

SEPTEMBER 2014

BUSINESS RECRUITMENT & MARKETING STRATEGY

Prepared for the City of Yoakum



CONTENTS

CONTENTS II

ACKNOWLEDGEMENTS 1

INTRODUCTION 2

 YOAKUM’S STRONGEST ASSETS 3

 YOAKUM’S CHALLENGES 4

 TARGET INDUSTRY RECOMMENDATIONS 5

 MARKETING RECOMMENDATIONS 14

 OTHER CONSIDERATIONS FOR SUCCESS 20

 IMPLEMENTATION 21

INDUSTRY AND OCCUPATIONAL ANALYSIS 22

 INTRODUCTION 22

 ECONOMY 23

 WORKFORCE 33

 BUSINESS CLIMATE 56

Photo Credits

Cover Photo: Downtown Yoakum, Texas by Dana Smith via Flickr (CC by 2.0)

ACKNOWLEDGEMENTS

We would like to thank the Yoakum Economic Development Corporation board members and the City of Yoakum staff for their strategic input and guidance over the course of this project.

YOAKUM ECONOMIC DEVELOPMENT CORPORATION BOARD MEMBERS

Tim Faulkner

President

Anita Rodriguez

Vice President

Arthur Hermann III

Secretary

Tommy Barre

Board Member

Gery Maneth

Board Member

Zenith Stevens

Board Member

CITY OF YOAKUM STAFF

Kevin Coleman

City Manager

Theresa Bowe

City Clerk

INTRODUCTION

The City of Yoakum and the Yoakum Economic Development Corporation (EDC) have engaged TIP Strategies, an Austin-based economic strategy firm, to develop a Business Recruitment & Marketing Strategy for the community of Yoakum. This effort includes the following tasks:

- A review of existing documents and information related to business recruitment.
- An Industry and Occupational Analysis of the Yoakum area, including information on key industries, population trends, and occupational trends that affect how the city positions itself to attract new businesses.
- A community tour and interviews with the city's existing major employers to gain a qualitative understanding of their experience and perceptions of Yoakum as a place to do business.
- A retreat with the project committee to present and evaluate potential target industry sectors and draft recommendations for marketing & business development.
- A Business Recruitment & Marketing Strategy for the Yoakum EDC.

This Business Recruitment & Marketing Strategy is organized into the following sections:

- Assets
- Challenges
- Target industry recommendations
- Marketing recommendations
- Other considerations for success

YOAKUM'S STRONGEST ASSETS

Yoakum's population and employment base has grown slowly since 2000, with a slight downturn during the Great Recession. In recent years, the city's economy has performed fairly well, despite the losing a substantial portion of its leather industry. Yoakum has many assets it can leverage to continue to grow the local economy and tax base.

ASSETS THAT THE CITY CAN DIRECTLY INFLUENCE OR LEVERAGE:

- Yoakum's business costs (local sales tax, property tax, electric utility rates), which are competitive with surrounding communities (Cuero, Gonzales, Seguin, Victoria).
- Available incentive programs to attract new retailers and downtown businesses.
- Hochheim Prairie Insurance which employs dozens of professionals, including several IT positions, a unique asset not typically found in small communities.
- The recently built Enterprise Products plant and the announced HEYCO LNG (liquefied natural gas) plant.
- The wide range of potential development sites throughout the community, including 60 acres of land owned by Union Pacific immediately adjacent to Yoakum's freight rail line.
- The former Tandy Brands building, which, as a large (142,732 sq. ft.) available industrial building, is another unique advantage uncommon in small communities.
- The city's diverse employment base, including leather, food processing, energy services, healthcare, financial services, and specialty apparel.
- The city's largest employer, Eddy Packing, which is expanding.
- Yoakum Community Hospital, which is also in expansion mode, with a newly opened clinic and a new dialysis center to be built adjacent to the hospital.
- The city's continued role as a center for the niche leather and saddle industry.
- The "bones" of Yoakum's downtown: a large number of attractive, historic structures that have redevelopment potential, and could serve as a destination for attracting new service and retail businesses.
- The famous Double D Ranchwear clothing line that had made its home in Yoakum.
- The Yoakum Municipal Airport.
- The growing number of residents that work outside the city represents a relatively untapped local workforce.

ASSETS THAT ARE LARGELY BEYOND THE CITY'S CONTROL:

- The city's close proximity to the Eagle Ford Shale oil and gas boom that results in continued sales growth for local businesses from the increased economic activity in the surrounding region.
- Yoakum's close proximity (a 2-hour drive or less) to several major metro areas (Houston, Austin, San Antonio, and Corpus Christi). There is a population of 5 million within 100 miles of Yoakum. Within a 200 miles radius there are more than 15 million people, and this area is growing rapidly.
- The city's strategic location between two major Caterpillar plants in Seguin and Victoria.

YOAKUM'S CHALLENGES

Despite Yoakum's strengths, there are significant challenges to attracting new business locations to the community, some of which the city can directly influence and others which can only be influenced indirectly.

CHALLENGES THAT THE CITY CAN DIRECTLY INFLUENCE:

- The difficulty demonstrating that there is a sufficient workforce available to attract new industry to the community. While this challenge is not unique to Yoakum, it must be considered in the type and size of companies targeted.
- The community's lingering identity as "Land of Leather," without regional brand beyond that.
- The lack of a fully served, modern business park.
- The lack of a comprehensive incentives package to compete with regional cities for industrial business recruitment.
- The high level of dependence of the city's revenue on electric utility fees, which leaves little incentive to encourage development outside of the city limits, even if this development would provide jobs or amenities for local residents.
- The large number of vacant buildings in Yoakum's downtown, many of which would likely need significant investments to become marketable.
- The former Tandy Brands building, a large property that has the potential to become more of a liability (and eyesore) than an asset if it remains unoccupied for an extended period.
- There is a sense that the community has lost some of its visual appeal in recent years, likely due to the increase in oil & gas activity.
- The city's limited number of retail establishments, restaurants, and hotels.
- The limited workforce housing options in the community.
- The lack of available quality buildings.
- The under-utilization of the Yoakum Municipal Airport and challenges associated with promoting and maintaining the airport.

CHALLENGES THAT ARE LARGELY BEYOND THE CITY'S CONTROL:

- The city's location "off the beaten path" and away from major highways, which could limit economic growth in some sectors (retail, hotels, and logistics/distribution).
- Yoakum's location at the eastern edge of the Eagle Ford Shale region, which has resulted in less economic activity than some neighboring communities (Cuero and Gonzales in particular) that are more centrally located within the oil & gas production zone.
- The city's reliance on a single large employer, Eddy Packing, for a large portion (about 20%) of its jobs.
- The city's relatively low levels of educational attainment.

TARGET INDUSTRY RECOMMENDATIONS

The selection of target industries is traditionally based on a limited set of quantitative factors such as workforce access, available industrial sites, and incentives. Our target industry recommendations for Yoakum are not based solely on these factors. They take into account qualitative factors (such as conversations with local business leaders and consulting experience gained from prior work in communities across Texas) and strategic issues (including state and national economic trends and planned investments in regional infrastructure).

We compiled a list of **potential target sectors** that take into account Yoakum's economic trends and capitalize on the city's unique strengths and assets. In this report, each target industry is profiled and specific niches are noted. These industries and niches offer Yoakum the greatest potential for economic growth.

TIP recommends that Yoakum focus its economic development efforts on the following industry sectors and niches:

- **Industrial services**
 - Machine & tooling
 - Equipment rental
 - Storage (pipe and equipment)
 - Oil service companies
- **Health care**
 - Specialty medical care
 - Health & wellness
 - Long-term medical care
- **Professional services**
 - Engineering services
 - Finance & insurance
 - Information technology
- **Specialty agriculture**
 - Organic farms
 - Specialty crops
 - Locally-sourced food processing
 - Wineries & microbreweries
 - Farmers markets

INDUSTRIAL SERVICES

INDUSTRY OVERVIEW & TRENDS

The Industrial services sector includes the oil & gas industry and related manufacturing, wholesalers, transportation, and other services. This industry is on a strong growth trajectory with job growth in each of the last four years in the Golden Crescent region, Texas, and the U.S.

WHY YOAKUM?

Several of Yoakum’s existing industrial companies (ADS Pipe, Enterprise Products Partners, and others) have to go outside of the community and immediate surroundings to obtain necessary services. Many of the service providers and suppliers used by Yoakum companies are in Houston, San Antonio, and to a lesser extent, Victoria and Corpus Christi. This tells us two important things: 1) There is a local demand for services that is not currently being satisfied, which indicates a potential to recruit companies that provide these services; and 2) Yoakum’s existing employers have to go outside of the area to obtain some essential services. If these services were available locally, existing employers would have more reasons to retain and expand their Yoakum facilities. Yoakum’s location between two major Caterpillar manufacturing operations (in Victoria and Seguin) offers a unique opportunity to attract small industrial machinery firms that serve the Caterpillar plants. The city’s proximity to the Eagle Ford Shale also offers a number of advantages in recruiting industrial services, specifically oil & gas service firms.

TARGET NICHES

- Industrial machinery and tooling
- Equipment rental
- Storage (pipe and equipment)
- Oil & gas services

INDUSTRIAL SERVICES SECTOR COMPONENTS

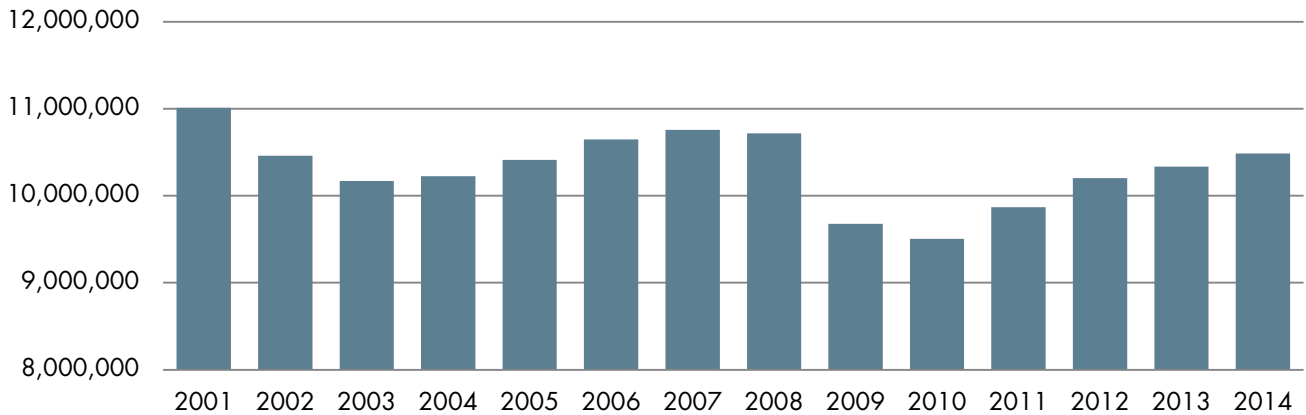
NAICS CODE	DESCRIPTION
211	Oil and Gas Extraction
213111	Drilling Oil and Gas Wells
213112	Support Activities for Oil and Gas Operations
2211	Electric Power Generation, Transmission and Distribution
2212	Natural Gas Distribution
23621	Industrial Building Construction
23712	Oil and Gas Pipeline and Related Structures Construction
324	Petroleum and Coal Products Manufacturing
325	Chemical Manufacturing
326	Plastics and Rubber Products Manufacturing
331	Primary Metal Manufacturing
332	Fabricated Metal Product Manufacturing
333	Machinery Manufacturing
42351	Metal Service Centers and Other Metal Merchant Wholesalers
4238	Machinery, Equipment and Supplies Merchant Wholesalers
4246	Chemical and Allied Products Merchant Wholesalers
4247	Petroleum and Petroleum Products Merchant Wholesalers
482	Rail Transportation
484	Truck Transportation
486	Pipeline Transportation
488	Support Activities for Transportation
493	Warehousing and Storage
8113	Commercial and Industrial Machinery and Equipment (except Automotive and Electric) Repair and Maintenance

INDUSTRIAL SERVICES SNAPSHOT (2014)

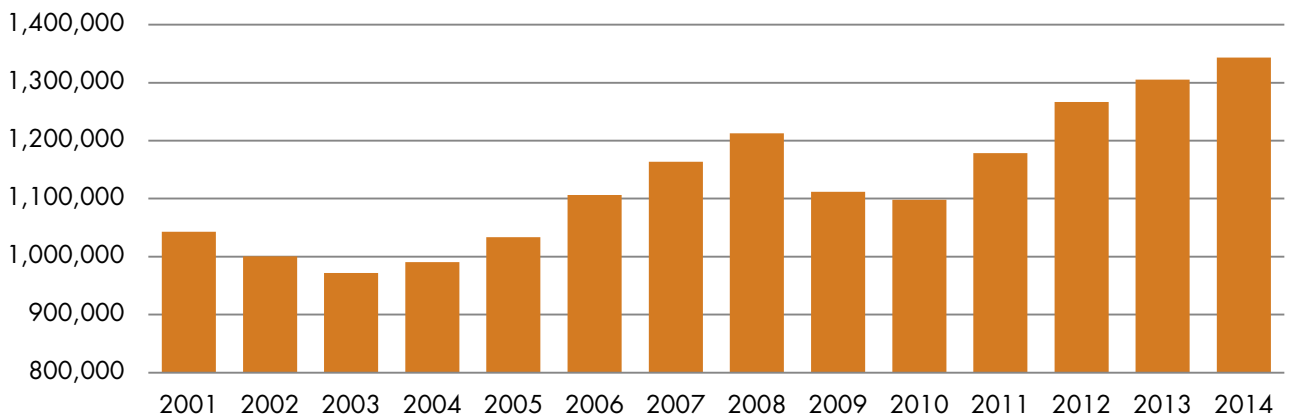
U.S.	
Total Employment:	10,486,408
Total Establishments:	465,601
Texas	
Total Employment:	1,343,164
LQ:	1.54
Total Establishments:	47,517
Golden Crescent Region	
Total Employment:	17,894
LQ:	2.90
Total Establishments:	616

INDUSTRIAL SERVICES EMPLOYMENT TRENDS

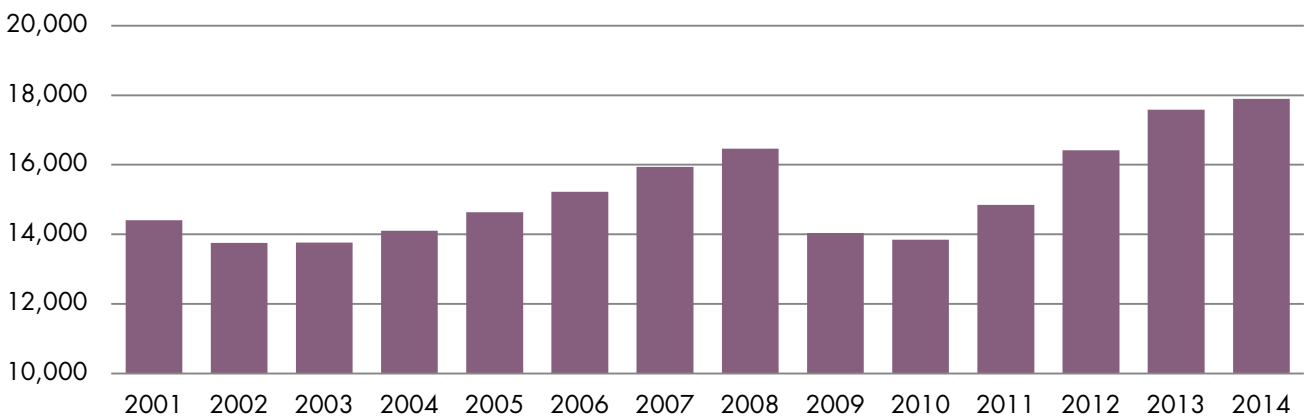
U.S. Employment



Texas Employment



Golden Crescent Region Employment



Source (all figures): EMSI Complete Employment 2014.2

HEALTH CARE

INDUSTRY OVERVIEW & TRENDS

The health care includes ambulatory health care services (offices of physicians and other health practitioners, outpatient care centers, medical and diagnostic laboratories, and other health services), public and private hospitals, and nursing and residential care facilities. This industry has grown steadily over the last decade. In fact, the health care industry continued to gain jobs at a solid rate through the Great Recession, showing that it is one of the few truly “recession-proof” sectors. More recently, the enactment of the Affordable Care Act has translated into a surge of health care investments nationally. And the continued aging of the U.S. population will inevitably create more growth opportunities in the health care sector.

WHY YOAKUM?

Yoakum’s health care industry is poised to grow in the coming years. Yoakum Community Hospital recently completed a major expansion, and construction of a new dialysis center adjacent to the hospital is planned for Fall 2014. The city also has two major long-term care facilities (Yoakum Nursing & Rehabilitation Center and Stevens Health Care & Rehabilitation Center). Yet there are no assisted living facilities in the community, which represents a potential opportunity for growth in the local health care sector.

The city functions as a center for medical services, drawing patients from surrounding communities such as Shiner and Hallettsville. As Yoakum continues to grow its health care industry by adding new specialties and services, there is potential to reduce some of the loss in medical spending by local residents who currently travel to Victoria, San Antonio, and Houston for more specialized care.

TARGET NICHES

- Specialty medical care
- Health & wellness
- Long-term medical care

HEALTH CARE SECTOR COMPONENTS

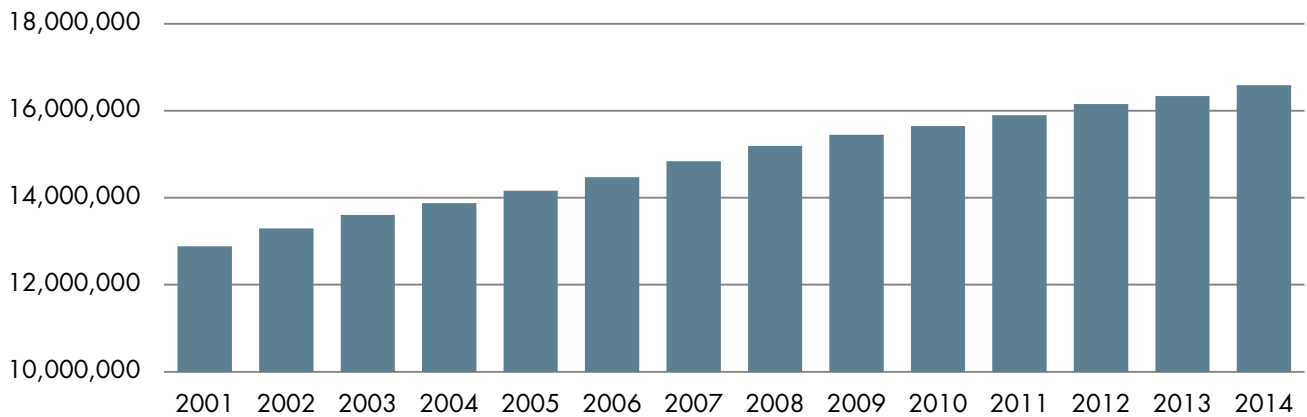
NAICS CODE	DESCRIPTION
621	Ambulatory Health Services
622	Hospitals (Private)
623	Nursing and Residential Care Facilities
71394	Fitness and Recreational Sports Centers
90262	Hospitals (State Government)
90362	Hospitals (Local Government)

HEALTH CARE SNAPSHOT (2014)

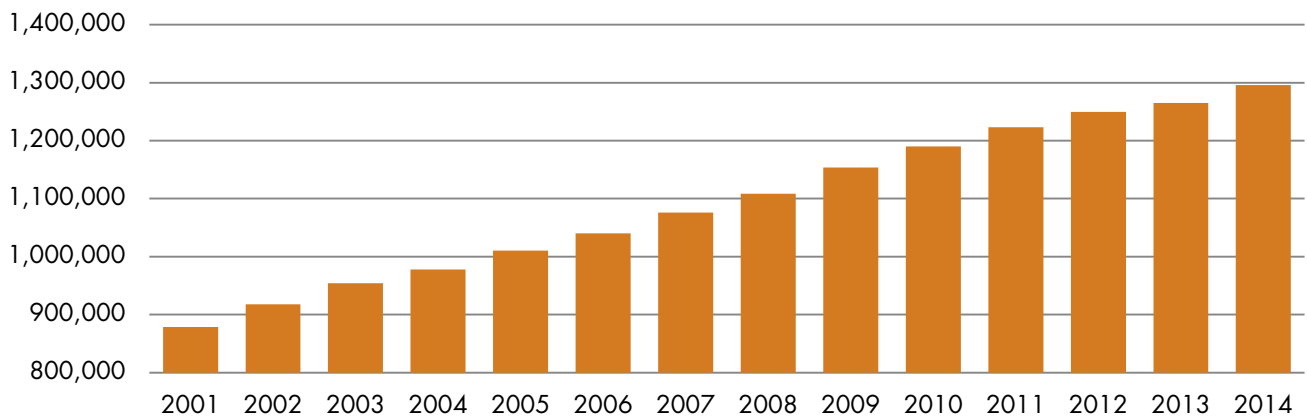
U.S.	
Total Employment:	16,589,427
Total Establishments:	676,398
Texas	
Total Employment:	1,295,608
LQ:	0.94
Total Establishments:	52,205
Golden Crescent Region	
Total Employment:	10,740
LQ:	1.10
Total Establishments:	417

HEALTH CARE EMPLOYMENT TRENDS

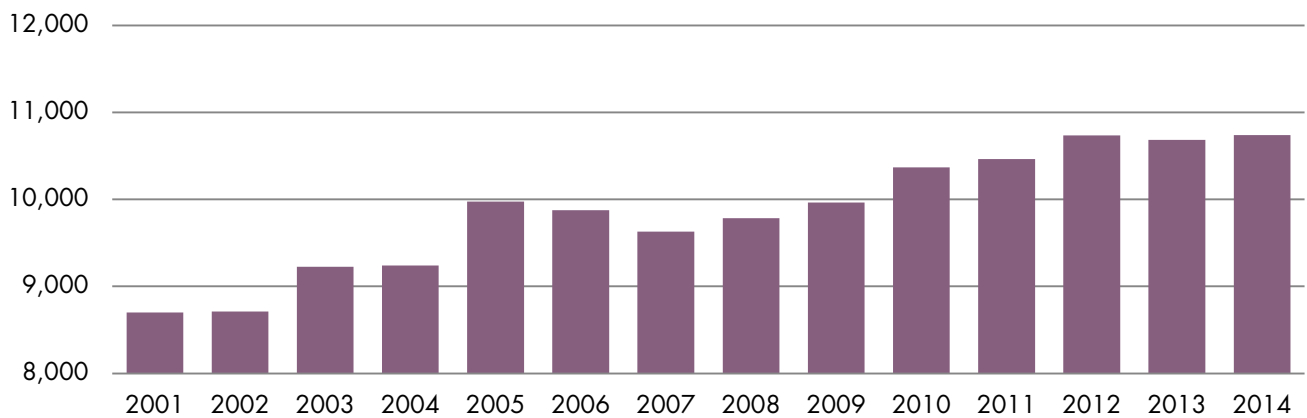
U.S. Employment



Texas Employment



Golden Crescent Region Employment



Source (all figures): EMSI Complete Employment 2014.2

PROFESSIONAL SERVICES

INDUSTRY OVERVIEW & TRENDS

The professional services sector includes information technology, finance & insurance, real estate, legal services, accounting, architecture & engineering, advertising, and other business services. This industry is growing at a rapid pace. After a sharp decline during the Great Recession, total employment in this sector has surpassed its previous peak employment (2007 for the U.S. and 2008 for Texas and the Golden Crescent region).

WHY YOAKUM?

At first glance, it might seem like professional services would not be a good fit for a smaller community like Yoakum. However, there are a few unique assets that Yoakum can leverage to grow its professional services sector. The city already has a large professional service firm, Hochheim Prairie Insurance, something not commonly found in rural communities. Hochheim Prairie has been operating in Yoakum for over 100 years, proving that the community can support professional businesses. Moreover, the community has multiple businesses, including Hochheim Prairie, that employ information technology professionals locally. And the city’s location within the booming Eagle Ford Shale region opens up opportunities to attract professional firms that provide support services (legal, engineering, information technology) to the oil & gas sector. The city’s large stock of historic downtown buildings is also a great opportunity, with some outside investment, for the recruitment of small professional service firms.

