



Hale County Texas

Economic Development Cluster and Target Industry Study



Economic Development
Cluster – Target Industry Study

Hale County, TX

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Prepared for

Plainview – Hale County Industrial Foundation

Prepared by

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Introduction

Communities around the country, which are concerned with the economic quality of life of their residents, have initiated economic development programs. A comprehensive economic development program includes three major activity areas:

- 1) Existing Industry Program which retains or causes the expansion of existing contributory industries.
- 2) Marketing Attraction Program designed to lure new contributory employers to the area.
- 3) Start-Up Program fosters the creation of new contributory business entities in the community.

All three programs are necessary to enable long-term economic growth for Hale County.

In addition to this study, POLICOM Corporation created the following studies:

- *Historical, Comparative Economic Analysis of the Hale County, Texas* which details the history of the economy, identifies its most important components, and compares the economy to the rest of the nation.
- *Economic Development Goal Study* which projects the condition of the economy to the year 2030, if things are left to chance. A reasonable goal with corresponding annual milestones was created which will cause the economy to grow in both size and quality.
- *Economic Development Strategic Plan* which provides a series of recommendations to the Hale County community on how to implement a comprehensive economic development program.

After studying the results of the *Historical, Comparative Economic Analysis*, POLICOM created the *Economic Development Goal Study*.

The study included two major elements: 1) economic projections to the year 2030 based upon current and historic trends; and 2) the job and wage growth necessary to increase the size and improve the quality of the economy by the year 2030. Three growth scenarios were created.

A local economy will grow in size and quality by creating new primary or contributory industry jobs.

To reach the economic goal, annual milestones of net, new contributory jobs and their ancillary wage levels were created.

The following are those milestones:

Annual Primary Jobs and Wages

Annual Milestones - Net Gain Primary Jobs - Wages						
	Slow		Medium		Aggressive	
	Jobs	Wage	Jobs	Wage	Jobs	Wage
2012	27	44,017	32	44,303	32	44,303
2013	35	44,059	67	47,047	73	45,171
2014	52	45,079	117	46,263	126	45,711
2015	57	46,004	126	47,320	141	47,006
2016	62	46,944	133	48,409	153	48,960
2017	67	47,899	140	49,522	171	50,956
2018	72	48,872	147	50,661	189	53,026
2019	77	49,863	154	51,826	207	55,174
2020	82	50,872	161	53,018	225	57,405
2021	87	51,901	168	54,238	243	59,722
2022	92	52,948	175	55,485	261	62,130
2023	97	54,016	182	56,761	279	64,632
2024	102	55,105	189	58,067	297	67,233
2025	107	56,215	196	59,402	315	69,937
2026	112	57,346	203	60,768	333	72,748
2027	117	58,499	210	62,166	351	75,670
2028	122	59,676	217	63,596	369	78,709
2029	127	60,875	224	65,059	387	81,868
2030	132	62,098	231	66,555	405	85,154
Total	1,626		3,072		4,557	

The number of new primary jobs shown for each year is a net gain from the previous year.

The Hale County area will improve the quality and increase the size of its economy if the job-wage goal is achieved providing the jobs generated meet the following criteria:

- 1) The job is “primary or contributory” in nature. This simply means the source of the payroll must come from the sale of goods or services outside the Hale County area economy. This will import money to the area. Companies, which serve a “primary or contributory” function, can be classified in any of the industries.
- 2) The wages paid by the company should meet or exceed the goal, in order to prevent dilution and to elevate the quality of the economy.

While some of the new jobs will come from existing primary employers and from the “start-up” program, a vast majority will need to be created by companies which are attracted or recruited to the county.



Why Should Communities Target Industries?

A recruitment program is designed in a similar manner as a marketing-sales plan for almost any business. The process is very simple:

- Identify the product you have to sell (the community).
- Determine who wants to buy your product (what businesses will locate in the area).
- Market to those businesses.

Marketing involves advertising, direct mail, cold calling, direct visitation, and a host of other means of contacting and “selling” the prospective client. The process and tools are very similar to selling any product.

As with any business enterprise, an economic development organization has limited time and financial resources to conduct a recruitment, marketing program.

