEO of the Texas Economic Development Council – the organization that conducts Sales Tax Use training, a required course for EDC staff, and from the Giddings City Council

DISBURSEMENT Advance payments

The GEDC assists with funding for trade shows, specialized training, and consultancy. These funds may be provided in advance and with proof of registration or a proposed cost estimate.

- Tritec (formerly LeeCo, now Trelleborg) – GEDC sponsored company representative’s attendance at an Industry Trade Show in City of Arlington and funded management training for transition from family-owned business to corporate structure
- Nannas Southern Secrets - Funded trip to Austin for consultation with mentor for food service start-up
- I’m Yours, Inc. – The GEDC provided the owners of Hughes Manufacturing with funds for on-site training on new equipment to facilitate staff transition after the acquisition of a new business. The funds were provided to the instructor, per the company’s performance agreement.
- SBDC Profit Mastery – The GEDC occasionally funds workshops conducted by outside experts and conducted at the GEDC office for small groups of businesses that are either struggling or in transition.
- EXCEPTION: In an extremely rare gesture, the GEDC provided grant funds to local businesses that experienced forced closures and substantially restricted operations due to the 2020 Pandemic, in advance of receiving receipts or other demonstrable proof of use of funds (i.e., letter from landlords).

Every business that received a grant provided receipts or other appropriate documentation and all maintained operations in accordance with their performance agreement.

Direct State or Federal Grants

In some instances, a company will qualify for a state or federal grant in one or more of the following areas:

1. Workforce Development

Workforce Development Grants are available for large and small businesses through the Texas Workforce Commission and applications are facilitated by the GEDC at no additional cost to the GEDC, the City or the company. *Examples of workforce grants that have been obtained include*

- Traeco – Skills for Small Business Grant for HVAC training for new hires (\$1,800)
- Kaemark – Skills Development Fund Grant (\$200,000) for incumbent workers

These funds do not come from the GEDC's revenue and are not recorded on our balance sheet. Our role is to facilitate, on behalf of the business, acquisition of these grants

2. Infrastructure Development

State and federal infrastructure grants are not awarded to the business directly, but are facilitated and coordinated by the GEDC on behalf of the City of Giddings to support new business development

- CEFCO & CDBG– The GEDC facilitated the acquisition of a \$300,000+ Capital Funds Grant to support the installation of a deceleration lane and new signal light at the entrance of the property. The GEDC then provided CEFCO with a \$150,000 grant to upgrade water lines from 2 inch to 12 inches to expedite extension of infrastructure across the property and toward the Giddings 290 Business Park.
- LIFT STATION- Giddings 290 Business Park – The GEDC facilitated the acquisition of a Community Development Block Grant to support the installation of the lift station at the entrance to the Giddings 290 Business Park. The city provided the bulk of supplemental funds and the GEDC paid for the installation of the electrical. The lift station is operational and serves both residential and commercial clients

3. Other Grants Received or Pending Receipt Federal Economic Development Administration (EDA))

- COMMUNITY DEVELOPMENT BLOCK GRANT; TEXAS CAPITAL FUNDS GRANT – Texas Department of Agriculture – On behalf of the City of Giddings, the GEDC facilitated acquisition of grants to support the development of the lift station at the Giddings 290 Business Park and for signal light at the CEFCO intersection. These grants were acquired by the city and will not show up on the GEDC's balance sheet
- PANDEMIC RECOVERY GRANT Federal Economic Development Administration Grant for \$2million (approximately)
Beneficiaries – Giddings Brewhaus, Dime Box Distillery, Giddings 209 Business Park, Businesses on the east side. The GEDC paid Goodman Corporation \$40,000 to pursue a \$2million federal EDA grant, then committed \$500,000 as a 20% match. The purpose of the grant is to bring water lines to the business park, pave a downtown parking lot and extend water and sewer from the Depot to the Sterling Theater to support a new downtown restaurant and brewpub.
- STRATEGIC PLANNING GRANT Texas Department of Agriculture for \$30,000
The GEDC recently acquired a \$30,000 grant from a Texas Department of Agriculture to support the development of a strategic plan. Federal grantors such as the EDA typically view applications with strategic plans that include the project as preferable to applications from grantees whose projects are not included in a strategic plan

