



GREATER SAN MARCOS VISION 2025 REGIONAL ASSESSMENT AND SCORECARDS (REVISED)

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PROJECT OVERVIEW

Leaders in Greater San Marcos have embarked on a collaborative community and economic development strategic planning process that will make the region a more prosperous, successful, and vibrant place to live, work, and do business. The process will result in a new five-year Economic Development Strategy that will be a consensus-based blueprint to guide the community's actions in the years to come. This plan will build upon Vision 2020, which the community developed through a similar process in 2014 and has helped catalyze numerous community improvements in recent years.

The Greater San Marcos Partnership has convened the strategic planning process on behalf of its regional community and economic development partners. A diverse Steering Committee comprised of public, private, and non-profit leaders will guide the four-phase process.

The five-month process was originally scheduled to conclude in May 2020, but will now conclude in October 2020. The process will address the full range of issues that influence a region's competitiveness, including its talent, education and training resources, infrastructure and mobility, quality of place, resiliency, and so on. The resulting Strategy will include actions and tactics designed to address challenges, capitalize on opportunities, and advance the region and its distinct communities, residents, and businesses forward to a new period of heightened competitiveness and prosperity.

STEERING COMMITTEE & TECHNICAL ADVISORY COMMITTEE

The strategic planning process is guided by a Steering Committee comprised of regional business and institutional leadership. These individuals will review input and research findings, provide feedback, and oversee the development of a new Economic Development Strategy and corresponding Implementation Guidelines. Their input and oversight is complemented by the support of an Technical Advisory Committee including representatives from key partners such as local governments, chambers of commerce, higher education, and other organizations.

PHASE ONE: REGIONAL ENGAGEMENT AND STAKEHOLDER INPUT

Community input is vital to the success of any holistic economic development process. Market Street engaged with as many community stakeholders as possible through individual interviews and an online survey that was open to anyone who lives and/or works in Hays and Caldwell counties. The input process helped to identify the region's opportunities and challenges and helped to determine strategic priorities. This phase took place in January and February.

PHASE TWO: REGIONAL ASSESSMENT & COMPETITIVE SCORECARDS

The Regional Assessment provides a detailed examination of the region's competitiveness as a place to live, work, visit, and do business. The Assessment weaves qualitative feedback from phase one with deep quantitative and data findings into a set of "stories" that provide a concise narrative of the region's opportunities and challenges and lays the groundwork for future phases of the process. There is also a set of Competitive Scorecards that provide an objective perspective of the region's competitive position relative

to a broader set of competition. This phase took place in February, was paused due to COVID-19, and will conclude in early August.

COVID-19 PAUSE: In response to the uncertainties and challenges associated with the novel coronavirus, Market Street paused its Vision 2025 efforts in March 2020, and did not re-convene the Steering Committee until early August. This break provided a two-fold benefit. First, it allowed all Greater San Marcos stakeholders to focus on the immediacy of the challenges associated with COVID-19. And second, it also provided the opportunity to incorporate the associated impacts from COVID-19, both challenges and opportunities, in the Vision 2025 Strategy.

PHASE THREE: ECONOMIC DEVELOPMENT STRATEGY

Based on the key findings from the first two phases of the process, Market Street will work with the Steering Committee to identify strategic recommendations that will guide the community's collective actions in the years to come. The Strategic Plan will be holistic, actionable, and measurable. Examples of best practice programs, policies, and initiatives from communities around the country will be included when relevant. This phase will take place in August and September.

PHASE FOUR: IMPLEMENTATION GUIDELINES

If the Strategy represents what GSMP and its partners will pursue to enhance economic prosperity and competitiveness, the Implementation Guidelines will help define how GSMP and its partners can achieve its objectives. The Guidelines will help prioritize strategic recommendations, define roles and responsibilities of key organizations and partners, determine needed staff and financial capacity, and confirm performance metrics to track progress and success. The Guidelines will draw from key takeaways identified in the 2018 Implementation Assessment ensuring the community's current approach to implementation is leveraged and built upon when appropriate, and revised or adjusted when necessary. This phase will take place in September and October.

REGIONAL ASSESSMENT

This Regional Assessment evaluates the Greater San Marcos region's economic competitiveness and prosperity through the lens of eight chapters, or "stories," that illuminate specific challenges and opportunities while collectively forming a narrative about the region: where it has been, where it is today, and where it is headed. These stories emerged from public input provided by residents and businesses in the Greater San Marcos region, as well as in-depth analysis of data covering demographic, socioeconomic, economic, and quality of life attributes and trends. Before presenting these stories, a few important notes on the quantitative analysis and qualitative input presented herein are necessary.

INTERVIEWS AND FOCUS GROUPS

A thorough assessment of a region's strengths, weaknesses, opportunities, and challenges must be informed by input from the people that live and work in the area. Accordingly, a **series of interviews** with individuals from the region's public, private, and non-profit sectors was conducted in January 2020. Additionally, the interviews and focus groups that were held in 2018 were also leveraged where relevant.

REGIONAL SURVEY

In addition to in-person input solicited via focus groups and interviews, an **online survey** was open to the public for roughly three weeks in January and February 2020. A total of **892 residents, workers, and business owners responded to the survey**. This survey was deployed to maximize regional engagement and was not intended to solicit a scientific, representative sample of the region's population. [Public input gathered from focus groups, interviews, and the regional survey is integrated throughout the report and differentiated by blue text.](#)

DATA SOURCES

A variety of public and private data sources are used throughout this Assessment. Public sources include the U.S. Census Bureau, the U.S. Bureau of Labor Statistics (BLS), the U.S. Bureau of Economic Analysis (BEA), the National Center for Education Statistics (NCES), the Federal Bureau of Investigation (FBI), and the Internal Revenue Service (IRS). Proprietary data is sourced from Economic Modeling Specialists Intl. (EMSI).

ASSESSMENT GEOGRAPHIES

Throughout this assessment, the Greater San Marcos region is utilized as the primary geographic unit of analysis and consists of Caldwell and Hays counties. The two-county region is typically referred to as "Greater San Marcos," "the Greater San Marcos region," or simply "the region" in tables, charts, and throughout the Assessment text. In certain tables, Caldwell County and Hays County data is also displayed for greater context to regional trends. Data for Caldwell County from the United States Census Bureau American Community Survey (ACS) was only available for the 5-year estimate and is noted accordingly in the tables. In addition to state and national averages, the region's performance is benchmarked against three other areas with which it competes for jobs, workers, and investment: Brazos County, Texas (College Station MSA); Larimer County, Colorado (Fort Collins MSA); and Rutherford County, Tennessee (Nashville MSA).

COMPETITIVE SCORECARDS

A set of Competitive Scorecards accompany the narrative Assessment and are presented at the conclusion of this report. These scorecards compared Greater San Marcos (Caldwell County and Hays County) to eight other

communities: Brazos County, Texas; Comal and Guadalupe counties, Texas; Denton County, Texas; Greenville County, South Carolina; Larimer County, Colorado; Pima County, Arizona; Rutherford County, Tennessee; and York County, South Carolina. The scorecards measure the region's competitiveness across multiple indicators of **economic performance, workforce competitiveness, innovation and entrepreneurship, business environment, and quality of life.**

The benchmark regions were chosen based on a variety of factors including population size, geographic location, economic composition, demographics, and community attributes, among others. Although it is difficult to find an exact community match, Market Street, along with guidance from the GSMP, decided that benchmarking against these communities would provide the best insight. Some of the communities that Greater San Marcos is benchmarked against are those that the region has directly competed with for economic development projects, while others face similar dynamics, such as fast population growth and proximity to a large city in a major metropolitan area. Still others have strong research capacity at their perspective universities and similarly large student populations. Together, these benchmark communities help to provide greater context and insight to a variety of regional trends in Greater San Marcos.

1. Introduction: Vision 2025

At its core, economic development is about raising levels of prosperity and improving quality of life for residents. Best-practice communities take a holistic approach to this work and consider the many factors that influence community competitiveness and resident well-being. Best-practice communities also understand that they must commit time, resources, new capital investments, and resolve in order to meaningfully improve their attractiveness as a place to live, work, and do business.

Most recently, San Marcos embarked on a strategic planning process in 2014 that launched Vision 2020. Since that time, the region has experienced numerous successes and launched many initiatives that have helped to improve the region's competitiveness for businesses and workers. This Assessment seeks to provide an objective overview of the changes that have occurred over the past five years in San Marcos and how they compare to the state, nation, and several peer and/or aspirational communities, some of which the region competes with for jobs and talent.

Some of the findings are similar to those that were discussed in 2014 and have continued to be defining issues in the region. For example, issues such as rapid population growth, housing affordability, economic diversification, quality growth and development, and traffic congestion continue to be at the top of the minds of residents. However, new opportunities such as the Texas Innovation Corridor and others have also emerged in recent years, and it is therefore important to begin the strategic planning process with an updated view of the region's overall competitive position and what the strategic implications are for the future.

Vision 2025 will seek to complement the work that has been done in recent years while honing in on more specific opportunities and tackling threats to growth and prosperity. The region's deliberate, intentional, and thoughtful next steps will seek to make the Greater San Marcos region a top destination for companies and talent. The region is fortunate to be home to many dedicated stakeholders and organizations that are passionate about the communities in which they live and/or work. Developing a strong working relationship with various entities in a region, especially in economic and community development, takes time. One of the most important ingredients to turn relationships into partnerships is TRUST. Do the various entities trust the Partnership to be fair to all of them? Will each of them be given equal access to economic development projects when and if they can meet the prospect's requirements?

Key stakeholders from the community report that progress has been made in developing these key relationships. In the past few months, there appears to be an expectation and anticipation of increased trust among many of the entities with the present leadership and staff of the Partnership. Regional partners report that Vision 2020 has helped to foster stronger relationships between organizations in the region, and that there has been progress in improving the unity and trust among regional economic development practitioners. **By recognizing that an economic development "win" for one community is a "win" for the whole region and by partnering together, the region can more effectively enhance its prospects and improve the region's competitiveness.**

Each community has a unique character that can be leveraged to offer a wider variety of options for companies to invest in, residents to live in, and visitors to patronize, but the two-county region is stronger together. Stakeholders want to build on the recent momentum and continue to get the word out by “telling our story.” By continuing to embrace a proactive and holistic approach to economic development, leaders in Greater San Marcos have demonstrated their commitment to making their community, as a whole, a more prosperous, successful, desirable, and sustainable place.

2. A Top Destination for Residents

While there have been many changes over the past five years, one thing remains constant: the population in the Greater San Marcos region continues to grow rapidly. Between 2008 and 2018, the region added over 80,000 residents and grew by 43.5 percent. The rapid growth is partially attributed to the fast overall population growth in Texas. The state’s low cost business environment and abundant job creation make it a magnet for businesses and workers. Over the past five years, Texas added more than two million residents and was the fifth fastest growing state. Among the nation’s large cities, four of the top 10 fastest growing metros are in Texas. Austin-Round Rock, TX MSA leads the country as the fastest growing metro, and San Antonio-New Braunfels, TX MSA is the seventh-fastest growing large metro.

FIGURE 1: POPULATION, 2008-2018

	2008	2013	2018	5-yr Chg.		10-yr Chg.	
				#	%	#	%
Greater San Marcos, TX	185,345	215,268	265,878	50,610	23.5%	80,533	43.5%
<i>Caldwell County, TX</i>	<i>37,671</i>	<i>39,215</i>	<i>43,247</i>	<i>4,032</i>	<i>10.3%</i>	<i>5,576</i>	<i>14.8%</i>
<i>Hays County, TX</i>	<i>147,674</i>	<i>176,053</i>	<i>222,631</i>	<i>46,578</i>	<i>26.5%</i>	<i>74,957</i>	<i>50.8%</i>
Brazos County, TX	185,098	204,141	226,758	22,617	11.1%	41,660	22.5%
Larimer County, CO	291,650	316,258	350,518	34,260	10.8%	58,868	20.2%
Rutherford County, TN	252,565	281,062	324,890	43,828	15.6%	72,325	28.6%
Texas	24,309,039	26,489,464	28,701,845	2,212,381	8.4%	4,392,806	18.1%
United States	304,093,966	316,057,727	327,167,434	11,109,707	3.5%	23,073,468	7.6%

Source: United States Census Bureau, 2018 Population Estimates

Overall, population change is influenced by two factors: natural change (births minus deaths) and net migration (both domestic and international). Net migration reflects the portion of population growth that is most closely tied to a community’s relative attractiveness and is the main factor for fueling population growth in fast-growing regions. People tend to “vote with their feet” and so a community that is growing rapidly through migration suggests that it is a desirable place to live for one reason or another. It speaks to an important component of a community’s capacity to provide a sustainable workforce: its ability to attract and retain its workforce. In Greater San Marcos, population growth is fueled by domestic migration as more and more people move to the region. **Nearly 60 percent of the area’s population growth is attributed to domestic migration.**¹

In addition to the state’s pro-business environment, Greater San Marcos is ideally located in the state’s economic powerhouse: the Texas Triangle. The four main cities that make up the triangle – Austin, Dallas, Houston, and San Antonio – drive the state’s economy and population growth. Greater San Marcos benefits

¹ The U.S. Census only counts students who list residency in Greater San Marcos on their U.S. Census forms are included in the local population.

from being positioned between the two of those large metro areas. When asked about the region’s greatest strength, stakeholders frequently cited “location” and “proximity” to Austin and San Antonio.

Yet, population in Hays and Caldwell counties grew at an even faster pace than both of the nearby larger metro areas. Between 2013 and 2018, population in the San Antonio MSA grew by 10.4 percent, and the Austin MSA increased by 15.1 percent. Meanwhile, the Greater San Marcos region grew by 23.5 percent over the same five-year period. Part of the reason that the two counties are growing at a faster pace than the Austin MSA is due to the fact that **much of the Greater San Marcos population growth is fueled by residents relocating from elsewhere in the Austin metro area to live in Hays and Caldwell counties.**

Greater detail regarding the top sources for new residents moving to Hays and Caldwell counties and the top destinations for existing residents moving out of the two-county region is provided by the IRS’ Statistics of Income program. This data is compiled from anonymized tax return data. If a given person filing a return moves from one county to another between tax years, the program categorizes that return – and all its associated exemptions – as having migrated between counties. Examining the number of exemptions that move from county to county in a given year can provide a rough estimate of the net flow of actual people from place to place. It is important to emphasize that the IRS data captures only those households that file tax returns in consecutive years.²

FIGURE 2: NET MIGRATION, TOP SOURCES & DESTINATIONS, GREATER SAN MARCOS REGION (2011-16)

Top Sources		Top Destinations	
Travis County, TX	15,603	Comal County, TX	(839)
Harris County, TX	630	Guadalupe County, TX	(570)
Williamson County, TX	465	Blanco County, TX	(128)
San Diego County, CA	274	El Paso County, CO	(95)
Los Angeles County, CA	239	Bexar County, TX	(89)
Hidalgo County, TX	228	Burnet County, TX	(53)
Cook County, IL	224	Gonzales County, TX	(44)
El Paso County, TX	223	Salt Lake County, UT	(30)
Orange County, CA	223	Lee County, TX	(25)
Webb County, TX	214	Orange County, FL	(23)

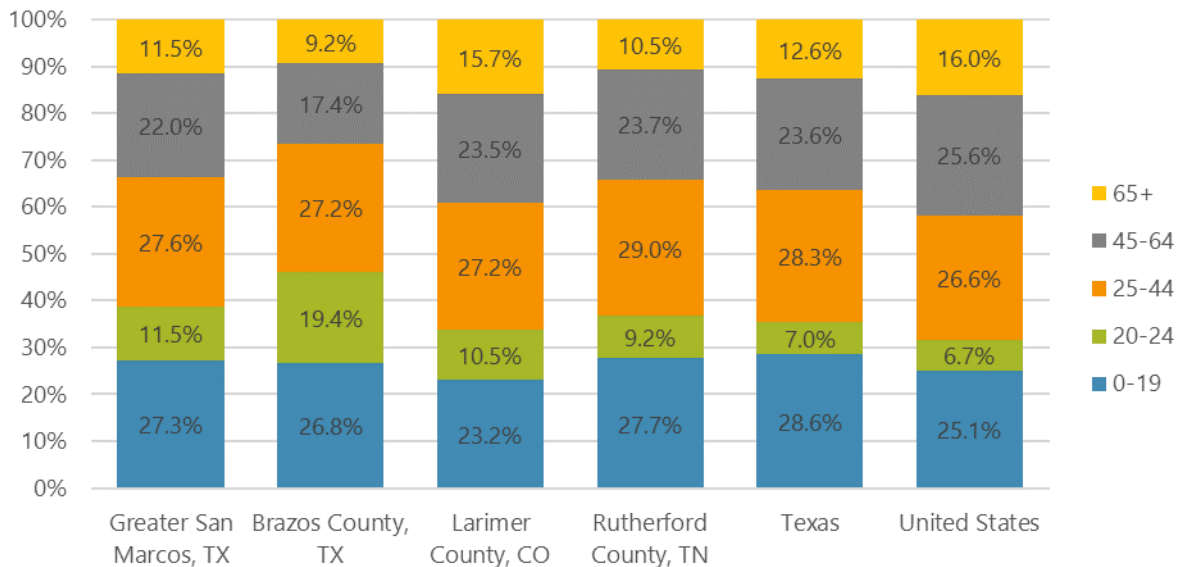
Source: Internal Revenue Service (IRS)

As can be seen in the nearby table, the Greater San Marcos region is a strong attractor of new residents from elsewhere in the Austin metro area. Travis County continues to be the main source for new residents to the

² This data program has some limitations. While it provides information on the number of exemptions claimed on every return, this metric does not have an exact one-to-one relationship with actual people in a household. Second, the program tracks only those tax filers who submit a return in two consecutive years. As such, the program is known to undercount the elderly, college students, immigrants, and others who may not file a tax return in consecutive years.

region, followed distantly by Harris County and Williamson County. On the other side of the accompanying table are the region’s top net destinations, measured by the net loss of exemptions from the Greater San Marcos region to other places around the United States. The data indicates that many of the residents are moving south to the San Antonio metro and/or to nearby more rural counties. Comal and Guadalupe counties are the top destinations for residents moving out of Hays and Caldwell counties. New Braunfels – the county seat of Comal County – is a fast growing area and, in fact, was the second fastest growing city in the nation between 2017 and 2018. These migration trends – the inflow and outflow of residents – are influenced by a variety of factors, many of which will be explored through the Assessment including factors such as quality of life, housing options, traffic, and employment opportunities, among others.