Therefore, as with any business, the time and resources of the economic development organization must be directed to and focused upon those businesses which are most likely to purchase the product, in this case, locate to the Hale County area.

The more money the organization has the wider the range of companies it can approach. The less money available, the narrower the target needs to be. Based on the amount of resources, the organization should market toward the industries and companies, in declining order of priority, which have the best potential to benefit the area and most likely to locate in the area.

This *Cluster - Target Industry Study* provides a priority or target list of industries for the Plainview Hale County Economic Development Foundation to focus upon which will guide the use of marketing resources and which will best achieve the goal.

The Hale County community should not ignore or discourage contributory businesses which desire to locate in the area if they do not pay a wage set by the goal or are not on the target list. If the wage paid to the workers is mildly above the area average, the company will contribute to the economy.

However, the long term focus should be on higher wage employers.



Identify What You Have To Sell

The purpose of this *Cluster - Target Industry Study* is to identify the business types which will most likely locate to the Hale County area, will be contributory in nature, and pay a wage which will meet the annual milestones set by the goal. A recruitment program involves convincing or selling a company on the idea the area will be a profitable location.

Geographic economics is the relationship or influence a physical location has on the profitability of a business. Site selection consultants can list hundreds of different criteria used for community and site evaluation. These can range from the cost of electricity, to the number of workdays lost due to snowfall, to simple property tax rates.

A retail store depends on the local market and the site selection criteria focus upon proximity to that market. Traffic counts, sign visibility, purchasing power of the customers and many other factors influence where a retail store would locate. A primary employer is not concerned with these issues.

What determines the location of a primary business is a series of geographic – economic factors which influence costs, not sales. The importance of each issue varies among industry sectors.

Communities which are very strong in most or all of the factors have the best chance to maintain a strong economy. Those which are weak have to find ways to overcome this disadvantage.

To determine which industries Hale County area should focus upon for its Marketing Attraction Program, knowing “what it has to sell” is the first step. The “quality of the product” is determined by the geographic – economic strengths and weaknesses of the county.

Hale County area has several “strengths” which can make it competitive in the economic development marketplace. A comprehensive review of the area’s geographic economic issues appears in the “*Economic Development Strategic Plan.*” The following is a brief summary of the strengths:

- 1) Supply of “inexpensive” labor.
- 2) Interstate highway access.
- 3) Potential for a large supply of improved, approved industrial property.
- 4) Large supply of inexpensive energy.
- 5) Access to an excellent community college.
- 6) Ability to create quality training programs.
- 7) No personal income tax.
- 8) Positive business climate.
- 9) Commercial airport within 60 minutes.
- 10) Four year university within a reasonable distance.
- 11) Located in the state of Texas.

The greatest asset for Hale County is that it offers a “low cost” location. This appeals to manufacturers which are competing in the world marketplace and must the reduce costs of production as much as possible.



Hale County area has several weaknesses:

- 1) Low educational attainment of general population.
- 2) General workforce relatively low in skills and lacks a diversification of skills.
- 3) Community college branch located in Hale County offers limited curriculum onsite.
- 4) Commercial airports have few direct flights and are principally serviced by regional airlines.
- 5) Lacks large tracts of improved, approved industrial property.
- 6) Limited supply of small tracts of industrial property.
- 7) Long-term concern regarding future water supply.
- 8) Remote geographic location relative to major population centers.

For the most part, Hale County's weaknesses unfortunately outweigh the strengths at the present time.

As a result, in the *Economic Development Strategic Plan* POLICOM recommended a two phased marketing program. The community should not launch an expensive marketing attraction program until some of the weaknesses are cured or improved.

Phase I is a modest program which does not require a large expenditure of money. The goal is to create new primary jobs over the next two to four years but in smaller numbers than in later years.

The principal reasons for a limited program are the lack of a diversified, trained workforce and a supply of improved, approved industrial property. (The remote location cannot be cured.) The community simply is not ready to respond to the needs of larger employers or even a large number of small employers.

As a result, the number of targeted industrial sectors is fewer than in the Phase II program.