TARGET NICHES

- Engineering services
- Finance & insurance
- Information technology

PROFESSIONAL SERVICES SECTOR COMPONENTS

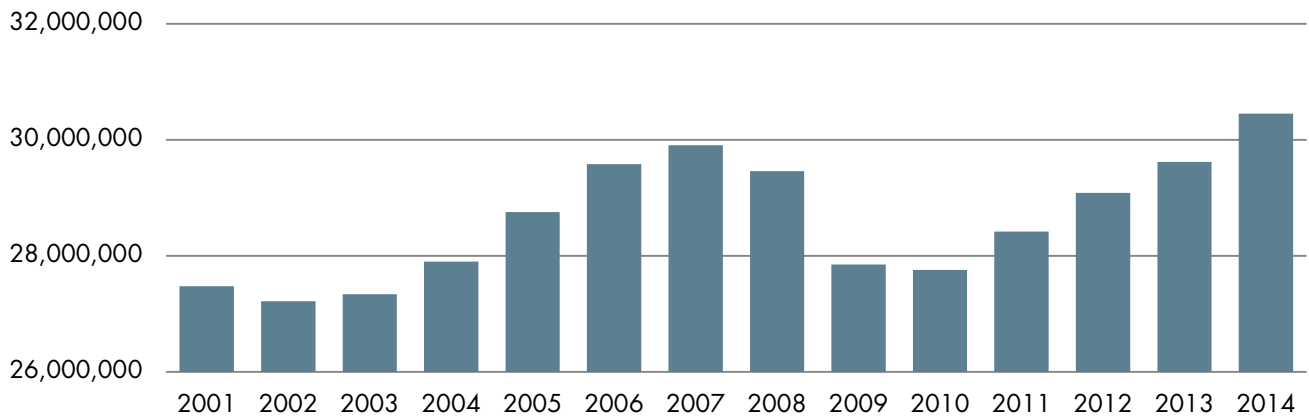
NAICS CODE	DESCRIPTION
4234	Professional and Commercial Equipment and Supplies Merchant Wholesalers
518	Data Processing, Hosting and Related Services
52	Finance and insurance
53	Real Estate and Rental and Leasing
54	Professional, Scientific, and Technical Services
55	Management of Companies and Enterprises
561	Administrative and Support Services

PROFESSIONAL SERVICES SNAPSHOT (2014)

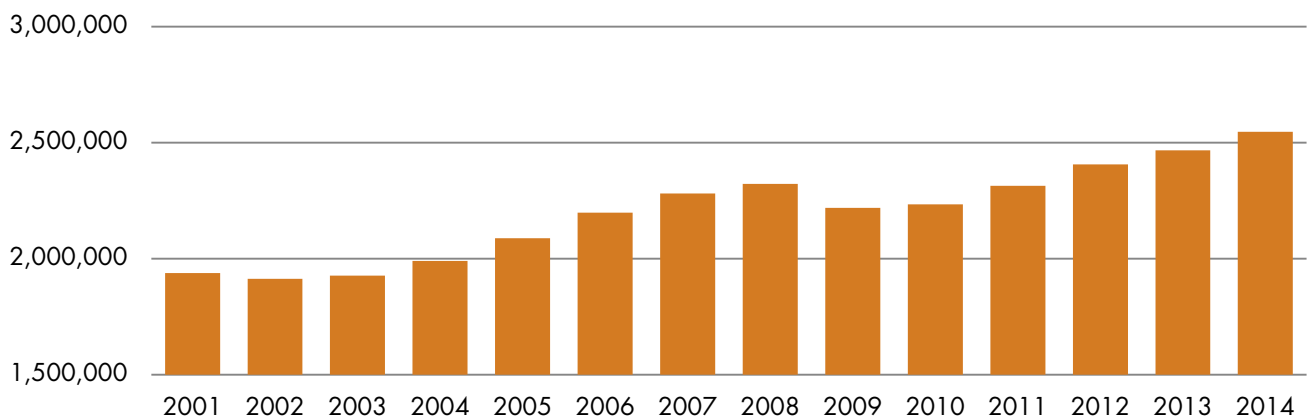
U.S.	
Total Employment:	30,450,923
Total Establishments:	2,481,231
Texas	
Total Employment:	2,546,195
LQ:	1.00
Total Establishments:	175,742
Golden Crescent Region	
Total Employment:	9,205
LQ:	0.51
Total Establishments:	1,033

PROFESSIONAL SERVICES EMPLOYMENT TRENDS

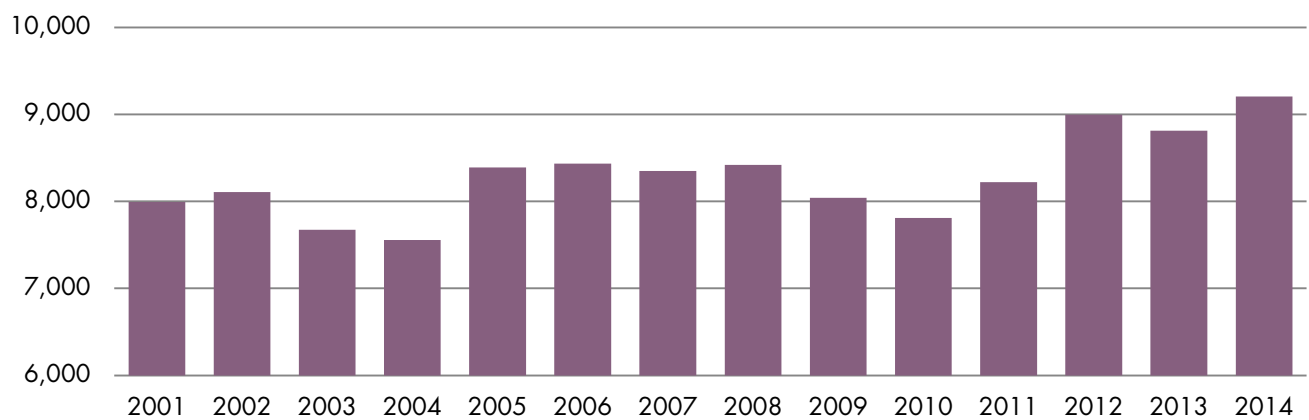
U.S. Employment



Texas Employment



Golden Crescent Region Employment



Source (all figures): EMSI Complete Employment 2014.2

SPECIALTY AGRICULTURE

INDUSTRY OVERVIEW & TRENDS

The specialty agriculture sector includes crop production, animal production, food manufacturing, breweries, wineries, distilleries, and related wholesalers. This industry lost a small number of jobs in Texas and the Golden Crescent region, but has grown steadily since 2010 at the national level. Food preferences are constantly changing, which opens up opportunities for new businesses. Some of the big trends impacting specialty agriculture include an ongoing rise in demand for organic foods; locally sourced food products; farmers markets; and craft breweries, distilleries, and wineries.

WHY YOAKUM?

The broader region surrounding Yoakum (Houston, Austin, San Antonio, and Corpus Christi) is growing rapidly; there are numerous opportunities to meet regional demands for locally grown or processed foods. The city’s historic strengths in agriculture can be leveraged to support the attraction of new businesses to Yoakum and the surrounding rural areas in DeWitt and Lavaca Counties. The city’s proximity to Shiner and the Spoetzl Brewery, and the growing number of wineries near Hallettsville, offer a unique opportunity to attract additional wineries and microbreweries to Yoakum. It

may also be possible to leverage some of the city’s historic downtown buildings to attract a storefront location for a winery or microbrewery. Yoakum’s brand as an authentic ranching/western town (through Double D Ranchwear and the leather & saddle industry) can also be leveraged to recruit businesses involved in specialty agriculture.

TARGET NICHES

- Organic farms
- Specialty crops
- Locally-sourced food processing
- Wineries & microbreweries
- Farmers markets

SPECIALTY AGRICULTURE SECTOR COMPONENTS

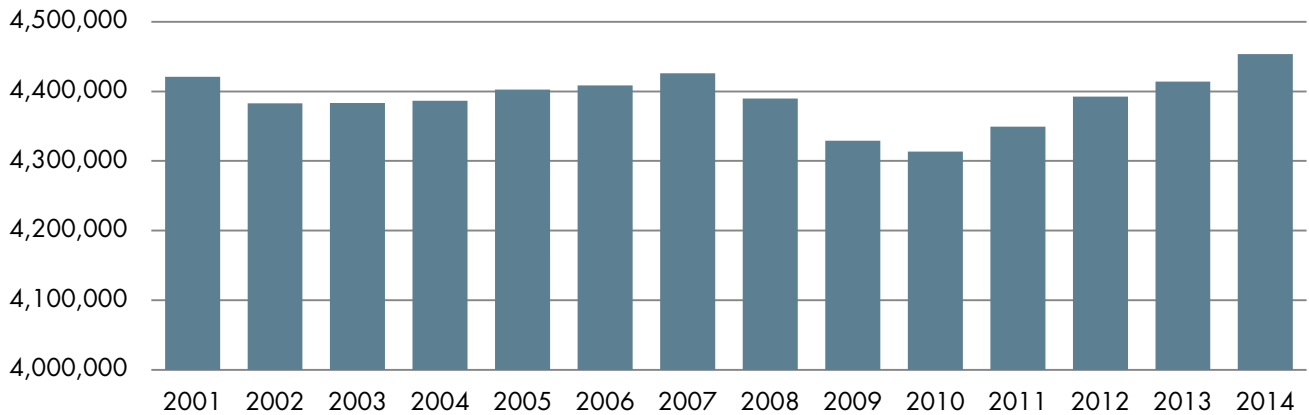
NAICS CODE	DESCRIPTION
111	Crop Production
112	Animal Production
1151	Support Activities for Crop Production
1152	Support Activities for Animal Production
311	Food Manufacturing
31212	Breweries
31213	Wineries
31214	Distilleries
4244	Grocery and Related Product Merchant Wholesalers
4245	Farm Product Raw Material Merchant Wholesalers
4248	Beer, Wine, and Distilled Alcoholic Beverage Merchant Wholesalers
42491	Farm Supplies Merchant Wholesalers

SPECIALTY AGRICULTURE SNAPSHOT (2014)

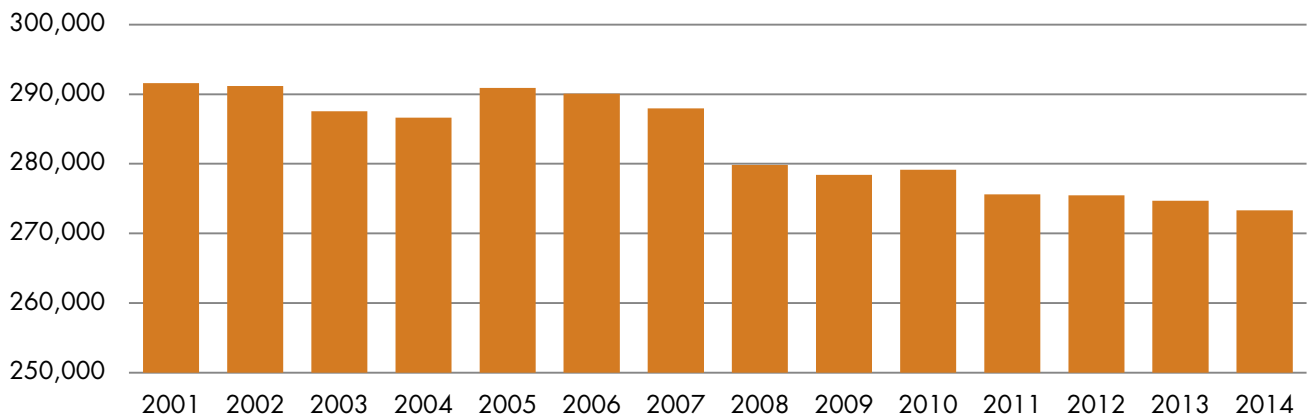
U.S.	
Total Employment:	4,453,769
Total Establishments:	176,771
Texas	
Total Employment:	273,317
LQ:	0.74
Total Establishments:	14,872
Golden Crescent Region	
Total Employment:	5,483
LQ:	2.09
Total Establishments:	295

SPECIALTY AGRICULTURE EMPLOYMENT TRENDS

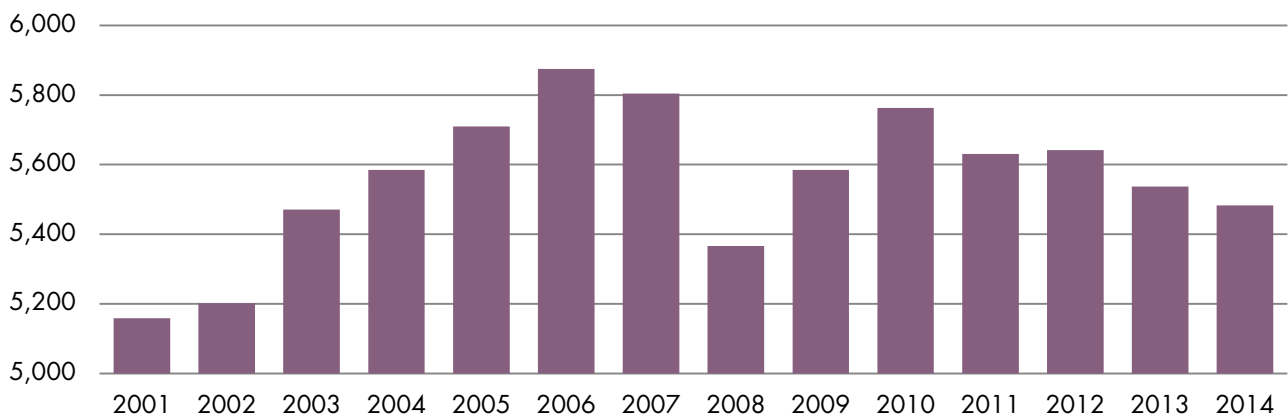
U.S. Employment



Texas Employment



Golden Crescent Region Employment



Source (all figures): EMSI Complete Employment 2014.2

MARKETING RECOMMENDATIONS

Yoakum's ability to successfully recruit businesses that bring new jobs and investment into the community will depend largely on the city's marketing efforts. However, **the biggest opportunities for Yoakum will be found outside of traditional marketing channels.** Instead of focusing on advertising, public relations, and mass media, the city's economic development marketing should center primarily on cultivating key relationships and on product improvement (elevating the city's image/brand as a destination for investment).

The most successful economic development marketing efforts are narrowly focused. Instead of sending out mass messages to mass audiences, effective programs focus on specific messages aimed at key target audiences. In Yoakum's case, this translates into a program that is centered on the following three key areas:

1. Relationship marketing
2. Product improvement
3. Materials & media

1. RELATIONSHIP MARKETING

Place Yoakum on a sustainable long-term path for economic development by cultivating relationships with key stakeholders.

STRATEGIES & ACTIONS

1. Hire a new EDC director with experience recruiting companies in one or more of Yoakum's target industries.
2. As part of the city's marketing & business recruitment strategy, focus on key target audiences: site location consultants, real estate brokers and other commercial/industrial real estate professionals, utility companies, attorneys, accountants, and other relevant professionals.
 - a. Build relationships with key influencers (Texas Office of Economic Development, GVEC, LCRA, regional real estate brokers, etc.) that can bring business opportunities to Yoakum.
 - b. Host an annual "Invest in Yoakum" event that brings in real estate developers and brokers from surrounding areas (Victoria, San Antonio, Houston, and Austin) to build awareness about opportunities for new development in Yoakum.
3. Enlist Yoakum's existing employers in the community's business attraction program.
 - a. Utilize existing employers, especially those with a statewide or national reach (Hochheim Prairie Insurance, Eddy Packing, Double D Ranchwear, and others), as marketing ambassadors that help spread positive information about Yoakum to the outside world.
 - b. Work with existing employers to develop a shared marketing message that is communicated to outside companies and individuals. The message should contain a few key facts that highlight Yoakum's workforce, existing businesses, educational institutions, and business climate.
 - c. Encourage the new EDC director, once hired, to spend the majority of his/her time with existing employers during the first few months on the job. This will help the new director to better understand Yoakum's challenges and opportunities for economic development and will also help to engage local employers as ambassadors for attracting new businesses to the community.

PROJECT EXAMPLE

Northwest Arkansas Council: Digital Ambassadors

The Northwest Arkansas Council created the Digital Ambassadors initiative as a way to improve the region's image and to disseminate information about the region in a cost-effective way. The program currently boasts more than 400 individual Digital Ambassadors. Each Digital Ambassador receives emails with new, exciting content to share on Facebook, Twitter, Instagram, and LinkedIn. The content includes information about regional job growth, quality of life amenities, educational achievements, the local economy, and other ways the metro area stands out. Digital Ambassadors are encouraged to share the content so they can have a positive impact on how the outside world views Northwest Arkansas. The ambassadors earn points based on how often they're active and how they share their messages, and top participants are eligible to win monthly prizes. The program is a good avenue for enhancing the internal image of Northwest Arkansas. It also helps local residents and businesspeople become more aware of the positive aspects of living and working in Northwest Arkansas.

- 4.** Work with an experienced industrial real estate developer to evaluate the market potential of the former Tandy Brands building for re-use.
 - a.** Consider using the property as an incentive to attract a major employer if the building is deemed marketable.
 - b.** Set an internal timeframe of no more than six months to begin dealing with this existing asset, so that it does not become a liability.
 - c.** Given the building's large size, explore the potential for co-usage by multiple tenants. If the building can be split up into multiple sections, this could increase the number of potential businesses that might be interested in using the space.
- 5.** Leverage the new Enterprise Products Partners plant and the upcoming HEYCO LNG plant for additional economic development.
 - a.** There may be opportunities to attract small supporting companies including: suppliers, industrial service providers, and logistics/distribution firms.
 - b.** Meet with plant managers of the Enterprise Products Partners plant and the HEYCO LNG plant periodically (quarterly or twice per year at a minimum) to identify potential options to attract suppliers or service providers to Yoakum.
 - c.** Promote the success of both of these facilities to generate awareness within the oil & gas industry of Yoakum as a good location for major energy investments.
- 6.** Meet with Caterpillar representatives from Victoria and Seguin to identify potential supplier opportunities.
 - a.** Meet with plant managers from each Caterpillar plant on a regular basis (once every six months, at least) to learn more about each plant's suppliers and service providers. Use these meetings to gain as deep an understanding as possible about each plant's supplier and service needs.
 - b.** Set up meetings with the Caterpillar suppliers located in South Texas to better understand their business operations and to explore the potential for them or other related businesses to open up a facility in Yoakum. Focus attention on the smaller suppliers and service providers (5-20 employees) as these would likely be the best fit for Yoakum.
- 7.** Attend and become actively involved in major industry associations/events related to Yoakum's target industries including the Offshore Technology Conference in Houston, Texas Oil & Gas Association, Texas Association of Manufacturers, Texas Wine & Grape Growers Association, and the Texas Craft Brewers Festival.
 - a.** Use these industry events primarily as a way to gain knowledge about the major issues facing Yoakum's target industries.
 - b.** Attend events not with the goal of coming back with prospects, but instead, with the goal of developing relationships with key individuals over time that can eventually lead to business opportunities in Yoakum.

2. PRODUCT IMPROVEMENT

Position Yoakum as an attractive destination for new investment by enhancing the city's real estate options for prospective businesses.

STRATEGIES & ACTIONS

1. Treat downtown Yoakum as a business park, viewing it as an asset that can be leveraged to attract unique small businesses (restaurants, professional services firms, specialty retailers) that add to Yoakum's economic base and enhance the vitality of the city's central business district.
 - a. Identify a specific area within central Yoakum, centered on the city's historical business district, where the city should focus future land use planning activities and public investments to spur additional private investment.
 - b. Conduct a comprehensive inventory of the existing building stock in downtown Yoakum. The inventory should include detailed information on the size, condition, and estimated rehabilitation costs for each historic structure located in Yoakum's central business district.
 - c. Create a package of downtown marketing materials, including a schematic map of downtown buildings, which can be promoted to potential investors.
 - d. Building on the tourism assets related to the Shiner Brewery and the small but growing number of wineries in Hallettsville, evaluate the potential to open additional wineries, craft breweries, or even distilleries in and around Yoakum, including possible downtown storefront locations.
2. Work with Union Pacific to explore options for developing land along the city's freight rail line for industrial facilities.
 - a. Meet periodically (at least twice/year) with Union Pacific representatives to discuss the potential of developing the 60+ acres of rail-adjacent land.
 - b. Identify necessary infrastructure improvements to make the property marketable and ready for development.
 - c. Over time, put in place the proper infrastructure to allow for industrial development in this area.

PROJECT EXAMPLE

Downtown Wamego, KS: The Oz Theme

The town of Wamego, KS (population 4,372) has successfully created a Wizard of Oz themed downtown that has resulted in the addition of thousands of annual visitors and millions of dollars in extra spending within their local economy.

The Oz theme first emerged in Wamego when a public display of a local high-school student's Wizard of Oz collectibles in Wamego's Columbian Theater drew a significant amount of attention. The discovery of this rare and unique collection of Oz memorabilia led to the establishment of an Oz Museum that now houses thousands of Oz-related artifacts. Soon thereafter, a local businessman opened up the Oz Winery, which has been a major success. The creation of an annual Oz-focused event, OZtoberFest, has created a greater level of activity and interest in the Oz theme. Building on this success, additional businesses in downtown Wamego have changed their names or have begun to offer products with names that align with the Oz theme, such as nearby restaurant Toto's Tacos, and 1st National Bank of Wamego, which offers a limited edition Oz credit card.

3. Identify and develop a new business park for Yoakum.
 - a. Cultivate existing relationships and develop new relationships with the regional real estate community with the goal of leveraging these relationships to bring in an industrial real estate developer to analyze the potential for a new business park in Yoakum.
 - b. When it comes time to develop a new business park, utilize a public-private partnership approach, with most or all of the financial risk being taken on by the private sector partner. This will help to mitigate the city’s financial obligations, while also ensuring that the new business park is responsive to market realities.
 - c. Consider areas along Highway 77 as potential sites for a new business park based on the following criteria:
 - i. Amount of contiguous land available for development
 - ii. Access to rail
 - iii. Compatibility with surrounding land uses
 - iv. Other factors deemed important by a private sector partner
4. Work with local employers and the real estate community to increase the amount of available office space in Yoakum.
 - a. Work with local employers to develop an inventory of all available office space in existing buildings.
 - b. Cultivate relationships with local employers and real estate professionals so that the Yoakum EDC has a real-time awareness of any available office space that could be used satisfy the real estate needs of new or expanding businesses.
 - c. Promote Yoakum among the regional real estate community as a good location for office space to house small professional businesses (engineering, legal, accounting, IT) seeking a location to serve the Eagle Ford Shale.

PROJECT EXAMPLE

Beaumont, TX: Crockett Street Entertainment District

Until the late 1990s, downtown Beaumont was in a similar state of disrepair and disuse as downtowns in other mid-market communities throughout the South. After winning a major class action case, two local attorneys partnered with local property owners to invest in downtown Beaumont. The result was Crockett Street, a vibrant dining and entertainment district, located in downtown Beaumont. Despite the community’s modest size (approximately 110,000) and struggling economy, the district’s development was an overwhelming success. This was in large part due to the decision on the part of the developers to spare little expense in fully rehabilitating and restoring the single- and two-story historic structures along a single block of downtown. The developers were also careful in ensuring that ample parking was available nearby to avoid the necessity of forcing patrons to walk a long distance in the evening. Today, the collection of seven restaurants and nightclubs that form the Crockett Street Entertainment District has emerged as the upper-end nightlife destination for the entire Southeast Texas region.

PROJECT EXAMPLE

Helotes, TX: Old Town Helotes

Recognizing the economic potential of a vibrant downtown, the Helotes Economic Development Corporation and the City of Helotes created the Old Town Helotes Plan. The plan provides a framework and strategy to develop a center that provides amenities for the entire community, reflects the city’s country charm and lifestyle, and encourages business development that will boost the local economy.” Since adopting the plan, the city has created the regulatory framework and initiated capital improvement projects to lay the foundation for future development. Thanks in part to this effort, Helotes was recently rated the Best Small Town to Raise Kids in Texas by Bloomberg BusinessWeek. For more information, see www.shophelotes.com.

3. MATERIALS & MEDIA

Enhance Yoakum's image as a place to do businesses through the city's economic development marketing materials and media.

STRATEGIES & ACTIONS

1. Ensure that the Yoakum EDC website provides valuable information for site location consultants and business executives.
 - a. At a minimum, the website should include current information on the local/regional labor force, major employers, available buildings/sites, local incentives, and news about recent expansions or other positive economic development items.
 - b. Use the website to emphasize some of Yoakum's key assets and share positive information:
 - i. Recent economic development success stories (Enterprise Products Partners plant, Eddy Packing expansion, Yoakum Community Hospital expansion)
 - ii. The community's recent job and business growth
 - iii. The city's location within the Eagle Ford Shale
 - iv. The city's proximity to a large, rapidly growing population base within a short drive (nearly 5 million residents within 100 miles and more than 15 million residents within 200 miles)
 - v. Yoakum ISD's growth in student enrollment
 - vi. The nationally-known Double D Ranchwear brand
2. Develop marketing collateral that matches the information available on the Yoakum EDC website, highlighting the community's strongest assets for business attraction.
 - a. Work with existing employers to create a one-pager that highlights Yoakum's key assets and includes information on workforce, existing businesses, educational institutions, and business climate.
 - b. Use this one-pager to market Yoakum both internally (among local residents and businesses) and externally (to businesses and key stakeholders outside of Yoakum).
3. Put together a workforce profile aimed at the city's target industries that highlights the skills and experience found in the area's labor force.
 - a. Use some of the information provided as part of this project (from the Industry and Occupational Analysis) to create the workforce profile.
 - b. Position the broader seven-county Golden Crescent region as Yoakum's workforce area, instead of just focusing on DeWitt and Lavaca Counties. Use the seven-county area in conversations about workforce whenever possible, emphasizing the realities of Yoakum's commuting patterns to reinforce the usage of the larger region. This may help to ease concerns from some potential employers that Yoakum's workforce is too small.

OTHER CONSIDERATIONS FOR SUCCESS

There are a number of factors beyond the scope of this study that will also impact Yoakum's ability to grow its economy. Here are some of the most important considerations beyond business recruitment and marketing:

- Make efforts to streamline the city's development review process (permitting, utilities, and development regulations) in a way that best supports the expansion needs of existing and future employers.
- Work closely with existing employers to address their challenges and support their current and future expansions. Help local businesses grow by helping them serve the large, growing population in nearby metro areas (Houston, Austin, San Antonio, and Corpus Christi). Consider developing a formalized business retention and expansion program to open up lines of communication with local employers and address their needs in a timely manner.
- Find ways to satisfy the demand for new housing, especially multi-family housing. Identify areas where impacts to existing neighborhoods would be minimized.
- Build on the relationships between Yoakum ISD and local employers to ensure that the community's educational providers are closely connected to the marketplace.
- Ensure that the city's capital improvements and land use regulations support the long-term improvement of the community in a manner consistent with enhancing the city's business climate and appeal as a destination for investment.
- Conduct a periodic examination of Yoakum's quality of life offerings to determine which gaps exist, paying special attention to the needs/desires of young adults.
- Work with local and state elected officials to lobby for future highway expansions along State Highways 111, 77, and 95.
- Explore the potential to further develop a ranching/western brand for Yoakum that capitalizes on relevant community's assets including: Double D Ranchwear, the leather & saddle industry, and the city's location in the booming Eagle Ford Shale oil & gas region.
- Position Yoakum as a tourist destination.
- Support the continued growth and success of Yoakum's existing businesses in the retail, restaurants, & hotels industry. Also, seek opportunities to attract new businesses and development in this sector.