Total List of Grants Given 2014-2019

Name of Company	Type of Business	Location	Economic Development Strategy	Project Type	Grant Date	Grant Amount
*** Fred Jones	Professional Services	191 W Houston	Grow	Property Improvement	8/6/20	\$ 5,000.00
290 RV Park	Lodging	1790 W Austin	Formation	New Construction	6/12/2017	\$ 30,000.00
290 RV Park	Lodging	1790 W Austin	Formation	New Construction	3/9/2020	\$ 50,000.00
290 Travel Plaza	Truck Stop	1791 W Austin	Formation	Property Improvement	6/12/2017	\$30,000
Air Conditioning Electrical Services	Industrial	475 S Caldwell	Growth	Signage	2/11/2019	\$ 1,500.00
Aly Energy	Oil & Gas Production	448 Business Park	Retention/ Expansion	Property Improvement	7/13/2017	\$ 4,000.00
Annie's on 290	Full Service Restaurant	1340 E Austin St.	Growth	Property Improvement	1/31/2019	\$ 1,000.00
Arnold Custom Builders	Manufacturing	1884 448 Business P	Recruitment	Property Improvement	7/20/2018	\$ 8,000.00
Bec's Blessing Assisted living	Healthcare	325 Cactus	Formation	New Construction	1/31/2018	\$ 50,000.00
Ben's Body and Paint	Automotive	2805 E Austin	Retention/ Expansion	New Construction	8/22/2016	\$ 25,000.00
Black Diamond Services	Lawncare	Giddings, TX	Formation	Equipment	7/28/2016	\$ 5,000.00
Buffalo wings and burgers	Restaurant	556 W Austin	Retention/ Expansion	Property Improvement	11/14/2016	\$ 2,500.00
Cefco	Retail	3025 E Austin	Recruitment	New Construction	10/1/2016	\$ 150,000.00
Combined Community Action	Social Services	Austin	Retention/ Expansion	Workforce Development	2/	\$ 5,000.00
D & A Testing	Professional Services	1509 E Austin	Retention/ Expansion	Property Improvement	12/8/2016	\$ 2,000.00
Davam Urgent Care	Healthcare	2454 E Austin	Recruitment	Property Improvement	1/26/2018	\$ 25,000.00
Davis Auto Sales	Automotive		Recruitment	Property Improvement	7/27/2015	\$ 10,000.00
Deep Roots	Full Service Restaurant	1340 E Austin	Formation	Property Improvement	8/3/2018	\$ 10,000.00
Digtech	Industrial	798 Globe Hill Rd	Recruitment	New Construction	4/15/2018	\$ 20,000.00
Dime Box Distillery	Manufacturing	235 W Railroad Av	Formation	Property Improvement	01/01/2017	\$ 20,000.00
El Patio Food Truck Park	Restaurant	1362 E Austin	Formation	New Construction	4/10/2018	\$ 10,000.00
Fischer-Langham	Affordable Housing	607 W Austin	Formation	New Construction	2/11/2019	\$ 2,500.00
Fischer-Langham	Construction	607 W Austin	Retention/ Expansion	Property Improvement	2/20/2020	\$ 12,500.00
Fish Shack and More	Restaurant	556 E Austin	Growth	Signage	9/1/2018	\$ 1,500.00
Fitness Solutions	Recreation	610 W Austin	Formation	Signage	7/9/2018	\$ 1,500.00
Giddings Academy of Dance	Recreation	2436 E Austin	Retention/ Expansion	Property Improvement	12/8/2017	\$ 5,000.00
Giddings Brewhaus	Manufacturing	289 W Railroad Av	Formation	Property Improvement	8/12/2019	\$ 100,000.00
Giddings Downtown Restaurant	Restaurant	155 W Austin	Retention/ Expansion	Property Improvement	1/31/2019	\$ 10,000.00
Giddings Eye Care	Healthcare	2480 E Austin	Growth	Signage	5/21/2019	\$ 1,500.00
Giddings Physical Therapy	Healthcare	781 E Brenham	Growth	Signage	8/19/2015	\$ 1,500.00
Good Bull Golf Carts	Retail	4090 Austin	Recruitment	Property Improvement	11/1/2017	\$ 10,000.00
Gourmet Divas	Retail	721 E Austin	Formation	Signage	7/25/2016	\$ 1,500.00
GreenStone Music Education	Entertainment	3310 E Austin #9	Retention/ Expansion	Property Improvement	10/21/2015	\$ 3,000.00
I'm Yours Inc	Textiles Manufacturing	2301 W Hwy 290	Retention/ Expansion	Workforce Development	8/6/2015	\$ 1,200.00
Island Skateworks	Recreation	610 W Austin	Formation	Property Improvement	6/4/2015	\$ 10,000.00