FIGURE 3: AGE DISTRIBUTION, 2018



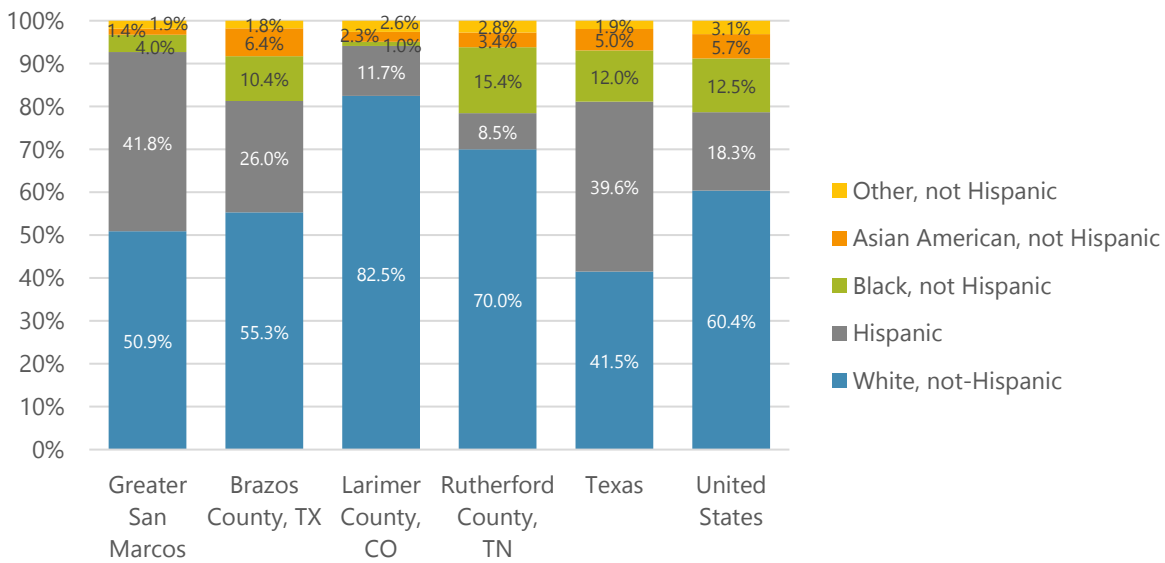
Source: United States Census Bureau, 2018 Population Estimates

Population growth is ultimately influencing the demographics of the region. Overall, the age distribution in Greater San Marcos highlights the region’s favorable age dynamics with just 11.5 percent of residents over the age of 65. There is also a large share of residents between the ages of 25 and 44 (27.6 percent) and an above-average share of residents under the age of 20 (27.3 percent). This supports stakeholder input regarding the region’s attractiveness as a place to live for families while also capturing a fraction of the large student population at Texas State University.³ Between 2013 and 2018, age dynamics in Greater San Marcos have become more favorable. The share of the population between the ages of 25 and 44 grew rapidly over the past five years and accounted for much of the population growth throughout the region. Consequently, the share of the population aged 25 to 44 increased by 1.5 percentage points.

³ The U.S. Census only counts students who list residency in Greater San Marcos on their U.S. Census forms are included in the local population.

When making location decisions, one of the factors that firms are increasingly considering is the community’s age dynamics. Companies making long-term investments want to be assured that current workforce strengths are sustainable many years into the future. In total, 39.1 percent of the region’s population is considered “prime-age.” Prime-age individuals are those aged 25 to 54 who for the most part have finished their formal schooling and are not on the verge of retirement. This is similar to the national average, with 39.3 percent of the population falling within the prime-age category. Among the comparison communities, Hays County has the lowest share of workers over the age of 55 (19.8 percent) while Caldwell County has the highest share of older workers (24.6 percent). Nationally, 23.7 percent of workers are over the age of 55.

FIGURE 4: RACIAL AND ETHNIC COMPOSITION, 2018



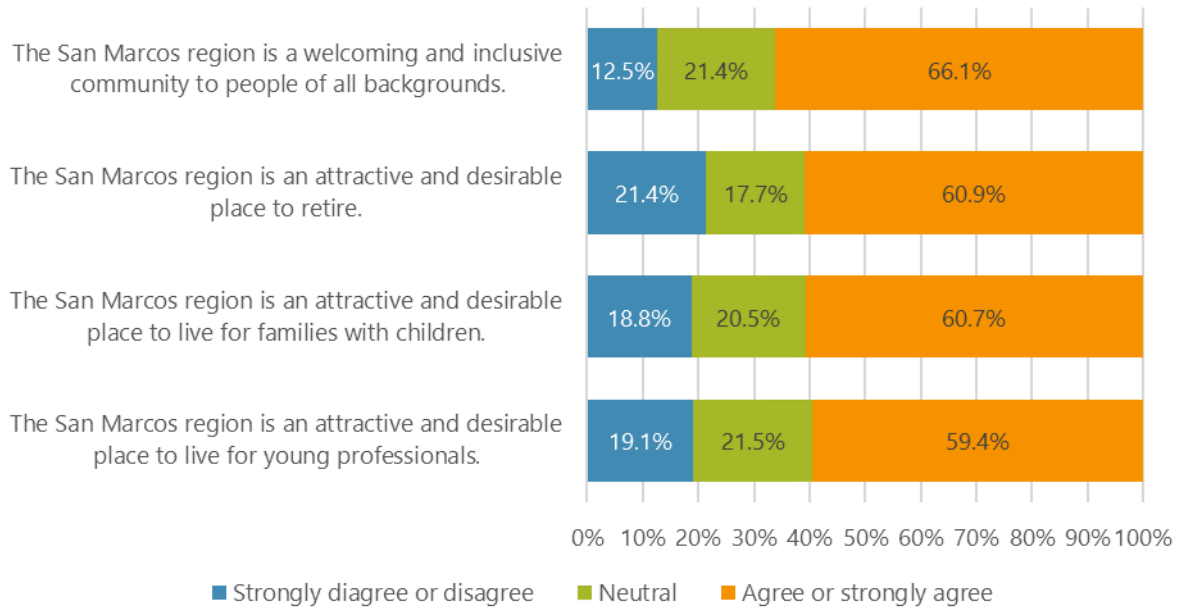
Source: United States Census Bureau, 2018 Population Estimates

With the population growth over the past five years, Greater San Marcos has become a more diverse community. Between 2013 and 2018, the share of the population that identifies as white, not-Hispanic decreased by 3.5 percentage points compared to a decrease of 2.2 percentage points nationally. At the same time, the Hispanic population increased by 2.8 percentage points while the national share increased by 1.2 percentage points. The fact that the Hispanic population is growing at a much faster pace in the region than it is nationally suggests that some of the population growth can be attributed to in-migration. It also indicates that the region is diversifying at a quicker rate than the national average.

As the nation continues to diversify, a culture of inclusion will only grow in importance as a critical element of a community’s competitiveness and attractiveness as a place to live, work, and do business. Survey respondents were asked to rate the degree to which they agreed or disagreed with the statement, “The San Marcos region is a welcoming and inclusive community to people of all backgrounds.” Roughly two-thirds of respondents agreed or strongly agreed with the statement. The majority of stakeholders also agree or strongly agree that the Greater San Marcos region is an attractive and desirable place to live for people from a variety of backgrounds and walks of life – young professionals, families with children, and retirees. The

population growth and demographics discussed throughout the chapter seem to support these assertions. Given the diverse population and overall population trends, stakeholders from around the community expressed a strong desire that the strategy for Vision 2025 is inclusive. As will be discussed in the next chapter, openness (the ability for people of all ages, cultures, and backgrounds to build networks and thrive) is an important factor to building a healthy community.

FIGURE 5: SURVEY QUESTION: “PLEASE INDICATE THE DEGREE TO WHICH YOU AGREE OR DISAGREE WITH THE FOLLOWING STATEMENTS.”



Source: Greater San Marcos Vision 2025 Survey (2020); Market Street Services

3. Quality of Life and Place

In recent years, the relationship between quality of life offerings and economic development competitiveness has strengthened and now matters a great deal to community and economic development. Quality of life generally refers to the well-being and happiness of a community's residents while quality of place is a product of a community's built and natural environment, its vibrancy, and other physical characteristics. Talented people increasingly seek out communities that cater to an ever-widening variety of needs and cultures, and businesses are following suit. In doing so, they are showing that they recognize that a community's built environment and amenities are about more than just creating a nice place to live for residents; they are intrinsically linked to the community's economic development and prosperity. This chapter focuses on issues related to quality of life and quality of place in Greater San Marcos.

The role that quality of place and quality of life play in community and economic development is best supported by the insightful research conducted by the John S. and James L. Knight Foundation and Gallup. The report, "Knight Soul of the Community 2010," was a three-year study that sought to determine what factors attach residents to their communities and to what degree community attachment impacts economic growth and well-being. The report defines community attachment as, *"an emotional connection to a place that transcends satisfaction, loyalty, and even passion. A community's most attached residents have strong pride in it, a positive outlook on the community's future, and a sense that it is the perfect place for them. They are less likely to want to leave than residents without this emotional connection. They feel a bond to their community that is stronger than just being happy about where they live."*

According to the report, there are three factors that primarily drive community attachment:

- ✓ **Social offerings** (such as entertainment infrastructure, community events, places to meet people)
- ✓ **Aesthetics** (physical beauty, green spaces, etc.)
- ✓ **Openness** (how welcoming a place is to different types of people)

The report found that if people are attached to their community then they are more likely to engage in it and help make it a better place. Beyond that, residents that are more attached to their community are also more likely to shop and dine locally, ultimately benefiting the local economy. Further, employees that are actively engaged and attached to their community often lead to increased productivity, profitability, and higher rates of employee retention. In other words, **the report found a positive relationship between communities with higher levels of community attachment and those that were economically successful, underscoring the importance that emotional attachment plays in the well-being of a community.**

There are many factors that influence the attractiveness of a community's quality of life and place offerings. These factors can be extremely subjective and their desirability can vary depending on the constituency. College students, young professionals, families with young children, and retirees all place varying degrees of importance on certain factors. For example, families with young children are likely to place a greater degree of importance on a community's public schools when choosing where they live, while young professionals are increasingly choosing more urban lifestyles that afford them a live-work-play lifestyle. At the same time, retirees are seeking cities where they can age in-place and remain active in a community. While the degree

to which these quality of life offerings may vary among these groups, there are many commonalities that exist among them. Survey participants were asked to rate a variety of quality of life and place aspects related to Greater San Marcos's quality of life, the results of which will be discussed throughout the chapter.

The San Marcos River, as well as Community Parks and Green Space throughout the region

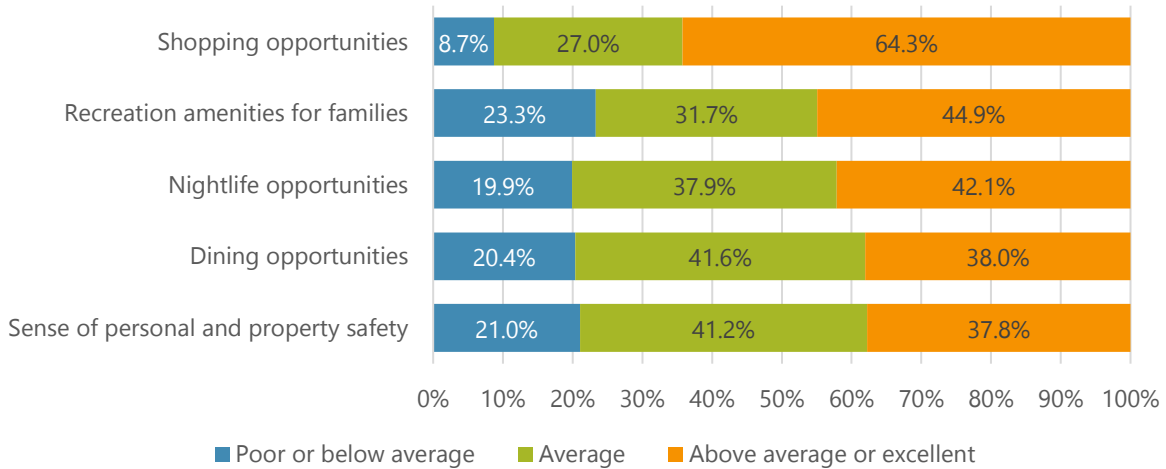
The San Marcos River was frequently cited as one of the region's greatest strengths. It remains a top asset that is cherished by residents. Stakeholders are passionate about preserving it and protecting from development. The region's other rivers, creeks, trails, and parks, in both Hays and Caldwell counties, were all frequently mentioned as part of the area's treasured green space and natural features.

Among survey respondents, 36 percent felt that the aesthetics and appearance of the community is above average or excellent while 22.1 percent rated it as poor or below average. Open-ended comments about the appearance of the community were mixed, but many stakeholders expressed concern about the rapid growth affecting the aesthetics due to the new developments. Determining the kind of development that would enhance this asset is very important. Development and protecting aesthetics do not have to be competing interests. There are many examples where the aesthetics can be enhanced when a complementary development is created. Each can co-exist and enhance each other. Appropriate preservation and development can be mutually achieved.

Social Offerings and Regional Activity Centers

Collectively known as Greater San Marcos throughout the report, the region is home to many communities, each with its own identity. As such, there are activity centers and social offerings scattered throughout two-county region, and it would be difficult to create an exhaustive list of these amenities. **Overall, the majority of stakeholder input on social offerings in Greater San Marcos was positive, and residents are happy with improvements and developments that have occurred throughout the region over the past five years.**

FIGURE 6: SURVEY QUESTION: “PLEASE RATE THE FOLLOWING ASPECTS OF THE REGION’S QUALITY OF LIFE, BASED ON YOUR EXPERIENCES WHERE YOU LIVE.” TOP FIVE QUALITY OF LIFE OR PLACE ASPECTS BASED ON THE SHARE OF ABOVE AVERAGE OR EXCELLENT RATINGS



Source: Greater San Marcos Vision 2025 Survey (2020); Market Street Services

Among the 21 quality of life and place factors that survey participants were asked to rank, the top five that received the highest ratings can be seen in Figure 6. The desire to create more dining and entertainment options, arts and cultural amenities, recreational opportunities, and downtown and activity center dynamism emerged as important strategic component in 2014 during the Vision 2020 process. Since that time, there has been a number of new efforts to develop and improve downtowns throughout Greater San Marcos. In San Marcos, the Downtown Master Plan update will be initiated soon and Downtown Vitality remains one of the San Marcos City Council’s five strategic priorities. This intentionality is consistent across, and has proved to be effective within, each community in Greater San Marcos.

Another positive finding that emerged from the survey was that most residents feel that the community is relatively safe. Roughly 38 percent rated their sense of personal and property safety as above average or excellent while 41.2 percent felt that it was average. The qualitative data aligns with crime data in the region. Among the scorecard communities, Greater San Marcos ranked second and third in property crime rates and violent crime rates, respectively. Although there are certain “pockets of crime,” crime or sense of safety did not emerge as an issue in the region.

In 2014, just 26.9 percent of survey participants felt that the dining options were above average or excellent compared to 38 percent of survey participants in 2020. Similarly, residents rated the region’s shopping opportunities and recreational opportunities favorably; 64.3 percent of survey participants rated shopping opportunities as above average or excellent. The San Marcos Outlet Malls are a tremendous tourism attraction and source for sales tax revenue and residents recognize it as an asset. With that said, stakeholders noted that other types of shopping is limited in some of the areas throughout the region.

Roughly 45 percent of respondents rated the region’s recreation amenities for families as favorable. Given that the area’s many cities, such as Buda, Dripping Springs, Kyle, Wimberley, Lockhart, Luling, and San Marcos,

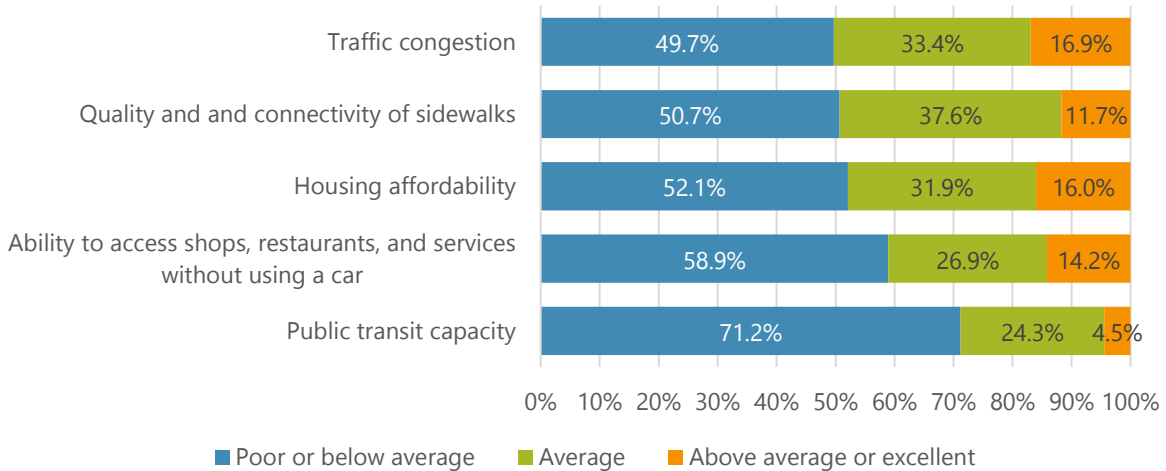
each have distinct social offerings and amenities, some stakeholders would like to see a more detailed inventory of current recreational assets and identify any the gaps that possibly exist. Improving social offerings is an opportunity that benefits residents as well as the region's destination appeal. For example, 30 percent of respondents felt that the cultural and arts facilities and programs in the region were above average or excellent while a similar share of respondents (30.7 percent) felt that they are poor or below average. This could be a result of varying opinions based on geography throughout the region or possibly poor communication or perceptions of arts in the community. For example, there have been some recent developments over the past five years to bolster arts in the region. The San Marcos Art League (SMAL) opened the downtown San Marcos Art Club in a historic building on the Square. The Center hosts events, workshops, and art shows and contributes to improving both the arts and downtown vitality.