IMPLEMENTATION

A strong implementation strategy can be the key to bringing a plan to fruition. Identifying opportunities and the steps needed to make them reality is not enough. Setting priorities is perhaps the most important role that a solid implementation strategy should fulfill. Having clearly established priorities is essential for effective use of public resources.

The Yoakum EDC is ultimately responsible for implementing the recommendations provided in this Business Recruitment & Marketing Strategy and setting priorities is the first step toward implementation. TIP has provided the following list of priority strategies to be used as a starting point for discussion. Below are some of the most important recommendations (in no particular order) that offer the greatest potential to set Yoakum on a path toward long-term economic prosperity.

PRIORITY STRATEGIES:

- Hire a new EDC director with experience recruiting companies in one or more of Yoakum's target industries. (Strategy 1.1)
- As part of the city's marketing & business recruitment strategy, focus on key target audiences: site location consultants, real estate brokers and other commercial/industrial real estate professionals, utility companies, attorneys, accountants, and other relevant professionals. (Strategy 1.2)
- Enlist Yoakum's existing employers in the community's business attraction program. (Strategy 1.3)
- Work with an experienced industrial real estate developer to evaluate the market potential of the former Tandy Brands building for re-use. (Strategy 1.4)
- Meet with Caterpillar representatives from Victoria and Seguin to identify potential supplier opportunities. (Strategy 1.6)
- Treat downtown Yoakum as a business park, viewing it as an asset that can be leveraged to attract unique small businesses (restaurants, professional services firms, specialty retailers) that add to Yoakum's economic base and enhance the vitality of the city's central business district. (Strategy 2.1)
- Work with local employers and the real estate community to increase the amount of available office space in Yoakum. (Strategy 2.4)
- Ensure that the Yoakum EDC website provides valuable information for site location consultants and business executives. (Strategy 3.1)

INDUSTRY AND OCCUPATIONAL ANALYSIS

INTRODUCTION

To provide a common framework for our recommendations, TIP began by compiling demographic and economic data on Yoakum, DeWitt County, and Lavaca County. This analysis focused on the city and the county in the context of the seven-county Golden Crescent region and the state where appropriate. The Golden Crescent region includes the counties of Calhoun, DeWitt, Goliad, Gonzales, Jackson, Lavaca, and Victoria. These seven counties serve as the service boundaries of both the Golden Crescent Regional Planning Commission (the council of governments) and the Golden Crescent Workforce Development Board.

The purpose of this report is to understand Yoakum's relative economic position and highlight its competitive advantages and disadvantages. The information from the Industry and Occupational Analysis, along with public input collected during the discovery phase, formed the knowledge base for the recommendations included in the Business Recruitment & Marketing Strategy.

ABOUT THE DATA

We based our findings on: 1) A review of relevant studies, plans, and other material provided by the City of Yoakum and others; and 2) A review of economic and demographic data from primary and secondary sources, including the U.S. Census Bureau, the Internal Revenue Service, the U.S. Bureau of Labor Statistics, Economic Modeling Specialists Inc. (EMSI), and other sources.

The data and analysis is organized within three categories:

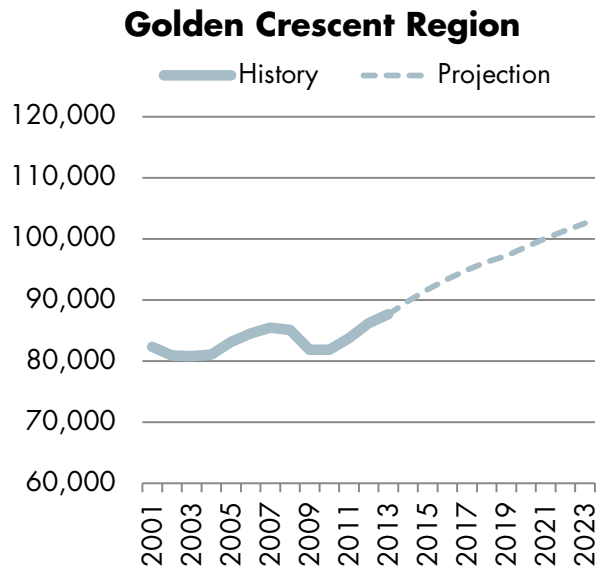
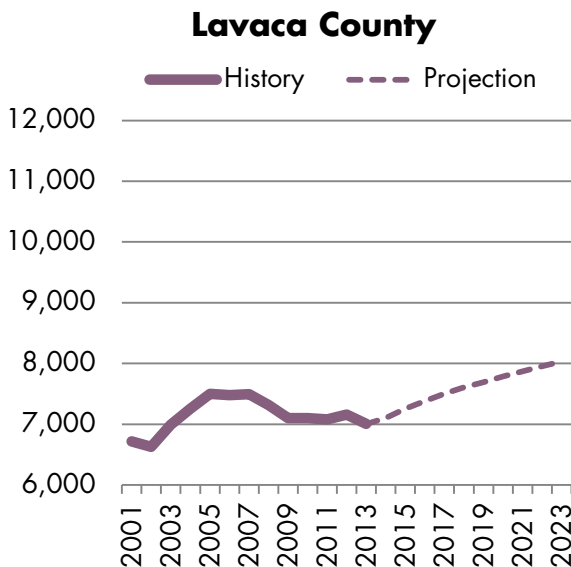
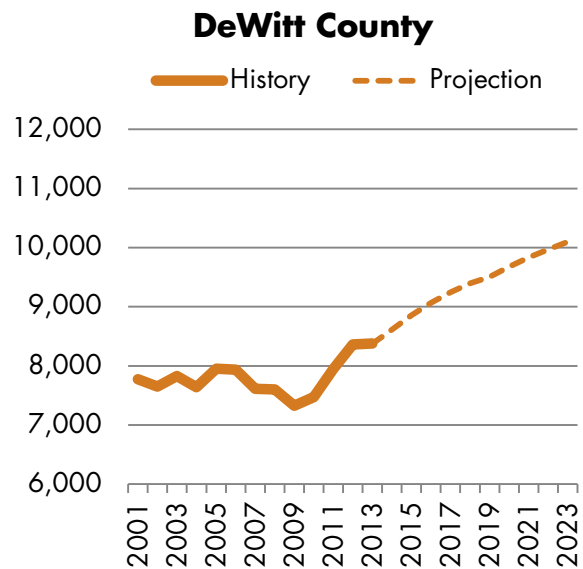
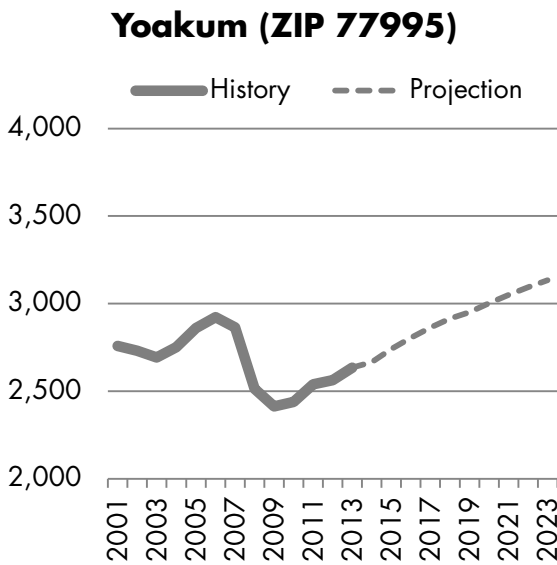
1. Economy
2. Workforce
3. Business Climate

ECONOMY

THE JOB BASE IN YOAKUM AND THE SURROUNDING AREA

AVERAGE ANNUAL EMPLOYMENT, ACTUAL (2001-2013), AND PROJECTED (2014-2023)

Yoakum lost a significant portion (17.4%) of its employment base during the Great Recession, but has experienced job growth in each year since 2009. In recent years, DeWitt County has undergone strong job growth, largely due to the Eagle Ford Shale, while Lavaca County’s total employment has been stagnant. The Golden Crescent region as a whole has gained several thousand jobs in the last few years. EMSI projects that each of these geographies will experience robust job growth from 2014 to 2023.



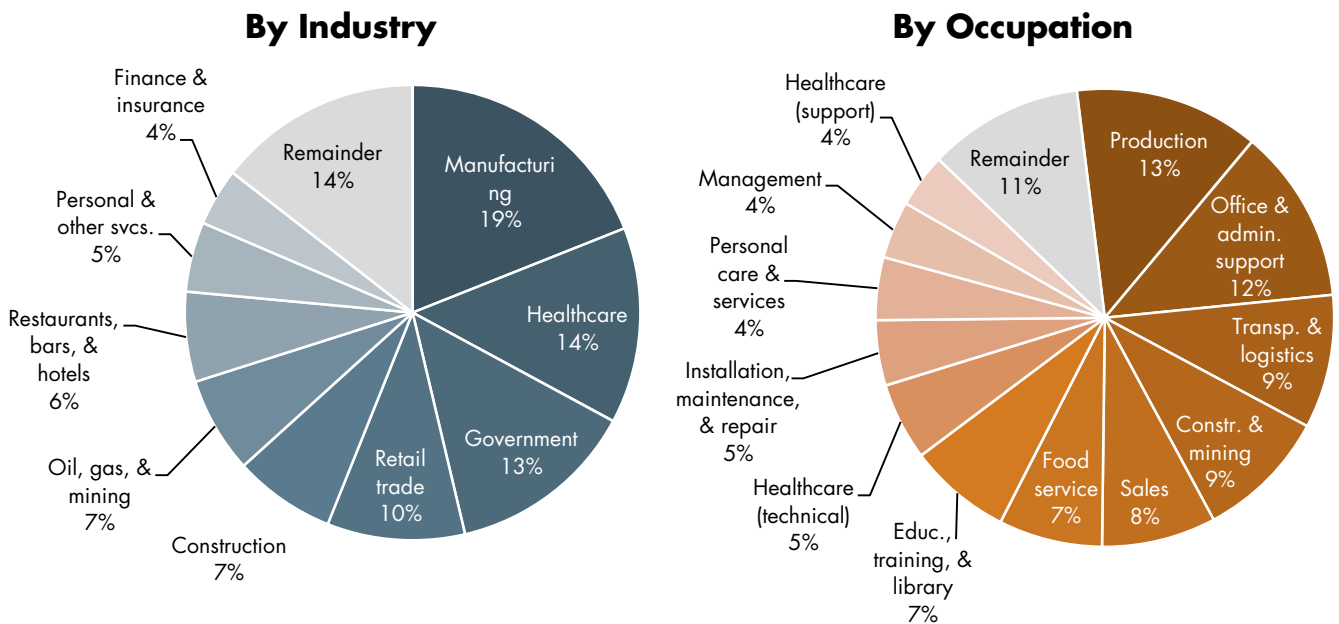
Source (all figures): EMSI Complete Employment 2014.2

DISTRIBUTION OF JOBS IN YOAKUM

SHARE OF TOTAL EMPLOYMENT IN YOAKUM (ZIP 77995) BY INDUSTRY AND OCCUPATION, 2014

Manufacturing is Yoakum’s largest industry, accounting for 19% of all jobs. Three other industries account for at least 10% of Yoakum’s employment: healthcare (14%), government (13%), and retail trade (10%). These top four industries represent 56% of all jobs in Yoakum. The oil, gas, & mining industry makes up 7% of Yoakum’s job base.

Production occupations are the largest category in Yoakum, making up 13% of the city’s total jobs. Office & administrative support makes up 12% of Yoakum’s occupations. Transportation & logistics and construction & mining each account for 9% of the city’s total employment. Sales occupations make up 8% of all jobs. Together, these top five occupational categories represent 51% of the city’s job base.

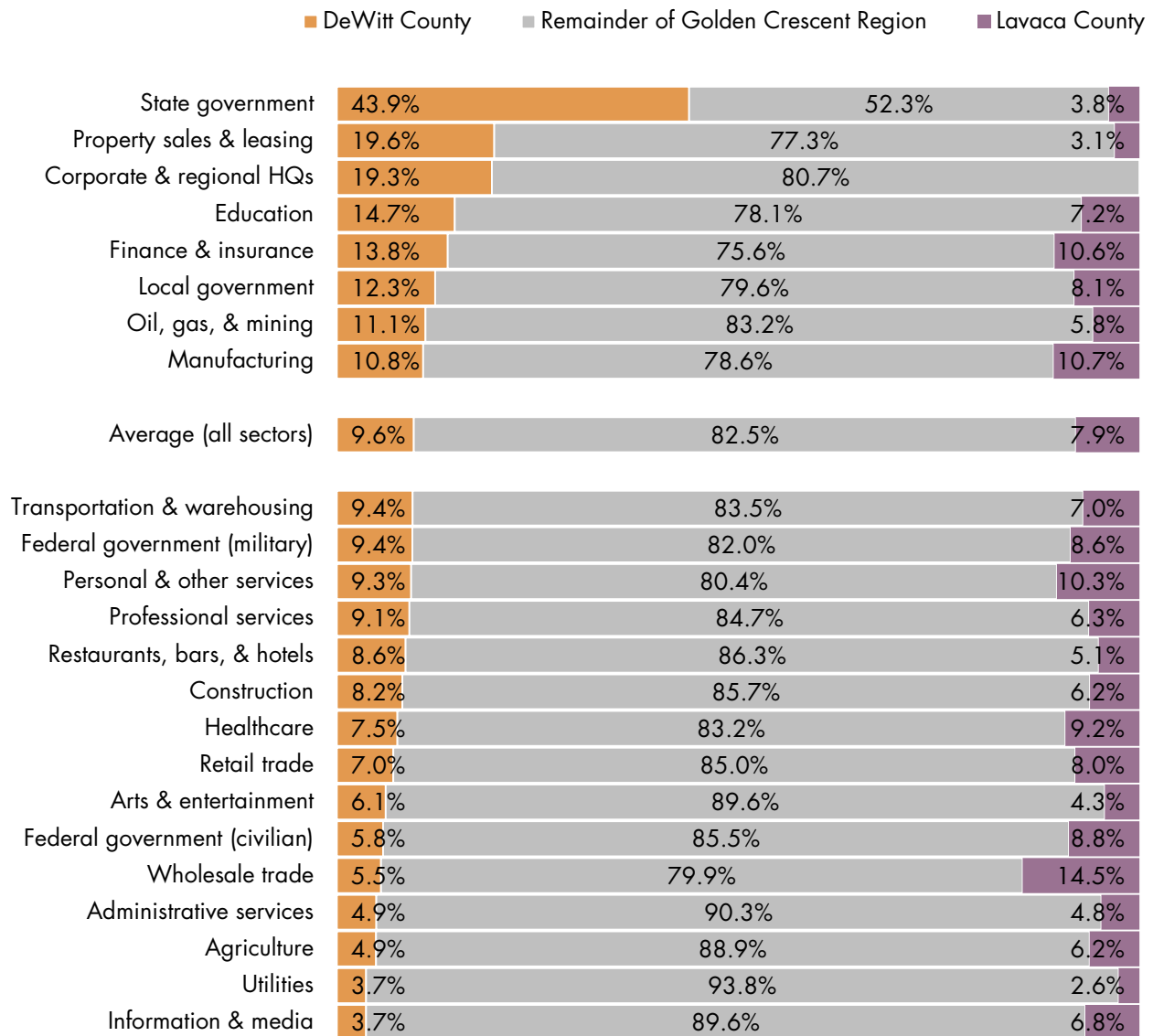


Source: EMSI Complete Employment 2014.2. Note: Yoakum is defined here as ZIP Code 77995

GEOGRAPHIC DISTRIBUTION OF JOBS BY SECTOR IN THE GOLDEN CRESCENT REGION

SHARE OF TOTAL EMPLOYMENT BY MAJOR INDUSTRY FOR DEWITT COUNTY, LAVACA COUNTY, AND THE REMAINDER OF THE GOLDEN CRESCENT REGION, 2014

DeWitt County accounts for 9.6% of all jobs in the Golden Crescent region and Lavaca County has 7.9% of the region’s jobs. DeWitt County has a much higher percentage of jobs in state government; property sales & leasing; corporate & regional HQs; and oil, gas, & mining than Lavaca County. Lavaca County has a larger percentage of jobs in wholesale trade, healthcare, and retail trade than DeWitt County.

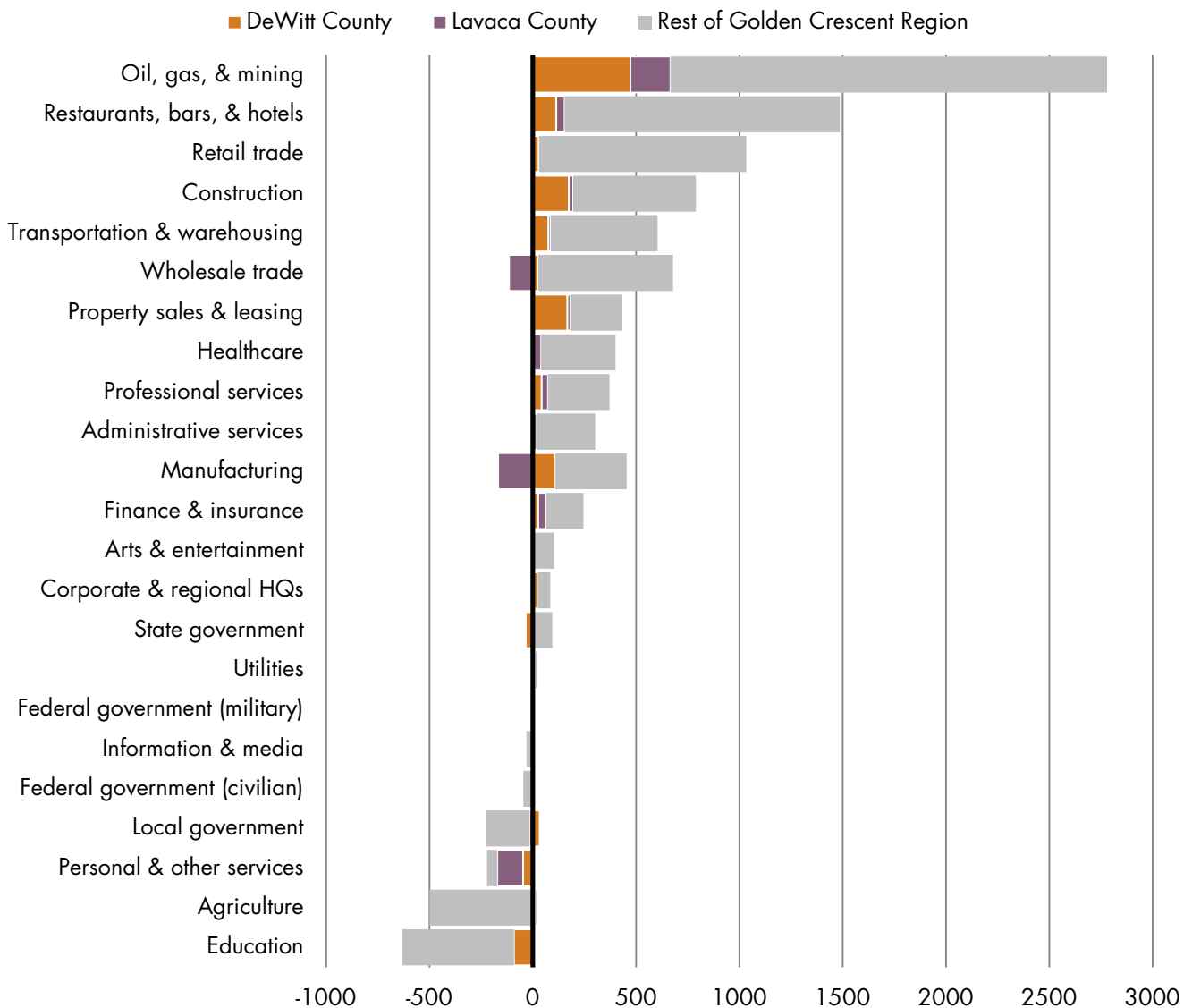


Source: EMSI Complete Employment 2014.2

NET JOB CHANGE BY INDUSTRY GROUP IN GOLDEN CRESCENT REGION

INCLUDING DEWITT COUNTY AND LAVACA COUNTY SHARE OF CHANGE, 2010-2014

The Golden Crescent region has gained nearly 8,000 jobs from 2010-2014. Most sectors have grown substantially, with only four sectors (local government, personal & other services, agriculture, and education) losing more than 100 jobs. The region’s job growth has been largely driven by the oil, gas, & mining industry, which has grown by 2,780 jobs since 2010. Each of the following industries has added more than 500 jobs in the Golden Crescent region since 2010: restaurants, bars, & hotels; retail trade, construction, transportation & warehousing, and wholesale trade.

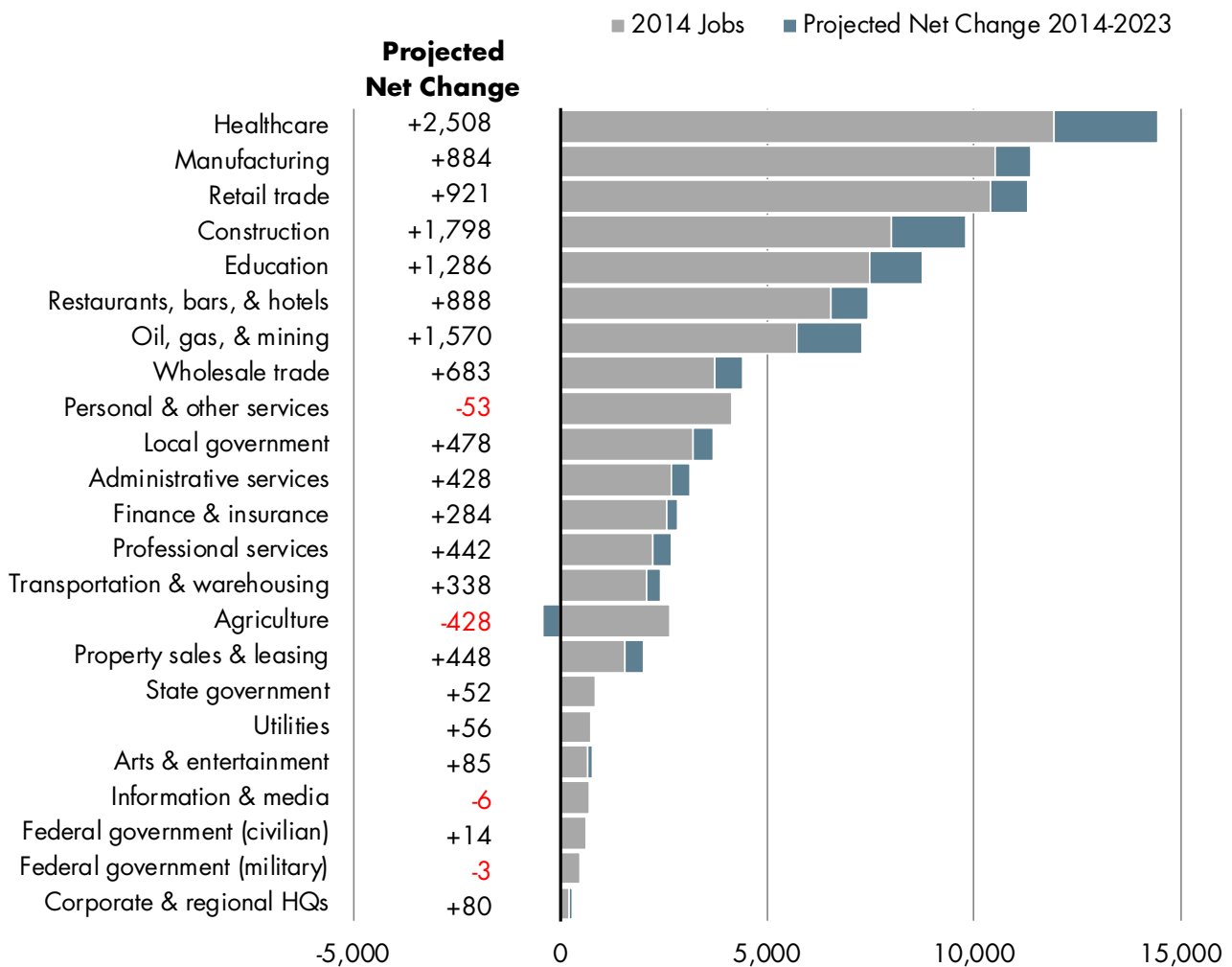


Source: EMSI Complete Employment 2014.2

GOLDEN CRESCENT REGION JOB BASE IN 2014 + PROJECTED NET CHANGE THROUGH 2023

PROJECTED NET CHANGE BY INDUSTRY GROUP THROUGH 2023

Strong job growth in the Golden Crescent region is expected to continue over the next decade. EMSI projects that the metro area will add another 12,750 jobs between 2014 and 2023. Healthcare and construction are projected to add the most jobs, 2,500, and 1,800, respectively. Oil, gas, & mining is also expected to continue its robust growth, adding 1,570 jobs. Manufacturing, the region's second largest industry in 2014, will grow at a moderate pace, adding nearly 900 new jobs. Only agriculture is expected to experience a significant decline in employment, a loss of more than 400 jobs.



Source: EMSI Complete Employment 2014.2

INDUSTRY SECTOR STRENGTHS RELATIVE TO THE U.S.

LOCATION QUOTIENT ANALYSIS FOR DEWITT COUNTY, LAVACA COUNTY, AND THE GOLDEN CRESCENT REGION, 2014

The Golden Crescent region has an extremely high concentration of jobs in the oil, gas, & mining industry, with an LQ* of 11.35. DeWitt County and Lavaca County also have strong oil, gas, & mining sectors, with LQs of 13.09 and 8.26, respectively. Other industries that are highly concentrated in DeWitt County, Lavaca County, and the Golden Crescent region include agriculture, construction, and manufacturing. DeWitt County has particular strengths in property sales & leasing (2.17), local government (1.27), education (1.37), and state government (2.90). Lavaca County has above average concentrations of jobs in wholesale trade (1.96) and personal & other services (1.22).