Phase II is an expanded, aggressive marketing program. When the community is ready to accommodate the needs of employers, the list of potential industrial sectors can be expanded.

The list of targeted industrial sectors which follows was developed based upon the assumption the following issues are accomplished:

1. In order to be successful in recruiting new, mid to high wage employers, the area must be able to prove to a company it can produce a sufficient number of workers possessing the skills necessary for the required tasks.
2. There must be available to the companies a supply of improved, approved industrial sites, privately or community owned, upon which they can construct a facility.
3. Training programs should be initiated on a local basis.
4. Incentive programs need to be funded.

A more comprehensive list of recommendations and tasks appear in the *Economic Development Strategic Plan*.



Industrial Clusters

An industrial cluster is a group of businesses or other enterprises which comprise the “parts” of a vertically integrated industry. There is no specific industrial classification for a cluster as the work activity within a cluster is varied.

As an example, the term “bio-medical industry” is a cluster. The term is given to the activities which deliver health services to the population. The most visible is a doctor’s office or hospital. But a cluster also includes bio-medical research, the manufacture of drugs or medical equipment, computer software and electronic components which drive the medical equipment, testing laboratories, and even insurance companies with provide healthcare policies.

Typically clusters development in areas with large populations with a multi-skilled workforce. The multi-skilled workforce might actually be the result of the development of the cluster. Many of the businesses within a cluster purchase or sell their product or service to each other which is one of the reasons a cluster will develop.

Industrial Sectors

For the most part, business activity in the United States is classified by its “industrial process” or the work activity of employees. Based upon what the workers actually do, a business is given an industrial classification.

As an example, a bio-medial cluster could include all of the following:

Bio-Medical Cluster

- | | |
|--|---|
| Analytical Laboratory Instrument Manufacturing | Medical and Diagnostic Laboratories |
| Biological Product (except Diagnostic) Manufacturing | Medical, Dental, and Hospital Equipment and Supplies Merchant Wholesalers |
| Computer and Peripheral Equipment Manufacturing | Medicinal and Botanical Manufacturing |
| Computer Systems Design and Related Services | Metal Stamping |
| Data Processing, Hosting, and Related Services | Offices of Physicians |
| Dental Equipment and Supplies Manufacturing | Ophthalmic Goods Manufacturing |
| Dental Laboratories | Plastics, Foil, and Coated Paper Bag Manufacturing |
| Direct Health and Medical Insurance Carriers | Research and Development in the Physical, Engineering, and Life Sciences |
| Drugs and Druggists' Sundries Merchant Wholesalers | Soap and Other Detergent Manufacturing |
| General Medical and Surgical Hospitals | Surgical and Medical Instrument Manufacturing |
| Laboratory Apparatus and Furniture Manufacturing | Telephone Call Centers |
| Management of Companies and Enterprises | |

However, the work activity or skills needed are much different for an individual working in a factory making aspirin than one creating software to operate a heart monitor or one building a crown for a tooth.

Aside from needing different skills, many times the geographic economic issues for the different types of companies in a cluster are different. One might need large amounts of electricity while another needs continuing education at a university.



While clusters form in some metropolitan areas for some industries, for the most part the vertically integrated system to provide a finished good or services is typically scattered throughout a multi-county area, a state, or region of states.

The location of the company is determined by the geographic economic assets of the community and the distance to its marketplace.

Therefore, when creating “targets” for a community recruitment program, the industrial classification or sector is the most important issue.

Industrial Classifications and Database

In 1998, United States, Mexico, and Canada adopted the North American Industrial Classification System, hereafter referred to “NAICS.” NAICS changed the classification codes of the Standard Industrial Classification (SIC) system developed in 1987.

The system of classifying business activity is hierarchical in nature. First, the general activity of the business is determined, then, through a series of steps, the business is further defined and classified pinpointing more exactly its actual activity.

The following chart shows the path of coding under NAICS for a manufacturer of “air and gas compressors,” NAICS code 333912.