Connectivity, mobility, and housing options

In 2015, the Urban Land Institute surveyed 1,202 adults in an effort to determine the types of environments in which they prefer to live and the community attributes with which they wish to surround themselves. The results of this study reinforced what many have observed in recent years: that **population trends around the country are increasingly influenced by the location preferences of younger generations – notably Millennials – as they age into the workforce, launch their careers, and consider starting families. It found that Millennials increasingly prefer traditionally-urban attributes such as density, walkability, and mixed-uses and are willing to locate in both cities and suburbs that offer these attributes. While there are certainly exceptions, suburbs that offer these attributes will be better positioned for Millennial talent than those that do not.**

The region's many communities offer choices for residents considering moving to the region. Stakeholders would like to see those cities maintain their distinct identities and preserve the cultural and historical features that make them special and different from Austin. At the same time, they would like to see improvements to the region's transportation, connectivity, and infrastructure. Nationally, people are increasingly seeking out alternative transportation options outside of their personal vehicle and desire to live in communities that offer walkability and connectivity. As the ULI survey illustrates, young professionals are increasingly seeking out highly urbanized areas that offer walkable districts. Similarly, Baby Boomers and retirees are downsizing in search of more walkable areas that offer greater amenities in close proximity to their homes and the ability to "age in place." **These trends demonstrate a clear preference for less auto-dependent mobility, embracing proximity to their neighbors (density), shorter commute times, and areas that provide access to safe, well-connected sidewalks and alternate modes of transportation.**

FIGURE 7: SURVEY QUESTION: “PLEASE RATE THE FOLLOWING ASPECTS OF THE REGION'S QUALITY OF LIFE, BASED ON YOUR EXPERIENCES WHERE YOU LIVE.” BOTTOM FIVE QUALITY OF LIFE OR PLACE ASPECTS BASED ON THE SHARE OF BELOW AVERAGE OR POOR RATINGS



Source: Greater San Marcos Vision 2025 Survey (2020); Market Street Services

Among the quality of life factors that survey participants were asked to rate, four of the bottom five directly relate to the region’s connectivity. In Greater San Marcos, roughly half of residents rated the region’s traffic congestion as poor or below average, and 71.2 percent rated the region’s public transit capacity unfavorably. Nearly 60 percent of survey participants rated the region’s ability to access shows, restaurants, and services without using a car as poor or below average. Likewise, 50.7 percent rated the region’s quality and connectivity of sidewalks as poor or below average. WalkScore measures the walkability of a community on a scale from 0 – 100 based on walking routes to destinations such as grocery stores, schools, parks, restaurants, and retail, with 100 indicating that a city is very walkable. Among the principal cities in each of the counties, San Marcos scored a 38 while Lockhart scored a 65.

The emergence of Lockhart’s downtown has been a welcomed development in the region. Visitors and residents find the historic Lockhart square charming, while the City of San Marcos has also been taking steps to improve its downtown and plan for smart growth that aligns with residents’ desires. Attractive downtowns and those that offer a live, work, and play lifestyle continue to be in high demand. This is evident from the ULI study and through data on where population and job growth is occurring throughout the country. Over half (52.1 percent) of survey participants rated the region’s housing affordability as poor or below average. Combined, these ratings related to connectivity indicate that Greater San Marcos lacks a sufficient supply of mixed-use “live-work-play” environments that are increasingly in demand, particularly among young professionals and empty nesters. In the modern climate where “business follows talent,” walkable districts with a vibrant mix of residential and commercial uses and amenities are becoming an important ingredient for economic success.

FIGURE 8: SURVEY QUESTION “IN YOUR OPINION, WHAT IS THE BIGGEST CHALLENGE OR CHALLENGES FACING THE GREATER SAN MARCOS REGION’S ECONOMY?”



Source: Greater San Marcos Vision 2025 Survey (2020); Market Street Services

Traffic and concerns regarding infrastructure and growth were frequently mentioned by input participants. While issues such as traffic congestion and accommodating growth can be challenging, they can be combatted through multiple approaches. Simply building new roads is not a “silver bullet” for solving the transportation and congestion issues. New road construction is needed but even with the additions, it will not be the “cure all.” Research shows that strategies that encourage lifestyle changes such as additional bike lanes and walking paths, encouraging carpooling, increased public transportation ridership, and improved connectivity are among the most effective ways to reduce congestion. This can be achieved by various initiatives including adding HOV lanes and reducing the number of vehicles on the road through better access to public transportation. And certainly, one of the most fundamental means by which traffic concerns can be mitigated is by creating additional employment opportunities within Greater San Marcos, so that fewer of its residents need to leave the region for work.

Additionally, another effective approach to reducing the number of commuters on the road is by tackling another challenge facing the region: housing affordability. When local workers can’t afford to live near their place of employment (or there aren’t enough affordable homes available in the area), they move somewhere with more affordable homes and drive to work thereby creating more traffic congestion on the roads. The nearby word cloud displays the most common terms that were used in the open-ended responses when stakeholders from the business community were asked what the biggest challenge was facing the region’s

economy. It is clear that the business community views affordable housing and the lack of housing as key competitive challenges to overcome.

Greater San Marcos is home to many communities, and so the solution will not be a “one size fits all.” For example, in San Marcos, finding a balance with student housing is an issue that will continue to create challenges in the housing market. In other areas, it is reported that police and teachers cannot afford to live in the community in which they work. Although there are some new developments being built, regional supply is not keeping up with demand.

Another way to measure housing affordability is to examine how much an average household spends on rent. The U.S. Department of Housing and Urban Development has determined that families spending over 30 percent of income on housing are cost burdened and may have trouble being able to pay for other necessities. In 2018, 57.4 percent of Hays County renters were spending more than 30 percent of their income on rent. Among the scorecard communities, Greater San Marcos had the highest share. In comparison, 49.7 percent of renters in the United States spent more than 30 percent of their household income on rent. According to Zillow, the median sales price for a home in Hays County increased by 32.4 percent between September 2014 and September 2019 and by 33.6 percent in Caldwell County. Nationally, the median sales price increased by 32.3 percent. The lack of sufficient housing supply is driving the increase in home values. According to the Austin Board of Realtors, as of December 2019, Hays County has an estimated 2.6 months of housing inventory while Caldwell County has 3.8 months of inventory. ⁱ Typically, a six-month supply is viewed as a healthy, balanced real estate market.

As the region continues to grow, increasing affordable housing options and creating a healthy balance of housing stock will be a key factor in the quality of life of residents and workers in Greater San Marcos. It is also a critical component to improving the region’s competitiveness for jobs and workers. As will be discussed in the next chapter, factors such as “quality of life” are now being given weight in relocation decisions and are fueling corporate location decisions. In *Area Development’s* annual survey of factors that influence corporate location decisions, quality of life was added to the annual rankings *at the request of executives* who insisted that it be included in the survey. It is clear that quality of life is now heavily driving location decisions alongside more traditional business climate factors measuring market cost and market access.

4. Regional Talent and Commuting Patterns

In today's increasingly competitive and technology-driven economy, companies in a wide variety of sectors now rate access to a skilled and talented workforce as the top site selection component driving corporate location decisions. Each year, *Area Development* magazine surveys corporate executives to determine which factors most heavily influence their company's location decisions. The availability of skilled labor has surged to the top of the list of corporate executives' most important site selection factors since 2006, emerging in importance above labor costs, corporate tax rates, tax exemptions, state and local incentives, and occupancy or construction costs. While technological advancements and automation are changing employers' workforce needs, corporate executives understand that the potential of advancements such as robotics and artificial intelligence can't be reached without a sufficient supply of labor equipped with the skills needed to utilize them.

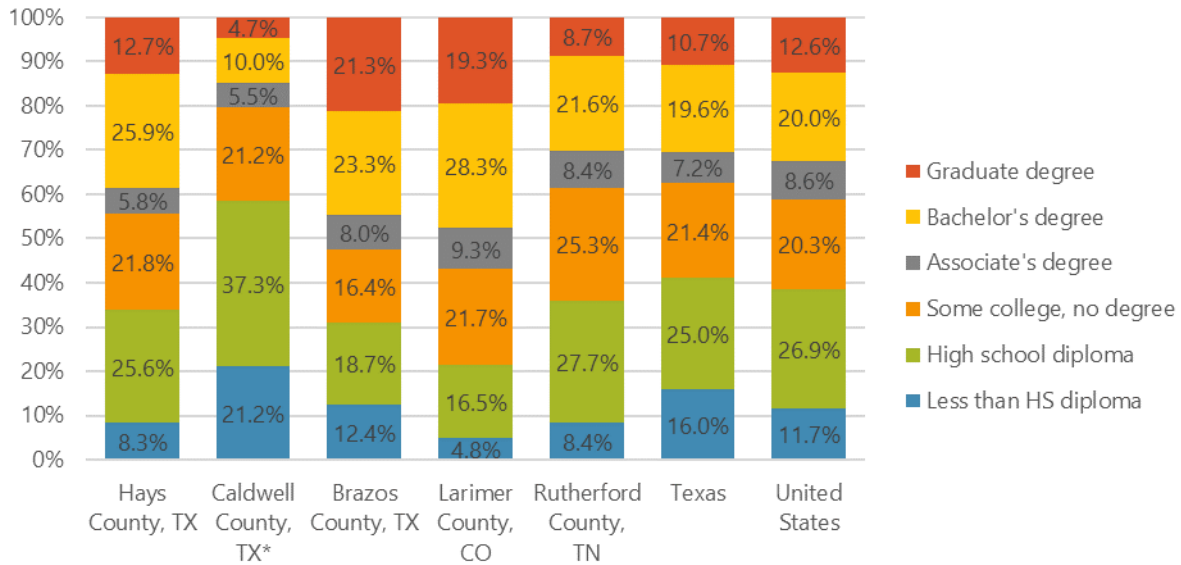
FIGURE 9: AREA DEVELOPMENT MAGAZINE ANNUAL SURVEY OF CORPORATE EXECUTIVES, MOST IMPORTANT SITE SELECTION FACTORS (2006 & 2018)

2006 Rankings	2018 Rankings	Change
1. Labor costs	1. Availability of skilled labor	6
2. Highway accessibility	2. Labor costs	-1
3. Corporate tax rate	3. Highway accessibility	-1
4. State and local incentives	4. Corporate tax rate	-1
5. Tax exemptions	5. Tax exemptions	-
6. Occupancy or construction costs	6. Quality of life	N/A
7. Availability of skilled labor	7. State and local incentives	-3
8. Energy availability and costs	8. Energy availability and costs	-
9. Cost of land	9. Available buildings	N/A
10. Low union profile	10. Occupancy or construction costs	-4

Source: Area Development Magazine; Corporate Survey (2006, 2018)

When assessing workforce competitiveness and sustainability, both the quality and the quantity of workers affect the region's ability to support quality job growth. In terms of the skill of the available labor force, educational attainment rates are often used as a way to gauge the talent in the community. Greater San Marcos is home to a well-educated population. In 2018, 38.6 percent of adults in Hays County had a bachelor's degree or higher. Nationally, 32.6 percent of adults over the age of 25 have a four-year degree or higher.

FIGURE 10: EDUCATIONAL ATTAINMENT, 2018*



Source: United States Census Bureau, ACS 1-yr estimate

* Due to Caldwell County's smaller size, data for 2018 ACS 1-year estimate was not available. ACS 1-year estimates are only available for areas with populations of 65,000 or more. Data for Caldwell County is from the ACS 2014-18 5-year estimate

Among the comparison communities, Greater San Marcos ranked fourth highest, trailing just Larimer County, CO; Denton County, TX; and Brazos County, TX for the share of the population with a bachelor's degree or higher. However, Caldwell County residents have lower educational attainment rates with just 14.7 percent of adults having attained a four-year degree or higher. It's worth noting that just 16.5 percent of the region's population over the age of 25 resides in Caldwell County. Therefore, Hays County's population and workforce attributes have a greater influence on the region's workforce dynamics and competitiveness when benchmarked against comparison communities. On the Workforce Competitiveness scorecard, Greater San Marcos ranked third.

However, it should be noted that the difference in educational rates between the two counties is also a reflection of the economies in the region. Caldwell County's economy has a higher concentration of jobs in sectors such as agriculture and construction where a four-year degree or higher is not typically required. While site selectors may initially use the region's educational attainment rate to benchmark Greater San Marcos to another community, it is one of many measures used and it will ultimately depend on the business's workforce needs. Ensuring that the different types of industries are connected to workforce training providers to prepare residents with the training needed at all skill levels is also an important component to addressing the availability of skilled labor.

In addition to having higher educational attainment rates than comparison regions, Hays County residents are better educated than they were five years ago. Between 2013 and 2018, the share of Hays County residents aged 25 and older that possess a bachelor's degree or higher grew by 3.1 percentage points – increasing from 35.5 percent in 2013 to 38.6 percent in 2018. Nationally, the share increased by 3.0 percentage points, and in Texas, it grew by 2.7 percentage points. With the availability of a skilled workforce

as the most important factor influencing a community’s competitiveness in the modern economy, it is encouraging to find that the Greater San Marcos region continues to improve its talent base.

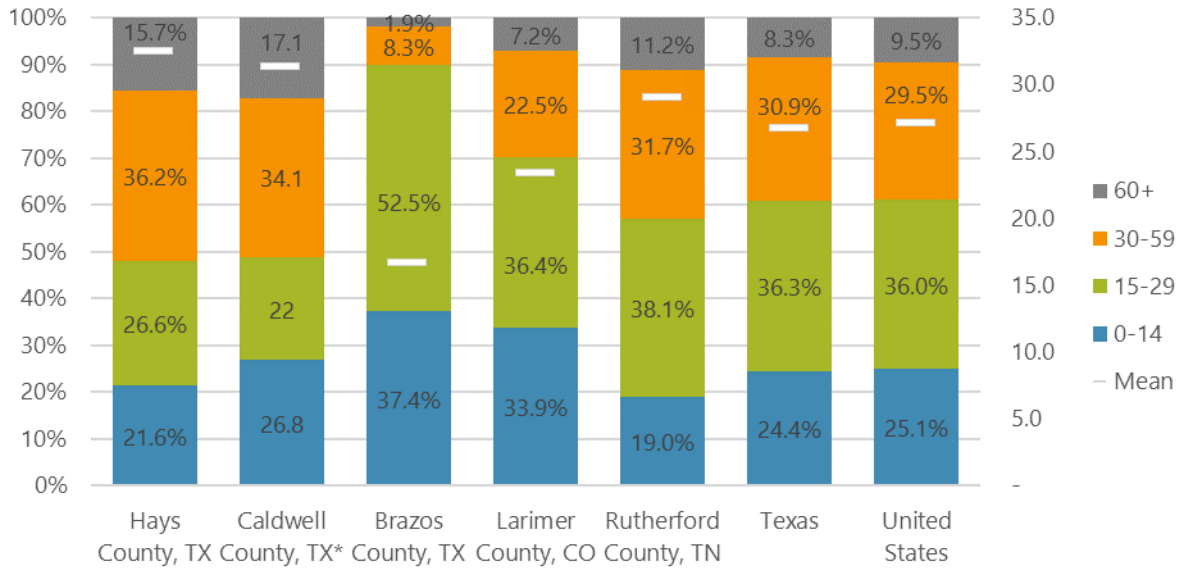
FIGURE 11: LABOR FORCE, 2008-2018

	2018	5-yr Chg		10-yr Chg.	
		#	%	#	%
Greater San Marcos	133,478	26,449	24.7%	41,508	45.1%
<i>Caldwell County, TX</i>	19,092	1,967	11.5%	3,720	24.2%
<i>Hays County, TX</i>	114,386	24,482	27.2%	37,788	49.3%
Larimer County, CO	116,882	14,072	13.7%	25,183	27.5%
Rutherford County, TN	202,449	28,284	16.2%	26,932	15.3%
Texas	176,691	29,711	20.2%	43,163	32.3%
United States	13,848,080	6,686,000	4.3%	7,788,000	5.0%

Source: Bureau of Labor Statistics

Not only is the talent becoming more educated, but there are also simply more workers available now in the region than there were five years prior. Mirroring the region’s rapid population growth, the labor force has increased substantially over the past decade. An individual is considered to be in the “labor force” when he or she is working or actively looking for work, and the statistic is based on where people live rather than where they work. The unemployment rate in 2018 was 3.1 percent in Greater San Marcos, illustrating that individuals seeking employment are successfully finding jobs opportunities. The labor force participation rate – the share of the population working or looking for work – is also above average. Combined, this indicates that **Greater San Marcos is home to a large pool of talented workers.**

FIGURE 12: COMMUTE TIMES, 2018*



Source: United States Census Bureau, ACS 1-yr estimate

* Due to Caldwell County's smaller size, data for 2018 ACS 1-year estimate was not available. ACS 1-year estimates are only available for areas with populations of 65,000 or more.

Yet, the data shows that many residents are not working *in* the region. Rather, many are leaving the area for work elsewhere. In fact, **roughly half (49.6 percent) of workers 16 years and over in Hays County reported that they worked *outside* of their county of residence in 2018.** Nationally, just 24.1 percent of workers worked outside their county of residence while in Brazos County, just 7.2 percent reported working outside the county. Among the scorecard communities, Greater San Marcos workers also have the longest mean commute time (31.3 minutes) and over half of workers have a commute time longer than 30 minutes. The United State Census Bureau's Longitudinal Employer-Household Dynamics (LEHD) program provides additional insights to the commuting patterns, including the destination and direction of travel for residents to their place of employment. According to this data, roughly one-third (32.7 percent) of workers are employed in the City of Austin. Given that Travis County is the top source for new residents to the region, it's likely that many of those new residents have continued to work in Austin.