	DeWitt County	Lavaca County	Golden Crescent Region
Oil, gas, & mining	13.09	8.26	11.35
Agriculture	1.23	1.90	2.41
Utilities	0.87	0.74	2.28
Construction	1.47	1.34	1.72
Manufacturing	1.63	1.96	1.46
Retail trade	0.81	1.11	1.11
Wholesale trade	0.61	1.96	1.06
Property sales & leasing	2.17	0.41	1.06
Healthcare	0.81	1.20	1.03
Local government	1.27	1.01	0.99
Personal & other services	0.90	1.22	0.93
Education	1.37	0.81	0.89
Restaurants, bars, & hotels	0.78	0.56	0.88
Transportation & warehousing	0.71	0.64	0.72
Finance & insurance	1.01	0.94	0.70
State government	2.90	0.30	0.63
Administrative services	0.25	0.29	0.48
Arts & entertainment	0.29	0.25	0.45
Information & media	0.16	0.36	0.43
Federal government (military)	0.41	0.45	0.42
Professional services	0.38	0.32	0.40
Federal government (civilian)	0.23	0.41	0.37
Corporate & regional HQs	0.33	0.00	0.17

Source: EMSI Complete Employment 2014.2

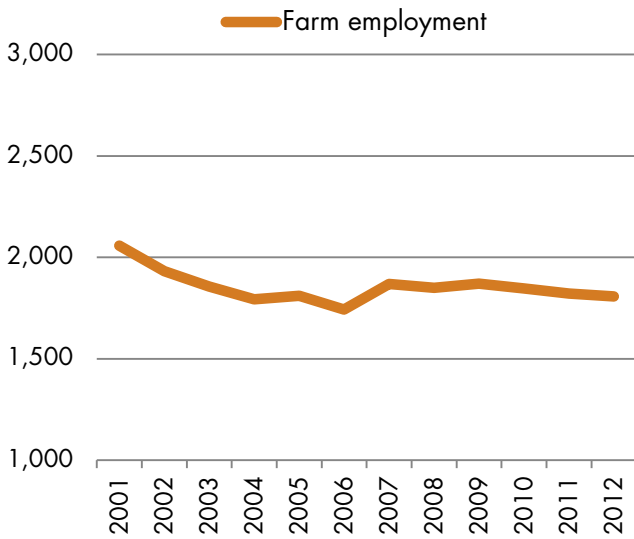
*LQ stands for Location Quotient. LQs are calculated by comparing a sector’s share of total local employment to the sector’s national share. An LQ of 1.00 indicates that the sector commands an average (expected) share of the local economy. LQs above 1.20 indicate a strong local sector, while those less than 0.80 indicate a weak local sector.

FARM EMPLOYMENT TRENDS

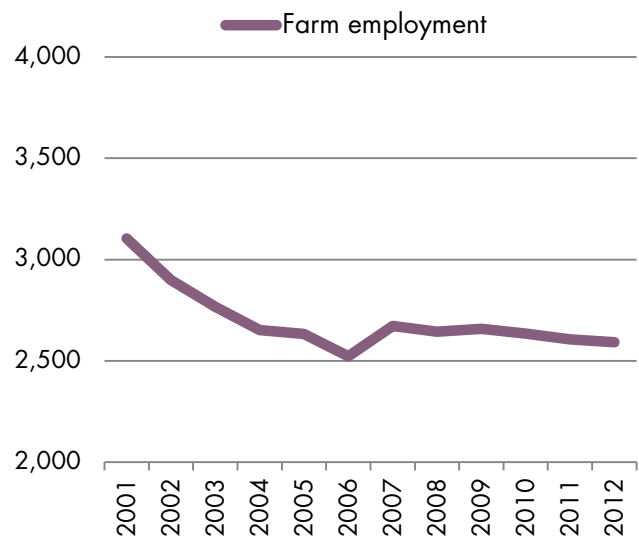
AVERAGE ANNUAL EMPLOYMENT, ACTUAL (2001-2013) AND PROJECTED (2014-2023)

Farm employment in DeWitt County and Lavaca County has declined significantly since 2001, a drop of 12% in DeWitt County and a drop of 16% in Lavaca County, similar to the 14% decline in Texas as a whole. However, agriculture is still a very important part of the local economy in DeWitt County and Lavaca County. DeWitt County has 88.2 farm jobs per 1,000 residents, more than 9 times higher the Texas average of 9.6. And Lavaca County has 132.4 farm jobs per 1,000 residents, nearly 14 times more than Texas.

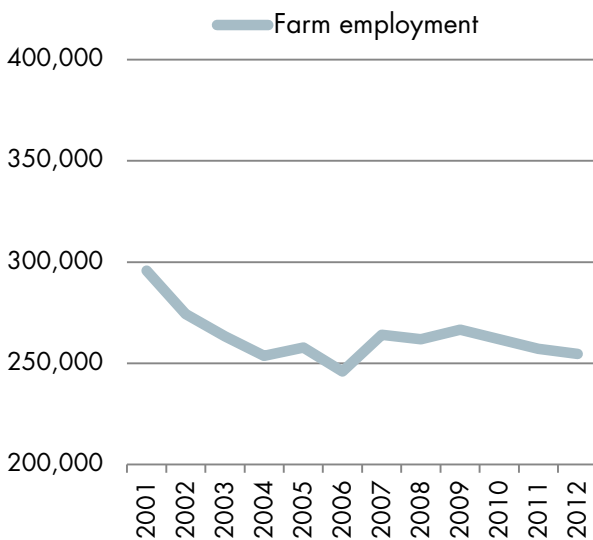
DeWitt County



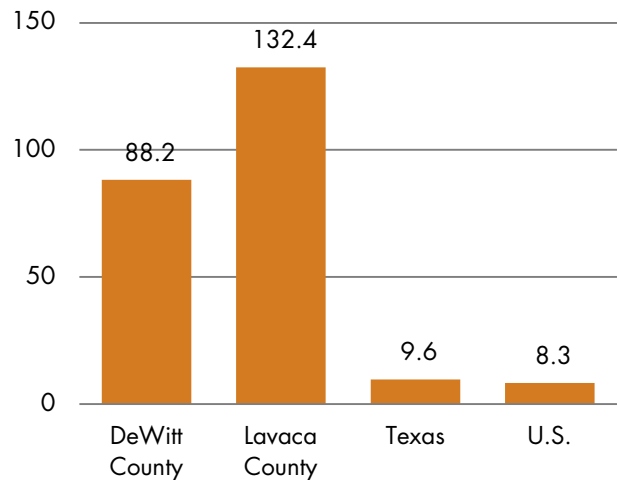
Lavaca County



Texas



Farm Employment per 1,000 residents (2012)

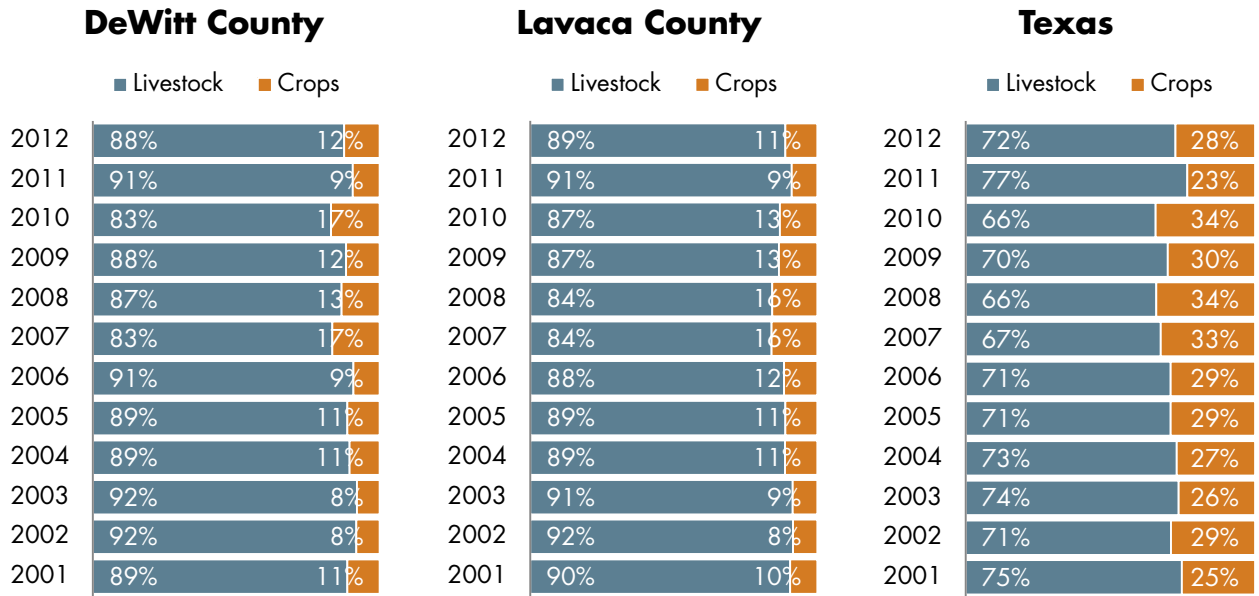


Source (all figures): Bureau of Economic Analysis

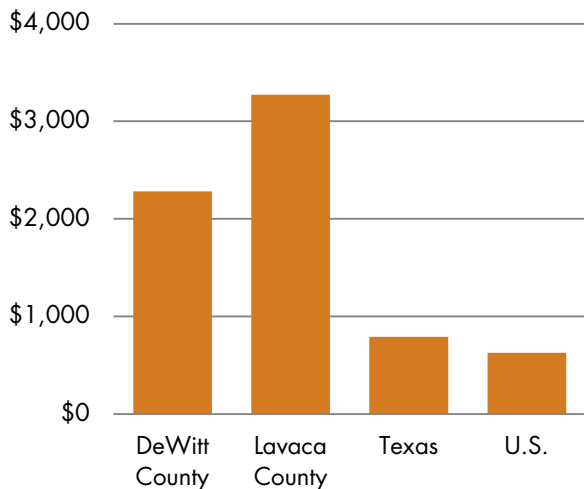
LIVESTOCK AND CROPS TRENDS

PERCENTAGE OF ANNUAL CASH RECEIPTS FROM LIVESTOCK AND CROPS, 2001-2012. AND CASH RECEIPTS FROM LIVESTOCK AND CROPS PER CAPITA, 2012.

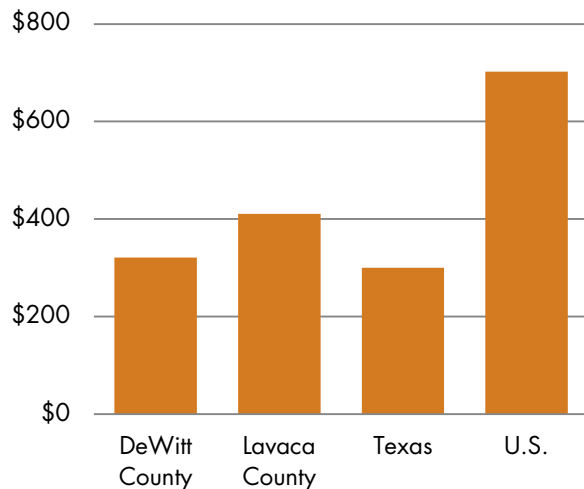
DeWitt County and Lavaca County specialize in livestock production more than Texas as a whole. In most years, livestock make up more than 85% of the total cash receipts from agricultural products in each county. This specialization in livestock is also apparent in cash receipts from livestock per capita, which were nearly \$2,300 in 2012 for DeWitt County and almost \$3,300 in Lavaca County, compared to less than \$800 in Texas as a whole.



Cash Receipts From Livestock Per Capita (2012)



Cash Receipts from Crops per capita (2012)

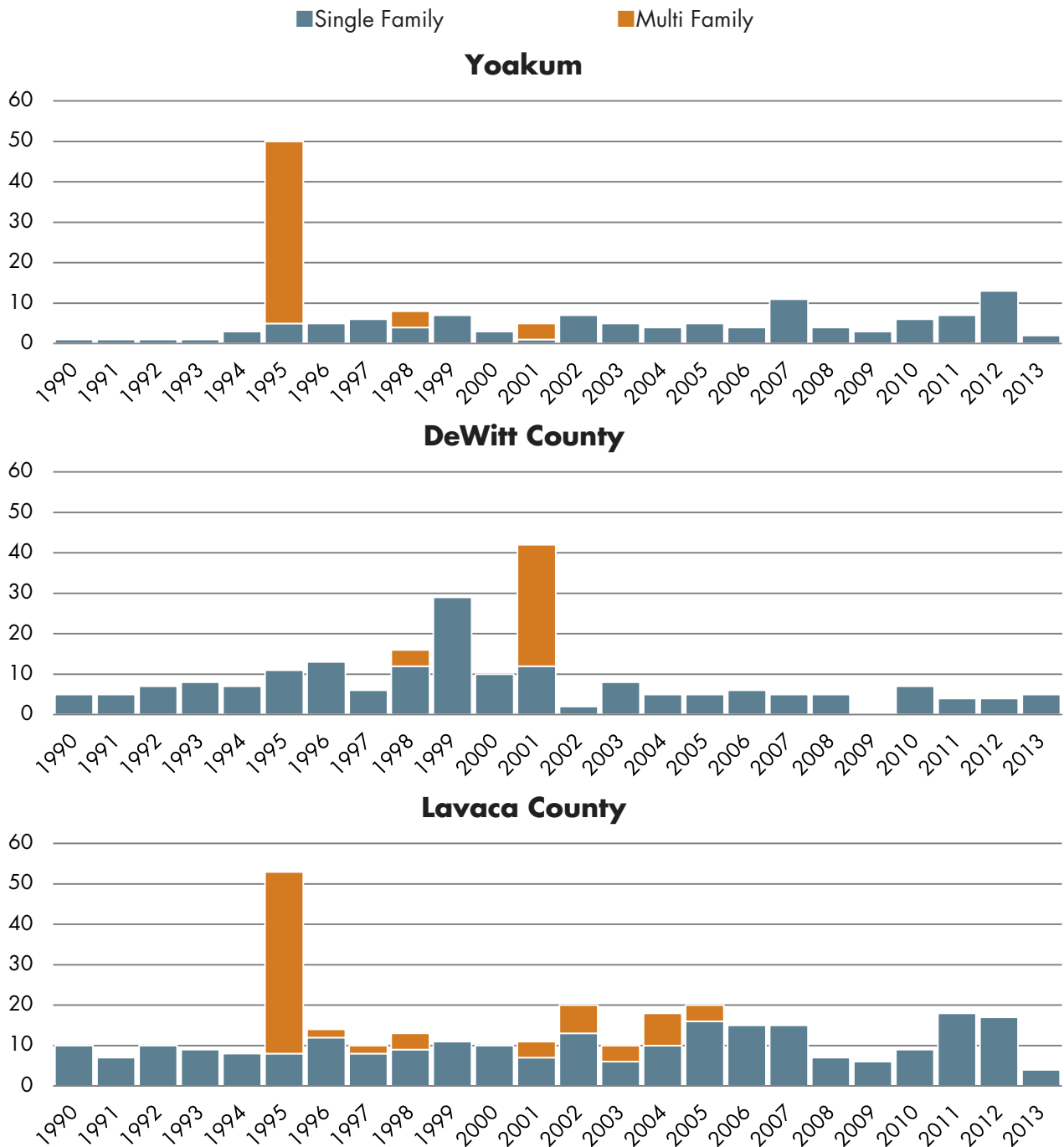


Source (all figures): Bureau of Economic Analysis

NEW HOUSING UNITS PERMITTED

TOTAL NUMBER OF HOUSING UNITS PERMITTED, 2010-2013

Yoakum has gained a minimal amount of new housing units over the last couple decades. Since 1990, Yoakum has issued 109 permits for single-family homes and 53 permits for multi-family homes, an average of less than 7 housing permits per year. The city has not issued a multi-family permit since 2001.

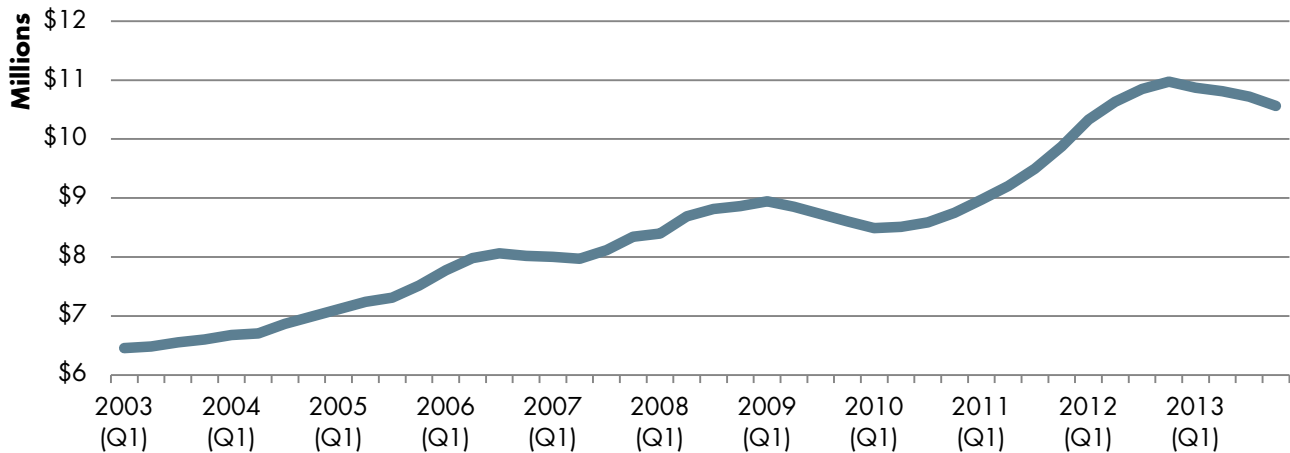


Source (all figures): U.S. Department of Housing and Urban Development Building Permits Database

YOAKUM TAXABLE RETAIL SALES

QUARTERLY ROLLING AVERAGE (AVERAGE OF LAST 4 QUARTERS)

Yoakum's taxable retail sales have grown steadily for most of the last decade. And, unlike most communities, Yoakum's retail sales did not decline during the Great Recession. However, the city's taxable retail sales declined slightly toward the end of 2013.

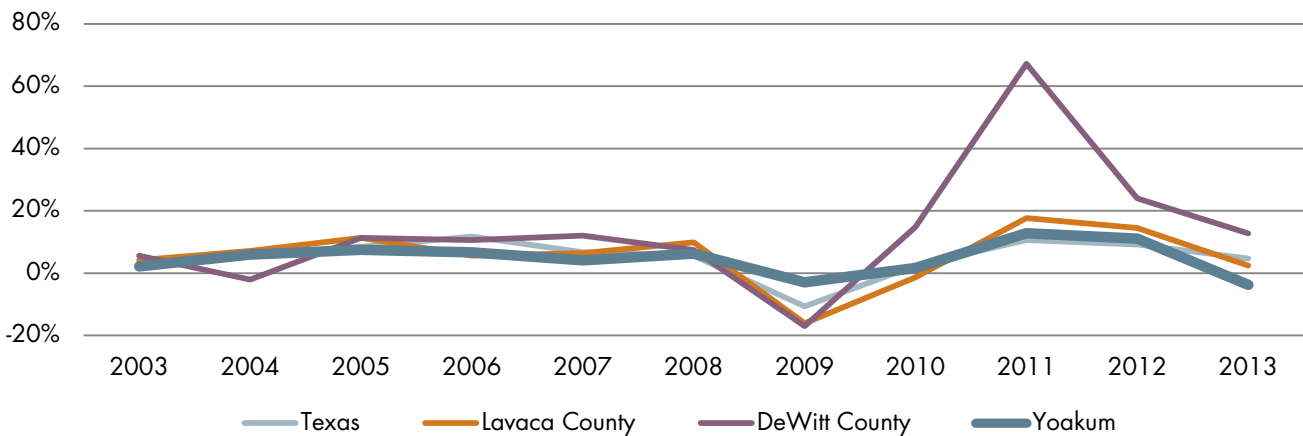


Source: Texas Comptroller of Public Accounts

TAXABLE RETAIL SALES TRENDS COMPARED

PERCENT CHANGE IN TAXABLE RETAIL SALES FROM PRIOR YEAR

Yoakum and Lavaca County's taxable retail sales have grown at a rate similar to Texas since 2003. DeWitt County has enjoyed a major spike in taxable retail sales since 2010 because of the Eagle Ford Shale boom.



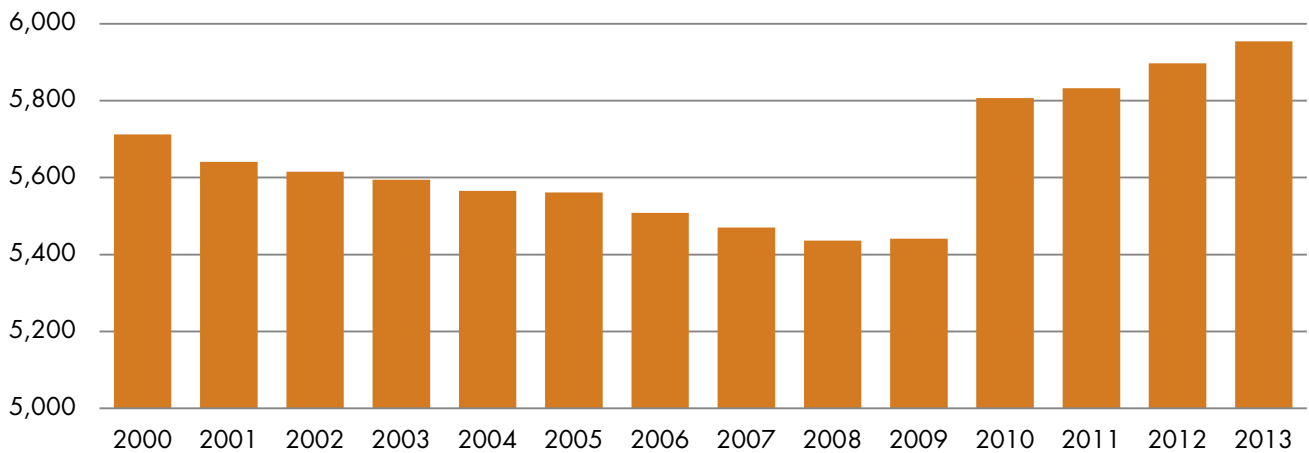
Source: Texas Comptroller of Public Accounts

WORKFORCE

POPULATION GROWTH

YOAKUM POPULATION GROWTH, 2000-2013

Yoakum’s population declined gradually from 2000 until 2009, but has begun to grow again in recent years.

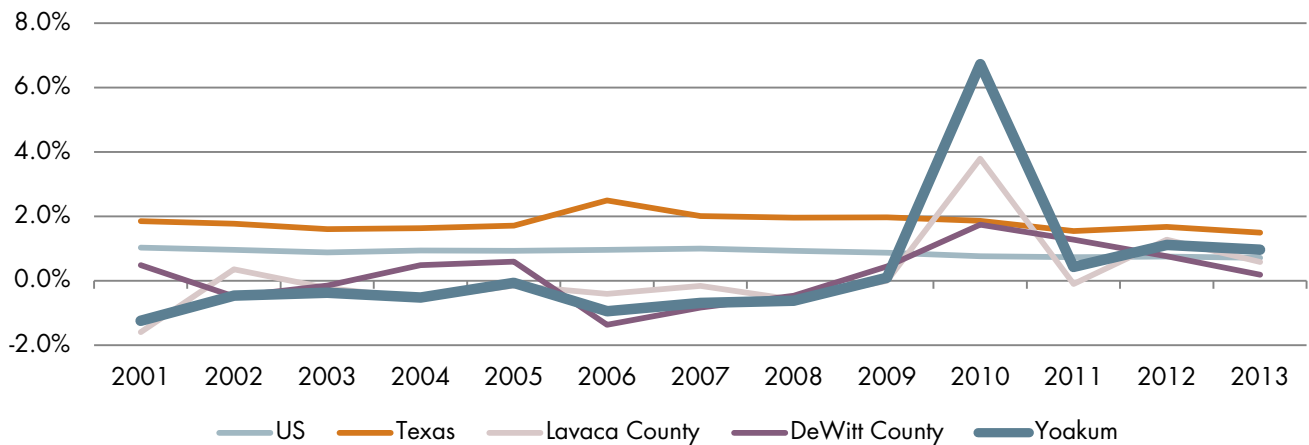


Source: U.S. Census Bureau

ANNUAL CHANGE IN POPULATION

ANNUAL PERCENT GAIN/LOSS OF POPULATION, 2001-2013

Population growth in DeWitt County and Lavaca County was essentially flat from 2001 to 2009. Since 2009, the effects of the oil & gas boom have resulted in significant population growth. Yoakum’s population growth rate in 2012 and 2013 was slightly higher than the U.S. average, but still somewhat lower than the Texas growth rate.