33	Manufacturing
333	Machinery Manufacturing
3339	Other General Purpose Machinery Manufacturing
33391	Pump and Compressor Manufacturing
333911	Pump and Pumping Equipment Manufacturing
333912	Air and Gas Compressor Manufacturing
333913	Measuring and Dispensing Pump Manufacturing

First the general activity is identified with a 2 digit code, known as the Sector Level. Next, the activity is defined to the 3 digit code (Sub sector). In this case, it is Machinery Manufacturing. The business is further defined to the Industry Group (4 digit) and two levels of “Industry” (5 and 6 digits). At each point, the actual process of the business is identified in greater detail.

To determine the target industries for this study, ES-202 (covered workers) data was utilized as it is the best source of data to measure the growth of jobs, earnings, and business units by industrial sector, or work activity.



Determine Who Wants To Buy Your Product

Target Industries - Selection Process:

The purpose of the study is to identify the industries or types of businesses upon which to concentrate the recruitment program, which will assist in reaching the Goal. The process of identifying the target industries is a combination of elimination and inclusion of business types.

The following are the steps taken by POLICOM to eliminate business types:

Beginning with the initial 1,495 private sector industrial classifications, business types were **deleted** from the list for the following reasons:

- 1) The industry is geographically restricted. These include several mining and farm divisions. An iron ore mining company cannot be attracted to an area without iron ore. A petroleum extraction company cannot locate in an area without oil beneath the ground.
- 2) The industry must be located near or upon geographically restricted industries. These typically include the processing of raw materials from the mining or farm industries such as petroleum refinement, cotton mills, soy processing, and meatpacking.
- 3) The industry must be located in immediate proximity to its market. An automobile assembly plant many times requires its parts suppliers to be located close enough to the facility to provide “just in time” or next day delivery of many of the components of the automobile.
- 4) The industry is inherently a consumptive, dependent industry. These include most retail and construction divisions and most of the service, finance, insurance and real estate divisions. Only industries, which qualify as primary or contributory, are included on the target list. Businesses, which are dependent upon the community for their market, will form naturally.

Of the 1,495 industries, approximately 1,008 industry sectors were eliminated by this process leaving approximately 487 business types. The remaining business types:

- 1) are not geographically restricted,
- 2) are contributory in nature,
- 3) have the potential to grow, and
- 4) will pay a wage which meets the Goal.

As a result of the relatively low educational attainment of the population (college graduates) in Hale County and the absence of a four year university, most of the “knowledge based” industries will not be able to locate to the county.

These include information technology, computer and software technologies, professional services, corporate headquarters, research, finance and insurance, laboratories, and a host of sectors which require either college degrees or specialized education.



Each of the remaining business types was reviewed individually for its respective geographic - economic characteristics.

At this point, the process of inclusion begins. As previously mentioned, each business entity has its own criteria for choosing a location. This is based upon a number of factors including labor skills and availability, local tax structure, transportation resources, raw materials, communications capability, and many more. Some industries cannot or will not locate in a state or a community if certain attributes are not present.

To determine which of the remaining business types will be on the target list, data for the state of Texas was considered. Additionally, data for the following areas was also reviewed:

- 1) Hale County, TX.
- 2) Amarillo Metropolitan Area.
- 3) Lubbock Metropolitan Area.
- 4) Hereford Micropolitan Area (Deaf Smith County).
- 5) Dumas Micropolitan Area (Moore County).
- 6) Borger Micropolitan Area (Hutchinson County).
- 7) Vernon Micropolitan Area (Wilbarger County).

Phase I Marketing Program

Phase I of the marketing program is limited in scope. The community should focus upon the following:

Agriculture Cluster

Hale County presently has an Agricultural Cluster. From the growing of crops and raising of livestock to the processing of crops and livestock to the distribution of finished and semi-finished products, the area has the intellectual, geographic, and workforce infrastructure in place to enable expansion.

Due to limitations on water, crop production will likely decline while livestock might increase. The target industries are those which support the production process and the manufacture food which will be a growth industry in the future.