Janda Monument	Cemetary Service	886 W Austin	Retention/ Expansion	Equipment	9/14/2015	\$ 5,000.00
Janda Monument	Cemetary Service	886 W Austin	Retention/ Expansion	New Construction	10/3/2017	\$ 10,000.00
Kaemark	Manufacturing	1402 CR 208	Retention/ Expansion	Equipment	1/31/2019	\$ 10,000.00
KGID	Radio Station	133 N Waco	Formation	Property Improvement	7/12/2019	\$ 25,000.00
Knox Learning Center	Funeral Home	3950 E Austin	Recruitment	Property Improvement	9/10/2015	\$ 3,000.00
Lee County Airport	Airport	1234 CR 206	Growth	Property Improvement	1/1/2015	\$ 70,000.00
Lindner Properties LLC	Shopping Center - Gym	1533 E Austin	Recruitment	Property Improvement	9/8/2015	\$ 1,500.00
Lindner Properties LLC	Shopping Center - Auto S	1557 E Austin	Formation	Signage	9/10/2015	\$ 1,500.00
Little Caesars	Restaurant	1799 E Austin	Recruitment	Property Improvement	1/25/2016	\$ 25,000.00
Lopez Auto Clinic	Automotive	176 S. Navarro	Growth	Signage	9/11/2015	\$ 1,500.00
Lopez Auto Clinic	Automotive	176 S. Navarro	Retention/ Expansion	Property Improvement	4/18/2019	\$ 15,000.00
Marion's Shell Station	Automotive	333 E Austin	Retention/ Expansion	Equipment	11/14/2016	\$ 7,500.00
Mark Woefel	Manufacturing	PO Box 1356 Giddin	Growth	Workforce Development	1/31/2019	\$ 725.00
Mars Fitness	Healthcare	851 S Grimes	Growth	Signage	10/17/2018	\$ 1,000.00
Mary's Clinic	Healthcare	596 E Austin	Retention/ Expansion	Property Improvement	1/10/2018	\$ 8,000.00
Milligan Plumbing	Construction	488 S Waco	Recruitment	Property Improvement	4/8/2019	\$ 15,000.00
Mobil Building	Preservation		Growth	Property Improvement	7/20/2018	\$ 3,500.00
Mobile Sound Plus	Retail	2434 E Austin	Recruitment	Signage	6/20/2018	\$ 1,500.00
Old Nursing Home	Shopping Center - Develo	1747 E Hempstead	Recruitment	Property Improvement	7/13/2018	\$ 10,000.00
Paleo Powder	Manufacturing	460 W Industry	Recruitment	Property Improvement	12/8/2017	\$ 10,000.00
Paleo Powder	Manufacturing	460 West Industry	Retention/ Expansion	Property Improvement		\$ 8,500.00
Pallets Spools and Treasures	Manufacturing	468 W Houston	Formation	Equipment	2/12/2018	\$ 2,500.00
People's Finance Company	Professional Services	240 E Austin	Growth	Signage	5/23/2019	\$ 275.00
Santa Fe Steakhouse	Restaurant	581 W Austin	Formation	Property Improvement	9/20/2016	\$ 25,000.00
Secret Garden	Retail	239 N Main	Growth	Signage	2/11/2019	\$ 550.00
Silos on 77	Entertainment	1031 CR 223	Formation	Property Improvement	1/27/2017	\$ 15,000.00
Simply Spruced	Retail	1174 E Austin	Growth	Signage	9/11/2017	\$ 1,500.00
Starbuck's	Restaurant	2325 E Austin	Recruitment	New Construction	1/26/2018	\$ 5,000.00
STP Holdings LLC	Real Estate	246 E Austin	Retention/ Expansion	Property Improvement	11/14/2017	\$ 20,000.00
Sylvin Auto Center	Automotive	330 E Austin	Retention/ Expansion	Equipment	7/5/2018	\$ 6,000.00
Taqueria y Panaderia Chihuahua	Restaurant	1935 E Austin	Retention/ Expansion	Property Improvement	6/4/2015	\$ 1,500.00
Tejas Healthcare	Healthcare	185 Decker Dr	Retention/ Expansion	Property Improvement	1/9/2017	\$ 10,000.00
Tillery wrecker services	Automotive	1013 E Austin	Growth	Property Improvement	7/13/2018	\$ 5,000.00
Tritec	Manufacturing	1594 CR 213	Retention/ Expansion	Workforce Development	2/10/2018	\$ 4,000.00
TSR Country Properties	Real Estate	650 E Austin	Growth	Signage	9/10/2015	\$ 1,000.00
Veteran's Park	Parks & Recreation	Veterans Park	Formation	Community Project	7/1/2015	\$ 3,000.00
Weiser Law Firm	Professional Services	176 S Montgomery	Formation	Property Improvement	7/20/2018	\$ 7,000.00
Whistle Stop Antiques	Retail - Antique	1122 E Austin	Retention/ Expansion	Property Improvement	9/7/2016	\$ 5,000.00
						\$ 971,250.00