Source: U.S. Census Bureau

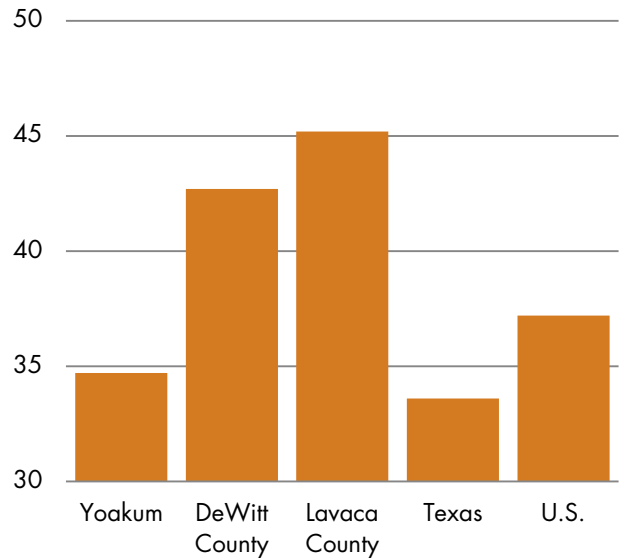
MEDIAN AGE AND AGE BREAKDOWN

MEDIAN AGE AND PERCENT OF TOTAL POPULATION BY AGE GROUP, 2012

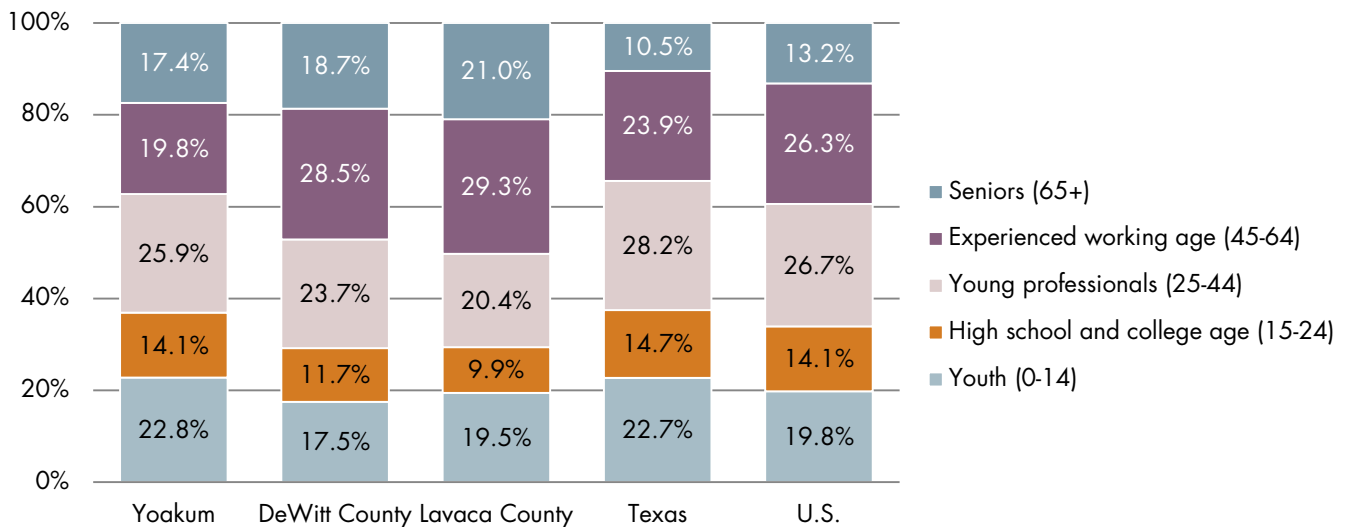
Yoakum’s median age of 34.7 is slightly higher than the Texas median age of 33.6, but lower than the U.S. median age of 37.2. DeWitt County and Lavaca County have much higher median ages, 42.7 and 45.2, respectively.

The young adult age group (25-44) is critical for economic development and the success of businesses. Communities with high proportions of young adults are more prepared to provide the necessary workforce for businesses. 25.9% of Yoakum’s population is in the young professionals’ age cohort, compared to 28.2% for Texas and 26.7% for the U.S. DeWitt County and Lavaca County have much lower percentages of young adults, 23.7% and 20.4%, respectively. Yoakum, DeWitt County, and Lavaca County have a much higher percentage of seniors than that of Texas and the U.S.

Median Age, 2012



Age Breakdown, 2012

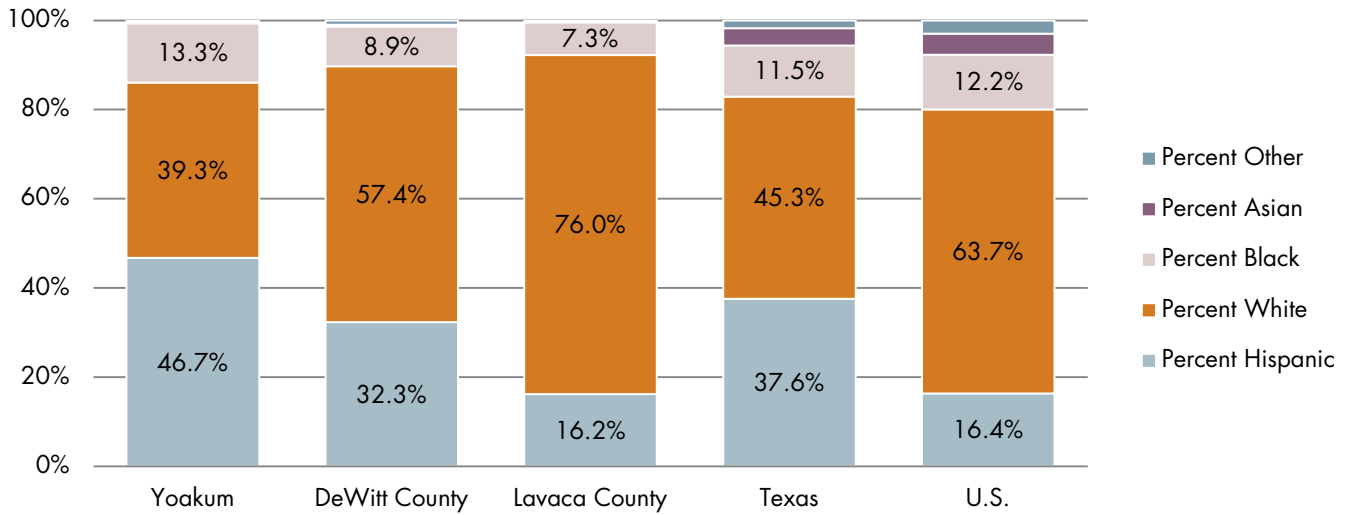


Source (all figures): U.S. Census Bureau

RACIAL/ETHNIC BREAKDOWN

PERCENT OF TOTAL POPULATION BY MAJOR RACE/ETHNIC CATEGORIES, 2012

Yoakum has a much higher percentage of racial/ethnic minorities (46.7% Hispanic and 13.3% black) than DeWitt County (32.3% Hispanic and 8.9% black) and Lavaca County (16.2% Hispanic and 7.3% black).

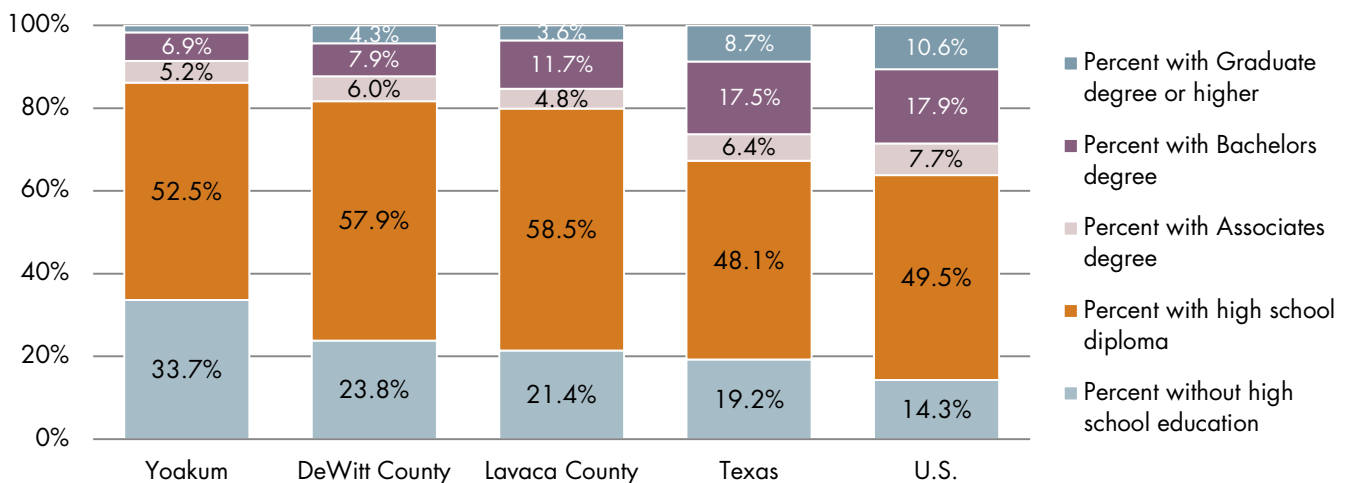


Source: U.S. Census Bureau

EDUCATIONAL ATTAINMENT

SHARE OF TOTAL POPULATION (AGE 25 AND UP) BY LEVEL OF EDUCATION, 2012

Yoakum has a much higher percentage of adults without a high school education (33.7%) than Texas (19.2%) and the U.S. (14.3%). The city also has a low share of adults with college degrees (13.8%) compared to Texas (32.7%) and the U.S. (36.2%). Educational attainment levels in DeWitt County and Lavaca County are higher than Yoakum but lower than Texas and the U.S.

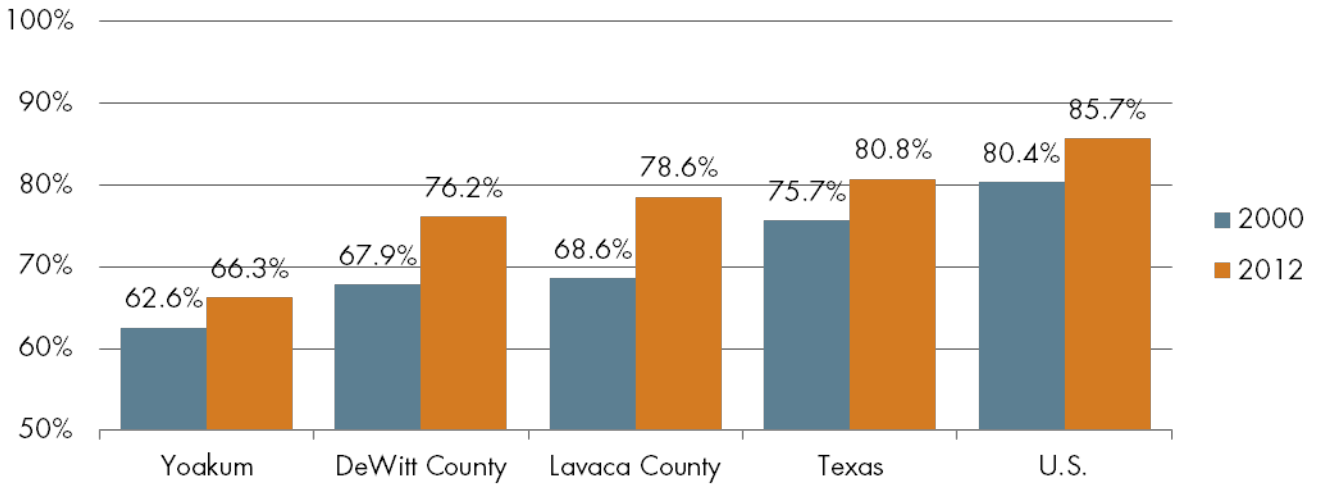


Source: U.S. Census Bureau

EDUCATIONAL ATTAINMENT

PERCENT OF POPULATION (AGE 25+) WITH A HIGH SCHOOL DIPLOMA OR HIGHER, 2000 & 2012

Yoakum has a lower percentage (66.3%) of the population with a high school diploma than Texas as a whole (80.8%), but the city has a higher percentage of adults with a high school education than it did in 2000 (62.6%).

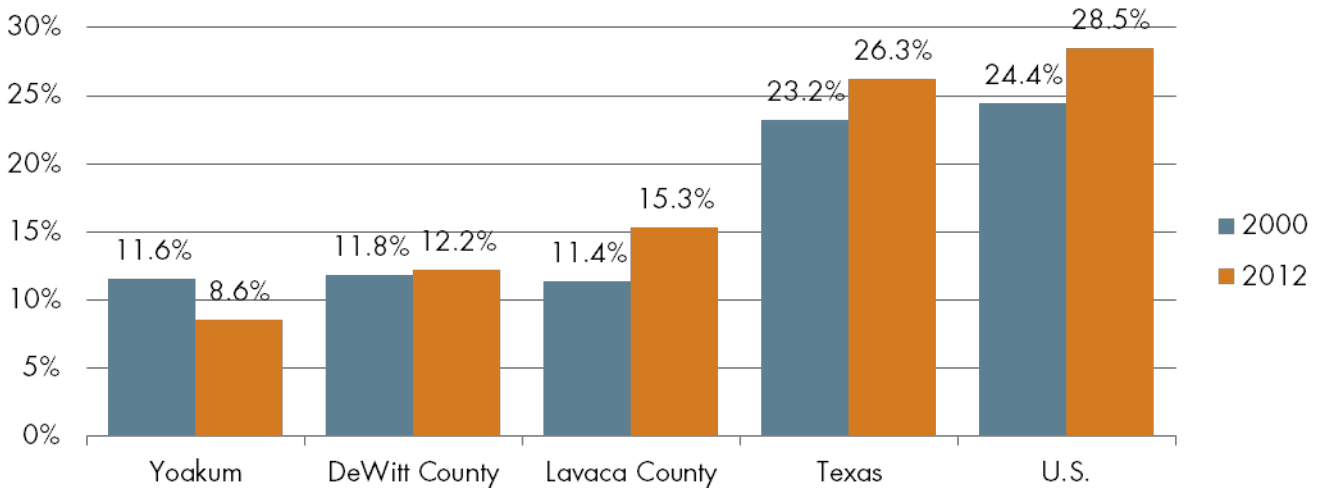


Source: U.S. Census Bureau

EDUCATIONAL ATTAINMENT

PERCENT OF POPULATION (AGE 25+) WITH A BACHELORS DEGREE OR HIGHER, 2000 & 2012

Yoakum has a lower percentage of adults with a Bachelors degree or higher (8.6%) than Texas (26.3%) and this has worsened since 2000, when 11.6% of the city’s adult residents had a Bachelors degree or higher.

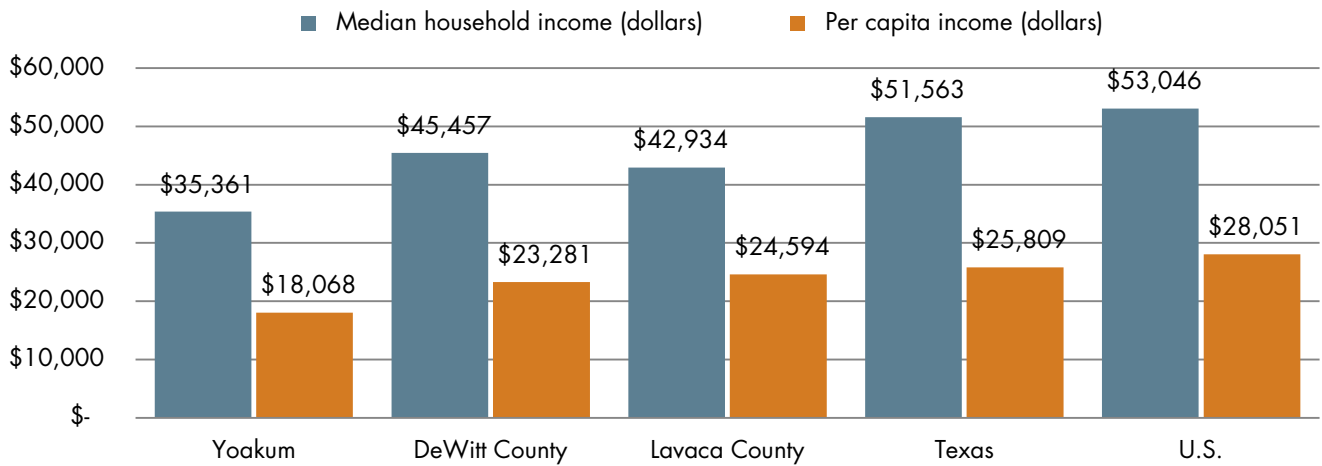


Source: U.S. Census Bureau

ANNUAL INCOME

MEDIAN HOUSEHOLD INCOME AND PER CAPITA INCOME, 2012

Yoakum’s per capita income of \$18,068 is much lower than DeWitt County (\$23,281) and Lavaca County (\$24,594). But the two counties are not far behind the Texas per capita income of \$25,809, which is relatively high for rural counties in a state dominated by large metro areas.

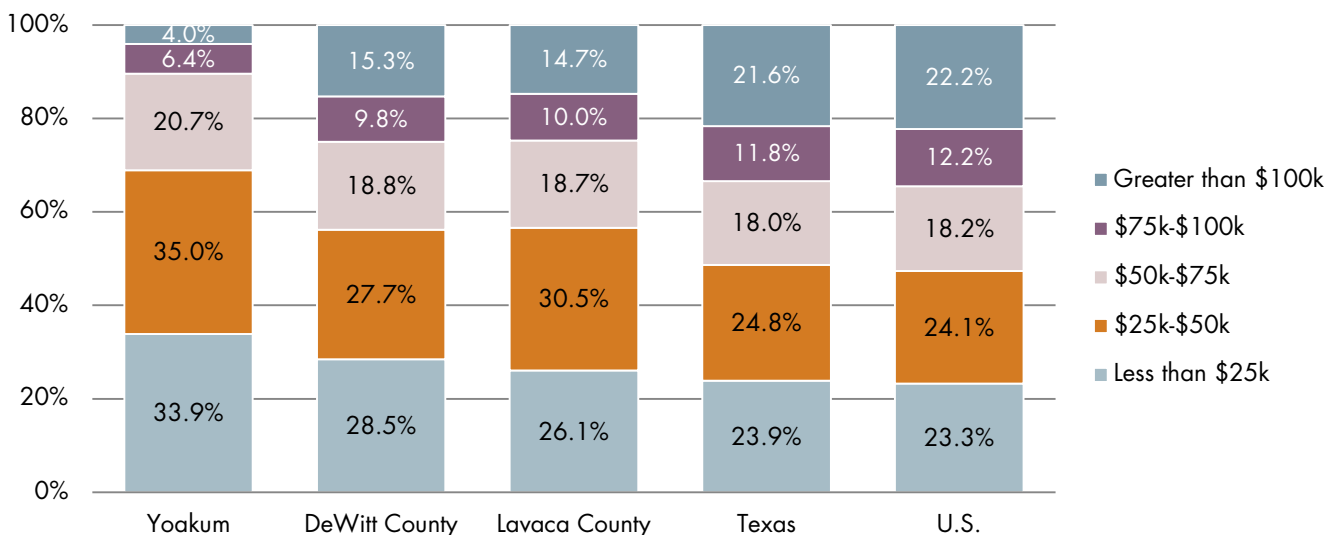


Source: U.S. Census Bureau

INCOME BREAKDOWN

SHARE OF TOTAL POPULATION BY HOUSEHOLD INCOME, 2012

Nearly 2/3 of Yoakum’s households have annual incomes of less than \$50,000. And only 4% of Yoakum households have incomes above \$100,000, compared to 15.3% for DeWitt County and 14.7% for Lavaca County.

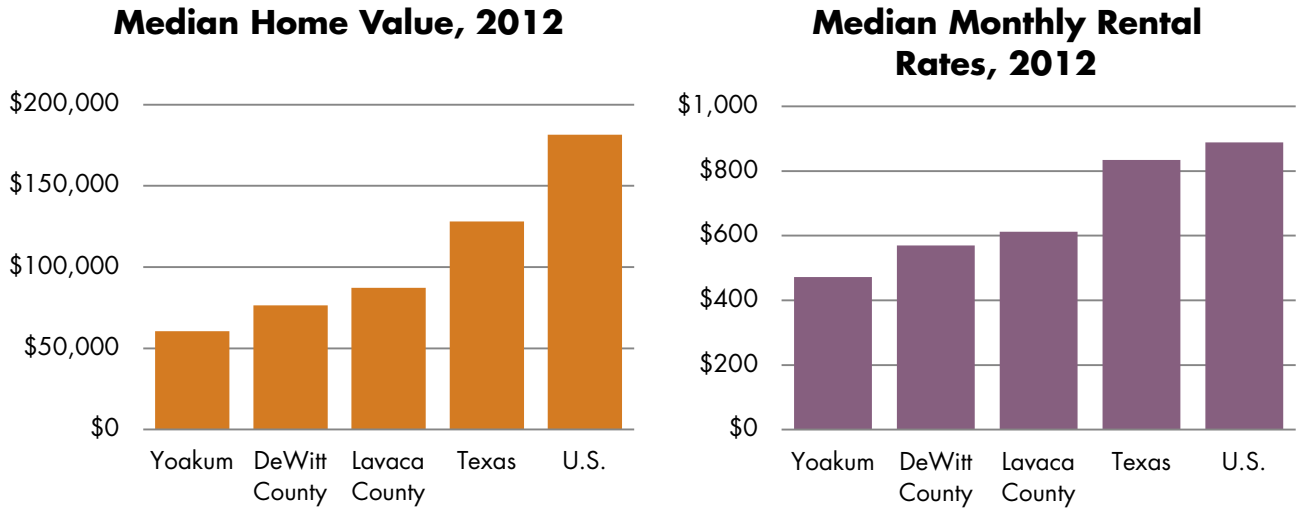


Source: U.S. Census Bureau

HOUSING COSTS

MEDIAN HOME VALUES AND MONTHLY RENTAL RATES, 2012

Housing in Yoakum is very affordable compared to Texas and the U.S. Yoakum’s home values of \$60,000 and monthly rental rates of \$472 are about 50% lower than Texas as a whole.

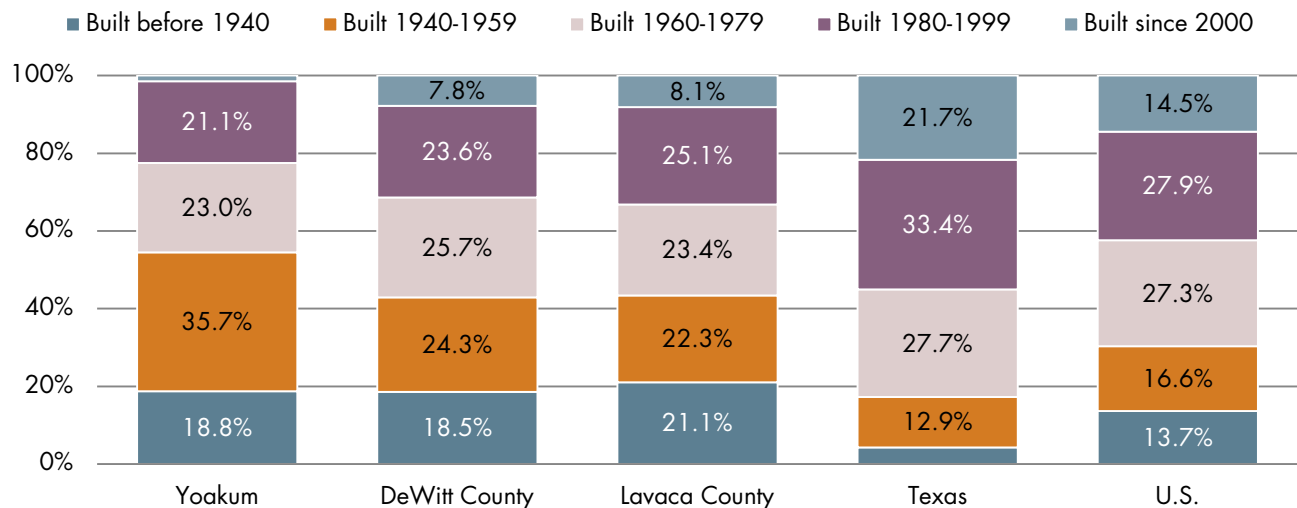


Source: U.S. Census Bureau

HOUSING AGE BREAKDOWN

PERCENT OF TOTAL HOUSING STOCK BY YEAR OF CONSTRUCTION, 2012

Yoakum’s housing stock is much older than Texas as a whole. 54.5% of Yoakum’s homes were built before 1960, compared to only 17.2% for Texas. DeWitt and Lavaca Counties have a slightly newer housing stock than Yoakum.

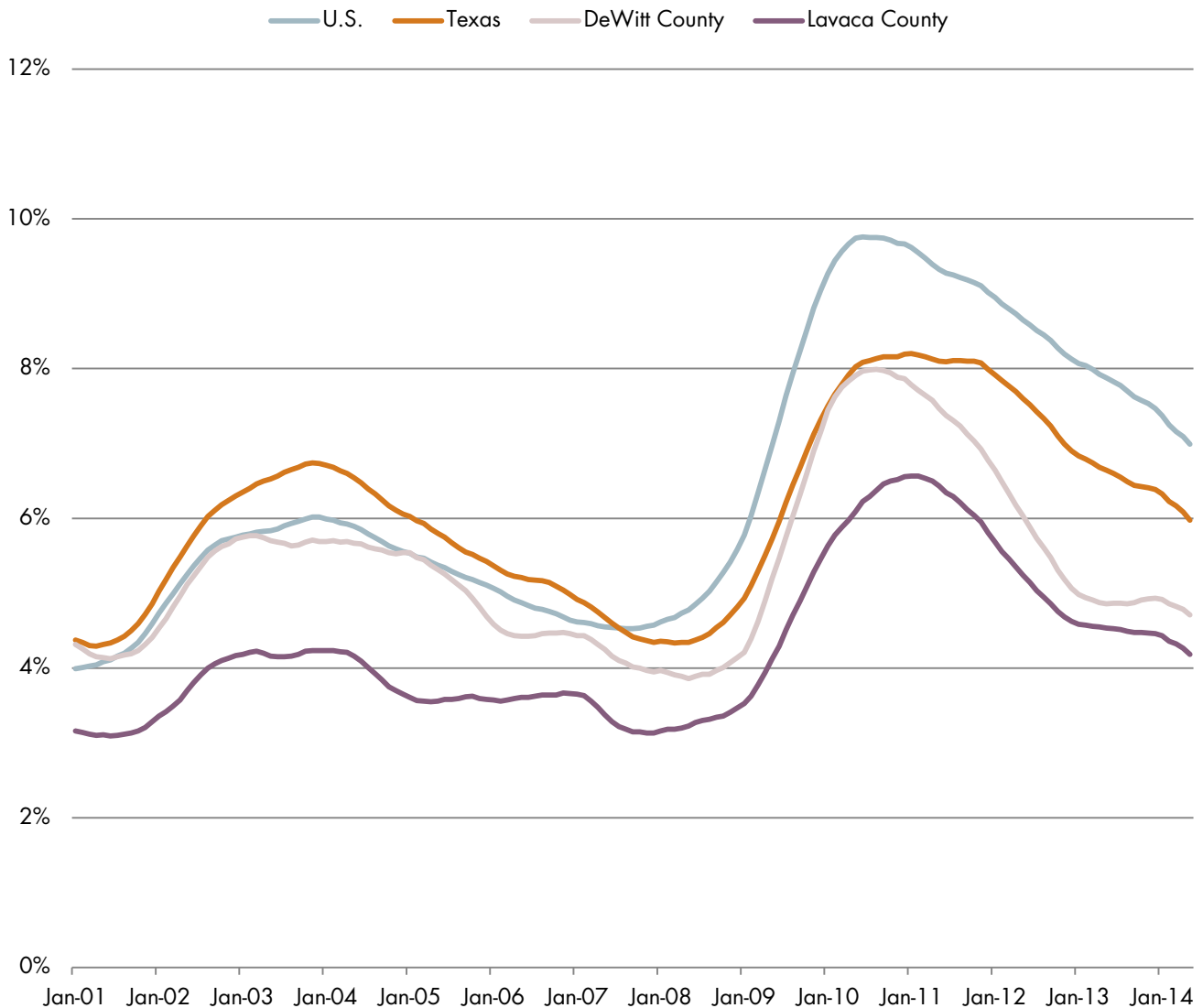


Source: U.S. Census Bureau

UNEMPLOYMENT RATES COMPARED

12-MONTH ROLLING AVERAGE OF SEASONALLY UNADJUSTED JOBLESS RATES

Unemployment rates in DeWitt County remained slightly below the Texas and U.S. rates from 2000 to 2010. Lavaca County's unemployment rate has stayed very low, at or below 4% from 2000 to 2009. During the Great Recession, DeWitt County's unemployment rate matched the Texas rate, but Lavaca County's rate remained much lower. Since 2010, the unemployment rates in both counties have dropped rapidly to levels significantly lower than Texas and the U.S. Much of this can be attributed to the oil & gas boom taking place in both counties and across the Eagle Ford Shale region.