FIGURE 13: RATIO OF JOBS TO EMPLOYED RESIDENTS, 2008-18

	Jobs			Employed Residents			Ratio: Jobs to Employed Residents		
	2008	2018	10-yr Chg.	2008	2018	10-yr Chg.	2008	2018	10-yr Chg.
Greater San Marcos	63,223	91,402	28,179	87,910	129,402	41,492	0.72	0.71	(0.01)
Brazos County, TX	98,752	120,530	21,778	88,162	113,563	25,401	1.12	1.06	(0.06)
Larimer County, CO	151,337	186,133	34,796	168,090	196,754	28,664	0.90	0.95	0.05
Rutherford County, TN	112,502	144,116	31,614	125,803	171,941	46,138	0.89	0.84	(0.06)

Source: Economic Modeling Specialists International (EMSI); Bureau of Labor Statistics

Combined, these factors support stakeholder assertions regarding the inflow/outflow workforce dynamics throughout the region. As can be seen in Figure 13 the ratio of jobs (number of people working in the two-county region) to employed residents living in Greater San Marcos is 0.71. This indicates that there are fewer jobs available in the region than there are workers living in Hays and Caldwell counties (or rather, there are 71 jobs for every 100 employed residents). In comparison, Brazos County’s jobs to worker ratio is 1.06 and Larimer County is 0.95, indicating more balanced jobs to resident worker ratios while Rutherford County is experiencing a similar job to worker ratio as Greater San Marcos, but to a lesser extent. Simply put, Greater San Marcos is not yet a major job center. And the region’s intentionality with regard to expanding its local job base will not only mitigate for this trend, it will serve to decrease the challenges associated with commute times, discussed previously. The rapid growth of workers living in the region has outpaced the job growth, and the **region experiences a large degree of net outflow daily from residents commuting to jobs located outside the county**. This trend is observed in both Hays and Caldwell counties; the ratio of jobs to employed residents is 0.73 in Hays County and 0.59 in Caldwell County.

FIGURE 14: SURVEY QUESTION: “FROM WHAT YOU KNOW ABOUT THE GREATER SAN MARCOS REGION, WHAT IS ITS GREATEST THREAT OR CHALLENGE TO OVERCOME?”



Source: Greater San Marcos Vision 2025 Survey (2020); Market Street Services

Online survey participants were asked what the region’s greatest threat or challenge to overcome. The above word cloud displays the most common terms that were used in the open-ended responses. It is clear that stakeholders continue to be concerned with the region’s growth and traffic. Given the commuting patterns, it follows that more people on the road creates increased traffic volume and additional road congestion. Stakeholders are particularly concerned about the congestion along the I-35 as well as the ability of the region’s existing roadways and infrastructure to handle the rapid growth.

Traffic congestion has been a concern for years and emerged as a challenge in Vision 2020 process as well. It is clear that addressing growth issues continues to be a priority. In recent years, the region has invested significantly in its transportation. For example, more than \$500 million has been spent on roadway improvement in Hays County since 2007, including the FM 110 project. In October 2019, the FM 110 South Project broke ground and is expect to improve access to residential and employment centers east of I-35 where there are over 4,300 acres adjacent to the roadway. Additional construction of FM 110 will begin in 2020 at FM 621 and SH-80 in the spring and from SH 80 to I-35 in the fall. The FM 110 South Project has been a focus for decades and the recent ground breaking is a positive development for improving mobility and connectivity around the region.

In 2018, the City of San Marcos updated its Transportation Master Plan, and its guiding objective is to improve accessibility and mobility while minimizing congestion and pollution. The plan is designed with a

“complete street” approach and includes a focus on increasing bicycle usage and creating a well-connected pedestrian network. The plan aims to also increase and improve the City’s transit systems while also preserving local character and protecting the rivers and San Marcos environment.

Nevertheless, traffic congestion can be difficult to address quickly, particularly given that the area is located in a fast growing region along the I-35 corridor, with Austin growing to the north and San Antonio growing in the south. Transportation plans and funding for projects vary by region, and certain decisions are made at the regional and state levels. In fast growing areas, construction often struggles to keep pace with rapid growth. Even so, tackling traffic issues by investing in additional road capacity, adding flyovers and engaging in other tactics to provide relief of vehicle traffic are all important and impactful actions to managing quality growth.

FIGURE 15: JOBS AND RESIDENTS WORKERS BY OCCUPATIONAL GROUP, 2014-19

Occupational Group	2019			5-year Chg. (2014-19)		2019 Attributes	
	Jobs	Resident Workers	Net Commuters	Jobs	Resident Workers	LQ	Avg. Hourly Earnings
Office & Administrative Support	13,028	20,332	(7,304)	18.4%	12.6%	0.98	\$17.12
Food Preparation & Serving Related	10,417	13,895	(3,478)	25.3%	29.4%	1.34	\$11.41
Business & Financial Operations	3,690	7,131	(3,441)	29.8%	23.2%	0.75	\$35.04
Computer & Mathematical	1,835	4,390	(2,555)	24.7%	25.8%	0.67	\$37.48
Sales & Related	11,875	14,367	(2,492)	2.6%	15.5%	1.29	\$17.61
Healthcare Practitioners & Technical	3,635	6,009	(2,374)	17.1%	18.2%	0.70	\$34.35
Management	4,822	7,101	(2,279)	28.8%	26.2%	0.90	\$46.77
Construction & Extraction	6,675	8,684	(2,009)	33.3%	28.8%	1.52	\$19.73
Protective Service	1,384	3,090	(1,706)	18.6%	7.3%	0.67	\$21.96
Installation, Maintenance, & Repair	3,699	5,361	(1,662)	21.4%	19.6%	1.02	\$20.90
Production	3,900	5,488	(1,588)	15.4%	9.4%	0.72	\$17.60
Personal Care & Service	3,197	4,757	(1,560)	42.3%	31.8%	0.77	\$12.40
Architecture & Engineering	1,238	2,670	(1,432)	9.4%	8.8%	0.79	\$40.98
Building & Grounds Cleaning & Maintenance	3,312	4,580	(1,268)	21.4%	14.4%	0.98	\$12.83
Healthcare Support	1,698	2,787	(1,089)	12.6%	13.6%	0.68	\$15.54
Education, Training, & Library	7,480	8,431	(951)	19.1%	14.3%	1.42	\$24.89
Transportation & Material Moving	6,746	7,664	(918)	59.1%	35.1%	1.05	\$16.56
Arts, Design, Entertainment, Sports, & Media	1,765	2,641	(876)	34.6%	30.0%	1.04	\$27.20
Community & Social Service	1,275	1,995	(720)	20.7%	15.6%	0.81	\$22.39
Legal	513	1,220	(707)	26.4%	15.5%	0.66	\$50.45
Life, Physical, & Social Science	622	1,169	(547)	18.9%	11.0%	0.82	\$31.41
Military-only	279	526	(247)	13.9%	(6.6%)	0.52	\$19.50
Farming, Fishing, & Forestry	429	525	(96)	14.7%	24.1%	0.62	\$14.28
Total, All Jobs	93,514	134,814	(41,299)	21.9%	19.6%		\$21.36

Source: Economic Modeling Specialists International (EMSI)

In terms of reducing the number of people on the road, one approach is by increasing the housing stock and improving housing affordability so that individuals that work in Greater San Marcos can also live in the two-county region. Another way is by focusing on better alignment of resident workers with local jobs. The above table shows the number of jobs by occupational group and the number of resident workers by occupational group. The difference between the two is the net outflow of commuters in each occupational grouping. The table is sorted by net commuters, with the most number of outflow commuters at the top. Although the table does not take into account the number of individuals commuting into the region to fill local jobs, the table is helpful in estimating the talent supply living in the region and alignment opportunities.

As can be seen in the table, Greater San Marcos has more resident workers than jobs in every occupational grouping. However, it is notable that **the region has a significant number of net commuters in higher skilled and higher paying occupations such as business and financial operations and computer and mathematical occupations.** The last two columns provide additional information regarding the occupational group in Greater San Marcos. The “location quotient” or “LQ,” a statistic that measures how concentrated a given occupational group is in a regional economy relative to the national economy. Both occupational groups have below average concentrations in Greater San Marcos and have average wages well above the regional average.

The fact that Greater San Marcos is home to a large pool of talent is a competitive advantage for relocation projects and a marketable aspect for existing businesses expanding in the region. It indicates that there is an opportunity to better align the regional economy with higher quality jobs that local residents are qualified to fill. As was discussed at the beginning of this assessment, the region is home to a well-educated population and the occupational table provides even greater insight to the workforce skills of local residents. The additional workforce capacity has the potential to be better leveraged to grow higher paying jobs locally while also reducing commute times and traffic congestion. **As one survey participant stated, “The SM region needs to be able to not just grow in population from people that will commute to Austin or SA, it needs to provide local, quality jobs.”** The next section takes a closer look at the economic composition of jobs in Greater San Marcos and employment growth over the past five years.

5. Economic Growth and Target Sector Performance

Up to this point, the Assessment has primarily focused on the population and workforce in Greater San Marcos and the quality of life and place considerations that impact them. Given that the availability of talent is now the most important factor influencing a community’s competitiveness, these factors have a significant influence on Greater San Marcos’s economic prospects. This section explores the local economy in greater detail, including a discussion of the region’s target sector performance over the past five years.

General Economic Conditions

Along with the fast population growth, employment opportunities in Greater San Marcos have been growing and the economy has been expanding rapidly. Greater San Marcos is ideally located in an advantaged location within the state’s economic engine, the Texas Triangle. In recent years, there has been tremendous growth along the I-35 corridor and residents frequently cited the corridor as a top asset and competitive advantage for future economic opportunities. Employment over the past ten years grew by roughly 46.4 percent and the regional economy added nearly 30,000 jobs. Employment grew more than double the pace of the state’s growth rate and more than triple that of the national growth rate.

FIGURE 16: TOTAL EMPLOYMENT, 2009-19

	2009	2014	2019	5-yr Chg.		10-yr Chg.	
				#	%	#	%
Greater San Marcos	63,879	76,700	93,514	16,814	21.9%	29,635	46.4%
<i>Caldwell County</i>	8,260	9,739	10,810	1,071	11.0%	2,550	30.9%
<i>Hays County</i>	55,619	66,961	82,704	15,743	23.5%	27,085	48.7%
Brazos County, TX	100,120	110,126	122,363	12,237	11.1%	22,243	22.2%
Larimer County, CO	146,639	163,088	188,291	25,203	15.5%	41,652	28.4%
Rutherford County, TN	107,026	125,780	146,587	20,807	16.5%	39,561	37.0%
Texas	11,594,486	12,861,432	14,054,383	1,192,951	9.3%	2,459,897	21.2%
United States	145,649,612	153,497,119	164,699,638	11,202,519	7.3%	19,050,026	13.1%

Source: Economic Modeling Specialists International (EMSI)

Overall, employment growth over the past ten years has been steady. Between 2009 and 2014, Greater San Marcos grew by 20 percent while it grew by 21.9 percent between 2014 and 2019. Among the scorecard communities, Greater San Marcos had the second fastest growth rate between 2014 and 2019, behind just Comal and Guadalupe counties. Employment growth over the five-year period in Caldwell County (11 percent) has been slower compared to Hays County (23.5 percent). However, the growth rate in Caldwell County still exceeded that of both the state and national growth rates.

In Greater San Marcos, gross domestic product (GDP) increased by 27.3 percent between 2013 and 2018 indicating that in addition to job growth, regional economic output is growing rapidly. Among the scorecard

communities, Greater San Marcos had the third fastest growth, behind just Comal and Guadalupe counties and Denton County. In terms of GDP per job (output per unit of labor input), Greater San Marcos ranked eighth. As a region, Greater San Marcos averaged \$82,257 in GDP per job in 2018. In comparison, Denton County, which ranked first, averaged \$102,406 in GDP per job. Similar dynamics played out in the region’s exports where Greater San Marcos averaged \$79,896 in exports per jobs while Rutherford County, which ranked first, averaged \$160,802 in exports per job.

FIGURE 17: WAGES, SALARIES, & PROPRIETOR EARNINGS, 2014-19

	2014	2019	5-yr % Chg.
Greater San Marcos	\$35,261	\$39,813	12.9%
<i>Caldwell County</i>	\$35,848	\$38,863	8.4%
<i>Hays County</i>	\$35,175	\$39,937	13.5%
Brazos County, TX	\$35,930	\$39,502	9.9%
Larimer County, CO	\$43,312	\$49,905	15.2%
Rutherford County, TN	\$42,861	\$48,012	12.0%
Texas	\$51,298	\$56,535	10.2%
United States	\$49,674	\$56,194	13.1%

Source: Economic Modeling Specialists International (EMSI)

While jobs have been growing rapidly in the region, wages have grown at roughly the same pace as national wage growth. Wages in Hays County have been growing at a slightly faster pace; only Larimer County and York County had faster wage growth over the five year period. However, average wages in the region are lower than that of the majority of the comparison communities. Only Brazos County had a lower average wage. **The lower cost of living accounts for some of the wage disparity; Greater San Marcos ranked third among the scorecard communities, behind Rutherford County and Brazos County. However, the wage differential is largely a reflection of the economic composition of jobs in Greater San Marcos.**

The accompanying table delves more deeply into the economic composition of the regional economy. Figure 18 displays a high-level overview of economic composition by major business sector, sorted by the change in jobs between 2014 and 2019 with the sector that added the most jobs over the five-year period at the top. The first column displays the “location quotient” or “LQ,” a statistic that measures how concentrated a given sector is in a regional economy relative to the national economy. A location quotient of 1.0 indicates that a sector is exactly as concentrated in the regional economy as it is nationally. A location quotient above 1.0 could imply that a region possesses some form of competitive advantage supporting the location and high concentration of jobs in a given sector. The business sectors that have an above-average concentration of jobs are indicated by the green font in the LQ column. As can be seen in the nearby figure, Greater San Marcos has a high concentration of jobs in many lower-paying industries such as accommodation and food services (LQ=1.35) and retail trade (LQ=1.45) where average annual wages in 2019 were \$18,130 and \$27,533, respectively.

FIGURE 18: GREATER SAN MARCOS ECONOMIC COMPOSITION, EMPLOYMENT BY BUSINESS SECTOR, 2014-19

Business Sector	2019			Job Growth (2014-19)			
	LQ*	Jobs	Average Annual Wage	GSMR # Chg.	GSMR % Chg.	TX % Chg.	US % Chg.
Construction	1.66	8,834	\$50,238	2,646	42.8%	16.5%	17.3%
Government	1.26	17,553	\$43,161	2,358	15.5%	4.7%	2.3%
Transportation & Warehousing	1.28	4,477	\$42,777	2,292	104.9%	21.8%	22.0%
Accommodation & Food Services	1.35	10,817	\$18,130	2,254	26.3%	15.0%	11.0%
Health Care & Social Assistance	0.71	8,497	\$42,236	1,363	19.1%	12.9%	10.6%
Professional, Scientific, & Technical Services	0.67	4,149	\$55,147	1,213	41.3%	18.3%	12.3%
Manufacturing	0.78	5,769	\$55,376	971	20.2%	1.4%	4.9%
Other Services (except Public Administration)	1.04	4,613	\$28,472	743	19.2%	7.2%	5.0%
Real Estate & Rental & Leasing	1.28	2,033	\$43,356	713	54.1%	13.9%	10.7%
Admin./Support & Waste Mgmt & Remed. Svcs.	0.66	3,820	\$38,043	694	22.2%	7.7%	7.5%
Retail Trade	1.45	13,522	\$27,533	441	3.4%	5.1%	2.2%
Wholesale Trade	0.67	2,282	\$67,921	399	21.2%	4.4%	0.7%
Arts, Entertainment, & Recreation	0.65	1,064	\$26,360	340	46.8%	18.3%	12.9%
Educational Services	0.66	1,598	\$34,567	336	26.6%	14.5%	8.6%
Information	0.63	1,070	\$47,630	151	16.5%	2.0%	3.7%
Management of Companies & Enterprises	0.26	352	\$70,943	63	21.8%	31.5%	10.4%
Agriculture, Forestry, Fishing & Hunting	0.57	625	\$37,911	53	9.2%	1.4%	0.0%
Utilities	0.66	209	\$83,153	6	2.7%	8.0%	0.8%
Mining, Quarrying, & Oil & Gas Extraction	1.18	468	\$63,482	(118)	-20.1%	-17.9%	-18.7%
Finance & Insurance	0.45	1,703	\$60,553	(147)	-8.0%	11.5%	6.9%
Total, All Jobs		93,514	\$39,813	16,814	21.9%	9.3%	7.3%

Source: Economic Modeling Specialists International (EMSI)

Note: Location quotients (LQs) are a ratio of the region's share of employment in a given business sector to that same sector's share of total national employment. A location quotient greater than 1.0 indicates that the region's share of employment in a given sector is greater than the average American community, and may be a sign that the region affords businesses in this sector with some competitive advantage. Sectors with location quotients greater than or equal to 1.1 are presented in green font while those with LQs lower than 0.9 are presented in red font.

In nearly every business sector, employment growth in the region outpaced state and national growth rates. Employment in "local-serving" sectors have been expanding in recent years. This includes sectors such as accommodation and food services; health care and social assistance; retail trade; arts, entertainment, and recreation; construction; and real estate. In general, local-serving sectors refer to those sectors of the economy that are largely supported by nearby residents and local demand for goods and services and employment growth is largely influenced by population growth. With that said, the above average

concentration of jobs in industries such as retail trade and accommodation and food services illustrates the strength of Greater San Marcos' tourism and destination attraction industry.

Construction added the greatest number of new jobs over the past five years. The construction industry has been expanding rapidly in an effort to keep up with the massive population and employment growth. Residential building, highway and streets, civil engineering, and building construction activity have all helped to fuel job growth. Similarly, real estate and rental and leasing jobs have been growing rapidly, adding roughly 700 jobs and expanding by 54.1 percent over the five-year period. The transportation and warehousing subsector has also grown substantially since 2014. It more than doubled in size, largely due to the opening of the Amazon fulfillment center in San Marcos, but there have also been a number of other smaller projects throughout the region that are also captured in the subsector.

Following construction, government added the second greatest number of jobs over the past five years. Roughly half of the net jobs gained in government are attributed to the record-breaking growth at Texas State. The subsector for colleges, universities, and professional schools added roughly 1,000 jobs between 2014 and 2019, and employment grew by 20.7 percent. Texas State remains the region's largest employer. The region's local school districts – Hays, San Marcos, Dripping Springs, and Lockhart ISD – are also among the top largest employers.

Economic development seeks to attract new wealth to a community by expanding jobs in export-oriented sectors: sectors that export goods and services to businesses and consumers outside the local market. Economic activity in export-oriented sectors tend to be the primary driver for increased wealth and prosperity in a community. Export-oriented sectors such as manufacturing and information technology bring new wealth into the community by selling goods and services to businesses and consumers beyond the immediate market. These primary jobs are typically higher paying and support "local-serving jobs."