REGIONAL SNAPSHOT: INDUSTRY SECTORS

The State of Texas is divided into economic regions, wherein activity is facilitated by Councils of Governments, which comprise municipal, county, academic and economic development leaders from the region plan and provide recommendations on the allocation of resources. Each COG is associated with a workforce development board that provides feedback on labor market data, assesses the region for high demand occupations and works with community colleges in the region to develop training programs. Giddings, Lee County, is in the Capital Region is served by the Rural Capital Area Workforce Development Board.

While the city's transportation needs are well served by this regional connection, Giddings' labor force, community college, and concentrated industries are more closely aligned with the Central Texas region. Disconnects such as these means that our community's needs and opportunities may not be recognized or prioritized when they do not align with our peers. Disconnects like this impact the flow of information, priorities, communication and resources between our community and the state, and our regional partners.

REGIONAL SNAPSHOT

CAPITAL REGION

As the state's chief financial officer, I am charged with monitoring the economic health of our state and its regions. The state of Texas has 12 economic regions including the Capital Region.

The 10 county Capital Region covers about 8,600 square miles in central Texas, stretching from Llano to San Marcos and from La Grange to Georgetown. Below we examine demographic and economic statistics that influence the region's economy.

Glenn Hegar
Texas Comptroller of Public Accounts

The Capital Region and its 10 counties have many unique economic variables and challenges. This region touts a highly educated population with high income and low unemployment. If this region were a state, it would have the second-highest share of population 25 and older with at least a bachelor's degree. The region has had a population growth of 22 percent since 2010, with more than 43 percent of households having incomes over \$75,000. Boasts a large concentration of industries surrounding the technology sector and has maintained a high employment growth rate from 2007 to 2017, combined with high average wages. The U.S. Army's selection of the region for the location of its Futures Command is anticipated to add to economic growth.

CAPITAL REGION COUNTIES:

BASTROP	HAYS
BIANCO	LEE
BURNET	LLANO
CALDWELL	TRAVIS
FAYETTE	WILLIAMSON

CONCENTRATED INDUSTRIES:

COMPUTER AND ELECTRONIC PRODUCT MANUFACTURING	ADMINISTRATION OF ENVIRONMENTAL QUALITY PROGRAMS
FUNDS, TRUSTS AND OTHER FINANCIAL VEHICLES	HEAVY AND CIVIL ENGINEERING CONSTRUCTION
DATA PROCESSING, HOSTING AND RELATED SERVICES	MERCHANT WHOLESALERS, DURABLE GOODS
MUSEUMS, HISTORICAL SITES AND SIMILAR INSTITUTIONS	TELECOMMUNICATIONS
ADMINISTRATION OF HUMAN RESOURCE PROGRAMS	PROFESSIONAL, SCIENTIFIC AND TECHNICAL SERVICES

Source: JobsEQ®

REGIONAL SNAPSHOT

CENTRAL TEXAS REGION

As the state's chief financial officer, I am charged with monitoring the economic health of our state and its regions. The state of Texas has 12 economic regions including the Central Texas Region.

The 20-county Central Texas Region covers about 17,400 square miles in the heart of Texas, stretching from Hillsboro on the north to Interstate 45 on the east to East Yegua Creek on the south to the conjunction of the San Saba and Colorado rivers. Below we examine demographic and economic statistics that influence the region's economy.

Glenn Hegar
Texas Comptroller of Public Accounts

The Central Texas Region is unique in that it has three distinct economic centers: the Waco, Killeen-Temple and College Station-Bryan metropolitan statistical areas (MSAs). The region has had reasonable population growth across the board since 2010, and its median age is significantly younger than Texas as a whole. The region's employment growth rate is slightly below the state's, but its wage growth is almost double that of the state (Killeen-Temple MSA leads the way regionally). The U.S. Army at fort Hood has had a meaningful impact on the Central Texas Region's local economies. Additionally, 2017 receipts subject to state sales tax indicate an acceleration in the region's slow and steady rise after the 2009 recession. The eight distinct industry subsectors represented in the region's most highly concentrated industries list attest to the region's diverse economy.