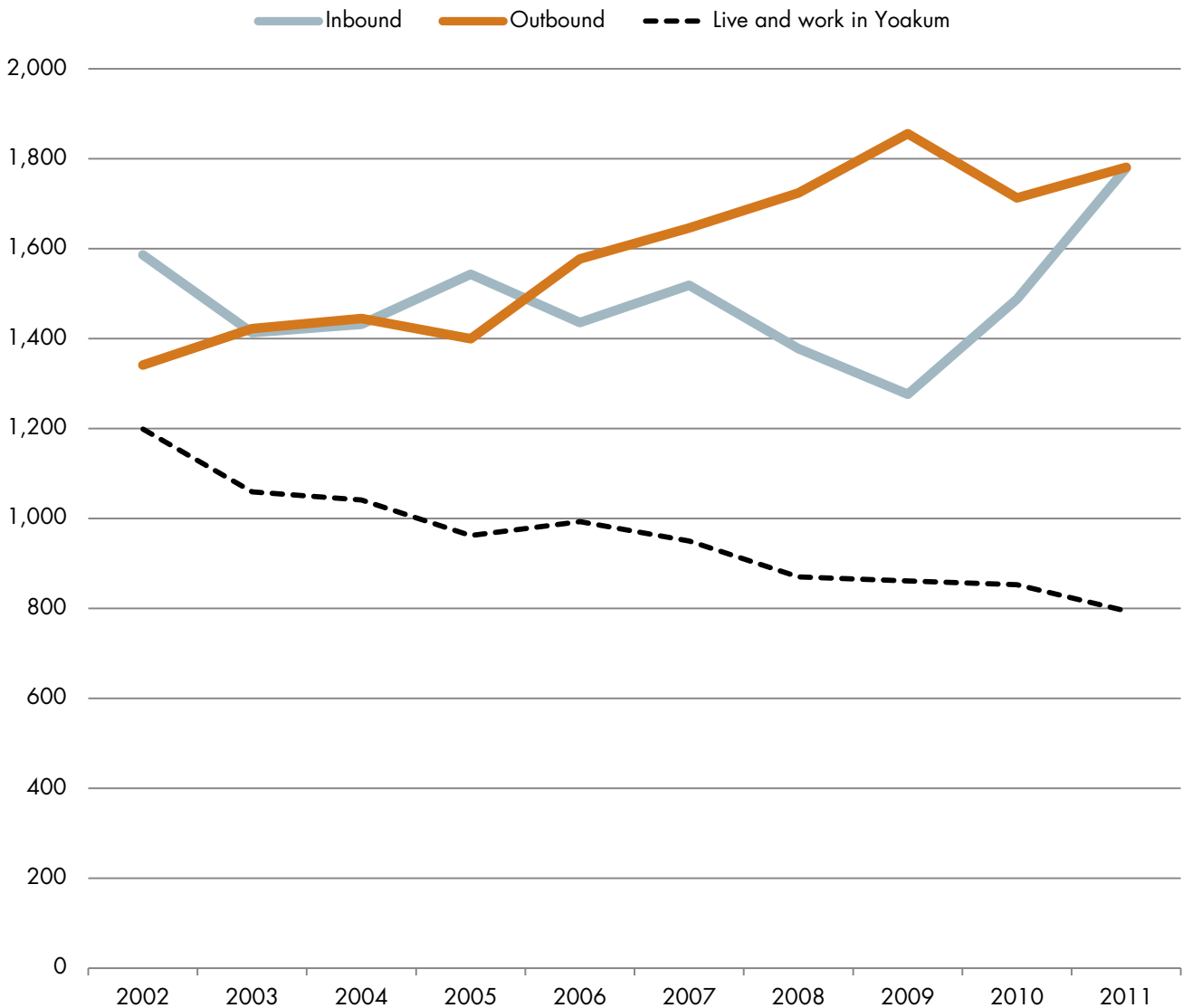


Source: Bureau of Labor Statistics

NET DAILY COMMUTER TRAFFIC FOR YOAKUM

2003-2011

The number of people that both work and live in Yoakum has declined significantly over the last decade, a drop of 34%. At the same time, the number of Yoakum residents that work outside of the city is 33% higher in 2011 than it was in 2002. And the number of people that work in Yoakum, but live outside of the city has risen by 12% since 2002. All of this points to a growing degree of regional economic integration and live/work mobility. Yoakum’s local economy is increasingly linked to the broader regional economy of the seven-county Golden Crescent region.

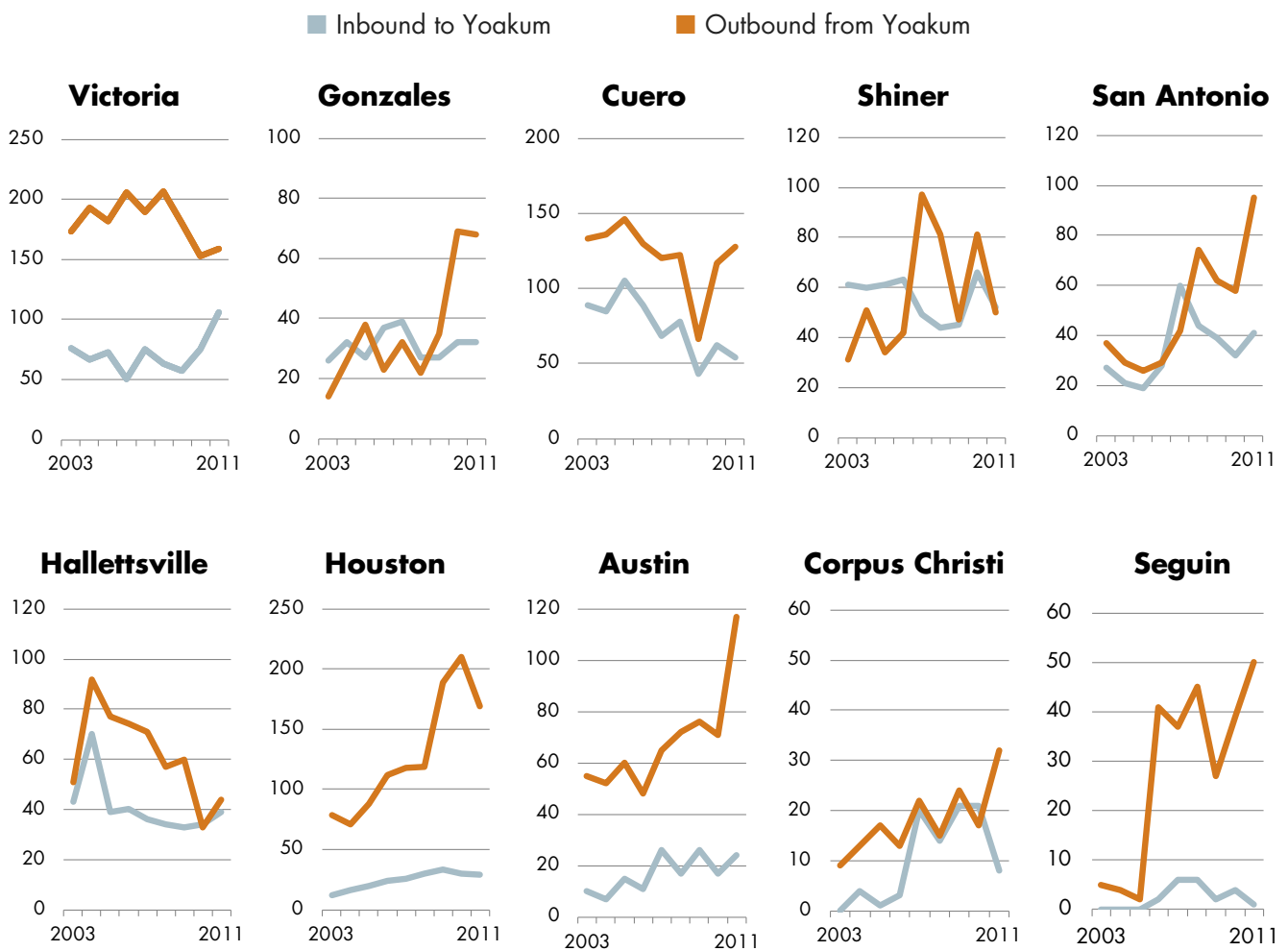


Source: U.S. Census Bureau, Local Employment Dynamics (LED) database

SIGNIFICANT COMMUTING PATTERNS BETWEEN YOAKUM AND OTHER CITIES

ESTIMATES BASED ON DIFFERENCES BETWEEN JOB LOCATION AND RESIDENCE LOCATION

The charts below highlight trends in commuting patterns between Yoakum and surrounding cities. In general, the number of commuters traveling to jobs in Yoakum from surrounding communities has grown slightly since 2003, with the exception of Victoria. The number of commuters traveling from their residence in Victoria to their job in Yoakum nearly doubled from 57 in 2009 to 106 in 2011. Outbound commuting from Yoakum has increased significantly in several cities. The number of Yoakum residents commuting to the following cities has doubled (or more, in some cases) between 2003 and 2011: Gonzales, San Antonio, Houston, Austin, Corpus Christi, and Seguin.



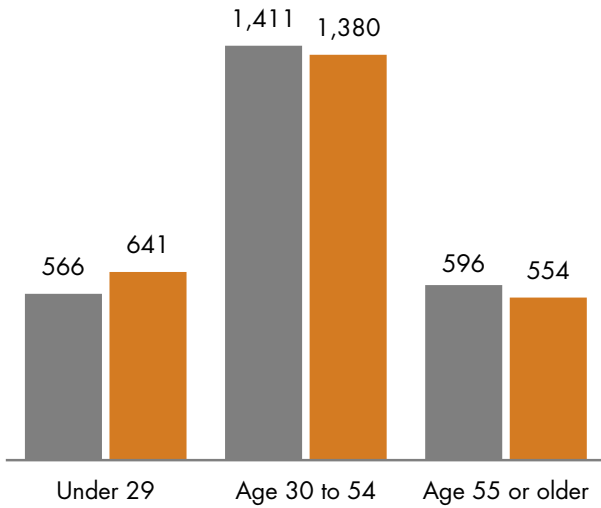
Source (all figures): U.S. Census Bureau, Local Employment Dynamics (LED) database

YOAKUM COMMUTING PATTERNS

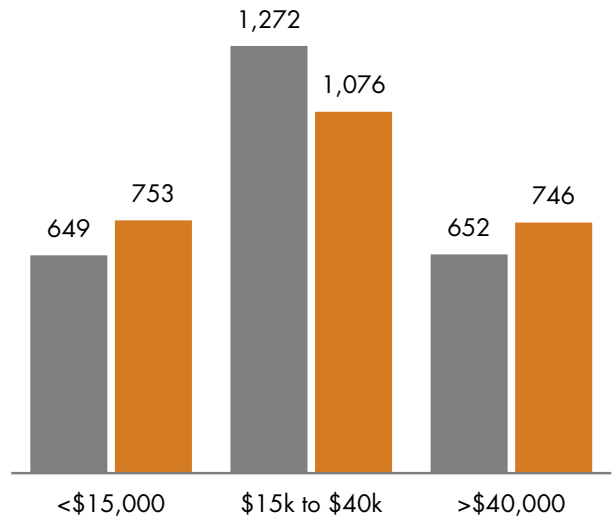
COMMUTING PATTERNS FOR VARIOUS SOCIO-ECONOMIC VARIABLES, 2011

■ Jobs located in Yoakum ■ Employed Yoakum residents, regardless of where the job is located

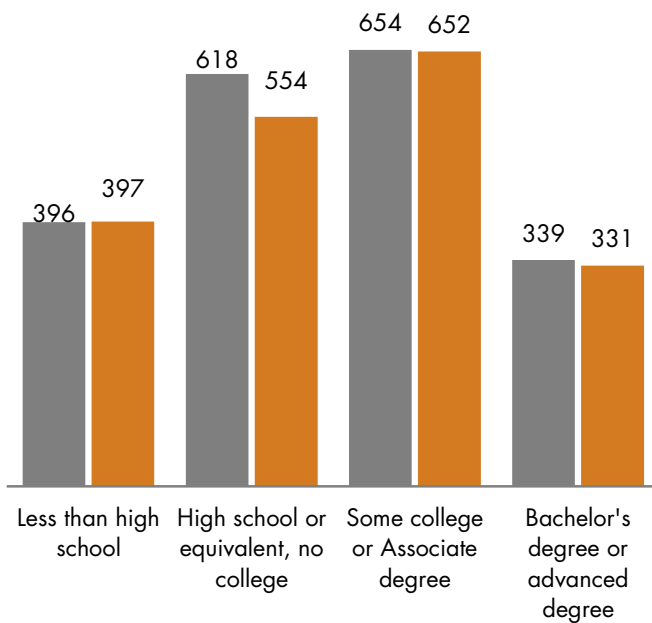
Commuters by Age



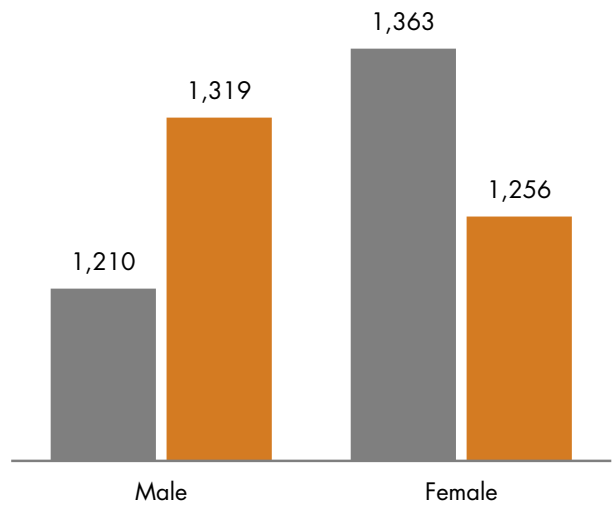
Commuters by Annual Wages



Commuters by Education Level



Commuters by Gender

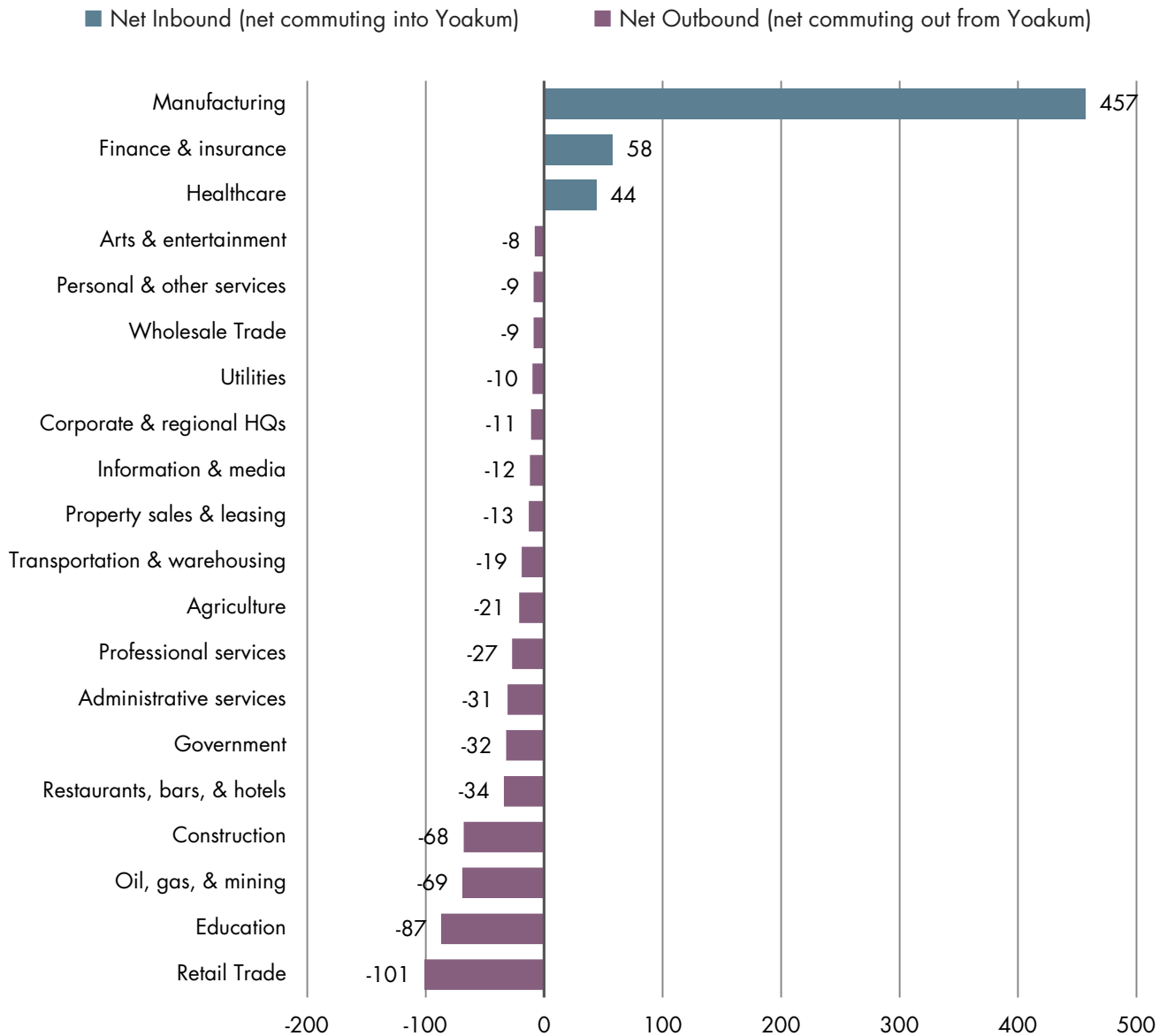


Source (all figures): U.S. Census Bureau, Local Employment Dynamics (LED) database

YOAKUM COMMUTING PATTERNS

AVERAGE NET INFLOW/OUTFLOW FOR 2009-2011 IN MAJOR ECONOMIC SECTORS

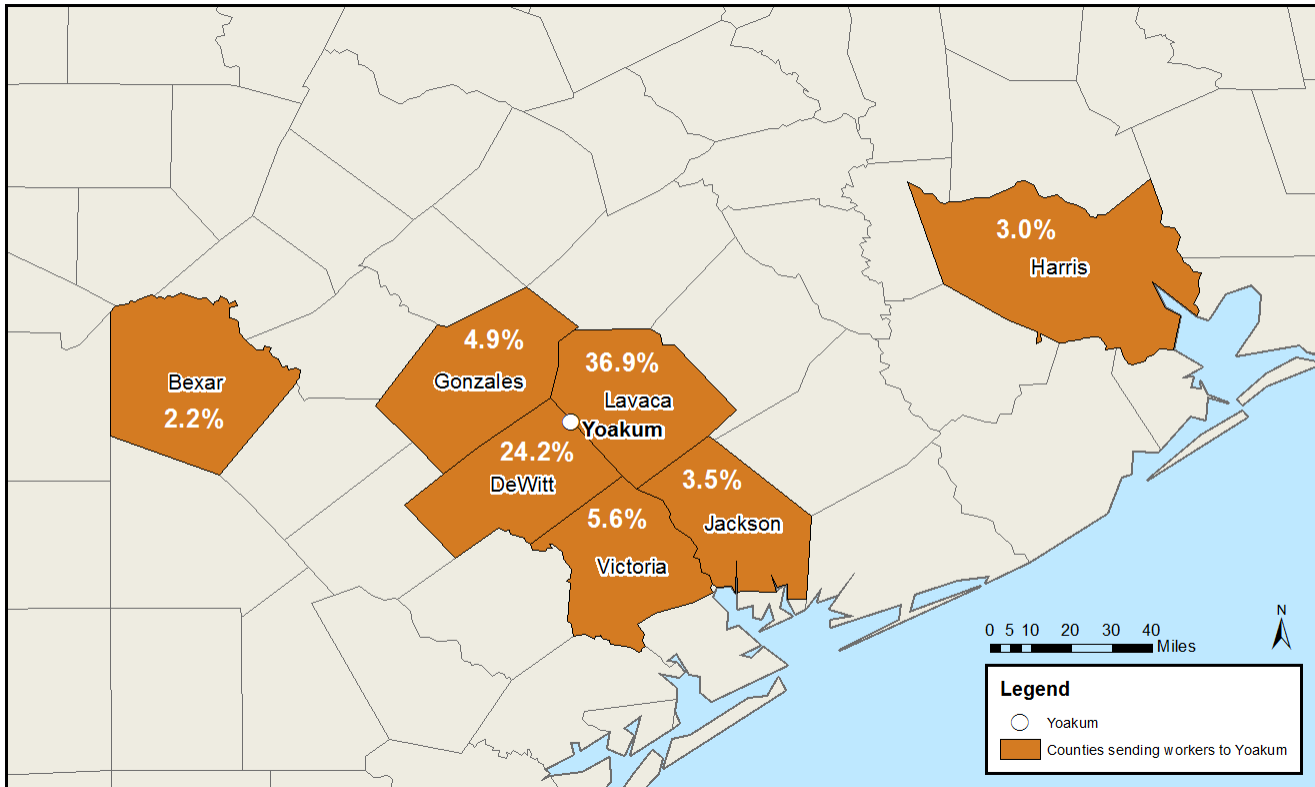
Yoakum imports a large amount of labor from surrounding communities to work in the city's manufacturing industry. Yoakum also draws in workers that are employed in the city's finance & insurance and healthcare sectors. This signals a concentration of these sectors in the city. Yoakum exports a large number of workers to other parts of the Golden Crescent region in the retail trade; education; oil, gas, & mining; and construction industries.