Employment in the manufacturing sector and wholesale sector have each grown by roughly 20 percent and added more than 1,300 jobs combined over the past five years. Greater San Marcos had several relocations and expansions since 2014 that have helped to bolster the manufacturing sector, and others have been announced but have yet to open. For example, Urban Mining Company selected San Marcos in 2017 as the location for its new, state-of-the-art earth magnet manufacturing facility and headquarters. More recently, medical device manufacturer Sempulse moved its headquarters to STAR Park, and SmileDirectClub announced in October 2019 that it plans to open a \$37 million manufacturing plant in Kyle that will bring 850 jobs to the area. Visionary Fiber Technologies, Inc. (VFT) also announced in 2019 its plans to establish its global headquarters and R&D and manufacturing facility in Lockhart. The momentum in advanced manufacturing appears to be both positive, and accelerating.

One of most common themes of Vision 2020 public input was the need for better, higher paying, and more diverse jobs in Greater San Marcos, and stakeholders continue to see this as a challenge. Input participants view the lack of higher skilled professional jobs as a competitive challenge to retaining Texas State graduates. Although the regional economy still has a below average concentration of employment in higher-wage, knowledge-based business sectors, there has been some progress over the past five years. Professional, technical, and scientific jobs grew by 41.3 percent over the past five years, adding roughly 1,200 jobs to the Greater San Marcos regional economy. Average wages are over \$55,000 and captures the

employment growth in sectors such as computer systems design and related services; management, scientific, and technical consulting services; and other professional, scientific, and technical services.

Employment in the information sector in the Austin metro area is roughly 70 percent more concentrated than the national average (LQ=1.69), illustrating the greater region's workforce strength in information. Yet, in Greater San Marcos, the information sector is below average and suggests that there is more room for it to grow by leveraging the labor shed in the metro area. The region's relative affordability can also be leveraged. Promogo, a tech startup company that is creating customer relationship management software to bridge gaps in the promotional marketing and branded event business, recently chose to relocate from Austin to Lockhart. The company cited the rising costs for office space in Austin as the reason for looking elsewhere. The company also stated that relocating to Lockhart allowed them to stay in the Austin metro at a more affordable rate. The City of Lockhart put together a competitive package to help win the project. Quality of life also played a role in the decision with the company's CEO, Jeff Limberg, citing the City's barbeque and better traffic as positive features that also influenced the decision.ⁱⁱ

TARGET SECTOR PERFORMANCE

During the Vision 2020 process, Greater San Marcos completed a target sector analysis to identify which target business sectors the region should focus marketing and other economic development resources in order to attract and grown jobs and investment. GSMP, as the region's economic development organization, focuses its activities around seven targets: Aerospace, Aviation, Security, & Defense; Business Services & Support; Materials Science; Information Technology; Life Sciences; Regional Distribution; and Destination Attraction.

These target sectors were identified based on the community's existing sector composition and asset base, their growth potential, and other factors. The following section provides a brief overview of the recent performance of these sectors and national trends regarding the targeted sectors to help improve messaging and ensure that region's limited resources remain focused on the highest value opportunities capable of generating the strongest return on investment.

FIGURE 19: TARGET SECTOR PERFORMANCE AND PROJECTED GROWTH, 2014-24

	2019		Five-Year Growth (2014-19)				Five-Year Projected Growth (2019-24)	
	LQ	Jobs	GSM #	GSM %	Austin MSA %	US %	Austin MSA %	US %
Aerospace, Aviation, Security & Defense	1.16	937	-230	-19.7%	10.8%	12.1%	8.5%	3.8%
Business Services & Support	0.70	2,941	783	36.3%	20.8%	9.1%	13.2%	6.7%
Destination Attraction	1.46	17,077	1,933	12.8%	20.1%	7.8%	14.0%	5.5%
Information Technology	0.40	1,472	218	17.4%	31.4%	18.0%	19.6%	4.0%
Life Sciences	0.24	315	79	33.4%	13.4%	12.6%	10.9%	7.3%
Material Science	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Regional Distribution	0.92	5,377	1,968	57.7%	18.7%	8.8%	7.4%	5.5%
Total, Target Sectors		31,425	4,621	17.2%	22.5%	11.0%	14.2%	5.7%
Total, All Jobs		93,514	16,814	21.9%	17.4%	7.3%	12.3%	5.4%

Source: Economic Modeling Specialists International (EMSI)

Overall Target Sector Performance

Figure 19 displays the region’s economic performance in each of the target sectors over the past five years. In addition to adding national context to the employment trends, Greater San Marcos’s performance is displayed next to the Austin MSA’s five-year growth to provide greater context related to how the Greater San Marcos target sectors are performing against the overall Austin metro region. **Overall, employment in the region’s target sectors grew by 17.2 percent between 2014 and 2019.** Employment outpaced the national growth captured within the target sectors but trailed the Austin metro area growth rate. Jobs within the target sectors account for 33.6 percent of sector jobs in the greater region, but accounted for 27.5 percent of the job growth. Employment in all but two of the target sectors grew at a faster pace than that of the nation and half of the targets grew at a faster pace than the Austin metro.

Data for the Materials Science is not available. Because of the nature of Materials Science research, which focuses on both materials and processes, the applicable manufacturing subsectors are nearly limitless. Advances in Materials Science can benefit components manufacturing, such as cement and cement product manufacturing and semiconductor and other electronic component manufacturing, and final product manufacturing, such as motor vehicle parts manufacturing, electric lighting equipment manufacturing, and machinery manufacturing. Because there are many specialized manufacturing areas that can grow as a result of the Materials Science target, it is difficult to measure its exact impact on the economy. The manufacturing sector grew by 20.2 percent in Greater San Marcos over the past five years, including many sectors that leverage materials science. Some examples of job growth in select manufacturing sectors include electrical equipment and component manufacturing (130 jobs, or 30.4 percent), electric lighting equipment manufacturing (93 jobs, 27.6 percent), and plastic product manufacturing (72 jobs, 205.7 percent). The focus by Texas State in the Material Sciences sector will prove to be increasingly catalytic in the coming years.

Additionally, Greater San Marcos has experienced a number of economic development wins in its target sectors and industries that support the targets in recent years. Some of these wins have yet to show up in

the data. For example, SmileDirectClub, ENF Technology, and VFT Technologies are recent relocations or expansions that are improving the supply of quality jobs in support of the target sectors, but the employment data has yet to reflect their investments.

The remainder of this section briefly summarizes trends observed in each target sector in Greater San Marcos as well as relevant national and industry trends and recent developments impacting the targets.

Aerospace, Aviation, Security, and Defense: Between 2014 and 2019, employment fell by 230 jobs. Employment loss was primarily in aircraft manufacturing and aircraft engine and engine parts manufacturing. There were gains in flight training, other support activities for air transportation, and other airport operations. Although overall employment within the sector is down from five years prior, there has been a number of successes in the aerospace and aviation sector, particularly with relocations and expansions. Since 2009, CFAN has expanded tremendously and employs roughly 600 hundred workers at its 270,000 sq ft facility in San Marcos. Leveraging advanced composite technologies, CFAN manufactures jet engine composite fan blades and is a 50/50 joint venture of General Electric Aviation and Safran Aircraft Engines of France. Approximately half of its engineering personnel graduated from Texas State. Collins Aerospace Systems (previously known as UTC Aerospace Systems) has a location in San Marcos where it manufactures and assembles aerostructures. Its activities and workforce further strengthens the aerospace sector in the region.

Most recently, Berry Aviation, a private aviation company with a portfolio of services that includes government, private charter, scheduled and on-demand freight, component maintenance repair and overhaul, and fixed-base operations, had the grand opening of its 31,400-square-foot maintenance hangar. The larger maintenance space for Berry Aviation specifically includes a 19,300-square-foot aircraft maintenance area, a 3,500-square-foot component repair and overhaul area, and a 2,800-square-foot parts department. In 2017, Coast Flight Training opened its San Marcos site originally designed to provide contract fixed-wing transition training for former military helicopter pilots. It has since expanded locally to provide recreational and professional pilot training to anyone interested. Additionally, in 2019, it was selected by American Airlines to provide flight training as part of the American Airlines Cadet Academy program.

U.S. Army Futures Command opens up new opportunities for Greater San Marcos in the areas of security and defense. The jobs and capital investment associated with the future growth and development of this entity will be extremely impactful in the Austin area. The command was created to oversee the Army's modernization efforts and chose the Austin area, in part, due to its proximity to business and academia: density to talent; proximity to science, technology, engineering and math workers; proximity to private sector; and quality of life. The Command grew from 12 to over 24,000 Soldiers and civilians around the world and is focused on six modernization areas: long-range precision fires, next-generation combat vehicles, future vertical lift (helicopters), network (communications), air and missile defense and soldier lethality. Among the potential benefits for Greater San Marcos are opportunities to incubate companies at STAR Park seeking proximity to the Command Center.

Business Services and Support: Employment in business services and support grew by 36.3 percent, outpacing both the Austin MSA growth rate and that of the nation. The region added nearly 800 jobs with most of the growth coming from jobs in other professional, scientific, and technical services, which includes activities in marketing research and public opinion polling, among other subsectors. Average wages in 2019

was \$23,056. Establishments in the target sector facilitate key administrative and “back office” functions for companies engaged in some other primary line of business. For instance, retailers are in the business of selling products to consumers, but many consolidate their phone-based support into customer care centers or call centers. Other common activities that are consolidated into a single location such as accounting, payroll services, and so forth are often referred to as shared services.

Although these jobs are not as high-paying and high-skilled as other target sectors, they provide quality employment opportunities for residents with lower levels of education and individuals while they pursue higher levels of education. Not only do businesses in this sector bring new jobs to a community, they pay taxes, invest in the community, and provide on-the-job training and up-skilling for local workers. These jobs teach employees valuable skills, including customer service, teamwork, problem solving, and general work ethic skills that are highly desirable in today’s workforce. Employers often complain that younger workers lack these valuable soft skills. Some call center companies even offer a tuition reimbursement program to assist employees with furthering their education.

Destination Attraction: This target represents a large part of the economy because it includes companies that have local customers as well as tourists and visitors. Destination Attractions seeks to leverage world-class shopping concentrations at the region’s outlet malls, natural assets, downtowns, historical districts, and activity centers in the City of San Marcos and other Hays and Caldwell municipalities to draw travelers for multi-day stays and generate national attention for the region. Expanding activity draws in outside expenditures from visitors while also improving the quality of life for residents through greater options in recreational activities, food options, and shopping opportunities. As previously mentioned, many of the region’s cities have been investing in their downtowns and main streets. Since 2014, there have also been a number of retail studies completed to support local partners’ retail-development goals and strategies. Employment at destination attraction and related establishments captures roughly 18 percent of all jobs in the region. Employment grew by 12.8 percent with more than 1,900 new jobs added over the past five years. The improved resident ratings in quality of life factors is further indication of the positive changes that have occurred since 2014. Additionally, the organic growth of destination wedding venues, wineries, breweries and distilleries that has occurred over the past 10 years, particularly in Western Hays County, is noteworthy.

Information Technology: Countless regions across the country – including many with tremendous workforce capacity, research activity, and advanced degree output – are aggressively pursuing information technology as a target sector because of the high quality jobs that it creates and the capital investment that it attracts. Additionally, the Internet of Things (IoT) is transforming business activities within multiple sectors, and its growth prospects are immense. IoT leverages data for increased machine-to-machine communication, cloud computing software, and smart technologies. Its applications are vast and include items such as sensors which are used to measure, evaluate, and gather data.

Local employer Sempulse is one such example. It is a medical device manufacturer that has patented a noninvasive vital signs sensor that adheres to the back of the ear and acquires patients’ five major vital signs. The company is also currently expanding into a number of other areas: enhancing peak performance training for athletes; utilizing cloud services to connect physicians, patients, and field personnel; providing better telemedicine services to rural and remote areas; monitoring rehabilitation and outpatient services for chronic

diseases; as well as optimizing health outcomes through machine learning. As innovations like information and communications technologies (ICT) converge in their relevance to business processes and innovation, new applications such as Big Data/data analytics, software-as-a-service (SaaS), cybersecurity, blockchain, cloud computing, and artificial intelligence, among others, are increasingly being leveraged to address business challenges and opportunities across industries.

The tech industry has been growing rapidly in Austin with some people dubbing it the next Silicon Valley, or simply, "Silicon Hills." Between 2014 and 2019, employment in information technology grew by 31.4 percent in the Austin metro area. The city has been attracting tech talent, and companies like Facebook, Google, Oracle, Juul Labs, and Microsoft have thousands of workers in Austin. Apple recently broke ground on its \$1 billion campus that will initially house 5,000 employees with the capacity to grow to 15,000. It is expected to open in 2022. Apple already employs roughly 7,000 workers in Austin and has a 244,000-square-foot Mac Pro facility where roughly 500 people in a range of roles, including electrical engineers and electronics assemblers produce Mac Pro units. And as this Assessment was being completed, Tesla announced that its \$1.1 billion Gigafactory will be located in Eastern Travis County, a win for the region and particularly advantageous for Caldwell County because of the SH 130 Corridor.

With Greater San Marcos's ideal location and resident talent (especially in computer and mathematical occupations), the area has the potential to capture some of the tech growth as it expands outside of the city. The emergence and increasing popularization of the term "Texas Innovation Corridor" is testament to this growth. Texas State's increased research capacity and degree programs has been a catalyst for the transformation and emergence of the Texas Innovation Corridor and the region's entrepreneurial ecosystem has helped to foster growth in technology-based startups and additional job creation in high tech industries.

Between 2014 and 2019, employment in custom computer programming nearly doubled in the Greater San Marcos region with annual wages averaging around \$75,000. Computer systems design services added 54 jobs and grew by 30.9 percent. While tech talent is moving to Austin due to its relative affordability compared to Silicon Valley, many tech start-ups are now getting priced out of the growing costs of real estate in the City of Austin. The previously mentioned relocation of Promogo, a tech startup company, from Austin to Lockhart is one such example. Although the location quotient illustrates that the region currently has a below-average concentration of jobs at IT firms, Greater San Marcos has the opportunity to pursue growth within this target. Over the next five years, employment in information technology is projected to grow by roughly 20 percent in the Austin metro area. Greater San Marcos can successfully compete for other tech start-ups and IT firms if it has the office space, competitive business expenses, broadband, and other infrastructure available to support their needs.

Life Sciences: Nationally, the tremendous amount of growth in biotechnology and medical research is unlikely to stall any time in the near future. It encompasses such a wide range of economic activity from medical device manufacturing to research and development to DNA sequencing to agricultural chemicals and feedstock. The vast array of economic activity and research, development, and applications are in high demand and growing. Demand for health care services will continue to grow as the United States and global population ages. An aging population will help to further drive medical innovation and new and improved technological and medicinal services and products. As with other industries, digitalization and transformative

technologies will impact the business activities in life sciences and healthcare companies. The challenges and corresponding opportunities associated with COVID-19 are also likely to only accelerate this trend.

In Greater San Marcos, the life sciences target is focused on biotechnology and environmental sciences. Texas State has research strengths in both areas and the I-35 corridor has significant life sciences activities from San Antonio to Austin. Employment at life sciences firms in Greater San Marcos grew by 33.4 percent between 2014 and 2019. The target remains comparatively small in Greater San Marcos as illustrated by its location quotient of 0.24. The region would need to add roughly 1,000 jobs at life sciences firms to have a location quotient of 1 and a concentration of jobs roughly equal to the average American community. It should be noted, though, that some of the activity is classified under Texas State, and therefore the employment data fails to fully capture the life sciences sector in Greater San Marcos. The recent job growth is promising, and new developments at Texas State open up new opportunities in life sciences. Employment at medical laboratories nearly tripled over the past five years, and employment grew from 18 jobs to 66 jobs. Research and development in biotechnology and in the physical, engineering, and life sciences also added jobs over the past five years. In 2018, Ion Indicators LLC joined STAR Park. The company designs, manufactures, and sells fluorescent ion indicators used in biological and medical research.

Materials Science: This target captures both the production and the research related to Materials Science. Production incorporates existing regional firms leveraging materials science technologies to advance production processes, while research is focused on in-house innovation at these companies as well as the world-class faculty, facility, and equipment capacity at Texas State. Few initiatives at Texas State showcase the university's commitment to innovation like the Materials Science, Engineering, and Commercialization (MSEC) program. The program has helped to attract significant federal research funding and produced new commercial products for civilian, commercial, and defense applications. Urban Mining Company selected San Marcos as the location for its new, state-of-the-art earth magnet manufacturing facility and headquarters, citing Texas State's materials science program as a key asset. The move will add more than 100 advanced manufacturing and technology jobs in Greater San Marcos.

Other regional companies that leverage materials science processes include new startups like SurgePower Materials, which is located at STAR Park and is focused on developing and commercializing the production of specialty carbon-based nanomaterials, and long-time employers like TXI, which is involved in every step of concrete production. Given the many applications across numerous industries such as automotive, healthcare, electronics, and others, the advanced materials market is projected to grow rapidly in the coming years.