CENTRAL REGION COUNTIES:

BELL	FALLS	LAMPASAS	MILAM
BOSQUE	FREESTONE	LEON	MILLS
BRAZOS	GRIMES	LIMESTONE	ROBERTSON
BURLESON	HAMILTON	MADISON	SAN SABA
CORYELL	HILL	MCCLENNAN	WASHINGTON

CONCENTRATED INDUSTRIES:

LESSORS OF NONFINANCIAL INTANGIBLE ASSETS (EXCEPT COPYRIGHTED WORKS)	PIPELINE TRANSPORTATION
ANIMAL PRODUCTION AND AQUACULTURE	JUSTICE, PUBLIC ORDER, AND SAFETY ACTIVITIES
SUPPORT ACTIVITIES FOR MINING	EDUCATIONAL SERVICES
MINING (EXCEPT OIL AND GAS)	FURNITURE AND RELATED PRODUCT MANUFACTURING
HEAVY AND CIVIL ENGINEERING CONSTRUCTION	PAPER MANUFACTURING

Source: JobsEQ®

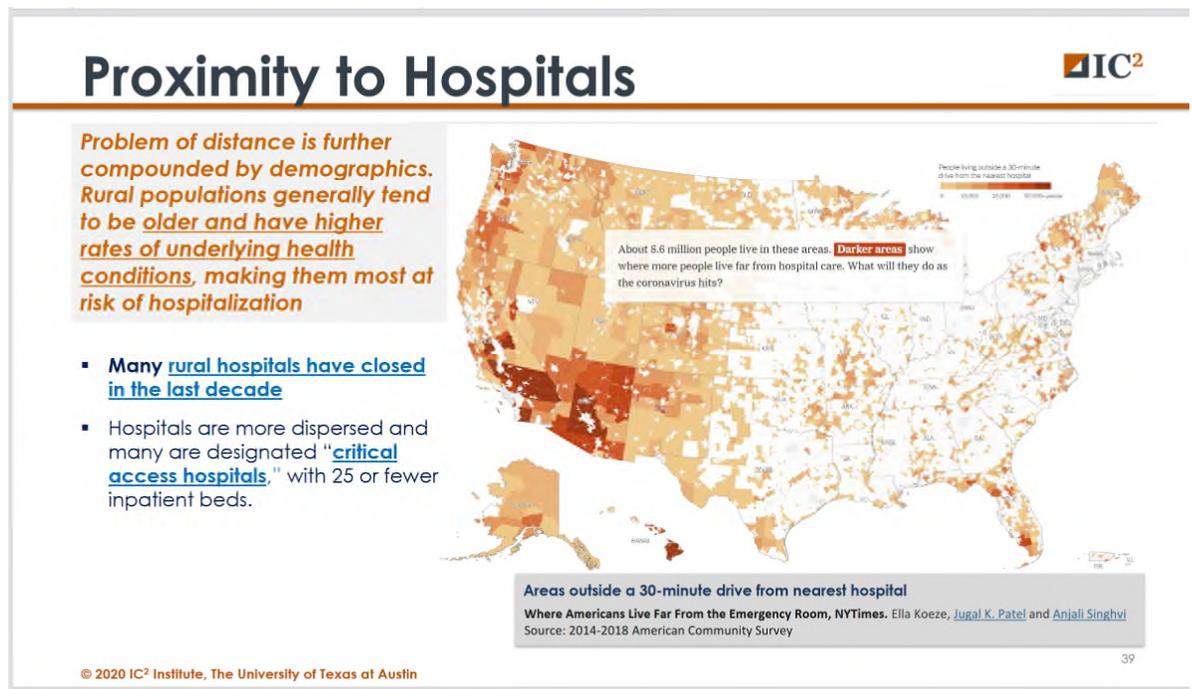
Continue reading to learn how the GEDC is responding to the city's economic opportunities and needs associated with the 11 industry sectors, including the concentrated industries identified in the Central Texas & Capital Area.



SECTOR DESCRIPTION: The healthcare sector contains a diverse array of industries, with activities ranging from research to manufacturing to facilities management. These industries include businesses that provide medical services, manufacture medical equipment or drugs, provide medical insurance, or otherwise facilitate the provision of healthcare to patients.

STRATEGY: Support the development and expansion of city’s health care facilities to increase access to hospitals/ urgent care, clinics, labs, and nursing homes.

STRATEGIC GOAL: Improve the city’s livability to attract residential developers and new residents to the community; to retain existing residents; and to encourage adults age 30-45 to return to the city



BUSINESS RETENTION, EXPANSION & RECRUITMENT ACTIVITIES

Healthcare Needs Analysis - The GEDC commissioned a Healthcare Needs Analysis to better understand the city’s healthcare landscape and to determine whether the “old nursing home” could viably be renovated for use as a modern long-term care or other facility. The study indicated substantial deficiencies in the availability of the city’s healthcare services and that renovating the LTC facility would be cost-prohibitive and that the land would be more valuable without the facility.