Source: U.S. Census Bureau, Local Employment Dynamics (LED) database

YOAKUM'S LABOR SHED

COUNTIES WHERE YOAKUM'S WORKFORCE LIVES, 2011

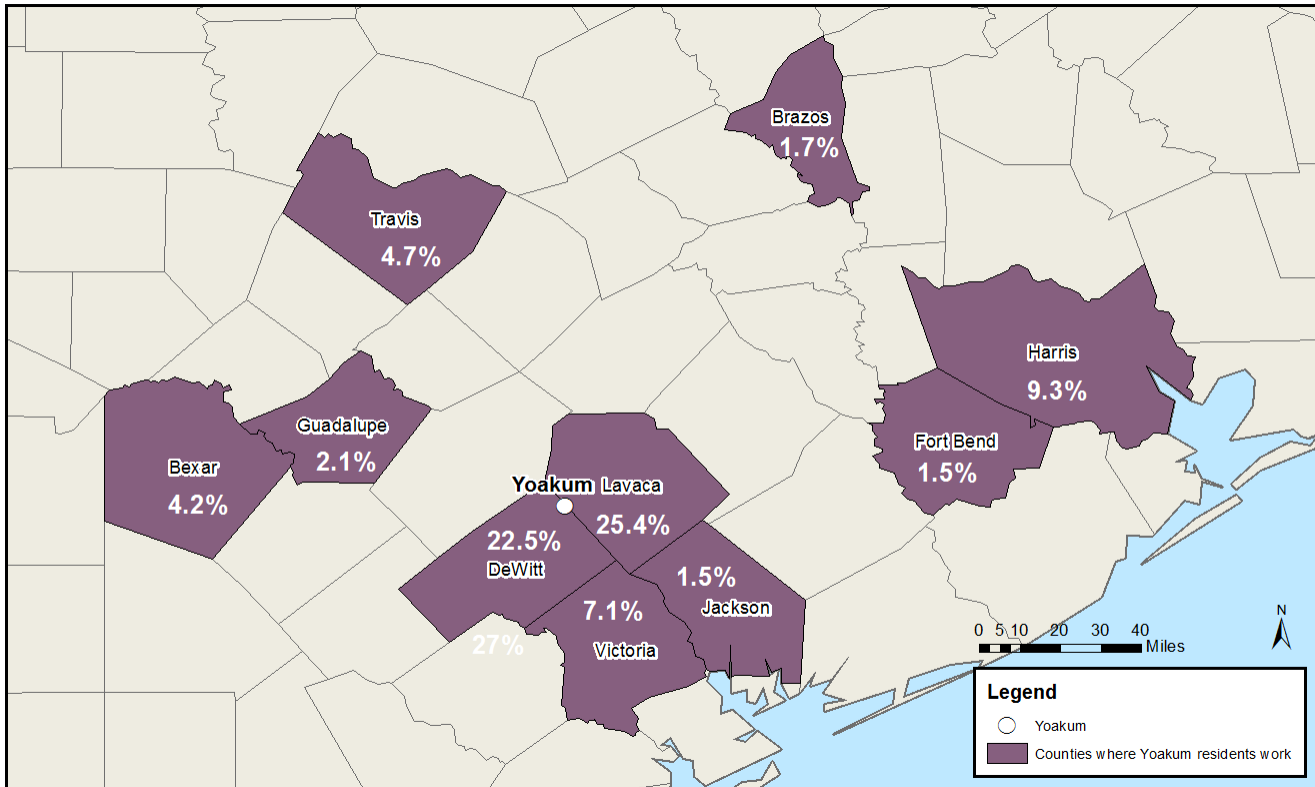


YOAKUM'S LABOR SHED, 2011		
Counties Where Yoakum Workers Live	Inbound Commuters	Percent of Total
Lavaca County, TX	949	36.9%
DeWitt County, TX	623	24.2%
Victoria County, TX	145	5.6%
Gonzales County, TX	126	4.9%
Jackson County, TX	89	3.5%
Harris County, TX	78	3.0%
Bexar County, TX	56	2.2%
All Other Locations	417	19.7%

Source: U.S. Census Bureau, Local Employment Dynamics (LED) database

YOAKUM'S COMMUTE SHED

COUNTIES WHERE YOAKUM RESIDENTS WORK, 2011



YOAKUM'S COMMUTE SHED, 2011		
Counties Where Yoakum Workers Live	Inbound Commuters	Percent of Total
Lavaca County, TX	655	25.4%
DeWitt County, TX	579	22.5%
Harris County, TX	240	9.3%
Victoria County, TX	182	7.1%
Travis County, TX	122	4.7%
Bexar County, TX	108	4.2%
Guadalupe County, TX	53	2.1%
Brazos County, TX	44	1.7%
Fort Bend County, TX	39	1.5%
Jackson County, TX	39	1.5%

Source: U.S. Census Bureau, Local Employment Dynamics (LED) database

DEWITT COUNTY MIGRATION PATTERNS

NET MIGRATION TO/FROM DEWITT COUNTY, 2004-2011

From 2004-2011 DeWitt County gained 72 residents from Harris County. DeWitt County lost the highest number of residents (138) to Victoria County during this period. Other counties that gained residents from DeWitt County include: Nueces County (28), Bexar County (25), Lavaca County (18), and Travis County (17).

DeWitt County Net Migration: 2004-2011		
State	County	Residents Gained/Lost
TX	Harris County	72
TX	Travis County	-17
TX	Lavaca County	-18
TX	Bexar County	-25
TX	Nueces County	-28
TX	Victoria County	-138

Source: U.S. Internal Revenue Service

LAVACA COUNTY MIGRATION PATTERNS

NET MIGRATION TO/FROM LAVACA COUNTY, 2004-2011

From 2004-2011 Lavaca County gained 80 residents from Harris County, 18 residents from DeWitt County and 4 residents from Gonzales County. Lavaca County lost residents to Travis County (91), Victoria County (66), and Fayette County (7).

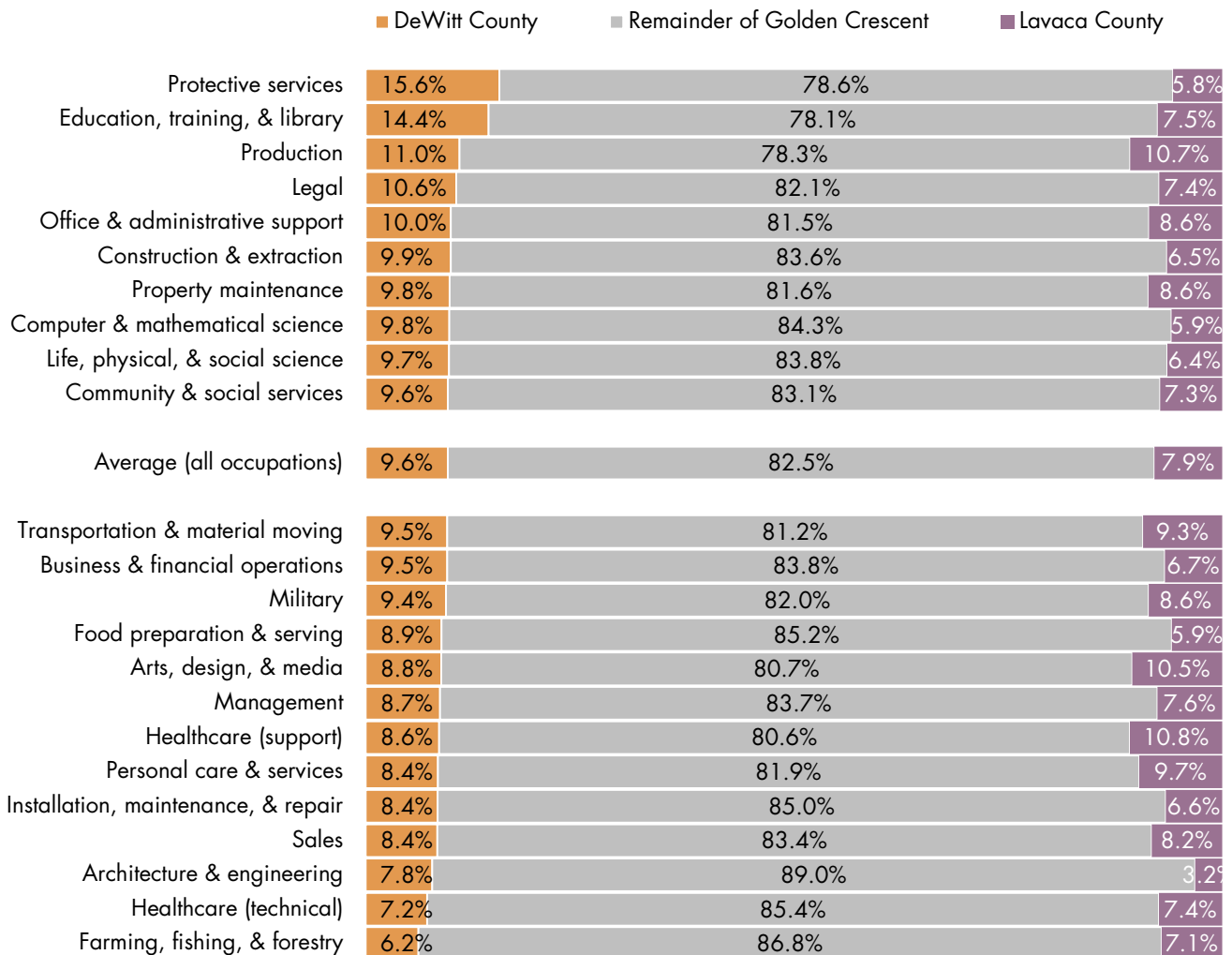
Lavaca County Net Migration: 2004-2011		
State	County	Residents Gained/Lost
TX	Harris County	80
TX	DeWitt County	18
TX	Gonzales County	4
TX	Fayette County	-7
TX	Victoria County	-66
TX	Travis County	-91

Source: U.S. Internal Revenue Service

GEOGRAPHIC DISTRIBUTION OF OCCUPATIONAL EMPLOYMENT IN THE GOLDEN CRESCENT REGION

OCCUPATIONAL EMPLOYMENT IN DEWITT COUNTY AND LAVACA COUNTY, 2014

DeWitt County has a much higher percentage of the region’s workers than Lavaca County in the following occupational categories: protective services (15.6% of the region’s total jobs in that occupation are in DeWitt County, 5.8% are in Lavaca County); education, training, & library (14.4% in DeWitt County, 7.5% in Lavaca County); computer & mathematical science (9.8% in DeWitt County, 5.9% in Lavaca County); life, physical, & social science (9.7% in DeWitt County, 6.4% in Lavaca County); and architecture & engineering (7.8% in DeWitt County, 3.2% in Lavaca County). Lavaca County has a higher percentage of workers than DeWitt County in the following occupational categories: arts, design, & media (10.5% in Lavaca County, 8.8% in DeWitt County); healthcare support (10.8% in Lavaca County, 8.6% in DeWitt County); personal care & services (9.7% in Lavaca County, 8.4% in DeWitt County); and farming, fishing, & forestry (7.1% in Lavaca County, 6.2% in DeWitt County).

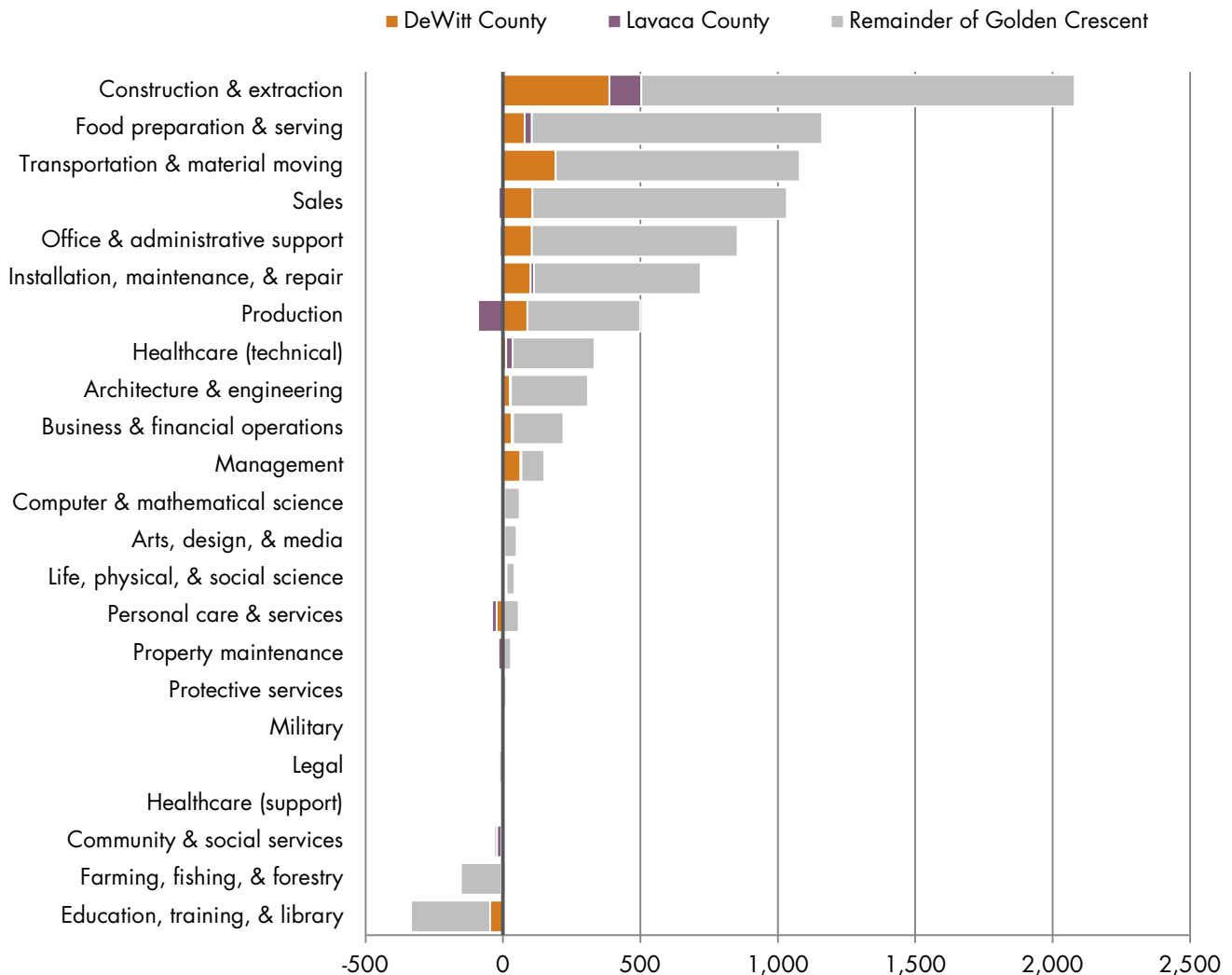


Source: EMSI Complete Employment 2014.2

NET JOB CHANGE BY OCCUPATION IN GOLDEN CRESCENT REGION

INCLUDING DEWITT COUNTY AND LAVACA COUNTY SHARE OF CHANGE, 2010-2014

The Golden Crescent region, as a whole, added workers in 17 of the 23 occupational categories between 2010 and 2014. The occupations that gained the most new workers in the Golden Crescent region include: construction & extraction (2,080 new jobs), food preparation & serving (1,161), transportation & material moving (1,078), and sales (1,017). DeWitt County added workers in 18 of the 23 occupational categories during this period, while Lavaca County added workers in only 11 of the 23 categories. DeWitt County gained the largest number of workers in construction & extraction (387 new jobs) and lost the most workers in education, training, & library (47 jobs lost). Lavaca County gained the highest number of workers in construction & extraction (116 new jobs) and lost the most workers in production (91).

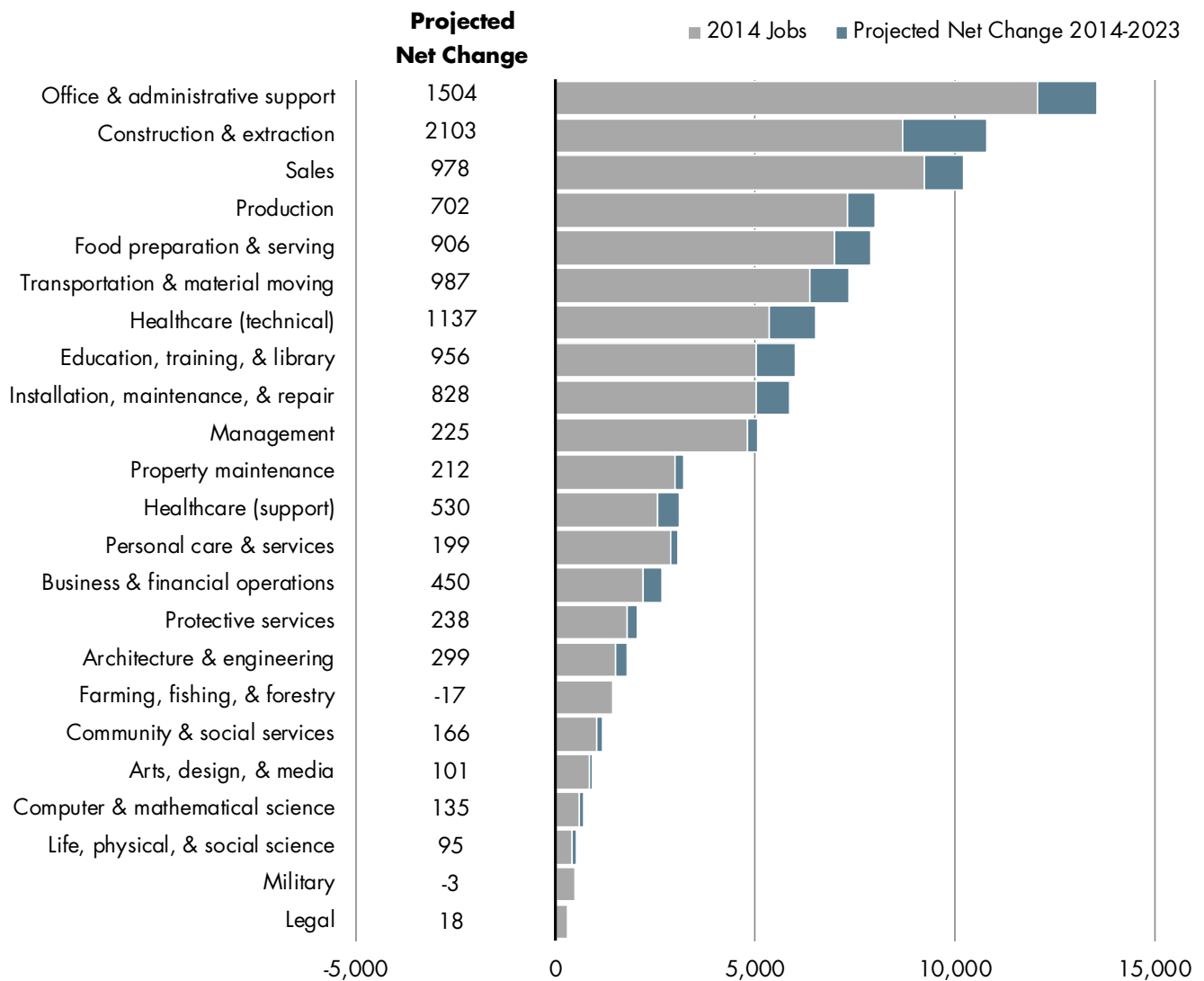


Source: EMSI Complete Employment 2014.2

GOLDEN CRESCENT REGION JOB BASE IN 2014 + PROJECTED NET CHANGE THROUGH 2023

PROJECTED NET CHANGE BY OCCUPATIONAL GROUP THROUGH 2023

The Golden Crescent region is expected to gain new workers in 21 of the 23 occupational categories from 2014 to 2023, as projected by EMSI. The largest gains are expected to come in the following occupations: construction & extraction (2,103 new jobs); office & administrative support (1,504); healthcare/technical (1,137); transportation & material moving (987); sales (978); education, training, & library (956); and food preparation (906).

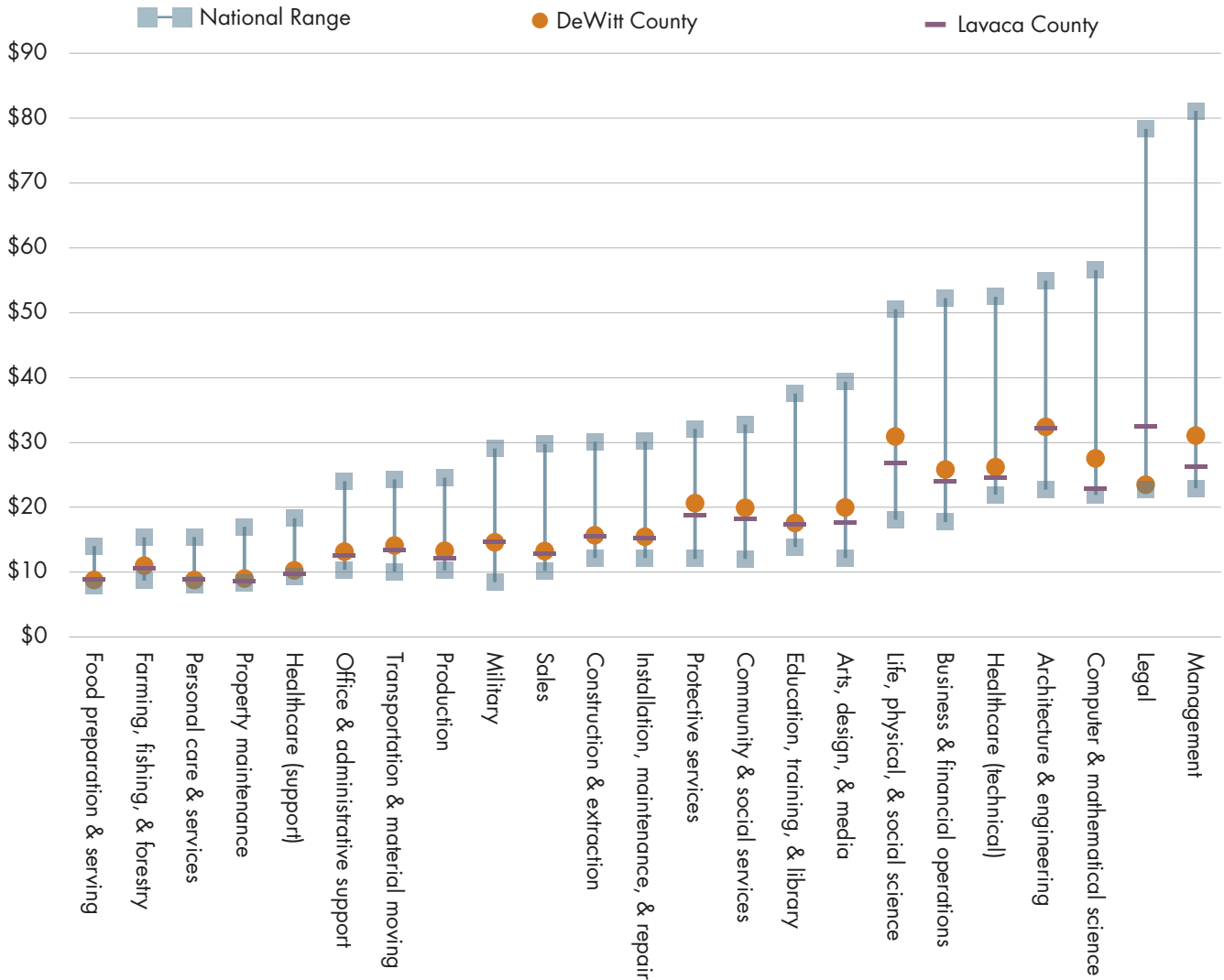


Source: EMSI Complete Employment 2014.2

MEDIAN HOURLY WAGE RATE BY OCCUPATIONAL GROUP

LOCAL MEDIAN WAGES PRESENTED IN THE CONTEXT OF THE NATIONAL WAGE RANGE, 2014

DeWitt County has slightly higher wages than Lavaca County, but the wages in both counties are generally on the lower end of the spectrum in comparison with U.S. average wages for most occupational groups. This is a double-edged sword. Lower wages are an important aspect of a strong business climate, helping employers to operate efficiently from a cost perspective. However, low wages can also make it more difficult for a community to attract and retain workers.



Note: Circle represents the DeWitt County median; horizontal bar represents the Lavaca County median; and vertical line represents the national wage range between the 10th and 90th percentiles.

Source: EMSI Complete Employment 2014.2

WAGE RATES BY OCCUPATIONAL GROUP

LOCAL MEDIAN WAGES PRESENTED IN THE CONTEXT OF THE NATIONAL WAGE RANGE, 2014

Wage Rates By Occupational Group				
Occupational Category	DeWitt County Median Hourly Wage	Lavaca County Median Hourly Wage	National 90 Percentile Hourly Earnings	National 10 Percentile Hourly Earnings
Food preparation & serving	\$8.77	\$8.91	\$14.02	\$7.99
Farming, fishing, & forestry	\$10.99	\$10.51	\$15.36	\$8.71
Personal care & services	\$8.78	\$8.85	\$15.43	\$8.10
Property maintenance	\$9.02	\$8.61	\$16.99	\$8.36
Healthcare (support)	\$10.27	\$9.73	\$18.31	\$9.29
Office & administrative support	\$13.17	\$12.47	\$24.01	\$10.36
Transportation & material moving	\$14.10	\$13.35	\$24.29	\$10.08
Production	\$13.30	\$12.14	\$24.55	\$10.29
Military	\$14.58	\$14.58	\$29.07	\$8.47
Sales	\$13.23	\$12.78	\$29.76	\$10.19
Construction & extraction	\$15.67	\$15.50	\$30.10	\$12.19
Installation, maintenance, & repair	\$15.46	\$15.24	\$30.18	\$12.18
Protective services	\$20.62	\$18.72	\$32.09	\$12.05
Community & social services	\$19.92	\$18.20	\$32.77	\$12.04
Education, training, & library	\$17.56	\$17.40	\$37.54	\$13.88
Arts, design, & media	\$19.94	\$17.67	\$39.34	\$12.20
Life, physical, & social science	\$30.91	\$26.74	\$50.53	\$18.10
Business & financial operations	\$25.81	\$23.97	\$52.24	\$17.74
Healthcare (technical)	\$26.17	\$24.60	\$52.46	\$21.95
Architecture & engineering	\$32.38	\$32.18	\$54.93	\$22.73
Computer & mathematical science	\$27.51	\$22.88	\$56.54	\$21.93
Legal	\$23.46	\$32.49	\$78.33	\$22.76
Management	\$31.05	\$26.16	\$81.10	\$22.93

Source: EMSI Complete Employment 2014.2

OCCUPATIONAL GROUP CONCENTRATIONS IN DEWITT COUNTY RELATIVE TO THE U.S.