Regional Distribution: Over the past five years, employment in regional distribution grew by 57.7 percent and added nearly 2,000 jobs to the regional economy. With the recent employment gains in regional distribution, the location quotient is roughly equal to that of the average American community. Among the subsector activity, warehousing and storage added the greatest number of jobs over the five-year period, accounting for 1,865, or 95 percent of all the added jobs in the regional distribution target sector. Average wages in 2019 were roughly \$39,000. Amazon's San Marcos fulfillment center that opened in 2016 was certainly the largest contributor to the growth in this target. There has also been significant growth in wholesalers and other support activities for transportation. Stakeholders are optimistic that the San Marcos

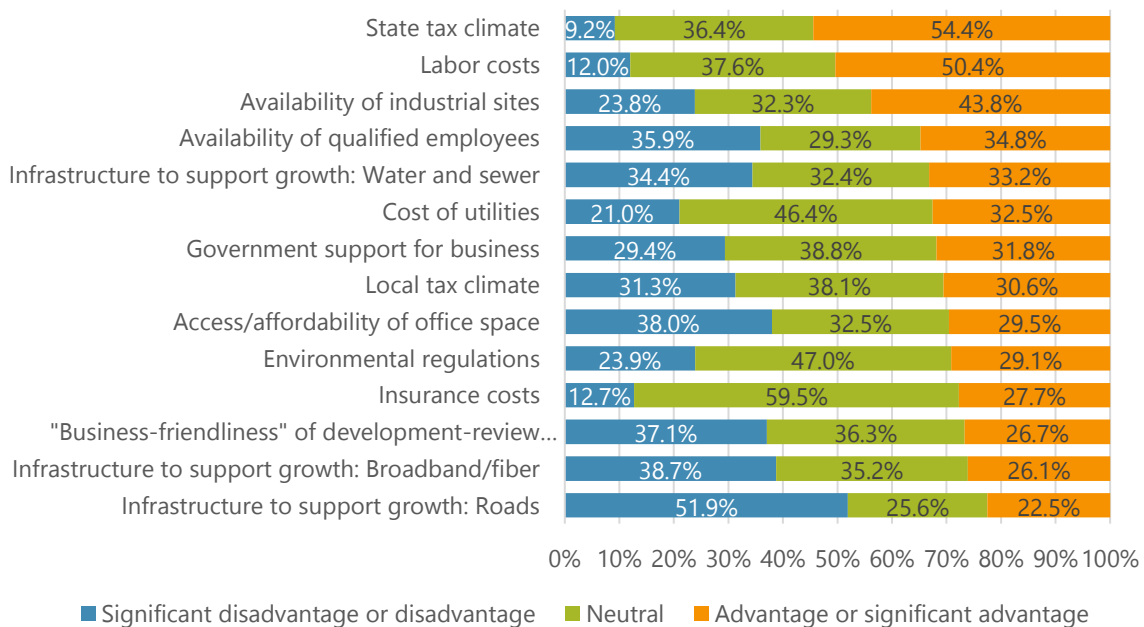
Air, Rail and Truck (SMART) Terminal will foster growth in the region and attract new jobs and investment to the area once an anchor tenant is confirmed. The site will be served by both Union Pacific and BNSF and will be able to efficiently receive raw materials and distribute products by rail, highway, and air transport. Employment in regional distribution is projected to grow faster in the Austin area than it will nationally, in part due to the fast population and jobs growth in the region. With the disruptions resulting from global protectionism and COVID-19, perhaps no sector is likely to be buoyed more than regional distribution and supply chain infrastructure. In the context of these trends, the Greater San Marcos region approaches this target sector from a position of momentum and increasing strength.

6. Planning for Quality Growth and Development: Business Climate Factors

While the availability of skilled labor is a critical location factor that has risen in importance above a variety of cost factors in recent years, this isn't to suggest that costs are no longer a critical factor in the decision-making process for both prospective companies and residents. Roughly 87 percent of respondents of the *Area Development* survey rated corporate tax rate as "very important" or "important," and 83 percent felt that tax exemptions were an important factor. A number of cost factors were ranked among the top ten factors that influence corporate relocation decisions nationally. Corporate tax rate (ranked #4), tax exemptions (#5), state and local incentives (#7), energy availability and cost (#8), and occupancy and construction costs (#10) all made the top ten. While workforce availability has emerged as the most important factor driving corporate decisions, the relative affordability of that market in terms of the cost to do business is of critical importance to prospective companies and existing businesses.

It is widely recognized that the State of Texas has long been lauded as one of the nation's most business-friendly states, and it consistently finds itself at the top of national rankings for best states to do business. The state's pro-business policies, lack of a state income tax, low electricity rates, abundant and cheap land, and various tax breaks and incentives have helped to foster economic growth across the state.

FIGURE 20: SURVEY QUESTION: "PLEASE RATE THE FOLLOWING ELEMENTS OF THE REGION'S BUSINESS CLIMATE ACCORDING TO THE DEGREE TO WHICH EACH IS AN ADVANTAGE OR DISADVANTAGE TO EXISTING AND PROSPECTIVE NEW BUSINESSES"



Source: Greater San Marcos Vision 2025 Survey (2020); Market Street Services

At the moment, many skilled workers who are residents in Greater San Marcos commute to Austin for work. Ensuring that the business environment is competitive will open up new opportunities for companies looking to expand or relocate to the area. Survey respondents who self-identified as a business owner, executive, or manager were asked to answer a series of questions related to the region's overall business climate. These survey respondents were asked to rate the degree to which each attribute was an advantage or disadvantage to existing and prospective new business in the Greater San Marcos region. **In terms of business expenses, Greater San Marcos received favorable ratings. The state tax climate, labor costs, cost of utilities, and local tax climate were seen as advantageous to the region's business climate.**

If Greater San Marcos is to be successful at growing knowledge-based jobs, it will need to have the necessary infrastructure to support that growth. Namely, broadband and office space. **Among survey participants from the business community, 38 percent rated the access/affordability of office space as a significant disadvantage or disadvantage to the region's business climate. Stakeholders report that the region doesn't have a sufficient supply of office space, particularly a lack of available spec office space. From an affordability standpoint, lease rates are competitive compared to Austin and a competitive advantage that can be leveraged to attract businesses to the area.**

Roughly 44 percent of survey respondents from the business community rated the region's availability of industrial sites as an advantage or significant advantage. This is a reversal from 2014 when roughly 42 percent of Vision 2020 survey respondents rated the availability of industrial sites/buildings as a *disadvantage*. **The region's additional speculative buildings and industrial sites is both a perceived and real improvement from five years ago.** The cities and counties in Greater San Marcos have helped to improve the region's supply of industrial space by providing performance-based rebates, new tax exemptions, and other economic development incentives to foster new developments in the area. The master planned community of Plum Creek has been experiencing tremendous success with the recent ground breaking for ENF Kyle Technology's \$45 million manufacturing facility. Additionally, the new Kyle Crossing Business Park added more than half a million square feet of industrial warehousing, manufacturing, and distribution space to Hays County. The 428,800 sf distribution/fulfillment center, Hays Logistics Center, added more industrial and manufacturing space in the Greater San Marcos region, including two new spec buildings. Relative to the deficit in available office space, encouragement should be drawn from the success over the past five years on this particular issue. If Greater San Marcos prioritizes the development of office space over the next five years, as it did for industrial space during the scope of the Vision 2020 effort, its residents will benefit greatly.

While the recent developments are helping to improve the region's competitiveness, stakeholders report that more shovel-ready sites and "turnkey options" or spec buildings are needed, especially for office space. A wider variety of choices and more inventory would be beneficial for the whole region. Additionally, stakeholders would like greater communication and cooperation about economic development partners in terms of the requirements from prospects. This would help each community to know what they should be working on to improve their competitiveness and increase their chances to compete on projects.

Maximizing the economic impact of the San Marcos Regional Airport remains a top priority for stakeholders who would like to see it reach its full potential. Over the past five years, there have been a number of improvements made to the San Marcos Regional Airport with additional projects planned. These

projects were primarily funded by grants from TxDOT, FAA, City of San Marcos, and Caldwell County and include airport improvements to the pavement and lighting at the facility, new airfield striping and signage, an electric loop, infrastructure surrounding the airport, and better access to the airport. The Airport Master Plan is expected to wrap up some time in February 2020. The primary land-use alternative proposed by the master plan shows space for fixed base operator development, cargo development, commercial aeronautical development, and non-aeronautical development, among others. The strategic and tactical leadership provided by Texas Aviation partners is rightly seen by many as a key strength of the San Marcos Regional Airport, as well as a difference-maker for the region, going forward.

Input participant report that there may opportunities to leverage regional partners to help the Airport to achieve growth and development and possibly to become a center for distribution using air freight. This could then open up opportunities to grow jobs at companies who are very sensitive to air freight and distribution. Stakeholders from the airport and aviation community report that infrastructure upgrades would make the airport more competitive for relocations and new activity. For example, ramps need updating, fire prevention is needed, utilities must be expanded, and the airport lacks a sufficient supply of corporate hangars. While the airport has been successful at securing FAA grants and funding from local governments beyond annual operating costs, acquiring resources to maximize the airport's potential is still a challenge. Additionally, a new customs facility could provide strong benefit. Meanwhile, the SMART Terminal industrial park is under development in San Marcos. The property is adjacent to the airport and zoned for heavy industrial. The potential impact that it could have on the region is tremendous. Stakeholders are hopeful that an anchor tenant will be established soon.

On the *Area Development* survey of most important site selection factors, highway accessibility ranked 3rd in 2018. According to survey participants from the business community, the greatest disadvantage to the region's business climate is the roadway infrastructure to support growth. While Greater San Marcos has excellent highway accessibility, there is a concern about the congestion on the highways, mostly related to I-35. As discussed in the Regional Talent and Commuting Patterns section, traffic congestion is a top concern of residents and workers in Greater San Marcos have the longest commute time among the scorecard communities. New and upcoming roadway improvements on FM 110 hope to improve access to residential and employment centers.

Additionally, stakeholders are optimistic about the future potential impact that State Highway 130 can have on the region. SH 130 recently completed its \$90 million reconstruction project and all lanes are now open. The highway runs parallel to I-35 and offers a fast, nonstop alternative for drivers that want to bypass Austin and/or avoid the congestion on I-35. According to stakeholders familiar with the area, the project has opened up new opportunities and the land is "ripe for development." The aforementioned Tesla announcement, located in Travis County on SH 130, will only accelerate this trend. The SH 130 project is an innovative example of where private business led the effort to increase highway accessibility. This public-private partnership allows for the SH 130 Concession Company to split toll revenues with Texas while assuming building and operation costs under a 50-year agreement. Although there have been challenges with the project, the public-private partnership serves as a good example of the private sector addressing a public problem without having to use tax dollars to cover the road's debt or having to wait for approval of funding.

THE LOCAL TALENT PIPELINE

One of the keys to addressing present and future workforce needs requires a creative and committed blend of support from the education administration, faculty, school board, parents, students and the private sectors. Finding ways to address the future needs requires innovation, creativity and a strong public-private partnership. Stakeholder feedback from the business community regarding the availability of qualified employees was mixed with 34.8 percent rating it as advantageous and 35.9 percent rating it as disadvantageous. There are two ways in which a community can improve the availability of a skilled and educated workforce. The first is by attracting skilled and educated workers from other places. The second is by producing and retaining “homegrown” talent. In both cases, Greater San Marcos’s competitiveness is heavily tied to the greater region. Simply put, Greater San Marcos is part of a large regional labor shed and benefits greatly from the overall region’s ability to attract, retain, and develop talent – from Austin to San Antonio. That said, Greater San Marcos and its immediate surroundings are home to education and training assets that have the potential to provide a competitive advantage for economic growth.

On the online survey, stakeholders were asked whether they or their children had attended a K-12 school in Greater San Marcos in the past five years. Participants were then asked a series of questions about the district or system with which they were most familiar. Overall, survey participants gave favorable ratings for the majority of the K-12 aspects, and 60.9 percent agreed or strongly agreed with the statement “I am satisfied with the overall quality of the district.” Roughly half (50.2 percent) agreed or strongly agreed with the statement, “Children in our district receive a high-quality education.” However, open-ended statements and additional feedback from individuals familiar with the region’s K-12 school districts raised concerns regarding the quality of the schools, in most cases directed at SMCISD.

Some of these concerns were dismissed by other stakeholders insisting that it is an issue with perception rather than quality. One participant stated, “The San Marcos CISD is a terrific district, with a perception that does not reflect its quality. We need to tell the district’s story, because it has a terrific story to tell.” Another said, “SMCISD has had tremendous improvements in the past 15 years.” In an effort to improve community perceptions of public school districts and build connections between businesses and education and workforce entities, Vision 2020 volunteers worked with GSMP staff to program and host an Education Summit in April 2018. Programming included a panel discussion with superintendents and materials promoting K-12 assets. The well-attended event had strong participation from across the region and was spoken of highly by stakeholders. A subsequent Education Summit was held in 2019 and aimed to take an in-depth look at the innovative work being done in the area’s school districts. Additionally, volunteers have also created snapshots of the facilities in the district, offered school tours, and worked to get businesses in the classroom to overcome misperceptions and raise awareness of the districts as assets to the region.

FIGURE 21: GRADUATION RATES AND COLLEGE ADMISSIONS CRITERION

	Class of 2017			
	4-YR GRADUATION RATE	COLLEGE ADMISSIONS: AT/ABOVE CRITERION	SAT- AVERAGE SCORE	ACT- AVERAGE SCORE
Dripping Springs ISD	98.0%	55.0%	1179	24.6
Hays CISD	87.1%	16.1%	974	21.0
Lockhart ISD	89.1%	6.5%	912	18.6
Luling ISD	100.0%	15.2%	961	19.4
San Marcos CISD	87.8%	19.0%	1009	19.4
Wimberley ISD	98.1%	35.7%	1119	22.7
Texas	89.7%	22.3%	1019	20.3

Source: Texas Education Agency (TEA)

Graduation rates at the region’s largest school district range from 87.1 percent at Hays CISD to 100 percent at Luling ISD for the class of 2017. While Hays CISD and San Marcos CISD graduation rates are below the state average, they are within 2.6 percentage points. Additionally, San Marcos CISD has shown significant progress over the past five years. **Over the past five years, the four-year graduation rate for San Marcos CISD increased by 3.1 percentage points from 84.7 percent in 2012.**

In terms of postsecondary education, the region’s largest school districts have a smaller share of students that are considered ready for postsecondary education.⁴ *While efforts to improve students’ postsecondary readiness should continue, stakeholders are also focused on preparing students for nontraditional college careers and quality career paths that can be attained through a community college. Optimizing the local talent base and improving educational offerings for area residents continues to be a priority on which stakeholders would like to see more focus.*

In recent years, more districts have begun to offer dual enrollment courses, career clusters, and other initiatives to strengthen the pipeline. Additionally, more districts are putting greater emphasis on career and technical training (CTE). In 2017, a \$122 million school bond was approved for a new high school. The Moe & Gene Johnson High School is focused on career and technical education and opened in 2019. The school's main hallway and bottom floor showcase classrooms like cosmetology, construction and manufacturing, and media production. Additionally, San Marcos CISD and Lockhart ISD were both awarded grants through

⁴ For purposes of awarding postsecondary readiness distinction designations under the Texas public school accountability system for the 2017 accountability ratings cycle and earlier cycles, the SAT/ACT examination performance indicator measured the percentage of graduating examinees who scored at or above a criterion score on either the SAT or ACT examination. The criterion scores were defined as a combined score of 1110 on the critical reading and mathematics sections of the SAT and a composite score of 24 on the ACT.

Gaining Early Awareness and Readiness for Undergraduate Programs (GEAR UP) that aims to increase academic performance, college readiness, and improve postsecondary enrollment.

Hays CISD offers career and technology education programs in 19 different disciplines including subjects such as architecture and construction, biomedical science, manufacturing, and computer science and engineering, among others. Many of the courses are articulated with Austin Community College which means students are able to earn college credit while in high school at no additional cost. Of the 19 programs, 18 offer some sort of certification at the end. The district has issued approximately 4,000 certificates to its students. The CTE program also hosts Senior Hiring Day where businesses needing workers and students looking for jobs are able to meet one-on-one. The Hays CISD was recently designated as a District of Innovation which gives the district additional flexibilities and opens up new opportunities for instruction options.

Over the past five years, there has been an increase in businesses reaching out to collaborate more with the K-12 districts and schools are opening their doors to these kinds of partnerships. By encouraging businesses to be more involved in the talent pipeline, it ensures that the latest technology is used in the classrooms and students are gaining real-world experience that can allow them to transition easily into the workforce upon graduation. For example, Epic Pipeline partners with San Marcos CISD and Hays CISD to train students and teachers in welding and manufacturing, and it has also donated funds, supplies, time, and in-house welding instructors. This type of "school to work" approach is greatly helping to meet the business's workforce present and future needs. It takes a commitment throughout the whole system to make things like that happen; governing boards, administrations, faculty, students, parents and private businesses must all work on a collaborative basis.

Acknowledging that there are many best practices and lessons learned in the community, stakeholders would like to see better alignment with the region's education and workforce providers, from K-12 through college, careers, and beyond, as well as better communication and stronger connections with partners. This includes the various school districts around the region, as well as Gary Job Corps. Gary Jobs Corp is the largest U.S. Department of Labor Job Corps facility in the United States and provides vocational training for youth from across the country. Gary Job Corps Center has several work-based learning programs that align with the region's target-sector priorities including in manufacturing, business, and transportation, among others, and is an important component to Greater San Marcos' training capacity and talent pipeline.

As was the case in 2014, stakeholders spoke highly about the quality education and training offered through Austin Community College (ACC) but are frustrated with the costs associated with attending for individuals that are out-of-district. One online survey participant wrote, "Please incorporate the need to bring the region fully into the Austin Community College District into the plan. This is the "Achilles heel" in our regional workforce pipeline."

Others reported that the cost to attend ACC is comparable to Texas State due to being out of district and is simply too costly for low-income students. Greater San Marcos has a higher percentage of low-income students; 68.6 percent of San Marcos CISD and roughly half of Hays CISD students are economically disadvantaged. Joining the ACC district would open up in-district access to two- and four-year education and training programs, as well as certificate programs, for all students in the Greater San Marcos region.

Other than the cost and distance to ACC campuses, feedback regarding ACC was generally positive from input participants. Among survey participants, 50.2 percent rated ACC as excellent or above average.

Data on completions and degrees awarded at the ACC Hays Campus is not available. Data provided by the National Center for Education Statistics (NCES) as part of its Integrated Postsecondary Education Data System (IPEDS) aggregates all completions and awarded into a parent institution (typically the main campus). Additionally, ACC students can take classes at multiple campuses throughout the Austin metro area. Therefore, data on completions at the Greater San Marcos region’s campus in Kyle specifically is not available. However, data on student headcount by location indicates that more residents are pursuing postsecondary training and education at the Hays Campus. In the Spring 2019 semester, there were 2,533 students enrolled at the Hays campus. This is a 45 percent increase from the Spring 2015 semester when there were 1,746 students enrolled at the campus.ⁱⁱⁱ The Hays Campus opened in 2014 and despite the lack of completion data at the campus, we can safely assume that there has been an increase in the associate’s degrees and certificates awarded in the region at the ACC Hays Campus given the increase in student enrollment as well as the improved education attainment rates.