The GEDC took action to remove the LTC facility so that the land could be put to better use:

LTC Facility – Architectural review for code compliance and asbestos; Property Improvement Grant for Removal of Facility and Clearing of Property to Encourage Sale of Land and Reinvestment

St. Mark’s Hospital – Advocacy for Funding to Support Retention

D & A Testing – Expansion Grant; Pandemic Response Grant

Davam Urgent Care – Site Selection Assistance; Recruitment Grant

SECTOR DESCRIPTION: The financial sector is a section of the economy made up of firms and institutions that provide financial services to commercial and retail customers. This sector comprises a broad range of industries including banks, investment companies, insurance companies, and real estate firms.

STRATEGY: Increase staff understanding of the various financing delivery methods and products available throughout the financial services sector through training and other development and nurture relationships with the related businesses and organizations in the city and throughout the region.

STRATEGIC GOAL: Increase clients' access to capital and empower them to make fiscally prudent decisions in selecting lenders, investors, and insurers, in negotiating the terms and purchasing the products that best fit their needs.

BUSINESS RETENTION, EXPANSION & RECRUITMENT ACTIVITIES

Insurance; Banks; Diversified Financials

GEDC loan at four (4) local banks – Potential Community Reinvestment Act benefit as loan is funding industrial development project adjacent to Census Tract 4, where low income residents may become beneficiaries of jobs

Small Business Development Center – Hosted Profit Mastery financial analysis courses for small business clients

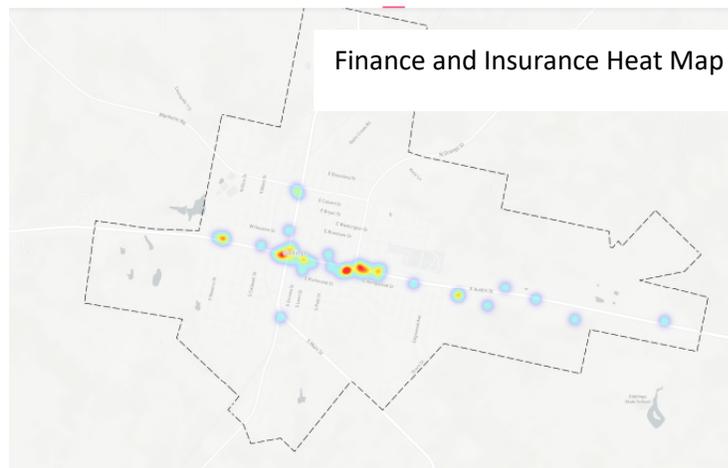
BCL of Texas and other Community Development Finance Institutions – Developed a working knowledge of the strengths and weaknesses, and benefits of obtaining capital through a Community Development Finance Institute (CDFI) - Client referrals

Obtained Municipal Finance Certificate through University of Chicago
Obtained Business Lending Certificates through Neighbor Works/ CDFI

State Farm Insurance – Provided \$25,000 grant to STP, Inc. for building renovation (Faske Building), which now houses the State Farm Insurance Business in adjoining office

Allstate Insurance –Allstate Insurance is currently occupying building purchased with GEDC grant to David Davis Auto Sales. Davis Auto Sales occupied the building for one year prior to vacating the property.

People's Finance – Signage Grant



SECTOR DESCRIPTION: Consumer staples are essential products that include items such as foods & beverage, household goods, and hygiene products; but the category also includes such items as alcohol and tobacco. These goods are those products that people are unable—or unwilling—to cut out of their budgets regardless of their financial situation. Consumer staples are non-cyclical, meaning that they are always in demand, year-round, no matter how well the economy is—or is not—performing. As such, consumer staples are impervious to business cycles. Also, people tend to demand consumer staples at a relatively constant level, regardless of their price.

STRATEGY: The GEDC initially secured a contract with Retail Strategies to attract a fast-casual franchise restaurant and to better understand our place in the grocery/ superstore market. Outreach to grocers, retailers and restaurants indicated that Giddings’ need to reinvest in existing properties, add quality of life indicators (i.e. shore up healthcare), and increase population. Upon completion of the market study and after a year of outreach, the GEDC shifted its focus to more strongly supporting retention and encouraging expansions by local restaurant businesses who are more likely to invest in the redevelopment of existing properties (Little Caesars being the exception). The GEDC remains open to new business development in this sector but is cautious that our efforts do not undermine the viability of existing businesses.