Suggested sectors include:

Code	Industrial Sector		2010 Jobs	Job Growth 2001-2010	2010 Wages
115	Support Activities for Agriculture	USA	328,600	0.1%	24,228
		Texas	12,401	-2.6%	29,161
311	Food Manufacturing	USA	1,442,112	-0.8%	40,533
		Texas	88,823	-0.5%	37,382
3112	Grain and Oilseed Milling	USA	58,661	-1.0%	61,039
		Texas	2,988	-2.4%	51,649
3118	Bakeries and Tortilla Manufacturing	USA	276,470	-0.9%	35,506
		Texas	16,819	0.8%	33,587
31191	Snack Food Manufacturing	USA	46,621	0.1%	45,386
		Texas	3,767	-1.8%	58,063

Manufacture of energy

The demand for energy, especially electricity, in the United States will continue to grow. While there has been an emphasis on “renewable” energy production, it is likely only wind power will survive after government subsidies expire. Even so, wind power alone can only contribute a fraction of the future powers needs.

Newly created EPA regulations are forcing the closure of a large number of coal fired power plants. As a result, there will be a demand for power plants fueled by natural gas and petroleum.

Having a large tract of land in an area which does not disrupt a population center is one of the community location factors for the manufacture of electricity.

Code	Industrial Sector		2010 Jobs	Job Growth 2001-2010	2010 Wages
22111	Electric Power Generation	USA	169,294	-4.4%	98,572
		Texas	23,357	-1.9%	110,936

Metal Fabrication

Small companies which fabricate an array of metal parts require modest skills for production are under constant pressure to reduce costs as a result of foreign competition. Many times the companies are “job shops” which fill in orders which cannot be completed by larger companies or produce a simple part or product when ordered.

These companies typically require moderately skilled workers and might only employ 10 to 20 people which can be easily trained.

The following are suggested sectors:

Code	Industrial Sector		2010 Jobs	Job Growth 2001-2010	2010 Wages
332	Fabricated Metal Product Manufacturing	USA	1,276,933	-3.1%	49,145
		Texas	112,130	-0.9%	52,038
3331	Agricultural Implement Manufacturing	USA	71,193	-1.8%	52,336
		Texas	2,480	0.3%	42,492
3323	Architectural and Structural Metals Manufacturing	USA	319,571	-3.1%	46,112
		Texas	39,489	-2.2%	47,246
3334	Ventilation, Heating, Air-Conditioning, and Commercial Refrigeration Equipment Manufacturing	USA	125,863	-4.1%	48,389
		Texas	10,442	-4.8%	52,303

Phase II Marketing Program

The marketing program will be expanded after the workforce is better prepared and industrial property is available. More industrial sectors can be targeted along with larger projects.

Agriculture Cluster

The Agriculture Cluster can be expanded in Phase II to accommodate larger companies. Some of the new sectors include the following:

Code	Industrial Sector		2010 Jobs	Job Growth 2001-2010	2010 Wages
3111	Animal Food Manufacturing	USA	51,631	-0.4%	51,221
		Texas	3,137	0.6%	36,739
3115	Dairy Product Manufacturing	USA	130,198	-0.3%	50,807
		Texas	6,058	1.7%	47,765

Metal Fabrication

The number of companies involved in metal fabrication can be expanded in Phase II as more land will be available and the workforce will be better prepared. Once again, most of these companies will be looking for a low cost location.

Code	Industrial Sector		2010 Jobs	Job Growth 2001-2010	2010 Wages
3322	Cutlery and Handtool Manufacturing	USA	40,152	-6.3%	52,607
		Texas	1,351	-2.7%	43,014
3323	Plate Work and Fabricated Structural Products	USA	146,417	-2.2%	48,743
		Texas	22,389	-1.3%	51,179
3327	Machine Shops; Turned Product; and Screw, Nut, and Bolt Manufacturing	USA	311,122	-1.4%	47,856
		Texas	21,282	1.5%	51,092
3329	Metal Valve Manufacturing	USA	80,316	-3.8%	57,943
		Texas	9,902	-0.8%	66,708

Warehouse Distribution

The Wal-Mart distribution facility has been very successful for many years. However, that does not mean more distribution facilities will locate to Hale County.

When determining a location for a distribution facility, the company looks at two factors: 1) the time and cost to send products to the facility and 2) the time and cost to distribute the products to its marketplace.