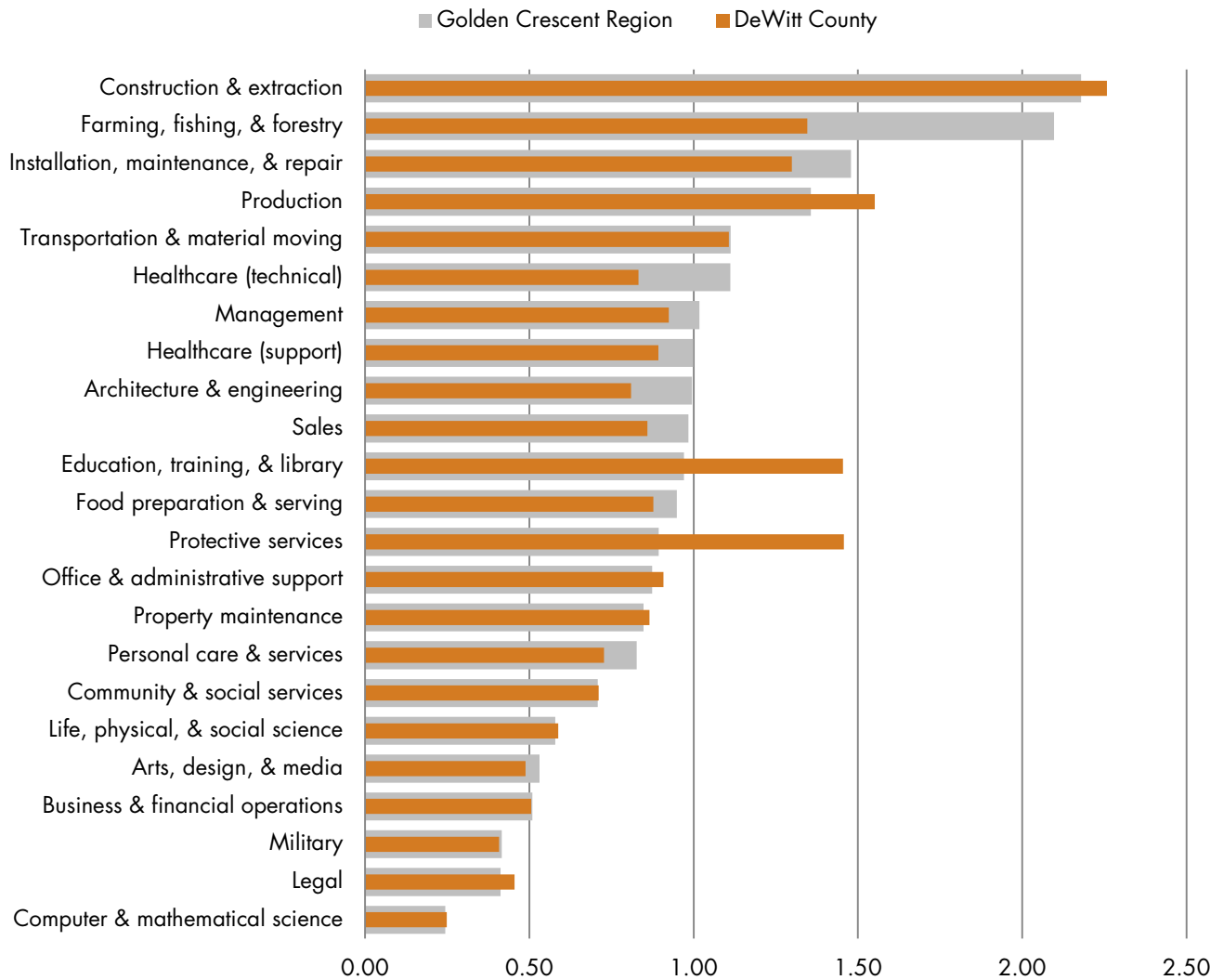
LOCATION QUOTIENT COMPARISON OF DEWITT COUNTY & GOLDEN CRESCENT REGION, 2014

DeWitt County has a significant concentration of workers in the following occupations: construction & extraction (LQ of 2.26); production (1.55); protective services (1.46); education, training, & library (1.45); farming, fishing, & forestry (1.35); and installation, maintenance, & repair (1.30). The county has a relatively low number of workers in these occupations: computer & mathematical science (0.24); military (0.41); legal (0.42); business & financial operations (0.51); arts, design, & media (0.53); and life, physical, & social science (0.58).

U.S. average for each industry = 1.00

Regional strength > 1.25

Regional weakness < 0.75



Source: EMSI Complete Employment 2014.2

OCCUPATIONAL GROUP CONCENTRATIONS IN LAVACA COUNTY RELATIVE TO THE U.S.

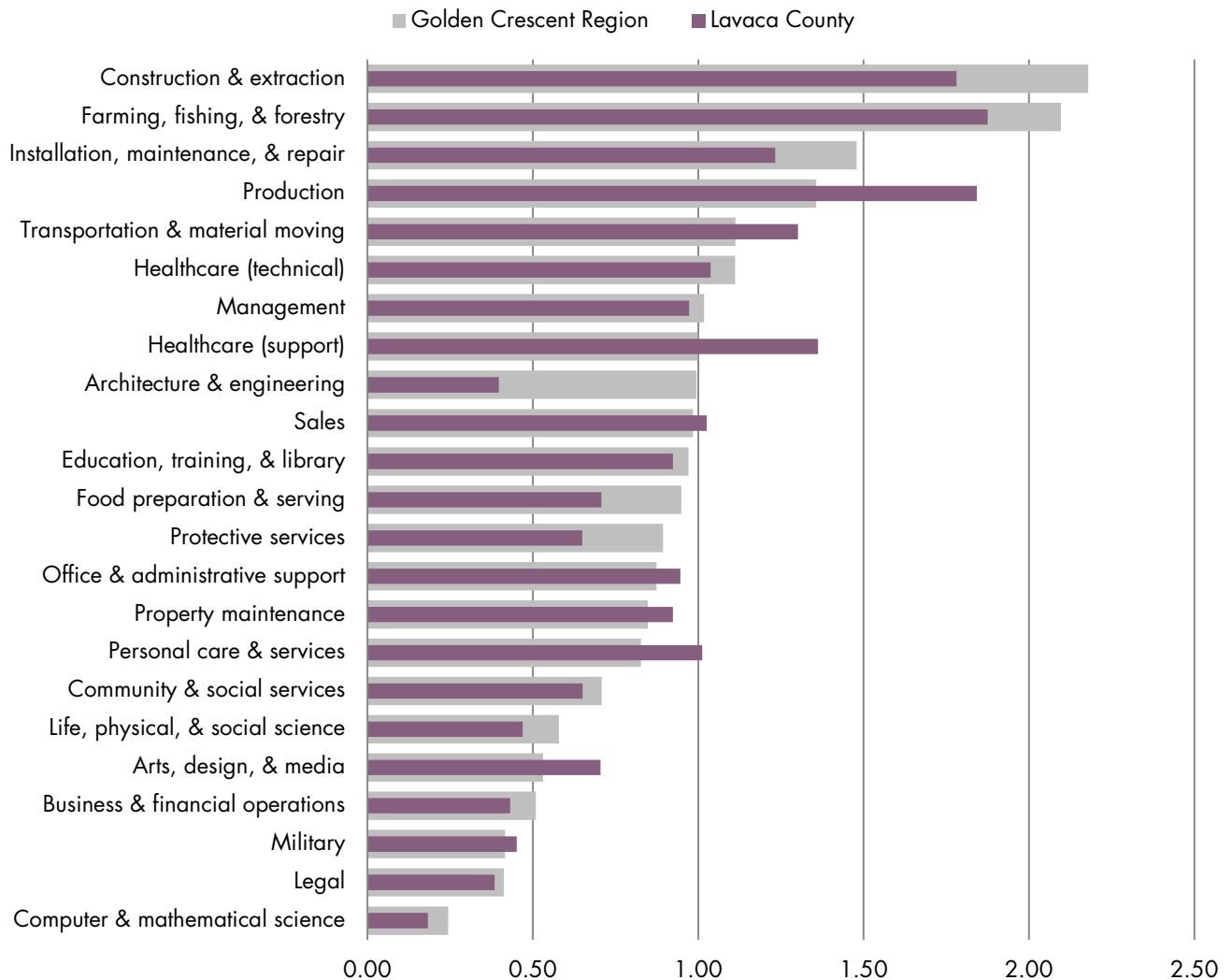
LOCATION QUOTIENT COMPARISON OF LAVACA COUNTY & GOLDEN CRESCENT REGION, 2014

Lavaca County has a significant concentration of workers in the following occupations: farming, fishing, & forestry (LQ of 1.87); production (1.84); construction & extraction (1.78); healthcare/support (1.36); and transportation & material moving (1.30). The county has a relatively low number of workers in computer & mathematical science (0.18); legal (0.38); architecture & engineering (0.40); business & financial operations (0.43); military (0.45); and life, physical, & social science (0.47).

U.S. average for each industry = 1.00

Regional strength > 1.25

Regional weakness < 0.75

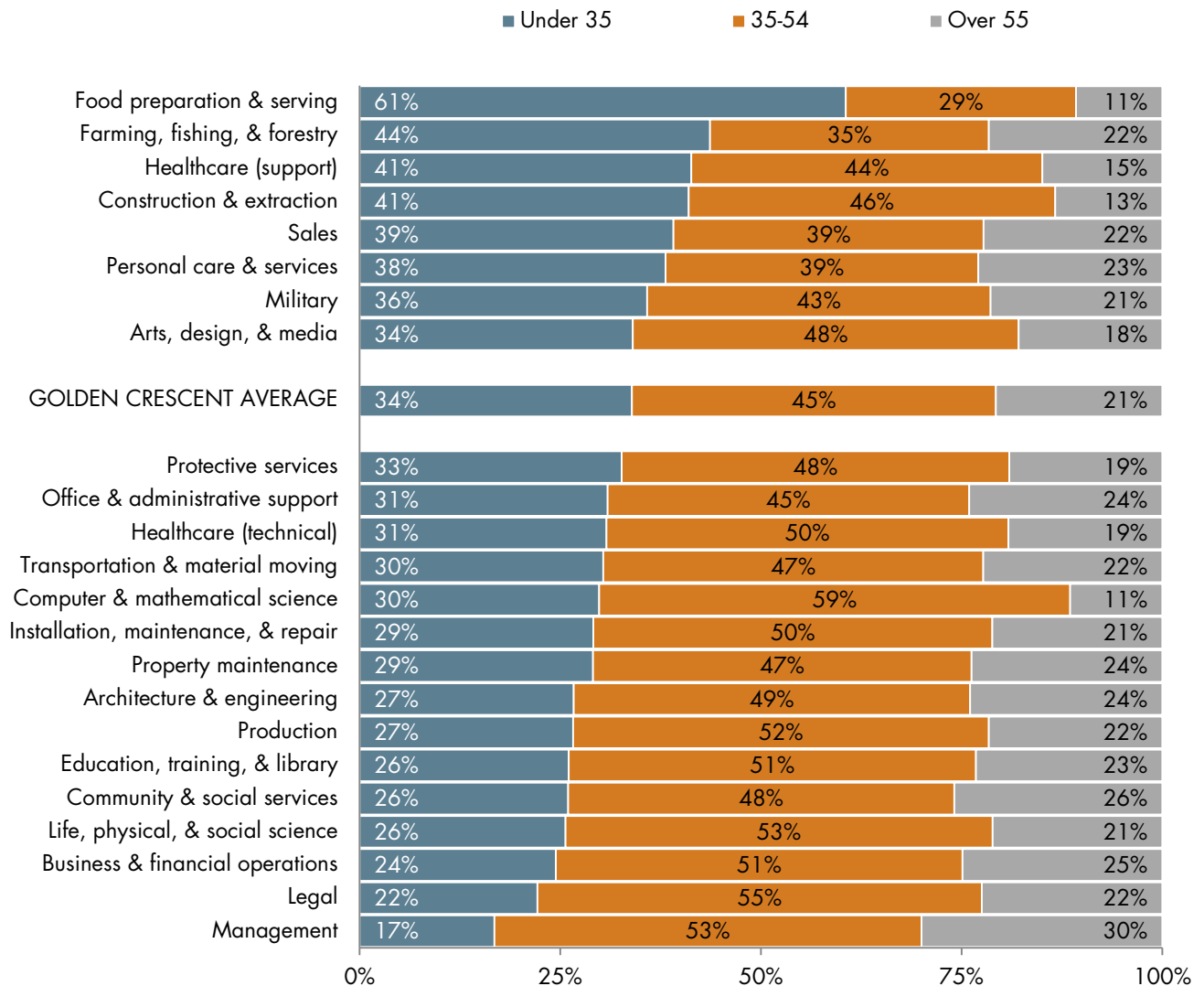


Source: EMSI Complete Employment 2014.2

GOLDEN CRESCENT REGION'S OCCUPATIONAL MIX BY AGE

OCCUPATIONAL MIX BY AGE CATEGORY, 2014

Differences exist in the age of workers across occupational groups in the Golden Crescent region. Some of this is to be expected. Food preparation and serving, for example, is an entryway into the workforce for many younger workers. It makes sense that as workers age they move into other occupations. Conversely, there's a small share of managerial workers under the age of 35. This makes sense as well, as these posts tend to be filled by more experienced candidates. The managerial category also includes self-employed farmers and ranchers who also tend to be a relatively more mature and seasoned group. Other occupational categories that employ a high proportion of younger workers include farming, fishing, & forestry; healthcare-support; and construction & extraction.

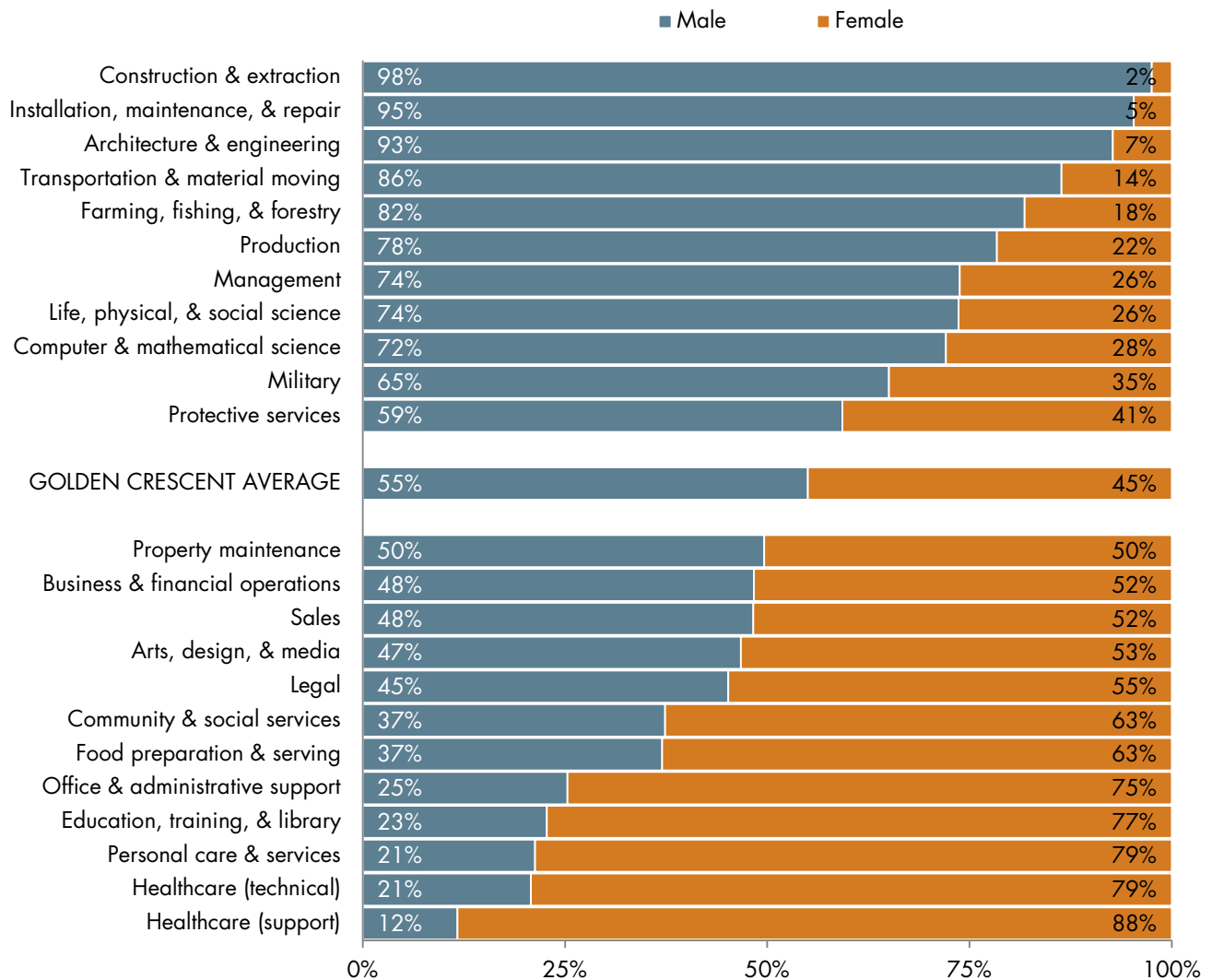


Source: EMSI Complete Employment 2014.2

GOLDEN CRESCENT REGION'S OCCUPATIONAL MIX BY GENDER

OCCUPATIONAL MIX, 2014

The occupational divide by gender is more unmistakable. Female workers are much more likely to be employed in the region's healthcare, education, administrative support, and personal service industries. Male workers cluster heavily in construction, maintenance, repair, engineering, transportation, farming, and production fields. These patterns matter at the household level. Economic recessions can hit certain types of occupations disproportionately. Local policymakers must consider these issues carefully when structuring economic development strategies and workforce training programs to best match local needs.



Source: EMSI Complete Employment 2014.2

BUSINESS CLIMATE

SALES TAXES

RATES IMPOSED BY SELECTED JURISDICTION, 2013

Yoakum’s total sales tax rate is \$0.020, which is the maximum level of sales tax allowed by the State of Texas. Compared to some of the surrounding communities that Yoakum competes with for economic development projects, Cuero also imposes the maximum rate of \$0.020. The cities of Gonzales, Seguin, and Victoria each have a total sales tax rate of \$0.015. Yoakum’s sales tax is split among a regular rate of \$0.010, a 4B rate of \$0.0050, and a property tax relief rate of \$0.0050.

	Total Local Sales Tax	Regular Rate	4A	4B	Property Tax Relief
City of Yoakum					
<i>Rate</i>	\$0.020	\$0.0100		\$0.0050	\$0.0050
<i>Date enacted</i>		1/1/1970		10/1/1999	10/1/1999
City of Cuero					
<i>Rate</i>	\$0.020	\$0.0100		\$0.0050	\$0.0050
<i>Date enacted</i>		10/1/1969		10/1/1996	10/1/1996
City of Gonzales					
<i>Rate</i>	\$0.015	\$0.0100		\$0.0050	
<i>Date enacted</i>		7/1/1968		7/1/1997	
City of Seguin					
<i>Rate</i>	\$0.015	\$0.0100	\$0.0025		\$0.0025
<i>Date enacted</i>		4/1/1968	10/1/1994		10/1/1994
City of Victoria					
<i>Rate</i>	\$0.015	\$0.0100		\$0.0050	
<i>Date enacted</i>		4/1/1968		4/1/1996	

Source: Texas Comptroller of Public Accounts

PROPERTY TAXES

RATES FOR SELECTED PEER CITIES AND ASSOCIATED COUNTY, 2013

The City of Yoakum has the lowest adopted property tax rate (0.09087) among the surrounding competitor cities, thanks in large part to the property tax relief segment of the city’s sales tax rate. However, the adopted property tax rate for DeWitt County (0.46937) is the highest among the benchmark counties. Lavaca County’s adopted property tax rate of 0.34130 is lower than Victoria County (0.39860) and slightly lower than Guadalupe County (0.34190), but higher than Gonzales County (0.27080).

	Adopted Tax Rate	Maintenance & Operations (M&O) Rate	Debt Rate	Effective Tax Rate	Effective M&O Rate	Rollback Tax Rate
City of Yoakum						
City Rate	0.09087	0.03386	0.05701	0.08953	0.03397	0.10548
County Rate (DeWitt)	0.46937	0.44919	0.02018	0.30615	0.27385	0.31592
County Rate (Lavaca)	0.34130	0.31640	0.02490	0.31670	0.29300	0.34130
City of Cuero						
City Rate	0.32000	0.20125	0.11875	0.25237	0.17890	0.33712
County Rate (DeWitt)	0.46937	0.44919	0.02018	0.30615	0.27385	0.31592
City of Gonzales						
City Rate	0.18450	0.18450	—	0.18450	0.18450	0.19920
County Rate (Gonzales)	0.27080	0.26650	0.00430	0.19080	0.27620	0.21250
City of Seguin						
City Rate	0.51730	0.30100	0.19640	0.54490	—	0.56590
County Rate (Guadalupe)	0.34190	0.32240	0.01950	0.34580	—	0.45350
City of Victoria						
City Rate	0.60100	0.35040	0.25060	0.56920	0.33370	0.61090
County Rate (Victoria)	0.39860	0.37510	0.02350	0.37790	0.35730	0.42430

Source: "Truth in Taxation" summaries published by relevant taxing entity.

Note: Additional taxing entities, such as schools and special districts (e.g., hospital districts, flood control) were not included. As such these rates do not reflect the total tax burden that may be applicable to a particular property within these communities.

ELECTRIC UTILITY RATES

RATES FOR SELECTED PEER CITIES AND ASSOCIATED COUNTY, 2013

Yoakum’s electric rates are competitive when compared to surrounding communities. Yoakum’s average residential electric rate (10.39 cents/kWh) is less than Cuero, but slightly above Gonzales, Seguin, and Victoria. Yoakum’s average commercial electric rate (8.14 cents/kWh) is lower than the rate of any of the surrounding competitor cities listed in the table below. Yoakum’s average electric rate for industrial customers (7.98 cents/kWh) is less than Cuero and Victoria, but higher than Gonzales and Seguin. Compared to the Texas and U.S. average electric rates, Yoakum has lower rates for residential and commercial customers, but higher rates for industrial customers.

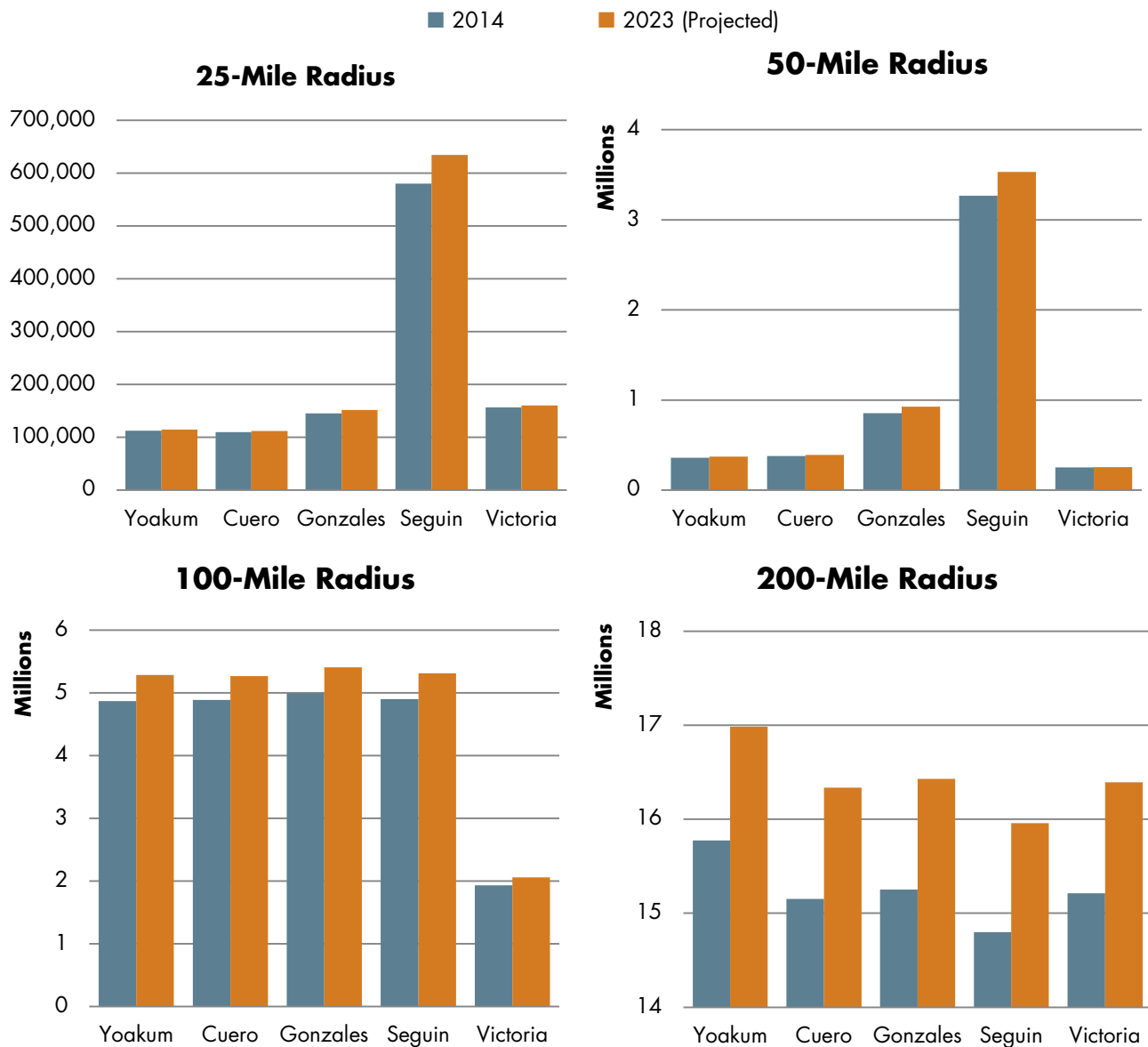
Geography	Electric Utility Provider	Average Electric Rates (cents/kWh)		
		Residential	Commercial	Industrial
City of Yoakum	City of Yoakum	10.39	8.14	7.98
City of Cuero	City of Cuero	10.79	10.21	8.50
City of Gonzales	City of Gonzales	10.30	8.65	7.21
City of Seguin	City of Seguin	10.09	9.66	7.63
City of Victoria	Victoria Electric Cooperative	10.20	10.17	9.39
State of Texas	Statewide Average	10.98	8.16	5.57
U.S.	National Average	11.88	10.09	6.67

Source: U.S. Energy Information Administration, Various local sources

ACCESS TO MAJOR MARKETS

POPULATION WITHIN SPECIFIED DISTANCE OF SELECTED CITIES, 2014 AND 2023 (PROJECTED)

Yoakum has a relatively small population within a 25-mile radius (112,000 residents) compared to Gonzales (145,000), Victoria (156,000), and especially Seguin (580,000). This is one of the factors limiting the number of retail, restaurants, and hotels that can be supported by the marketplace in Yoakum. However, when you zoom out to a 100-mile radius around the City of Yoakum, there are nearly 5 million people living within this zone, much higher than the 1.9 million residents living within 100 miles of Victoria. And, when you zoom out another level, Yoakum has about 15.8 million residents living within a 200-mile radius, giving the city access to a larger population than the benchmark cities. This number is projected by EMSI to reach 17 million by 2023.



Source (all figures): EMSI