STRATEGIC GOAL: Increase consumer access to staple foods and personal care products to reduce food insecurity

STRATEGIC GOAL #2: Increase jobs and capture property/ sales tax revenue generated by “export” industry, aka tourism

STRATEGIC GOAL #3: Improve the community’s livability quotient by attracting restaurants, food & beverage manufacturers, and retailers with high brand equity

STRATEGIC GOAL #4: Improve the city’s appearance, eliminate blight, and reduce crime by rehabilitating and increasing occupancy in vacant buildings

STRATEGIC GOAL #5: Generate economic stability and buffer the city against economic volatility caused by the cyclic nature of the oil and gas industry

BUSINESS RETENTION, EXPANSION & RECRUITMENT ACTIVITIES

Retail Strategies Market Analysis & Recruitment 3rd Party Contract

Household and Personal Products

Food & Staples Retailing

Vali – Site Selection Assistance

CEFCO – Project Facilitation; Recruitment Grant, Local; CDBG Grant (Signal Light), State – New Construction
290 Travel Center – Formation Grant; Expansion Grant (RV Park – New Construction)

Food Beverage

Santa Fe Steakhouse – Formation Grant for Property Renovation

Starbucks – Site Selection Assistance; Project Facilitation; Recruitment Grant (Survey) – New Construction
Giddings Brewhaus & German Restaurant (also manufacturing) – Formation Grant for Property Renovation.

GEDC retains ownership

Little Caesars - Recruitment/ Formation Grant –Property Renovation

Which wick – Recruitment/ Formation Grant – New Construction
 Giddings Burgers & Wings – Property Improvement Grant
 Fish Shack & More – Signage Grant
 El Patio Food Court – Formation Grant – New Construction
 Annies on 290 – Property Improvement – Retention Grant
 Deep Roots – Property Improvement – Retention Grant
 Taqueria y Panaderia Chihuahau – Property Improvement – Expansion Grant



Andaman Thai – GEDC provided business development assistance in the form of site selection assistance, financial analysis training and assisted with business plan development and marketing. The business opened sooner than recommended and at a less than optimal location. The company remained in business for one year. No funds were provided for this project.

Pandemic Response Grants 2020 - The GEDC provided restaurants experiencing a forced closure with pandemic retention grants to cover two (2) months of rent/ mortgage and utilities. To date, all restaurants provided with retention grants remain in operation.



GEDC CLIENT Lasonia Dalcour (left below) sought assistance with the launch of a home-style restaurant, Nana's Southern Secrets. Dalcour needed business planning and site selection assistance. In addition to looking for the right location, the GEDC coordinated and hosted a trip to Austin so she could attend the Taste of Black Austin: From Field to Table event where she was able to meet chefs who had cultivated "field to table" offerings and who managed award-winning restaurants built around "home-style cooking taken up a notch."

Dalcour's background as an institutional cook and food service manager provided her valuable experience in the kitchen, however, we wanted to develop her restaurant management skills. We were able to connect her with a mentor whose background was as an institutional (Army) cook turned restaurateur who had transitioned into a successful civilian career catering and managing his own restaurant (mentor not shown).

We also connected Dalcour with a client who had moved into a building previously occupied by a restaurant. Dalcour was able to purchase the kitchen equipment not being used for little money. Ultimately, she opened a food court in a quick stop and did not need the equipment. The GEDC connected her to Giddings Brewhaus, who purchased the equipment for the brewpub going downtown.

Dalcour shuttered the business less than two years after opening due to increases in the lease for the rental space, and due to operating restrictions caused by the pandemic. Given the restaurant's delicious offerings, we look forward to seeing Nana's Southern Secrets come back better and stronger than ever once we are on the other side of the pandemic!



The History of the Farm to Table Movement



Graphic Courtesy of <https://upserve.com/restaurant-insider/history-farm-table-movement/>



SECTOR DESCRIPTION: The telecommunication sector is made up of companies that make communication possible on a global scale, whether it is through the phone or the Internet, through airwaves or cables, through wires or wirelessly. These companies created the infrastructure that allows data in words, voice, audio, or video to be sent anywhere in the world. The largest companies in the sector are telephone (both wired and wireless) operators, satellite companies, cable companies, and.

STRATEGY: Support the development and expansion of city’s communication services by developing an understanding of the benefits and limits of the technology, and how it is implemented, and by sourcing funding for expansion projects

STRATEGIC GOAL 1: Increase the city’s competitiveness and ability to diversify the economy