In terms of the region’s university offerings, Texas State University is a significant, catalytic and uniquely beneficial higher education asset in the Greater San Marcos region. A higher education institution is a competitive advantage that many communities lack. When asked to rate the quality of Texas State, 64.6 percent of survey respondents rated it as excellent or above average. Additionally, survey participants from the business community were asked to rate the degree to which they agreed or disagreed with the statement “Quality four-year degree programs that support the workforce needs of local employers are readily available.” Roughly 68 percent agreed or strongly agreed with the statement.

FIGURE 22: CERTIFICATE AND DEGREE COMPLETIONS PER 100,000 RESIDENTS, 2018

	Total Completions per capita	Certificates Awarded per capita	Degrees Awarded per capita	Degrees Awarded per capita			
				Associates	Bachelors	Masters	Doctors
Greater San Marcos	3,294	44	3,250	0	2,705	511	34
Brazos County, TX	8,115	365	7,750	0	5,627	1,494	629
Larimer County, CO	2,195	64	2,131	3	1,529	489	111
Rutherford County, TN	1,612	119	1,493	0	1,245	231	16
Texas	1,189	171	1,018	313	476	190	39
United States	1,413	235	1,178	287	605	232	54

Source: Economic Modeling Specialists International (EMSI)

Note: Completion data only includes public and private non-profit colleges and universities. Data collection and reporting from IPEDS classifies all data from branch campuses and satellite campuses under the parent institution (typically the main campus). For example, in San Marcos, certificates and associate’s degrees awarded at the ACC Hays County campus are captured in Austin at the main campus.

The university has expanded rapidly in recent years and has had record enrollment numbers. In the Fall 2019 semester, there were roughly 38,000 students enrolled. Over the past five years, degree completions have increased by 17.2 percent in Greater San Marcos. As can be seen in the nearby figure, the region’s four-year degree capacity is higher than that of Larimer County (home to Colorado State) and Rutherford County

(home to Middle Tennessee State University). Texas State is a tremendous asset in the region's talent production pipeline. The next chapter dives deeper into Texas State as an economic engine for the region.

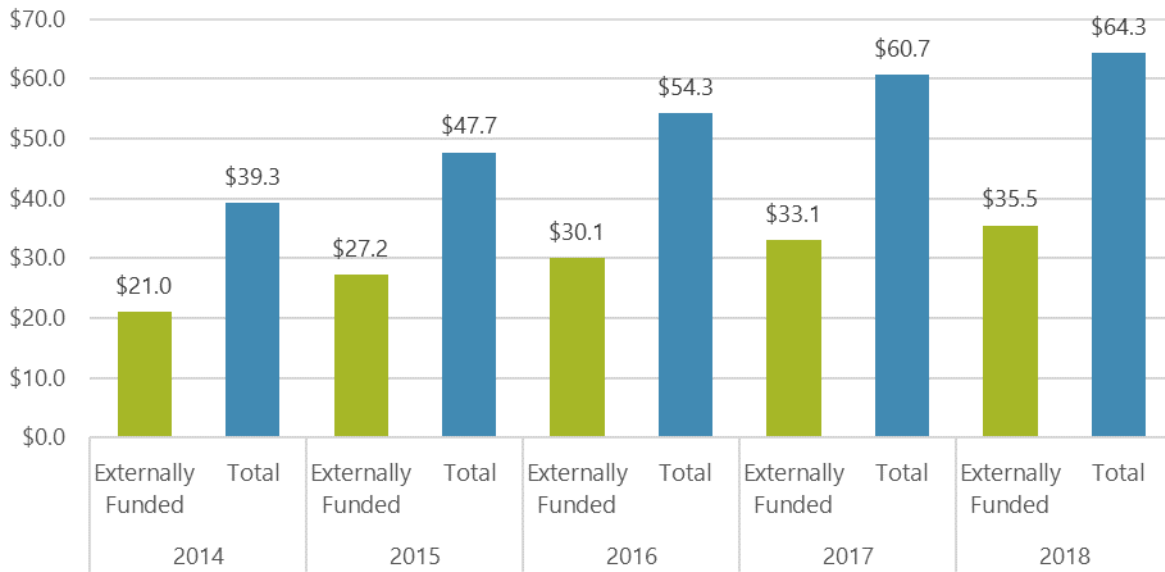
7. Innovation and Entrepreneurship

Higher educational research institutions have been called the “steel mills of the 21st Century” because of their actual and potential impact on job creation in their communities. Because of the significant opportunity afforded by research universities to stimulate local economic development, they have added capacity to translate institutional research into patentable intellectual property and private companies through commercialization activities. However, transforming research universities into private-sector job creation engines requires more than just capital expenditures, it often requires a culture change among faculty not accustomed to thinking about commercial applications for their research and already burdened with the responsibilities for teaching and publishing their work.

Fortunately, in Greater San Marcos, Texas State already has a culture of innovation and was among the first institutes to include patents and commercialization as criteria for tenure. The university’s emerging research capacity has enabled it to be more nimble than more mature research universities that often get stuck in such status quo. Texas State has used this to its advantage through various initiatives such as a generous IP policy for its staff and by encouraging collaboration through teams of people that work together across disciplines. The university’s broad range of services provided through the Office of Research and Sponsored programs includes support for technology transfers, help with identification of funding opportunities, assistance finding mentors, and grant writing workshops. The university’s cross-disciplinary approach to research and commercialization efforts and its vast array of supportive services are remarkable, and the significant progress that the university has made in research and development is a testament to Texas State’s determination to bolster innovation at the university and in the greater region.

Just as Texas State has had record-breaking enrollment numbers and fast growth, it has been a time of explosive growth in the university’s research capacity. In 2016, Texas State received the second-highest designation for research institutions by the Carnegie Foundation and was designated as a doctoral university with high research activity. The designation is a reflection of the university’s commitment to becoming a Tier One university and recognizes the success that it has had in advancing its research activities and its increased R&D funding. The university is now home to 33 research centers and institutions and it is the fourth largest public university in Texas and 30th largest in the U.S.

FIGURE 23: TEXAS STATE RESEARCH EXPENDITURES (MILLIONS), 2014-18



Source: Texas State University; Retrieved from <https://www.research.txstate.edu/our-research/facts-and-figures.html>

Between the 2014 and 2018 fiscal years, research and development expenditures increased by 64 percent.

In 2018, Texas State was awarded 215 grants, 20 of which were National Science Foundation grants. In total, there were 554 independent sponsored research projects and \$48 million in expenditures that year. Texas State also successfully secured funding for Bruce and Gloria Ingram Hall (the Engineering and Science Building) and it opened in fall 2018. The 167,000 square foot, \$120 million building includes a campus-accessible Maker Space with multiple thematic zones, customized space for Engineering Senior Design activities, a Collaborative Learning Center and STEM scholarship facilities, and an extension of the System Modeling and Renewable Technology (SMART) Lab where students are directly involved in research pertaining to renewable energy.

Texas State University has played a central role in helping Greater San Marcos develop and promote an innovation-based economy, and it has been an influential partner in advancing the term "Texas Innovation Corridor." As it is increasingly described, the Texas Innovation Corridor is anchored by Austin and San Antonio and leverages the research and development activities at Texas State and at the Science, Technology, and Advanced Research (STAR) Park, Texas State's 58-acre research park. The Park is dedicated to collaboration with industry, government laboratories and non-profit research institutions to accelerate innovation, commercialization and entrepreneurship in the Texas Innovation Corridor. Over the past five years, **Texas State's STAR Park has been a catalyst for research and commercial development activity. Since 2014, more than \$33 million in equity has been raised by the STAR Park business incubator.**

In May 2019, Texas State University hosted the first annual Digital 360 Summit. The invitation was extended to 100 of the national's thought leaders in SMART infrastructure, building, and utilities to discuss the future of technology applications. At the event, Provost Gene Bourgeois announced a new initiative to make STAR Park a "research neighborhood" available for collaborative research, demonstration projects, and experiential

learning. SMART components are to be incorporated into the design of the new development. Speaking to attendees, Bourgeois said, "We have assembled the foundation for a robust and unique program driving the future of the built environment. We are seeking strong industry partnerships to work with us to make that vision a reality and we look forward to engaging with you as we move forward."

In September 2019, GSMP hosted the sixth annual Innovation Summit which highlights the innovation occurring in the Greater San Marcos area. The summit is a way to bring together innovators to create networks and relationships and recognize local companies in innovation. The most recent summit included a discussion on disruptive and transformational technologies and strategies to enhance existing industries. Additionally, Texas State University President, Denise Trauth, spoke to attendees about Texas State's five big ideas — using augmented and virtual reality to revolutionize training for law enforcement, improving people's health and well-being through innovations in healthcare, smart materials, harnessing the power of big data, and innovation and entrepreneurship. President Trauth's intentionality in these areas, as well as her personal commitment to the Greater San Marcos Partnership, where she served as Board Chair in 2017 and 2018, is both unique and remarkably impactful for the region.

Input participants spoke highly of the recent development and branding of the Texas Innovation Corridor, and many see it as the region's biggest opportunity. Texas State's innovation and research is spurring job creation. For example, citing Texas State's materials science program as a key asset, Urban Mining Company selected San Marcos as the location for its new, state-of-the-art rare earth magnet manufacturing facility and headquarters. **In addition to the resources available at Texas State and STAR Park, stakeholders also cited the Central Texas Angel Network (CTAN) as one of the region's supporting assets for fostering innovation and entrepreneurship in the region.** On the Innovation and Entrepreneurship scorecard, Greater San Marcos ranked first.

Diversifying and strengthening the Greater San Marcos economy will require a balanced approach to regional economic development, and a strong entrepreneurial ecosystem is a key component to diversifying and strengthen the regional economy. Research shows that small businesses and existing businesses drive the majority of job growth within regional economies, with the majority of a region's job creation emerging from new business formations and existing business expansions, as opposed to corporate relocations. Historically, small businesses have created three-fourths of new jobs in the U.S. economy. They are the backbone of any strong regional economy and must be maintained to foster additional job and investment.

FIGURE 24: PERCENTAGE OF JOBS AT NEW FIRMS, 2017

	2012	2017	5-yr Pct. Pt. Chg.
Greater San Marcos	16.0%	16.0%	0.1%
Brazos County, TX	18.2%	18.1%	-0.1%
Larimer County, CO	15.1%	15.2%	0.1%
Rutherford County, TN	10.0%	10.7%	0.7%
Texas	13.0%	13.1%	0.2%
United States	11.3%	11.5%	0.2%

Source: United States Census Bureau, Quarterly Workforce Indicators

Note: Data is for the fourth quarter of 2017. New Firms are defined as those that were formed over the previous five year period.

Data on small business and entrepreneurial activity indicates that Greater San Marcos has been successful at fostering growth in new and small businesses. The share of jobs held at newly created firms is greater than both the state and national average. In 2017, 16 percent of employment was held at firms in the region that were less than five years old whereas in Texas and the United States, the share of the population at new firms was 13.1 percent and 11.5 percent, respectfully. On the scorecard, Greater San Marcos ranked fourth. In 2019, self-employment accounted for 13.7 percent of jobs in Caldwell County and 9.2 percent in Hays County. Among the scorecard communities, Greater San Marcos ranked first with 9.7 percent of jobs held by self-employed workers. Similarly, Greater San Marcos had the second highest share of jobs at firms with fewer than 50 employees. Collectively, these suggest that the business environment in Greater San Marcos is supportive in fostering growth for entrepreneurs and small businesses.

Greater San Marcos benefits from the state’s pro-business environment. In 2019, the state ranked first in the Small Business and Entrepreneurship Council’s annual Small Business Policy Index. The index ranks the states on policy measures and costs that impact small business and entrepreneurship. The rank designates Texas as the most entrepreneur-friendly state. In addition to the benefits from the state, Greater San Marcos – and the greater Austin metro area – has a number of resources available to support small businesses such as the Texas State Small Business Development Center (SBDC), Austin Score, and the Central Texas Angel Network, to name a few.

When asked what could be done to enhance the Greater San Marcos region’s entrepreneurial capacity or “ecosystem,” stakeholders that self-identified as a small business owner or entrepreneur offered a variety of suggestions. Many of these suggestions centered on creating a more business-friendly environment through greater ease of permitting, additional incentives, and more affordable commercial real estate. Additionally, greater focus on a small business retention and greater collaboration with regional partners such as the Austin Small Business Association were suggested as steps that could be taken to improve the ecosystem.

Rental prices for commercial space and property taxes were concerns for many in the business community, but such concern should be placed in a regional context, as both rental rates and property taxes in Greater San Marcos are affordable by comparison. Among survey participants from the business community, 38 percent felt that the access and affordability of office space in the region was a significant disadvantage or

disadvantage. While office space lease rates vary throughout the region, the overall Greater San Marcos area has a competitive advantage compared to the higher average rates in Austin. However, many stakeholders familiar with the local real estate market report that the lack of available office space is a competitive disadvantage impacting the business environment in the region. Indeed, increased office supply would benefit both the availability of office space and perceptions concerning affordability within the Greater San Marcos region.

8. Conclusion: Next Steps

In any strategic planning process, the number of variables, voices, and considerations to weigh can seem overwhelming. **By continuing to engage in intentional planning activities, public, private, and non-profit leaders in Greater San Marcos have demonstrated a willingness to proactively work toward a more prosperous and successful future.** Effective partnerships take a lot of focus and deliberate actions to grow and prosper. It is important that the Partnership continue to reach out to the regional partners and stay acutely aware of the various needs, interests and concerns within the region. One size does not fit all, but any success within the region benefits everyone, directly and indirectly.

This strategic planning process will seek to provide a framework for the region's collective actions over the next five years. The next step in the process is the development of the Economic Development Strategy. The Strategy will leverage the findings from this report, in addition to the findings from the Implementation Assessment of Vision 2020 that was conducted in 2018. After a necessary pause due to the challenges associated with COVID-19, next steps are for the Steering Committee and Market Street to work together to identify the appropriate strategies to address the issues uncovered in the initial phases of this process. These recommendations will be developed and refined over the coming months, and will benefit from the input of both the Steering and Technical Advisory Committees. The process will culminate in May 2020 with the development of Implementation Guidelines that will provide the blueprint for putting these recommendations into action.

APPENDIX A: COMPETITIVE SCORECARDS

The Regional Assessment is accompanied by a set of Competitive Scorecards that demonstrate how Greater San Marcos – Caldwell County and Hays County – compares to eight other communities with which it may compete with for jobs and workers. Each scorecard evaluates competitiveness across multiple indicators that help measure how the community has performed in key areas that reflect its relative success and ability to attract, retain, and support new jobs and investment. These scorecards, the concepts they measure, and examples of the indicators they include are as follows.

1. **Economic Performance:** employment, output, wages, income, poverty
2. **Workforce Competitiveness:** labor force, age composition, educational attainment, migration
3. **Innovation & Entrepreneurship:** R&D activity, self-employment, startup activity
4. **Business Environment:** infrastructure, business costs, business climate rankings
5. **Quality of Life:** crime, commuting, cost of living, health outcomes, recreational amenities

Each of the five scorecards presents a series of rankings (1-9) illustrating the performance of Greater San Marcos against the following eight communities:

1. Brazos County, TX (College Station, TX)
2. Comal and Guadalupe counties, TX (New Braunfels, TX)
3. Denton County, TX (Dallas, TX)
4. Greenville County, SC (Greenville, SC)
5. Larimer County, CO (Fort Collins, CO)
6. Pima County, AZ (Tucson, AZ)
7. Rutherford County, TN (Murfreesboro, TN)
8. York County, SC (Rock Hill, SC)

Rankings are color-coded with top performers appearing in shades of green, middle-of-the-pack in shades of yellow and orange, and bottom performers in shades of red. A ranking of “1” signals that the community is the top performer but does not necessarily have the highest value (for example, the community with the lowest crime rate would receive a ranking of “1”). Each scorecard is accompanied by a table displaying the data from which the rankings were derived.