To determine the location, the company will perform an elaborate travel-time study which generates a set of geographic coordinates which maximized both issues. Once the point on the map is created, a site and community search begins.

Hale County might be a good location for more distribution facilities as the Wal-Mart facility has shown to be a good location for “incoming products” with access to the Interstate and rail.

However, if the pinpoint location is Austin, Houston, Oklahoma City, or an area more than 100 miles away, it likely will not be considered.

The key to this target is having sufficient land available on short notice to accommodate a company if one inquires.

Code	Industrial Sector		2010 Jobs	Job Growth 2001-2010	2010 Wages
4931	Warehousing and Storage	USA	629,934	2.1%	40,772
		Texas	46,152	9.6%	38,452

Motor Vehicle Cluster

A factory which serves as the final assembly of automobiles has a far reaching economic impact. This facility is the collection point of the production of parts from a large number of smaller facilities.

The Nissan assembly plant in Smyrna, TN (Nashville) boasts that it purchases a part or service from all but one county in Tennessee. The KIA Motors assembly plant in West Pointe, GA employs about 1,500 workers but has identified another 7,000 workers in Georgia alone who make parts or provide a direct service to the facility.

Texas has a growing motor vehicle cluster (autos and heavy trucks). Presently Toyota and General Motors have assembly plants in Texas.

The motor vehicle cluster presently stretches from Laredo traveling north on Interstate 35 to Dallas. A smaller cluster has developed in the Houston area.

For the last 30 years the auto industry has migrated from the industrial mid-west to southern states. This trend will continue, hopefully in Texas.

Hale County can serve as a location for small companies which supply parts to the auto industry. These companies typically employ between 50 and 150 people. The driving force for the companies is the reduction of production costs.

Additionally, Hale County should support any effort by Amarillo to secure an assembly plant or major parts supplier as Hale County will serve as a prime location for a number of support companies.

Some of the companies in the motor vehicle cluster are classified in the metal fabrication and plastics sector.

Code	Industrial Sector		2010 Jobs	Job Growth 2001-2010	2010 Wages
3362	Motor Vehicle Body and Trailer Manufacturing	USA	108,986	-4.7%	46,262
		Texas	6,050	-3.0%	39,863
3363	Motor Vehicle Parts Manufacturing	USA	415,325	-6.5%	53,845
		Texas	14,126	-3.1%	46,543

Aerospace Cluster

The aerospace industry also requires a large number of small companies to support it. The state of Texas has a mature Aerospace Cluster and it is more widespread than the motor vehicle cluster. Large clusters are in all of the major metropolitan areas. Employment in Texas in this cluster grew at an annual rate of 1.2% since 2001.

Amarillo has an emerging aerospace cluster. Lubbock also has a presence of small aerospace companies.

As this industry grows in Amarillo, Plainview can benefit by providing an inexpensive location for small, custom parts manufacturers. Typically these companies employ between 25 and 100 people.

Efforts to expand the Amarillo cluster should be supported by Hale County.

Some of the companies in the aerospace cluster are classified in the metal fabrication sector.

Code	Industrial Sector		2010 Jobs	Job Growth 2001-2010	2010 Wages
3364	Aerospace Product and Parts Manufacturing	USA	474,905	-0.7%	84,040
		Texas	48,029	1.2%	85,888

Cost Driven Manufacturers

From 2001 to 2010 the United States lost 5.8 million manufacturing jobs. While some of the job loss can be attributed to a decline in the marketplace for the product being made, a vast, vast majority were lost due to foreign competition.

Each day companies have to find new means to reduce the costs of production, if they are going to stay competitive in our nation’s marketplace. Companies which are presently located in “high-cost” areas will eventually have to do one of five things:

- 1) Construct a facility on foreign soil.
- 2) Reinvest in high cost, new technology production equipment where they are located.
- 3) Outsource production to a foreign based company and simply market and distribute.
- 4) Go out of business.
- 5) Locate to a lower cost area in the United States.

The fifth option places the Hale County area in a very desirable position. Hale County provides an excellent low cost location for many small companies which are in this position.