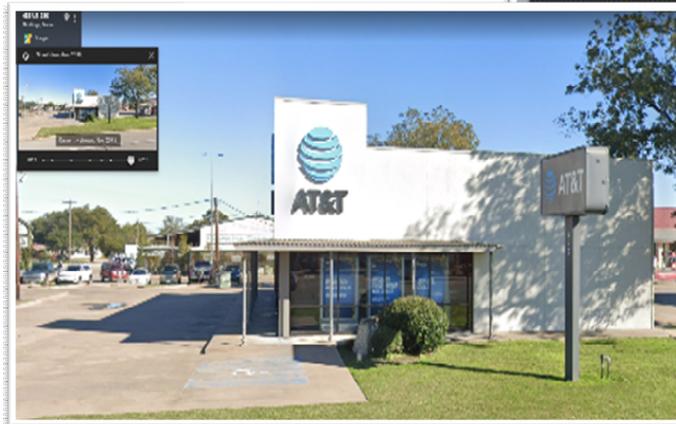
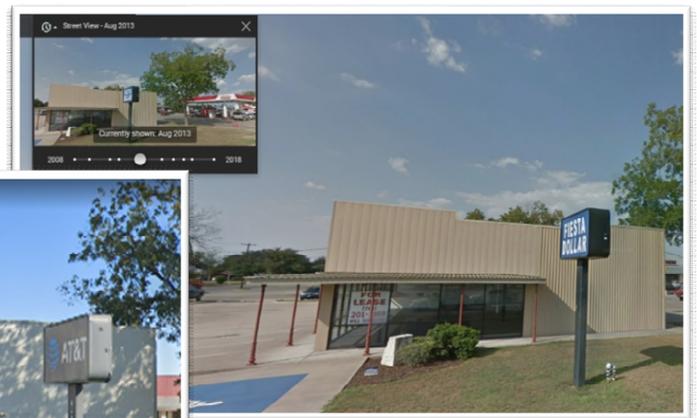
STRATEGIC GOAL 2: Attract or create high paid jobs and retain highly skilled labor through the provision of fast, safe, secure, and reliable internet.

I-Wire 365 – Courted prospect as a potential fiber optic provider; terminated interaction when company failed to follow up

ZOCHNET - Provided \$50,000 in pandemic response grants to expedite installation of fiber optic/broadband to underserved areas of the community to support remote workers and as a retention effort for Kaemark Salon Furnishings - Growth: From 26 jobs to 55 in 6 months

KGID Radio – Assisted with site selection for office space; Provided \$25,000 grant for property renovation

AT & T– No services provided. The company’s relocation and renovation of a stand-alone space resulted in an improvement of an outdated property and a vacated space in Giddings Plaza that was backfilled with Cricket Phone Services



SECTOR DESCRIPTION: The Consumer Discretionary Sector encompasses those industries that tend to be the most sensitive to economic cycles. Its manufacturing segment includes automotive, household durable goods, textiles & apparel, and leisure equipment. Companies in the consumer discretionary sector sell goods and services that are considered non-essential, such as appliances, cars, and entertainment. Prominent examples include Home Depot Inc. (HD), McDonald's Corp. (MCD), and Nike Inc.

STRATEGY: The GEDC contracted with Retail Strategies to better understand our position in the market and to conduct outreach for retail to stem leakage to larger cities. The GEDC has also conducted direct outreach to retailers, specifically automotive and ATV dealers, RV dealerships, and others

STRATEGIC GOAL: To increase residents' access to in-demand retail products to stem leakage to other communities with the goal of retaining tax revenue in the city

STRATEGIC GOAL #2 – Develop Giddings' as a regional shopping destination to generate tax revenue from tourists and other visitors to the area

STRATEGIC GOAL # 3 – Increase high wage jobs through the provision of transportation-related retail (i.e., FunTownRV; GoodBull Golf Carts; Automotive Dealership)

BUSINESS RETENTION, EXPANSION & RECRUITMENT

Automobiles & Component Parts – David Davis Auto Sales – The company was provided \$10,000 to purchase a portable building for an auto dealership on property along Highway 290. The building replaced another building that was in poor repair. The dealership hired two people and lasted one year before falling into bankruptcy. The building is now occupied by AllState Insurance.

Good Bull Golf Carts – GEDC provided \$10,000 incentive grant for company formation and property improvement. Company relocated to larger market after fulfilling one-year performance commitment. Company was unable to secure expected corporate contracts and experienced other supply side issues. Luxury product. 4 Jobs

Stage Stores filed bankruptcy in May. Working with owners of Giddings Plaza to find another tenant

Consumer Durables & Apparel Due to heavy online competition, Hibbett Sports moved business online. Davam Urgent Care quickly relocated into the space. Stage Stores Brands filed bankruptcy during the pandemic so Bealls closed. We are seeking a new tenant for the space.

Consumer Services - Consumer services are intangible products or actions that are typically produced and consumed simultaneously. Common examples of consumer services are haircuts, auto repairs, and landscaping. GEDC provided pandemic response emergency grants to many hair and nail, salons, gyms and other high-risk businesses experiencing a forced closure or substantially restricted operations. To date, all businesses provided retention grants have remained in business with one exception. The company experienced a catastrophic injury to its personal property that has endangered its ability to continue operations. We are monitoring the situation.