ECONOMIC PERFORMANCE: RANKINGS

		Brazos County, TX	Comal & Guadalupe counties, TX	Denton County, TX	Greater San Marcos	Greenville County, TX	Larimer County, CO	Pima County, AZ	Rutherford County, TN	York County, SC
Employment and Unemployment										
5-yr Job growth rate	2014-19	8	1	3	2	7	6	9	5	4
5-yr Private sector job growth rate	2014-19	7	1	2	3	8	6	9	5	4
Unemployment rate	2018	2	6	7	5	4	2	9	1	8
Exports, Output, and Productivity										
Exports per job	2019	7	5	8	9	6	3	2	1	4
Gross domestic product (GDP) per job	2018	9	6	1	8	4	5	7	2	3
5-yr chg. GDP	2013-18	8	1	2	3	7	4	9	6	5
Ratio of labor productivity to labor cost	2016	9	5	8	7	3	4	6	2	1
Wages, Income, and Poverty										
Wages, salaries, & proprietor earnings	2019	9	7	2	8	4	1	5	3	6
5-yr wages % chg.	2014-19	9	3	7	4	8	2	6	5	1
Per capita income (PCI)	2018	8	3	1	6	9	2	5	7	4
5-yr PCI % chg.	2013-18	7	8	5	2	6	1	4	9	3
Total poverty rate	2018	9	2	1	7	6	5	8	4	3
Child poverty rate	2018	8	3	1	6	7	2	9	4	5
5-yr % chg. total poverty rate	2013-18	2	5	8	9	1	3	4	7	6
5-yr % chg. child poverty rate	2013-18	2	3	9	8	1	5	4	7	5
Average Ranking, All Indicators		6.9	3.9	4.3	5.8	5.4	3.4	6.4	4.5	4.1
Composite Ranking, All Indicators		9	2	4	7	6	1	8	5	3

ECONOMIC PERFORMANCE: DATA VALUES

		Brazos County, TX	Comal & Guadalupe counties, TX	Denton County, TX	Greater San Marcos	Greenville County, TX	Larimer County, CO	Pima County, AZ	Rutherford County, TN	York County, SC
Employment and Unemployment										
5-yr Job growth rate	2014-19	11.1%	26.2%	21.8%	21.9%	11.4%	15.5%	5.4%	16.5%	19.1%
5-yr Private sector job growth rate	2014-19	13.2%	28.6%	24.3%	23.5%	12.0%	15.2%	7.0%	18.5%	21.3%
Unemployment rate	2018	2.8%	3.2%	3.2%	3.1%	2.9%	2.8%	4.5%	2.7%	3.3%
Exports, Output, and Productivity										
Exports per job	2019	\$83,948	\$97,789	\$82,965	\$79,896	\$96,055	\$108,301	\$112,667	\$160,802	\$105,660
Gross domestic product (GDP) per job	2018	\$70,823	\$89,242	\$102,406	\$82,257	\$97,589	\$94,879	\$87,965	\$101,902	\$97,849
5-yr chg. GDP	2013-18	16.5%	58.8%	30.6%	27.3%	16.6%	23.6%	10.8%	17.6%	20.3%
Ratio of labor productivity to labor cost	2018	\$1.30	\$1.41	\$1.40	\$1.40	\$1.48	\$1.41	\$1.41	\$1.55	\$1.55
Wages, Income, and Poverty										
Wages, salaries, & proprietor earnings	2019	\$39,502	\$43,810	\$49,423	\$39,813	\$47,133	\$49,905	\$45,981	\$48,012	\$45,085
5-yr wages % chg.	2014-19	9.9%	13.1%	11.0%	12.9%	10.5%	15.2%	11.4%	12.0%	16.1%
Per capita income (PCI)	2018	\$39,216	\$51,112	\$55,933	\$42,084	\$37,424	\$54,188	\$44,028	\$41,031	\$46,667
5-yr PCI % chg.	2013-18	17.9%	17.2%	19.6%	23.8%	18.0%	27.3%	19.8%	16.3%	23.7%
Total poverty rate	2018	23.2%	7.8%	7.3%	13.3%	11.1%	10.5%	16.2%	10.4%	9.8%
Child poverty rate	2018	20.2%	11.2%	8.1%	13.5%	14.6%	8.5%	22.2%	11.8%	13.0%
5-yr % chg. total poverty rate	2013-18	-4.4%	-2.9%	-1.6%	-1.5%	-5.1%	-3.3%	-3.1%	-1.9%	-2.9%
5-yr % chg. child poverty rate	2013-18	-6.9%	-4.8%	-2.9%	-3.6%	-9.9%	-4.2%	-4.3%	-3.7%	-4.2%

WORKFORCE COMPETITIVENESS: RANKINGS

		Brazos County, TX	Comal & Guadalupe counties, TX	Denton County, TX	Greater San Marcos	Greenville County, TX	Larimer County, CO	Pima County, AZ	Rutherford County, TN	York County, SC
Population Growth and Change										
5-Year population growth rate	2013-18	6	2	3	1	8	7	9	4	5
5-Year Labor force growth rate	2013-18	6	4	2	1	8	5	9	3	7
% of in-migrants w/ BA degree +*	2018	3	4	1	9	5	2	8	7	6
% of in-migrants w/ no HS diploma*	2018	4	6	1	7	9	2	8	5	3
Labor force participation rate*	2018	2	7	1	3	6	4	9	2	5
Employment:population ratio	2018	4	8	2	5	7	1	9	3	6
Age Composition										
5-yr chg. In population aged 25-44	2013-18	3	2	7	1	8	4	9	5	6
% of Prime age workers (25-55)	2018	8	6	1	5	4	7	9	2	3
Workers aged 55+ as a share of total	2019	9	5	4	2	8	6	9	3	7
Educational Attainment										
% age 25+ w/ less than HS diploma*	2018	9	6	2	3	7	1	8	4	5
% age 25+ w/ associate's degree +*	2018	3	8	2	5	4	1	7	9	6
% age 25+ w/ bachelor's degree +*	2018	3	8	2	4	5	1	7	9	6
Change, % 25+, less than HS diploma*	2013-18	9	8	7	2	6	1	3	4	5
Change, % 25+, associate's degree +*	2013-18	1	9	2	8	5	3	6	7	4
Change, % 25+, bachelor's degree +*	2013-18	1	7	1	6	4	5	8	9	3
Average Ranking, All Indicators		4.7	6.0	2.5	4.1	6.3	3.3	7.9	5.1	5.1
Composite Ranking, All Indicators		4	7	1	3	8	2	9	5	6

*Due to data limitations, the data is for Hays County only

WORKFORCE COMPETITIVENESS: DATA VALUES

		Brazos County, TX	Comal & Guadalupe counties, TX	Denton County, TX	Greater San Marcos	Greenville County, TX	Larimer County, CO	Pima County, AZ	Rutherford County, TN	York County, SC
Population Growth and Change										
5-Year population growth rate	2013-18	11.1%	19.3%	17.9%	23.5%	8.7%	10.8%	4.2%	15.6%	14.9%
5-Year Labor force growth rate	2013-18	13.7%	17.1%	20.5%	24.7%	7.8%	16.2%	6.4%	20.2%	12.8%
% of in-migrants w/ BA degree +*	2018*	47.8%	42.0%	50.9%	27.2%	40.4%	48.2%	34.4%	34.8%	36.8%
% of in-migrants w/ no HS diploma*	2018*	7.1%	8.4%	5.4%	9.1%	10.4%	5.8%	9.6%	7.9%	6.1%
Labor force participation rate*	2018*	58.4%	60.0%	72.7%	68.1%	65.0%	67.4%	57.6%	72.2%	66.5%
Employment:population ratio	2018	50.1%	46.5%	54.4%	48.7%	47.0%	56.1%	44.7%	52.9%	47.5%
Age Composition										
5-yr chg. In population aged 25-44	2013-18	19.4%	23.4%	14.7%	30.6%	8.3%	16.4%	5.5%	15.4%	15.0%
% of Prime age workers (25-55)	2018	36.3%	38.8%	44.6%	39.1%	39.8%	38.1%	35.2%	41.9%	40.5%
Workers aged 55+ as a share of total	2019	20.2%	21.6%	21.1%	20.4%	23.0%	22.4%	24.1%	20.5%	22.6%
Educational Attainment										
% age 25+ w/ less than HS diploma*	2018*	12.4%	9.3%	6.4%	8.3%	11.3%	4.8%	11.7%	8.4%	9.0%
% age 25+ w/ associate's degree +*	2018*	52.6%	39.4%	53.8%	44.4%	45.1%	56.9%	40.1%	38.7%	43.9%
% age 25+ w/ bachelor's degree +*	2018*	44.6%	31.2%	46.6%	38.6%	36.4%	47.6%	31.6%	30.3%	33.8%
Change, % 25+, less than HS diploma*	2013-18*	-3.4%	-3.0%	-2.4%	-1.0%	-2.3%	-0.6%	-1.2%	-1.9%	-2.0%
Change, % 25+, associate's degree +*	2013-18*	8.8%	0.0%	5.6%	1.2%	3.8%	5.2%	2.1%	1.8%	5.1%
Change, % 25+, bachelor's degree +*	2013-18*	5.6%	2.1%	5.6%	3.1%	4.4%	4.3%	1.5%	0.6%	4.6%

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INNOVATION AND ENTREPRENEURSHIP: RANKINGS

		Brazos County, TX	Comal & Guadalupe counties, TX	Denton County, TX	Greater San Marcos	Greenville County, TX	Larimer County, CO	Pima County, AZ	Rutherford County, TN	York County, SC
Research and Development Activity										
Annual Patents per 10,000 residents	2015	7	4	6	1	3	2	5	9	8
Patents per 10,000 residents	2000-15	7	3	6	1	4	2	5	9	8
Academic R&D expenditures (ths.)	2018	1	4	6	4	8	3	2	7	9
Change, academic R&D expenditures	2013-18	5	1	8	1	7	4	6	3	9
Startups, Small Businesses, and Self-Employed										
Establishment growth rate	2014-19	8	5	1	4	7	6	9	3	2
Self-employment as a % of all jobs	2019	8	3	2	1	9	5	4	6	7
Change, self-employment % of all jobs	2014-19	1	9	5	6	4	7	2	3	8
Average annual earnings, self-employed	2019	3	1	2	6	7	4	9	5	8
% of jobs in firms w/ < 50 employees	Q4'17	4	3	5	2	8	1	6	9	7
Change, % of jobs, firms w/ < 50 employ.	Q4'12-17	5	9	4	7	8	1	6	2	3
% of jobs in firms < 5 years old	Q4'17	1	2	3	4	7	5	9	8	6
Change, % of jobs in firms < 5 years old	Q4'12-17	8	9	1	6	4	7	3	2	5
Average Ranking, All Indicators		4.8	4.4	4.1	3.6	6.3	3.9	5.5	5.5	6.7
Composite Ranking, All Indicators		5	4	3	1	8	2	6	6	9

INNOVATION AND ENTREPRENEURSHIP: DATA VALUES

		Brazos County, TX	Comal & Guadalupe counties, TX	Denton County, TX	Greater San Marcos	Greenville County, TX	Larimer County, CO	Pima County, AZ	Rutherford County, TN	York County, SC
Research and Development Activity										
Annual Patents per 10,000 residents	2015	3.3	8.1	5.2	36.8	9.7	13.0	6.5	0.8	3.0
Patents per 10,000 residents	2000-15	40.3	84.8	45.8	468.7	71.8	195.1	71.5	11.3	20.2
Academic R&D expenditures (ths.)	2018	\$922,178	\$64,322	\$44,025	\$64,322	\$2,064	\$374,955	\$687,066	\$7,132	\$2,007
Change, academic R&D expenditures	2013-18	12.5%	73.6%	-11.1%	73.6%	-6.1%	19.7%	9.2%	24.7%	-83.9%
Startups, Small Businesses, and Self-Employed										
Establishment growth rate	2014-19	11.2%	19.7%	25.7%	20.4%	16.1%	17.7%	1.1%	23.4%	23.9%
Self-employment as a % of all jobs	2019	5.2%	9.2%	9.7%	9.7%	5.1%	7.0%	7.8%	6.7%	6.5%
Change, self-employment % of all jobs	2014-19	0.2%	-0.8%	-0.2%	-0.2%	0.0%	-0.5%	0.1%	0.0%	-0.5%
Average annual earnings, self-employed	2019	\$42,022	\$43,121	\$42,899	\$40,595	\$36,989	\$41,809	\$34,283	\$40,730	\$36,841
% of jobs in firms w/ < 50 employees	Q4'17	32.3%	32.5%	29.3%	34.1%	23.7%	41.9%	27.5%	21.5%	27.4%
Change, % of jobs, firms w/ < 50 employ.	Q4'12-17	-0.6%	-4.2%	-0.6%	-1.1%	-1.4%	1.9%	-0.8%	0.0%	-0.5%
% of jobs in firms < 5 years old	Q4'17	18.1%	16.4%	16.2%	16.0%	11.0%	15.2%	10.6%	10.7%	12.5%
Change, % of jobs in firms < 5 years old	Q4'12-17	-0.1%	-0.4%	0.7%	0.1%	0.4%	0.1%	0.6%	0.7%	0.2%

BUSINESS ENVIRONMENT: RANKINGS

		Brazos County, TX	Comal & Guadalupe counties, TX	Denton County, TX	Greater San Marcos	Greenville County, TX	Larimer County, CO	Pima County, AZ	Rutherford County, TN	York County, SC
Infrastructure										
Passenger departures	2017	5	8	2	7	3	1	9	6	3
Change, passenger departures	2012-17	9	4	6	2	7	3	5	1	7
Air Freight/Mail (LB. in Millions)	2017	3	6	1	7	4	2	9	8	4
Change, Air Freight/Mail (LB. in Millions)	2012-17	5	8	1	7	2	6	9	4	2
Distance to Airport	2017	9	3	4	6	8	7	1	5	2
Business Costs										
Commercial electricity costs (cents/kwh)	06/17	1	1	1	1	8	6	5	7	8
Industrial electricity costs (cents per kwh)	06/17	2	2	2	2	6	9	8	1	6
Business Climate Perceptions										
KPMG/Tax Fndn. Bus. Tax Climate Index	2017	1	1	1	1	8	5	7	6	8
CNBC America's Top States for Business	2017	1	1	1	1	8	5	7	6	8
Forbes Best States for Business	2017	1	1	1	1	7	6	9	5	7
Average Ranking, All Indicators		3.7	3.5	2.0	3.5	6.1	5.0	6.9	4.9	5.5
Composite Ranking, All Indicators		4	2	1	2	8	6	9	5	7

Note: Business Costs and Business Climate Perceptions are at the state level.

BUSINESS ENVIRONMENT: DATA VALUES

		Brazos County, TX	Comal & Guadalupe counties, TX	Denton County, TX	Greater San Marcos	Greenville County, SC	Larimer County, CO	Pima County, AZ	Rutherford County, TN	York County, SC
Infrastructure										
Passenger departures	2019	16,359	4,806	30,609	8,099	22,054	31,747	1,838	8,624	22,054
Change, passenger departures	2014-19	10.0%	26.8%	13.3%	58.7%	10.1%	27.3%	16.6%	62.5%	10.1%
Air Freight/Mail (LB. in Millions)	2019	591	276	1,257	177	322	617	63	104	322
Change, Air Freight/Mail (LB. in Millions)	2014-19	23.4%	3.8%	76.3%	13.5%	42.5%	18.2%	3.3%	23.8%	42.5%
Distance to Airport (min)	2020	102	28	29	37	100	70	9	30	26
Business Costs										
Commercial electricity costs (cents/kwh)	06/17	\$8.19	\$8.19	\$8.19	\$8.19	\$10.81	\$9.68	\$9.42	\$10.59	\$10.81
Industrial electricity costs (cents per kwh)	06/17	\$5.63	\$5.63	\$5.63	\$5.63	\$5.90	\$6.81	\$5.92	\$5.48	\$5.90
Business Climate Perceptions										
KPMG/Tax Fndn. Bus. Tax Climate Index	2020	13	13	13	13	30	17	20	18	30
CNBC America's Top States for Business	2019	2	2	2	2	34	9	20	13	34
Forbes Best States for Business	2019	2	2	2	2	16	9	18	7	16

Note: Business Costs and Business Climate Perceptions are at the state level.

QUALITY OF LIFE: RANKINGS

		Brazos County, TX	Comal & Guadalupe counties, TX	Denton County, TX	Greater San Marcos	Greenville County, TX	Larimer County, CO	Pima County, AZ	Rutherford County, TN	York County, SC
Crime										
Violent crime rate per 1K residents	2017	5	2	1	3	8	4	9	7	6
Property crime rate per 1K residents	2017	4	3	1	2	8	5	9	6	7
Commuting and Congestion										
% of commuters who drive alone to work	2018*	7	9	6	2	7	1	3	5	4
% w/ commute times > 30 minutes	2018*	1	8	7	9	2	3	4	6	5
Mean travel time to work (minutes)	2018*	1	5	7	9	3	2	4	8	6
Affordability and Cost of Living										
Home affordability index	2018*	8	1	4	7	2	9	6	5	3
% renters spending 30%+ of income	2018*	8	3	2	9	1	7	6	5	4
Cost of living index	2018	2	4	5	3	8	9	7	1	6
Health										
Physicians per 100K residents	216	4	7	8	9	2	3	1	6	5
% of adults reporting poor or fair health	2016	6	2	7	9	8	1	3	5	4
% of adults reporting BMI >= 30	2015	5	6	4	3	8	1	2	9	7
% under age 65 w/out health insurance	2016	8	6	5	9	7	1	4	2	3
Recreation										
Walk Score (Principal City)	2018	5	9	5	3	2	4	1	8	7
Access to exercise opportunities	2018	3	6	1	9	5	2	4	7	8
Average Ranking, All Indicators		4.8	5.1	4.5	6.1	5.1	3.7	4.5	5.7	5.4
Composite Ranking, All Indicators		4	5	2	9	5	1	2	8	7

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QUALITY OF LIFE: DATA VALUES

		Brazos County, TX	Comal & Guadalupe counties, TX	Denton County, TX	Greater San Marcos	Greenville County, TX	Larimer County, CO	Pima County, AZ	Rutherford County, TN	York County, SC
Crime										
Violent crime rate per 1K residents	2017	2.9	2.1	1.9	2.2	4.7	2.4	4.9	4.4	3.7
Property crime rate per 1K residents	2017	22.5	17.0	14.9	15.2	27.7	22.7	38.6	23.8	24.3
Commuting and Congestion										
% of commuters who drive alone to work*	2018	81.6%	83.2%	81.5%	76.5%	81.6%	73.5%	76.8%	80.4%	80.2%
% w/ commute times > 30 minutes *	2018	10.2%	45.4%	45.2%	51.9%	28.8%	29.7%	36.9%	42.9%	42.7%
Mean travel time to work (minutes)*	2018	16.7	26.9	28.8	32.5	23.7	23.4	25.3	29.0	27.6
Affordability and Cost of Living										
Home affordability index*	2018	4.62	2.82	3.46	3.74	3.15	5.60	3.71	3.68	3.41
% renters spending 30%+ of income*	2018	55.0%	45.7%	45.6%	57.4%	42.8%	50.8%	48.0%	47.8%	47.5%
Cost of living index	2018	92.3	98.1	100.5	93.8	102.4	108.0	102.2	91.8	100.8
Health										
Physicians per 100K residents	216	184	106	96	80	253	207	259	118	128
% of adults reporting poor or fair health	2016	16.5%	15.8%	16.5%	18.3%	16.5%	10.4%	16.1%	16.3%	16.3%
% of adults reporting BMI >= 30	2015	29.0%	30.1%	28.3%	27.8%	32.1%	18.8%	25.1%	33.4%	31.9%
% under age 65 w/out health insurance	2016	16.5%	14.6%	12.4%	16.5%	15.0%	7.3%	11.0%	8.8%	10.4%
Recreation										
Walk Score (Principal City)	2018	33	23	33	38	41	36	42	24	29
Access to exercise opportunities	2018	89.4%	78.6%	93.9%	70.8%	82.7%	92.5%	86.0%	73.6%	73.0%

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Endnotes

ⁱ "Austin area closes decade with record-breaking \$13B in home sales." Austin Board of Realtors. Retrieved from <https://www.abor.com/statsdec19/>

ⁱⁱ Mershon, Matthew. "Austin Tech Bubble Expanding to Surrounding Communities." Spectrum News. February 12, 2020. Retrieved from <https://spectrumlocalnews.com/tx/austin/news/2020/02/12/austin-tech-bubble-expanding-to-surrounding-communities>

ⁱⁱⁱ Austin Community College District. ACC Fact Book 2018-2019. Accessed March 11, 2020. <https://www.austincc.edu/oira/pubs/factbook/2018-19/index.html>