The following are industrial sectors which have been affected by low-cost competitors and which Hale County could accommodate:

Code	Industrial Sector		2010 Jobs	Job Growth 2001-2010	2010 Wages
325	Chemical Manufacturing	USA	785,283	-2.2%	82,324
		Texas	70,396	-1.9%	92,688
3254	Pharmaceutical and Medicine Manufacturing	USA	278,792	0.2%	101,787
		Texas	9,600	1.2%	110,338
3255	Paint, Coating, and Adhesive Manufacturing	USA	55,891	-3.3%	63,387
		Texas	5,352	-1.1%	60,239
3259	Other Chemical Product and Preparation Manufacturing	USA	83,977	-4.0%	62,165
		Texas	7,924	-1.2%	74,677
3261	Plastics Product Manufacturing	USA	501,690	-3.8%	44,874
		Texas	32,751	-3.7%	45,090
3351	Electric Lighting Equipment Manufacturing	USA	45,283	-6.0%	51,940
		Texas	1,864	-3.4%	50,107
3352	Household Appliance Manufacturing	USA	58,657	-5.8%	53,386
		Texas	1,733	-8.0%	46,810
3353	Electrical Equipment Manufacturing	USA	134,292	-4.3%	61,031
		Texas	7,737	-0.4%	63,153
3371	Wood Kitchen Cabinet and Countertop Manufacturing	USA	99,876	-3.5%	34,259
		Texas	8,829	-3.2%	32,829
3372	Office Furniture (including Fixtures) Manufacturing	USA	96,070	-6.1%	43,596
		Texas	4,310	-3.7%	40,090
3391	Medical Equipment and Supplies Manufacturing	USA	303,265	-0.3%	60,792
		Texas	11,690	-2.3%	48,451

Essentially, the industries upon which Hale County should focus its marketing effort are those which employ moderately skilled workers which need to locate in a low cost area.



It can be done!!!

The targeted industrial sectors are those which are most likely to locate to Hale County. There are no assurances they will.

On the other hand, if an industrial sector is not on the list, this does not mean it will not locate in the area. What motivates a company to choose a community is sometimes unpredictable.

Case in point:

One of POLICOM’s current clients is Lowndes County, Mississippi - population 59,000 (Columbus, MS Micropolitan Area).

In the late 1990’s the county suffered the loss of thousands of manufacturing jobs in food processing and other low wage industries.

The workforce was relatively low skilled, there was little improved industrial property and the community was not located on an interstate highway.

If in 2001 POLICOM would have been asked to create a target industry study for this area, based upon its workforce, land availability, and transportation systems it would have included low to medium skilled manufacturing jobs, similar to the target list for Hale County.

The list of targeted industries would not have included the following which have located in the county:

Lowndes County, MS - Locations since 2003		
Company	Industry	Investment
American Eurocopter	Helicopters	60,000,000
Talley Defence Systems	Shoulder mounted rockets	7,000,000
Baldor Electric Company	Electric motors and generators	21,000,000
SeverCorr Steel	Flat rolled steel	2,000,000,000
Linde Gas	Industrial gases	80,000,000
SMS Millcraft	Steel	50,000,000
Levy/GT Mill Services	Slag processor	60,000,000
Stena Metals	Steel exporter processor	30,000,000
Harcros	Chemicals	10,000,000
Aurora Flight Sciences	Composites for aerospace	17,000,000
PACCAR	Diesel engines for heavy trucks	500,000,000
Stark Aerospace	Aerospace	41,000,000

The reasons these industrial sectors would not have been on a target list was because each of these companies required a large tract of land (50 – 500 acres), a skilled workforce (average



wage paid for the above companies is more than \$60,000), massive electric loads, and multi-model transportation systems. Few of these features were available in Lowndes County in 2001.

However, in 2001 the community did not sit on its hands and whine about its situation. It launched a massive economic development program to cure its shortfalls including the expansion of its highway system, a community-wide worker training program, and the development of a 7,500 industrial park.

Since 2003, 47 companies have located to the county creating more than 3,900 high-wage primary jobs and investing more than \$3.5 billion.

In 2004 the area ranked 374th among the 575 micropolitan areas for economic strength. In 2012 it ranked 46th.