

Lavon, Texas: Crossroads of Opportunity



Prepared for the City of Lavon by
The University of North Texas Center for Economic
Development and Research with assistance from the Fall
2009 AECO Economic and Community Development
Class



April 2010



UNIVERSITY OF
NORTH*TEXAS
Center for Economic
Development and Research
www.unt.edu/cedr



Table of Contents

	<u>Page</u>
I. Overview of the City of Lavon	1
II. Development of Other Small Cities in the Dallas-Fort Worth Area.....	4
III. Incentives	9
IV. Organization of an Economic Development Corporation	13
V. Community Profile.....	17
VI. Economic Development Strategies	18
VII. Conclusions.....	25
References	26
Appendix A: Tax Abatement Policy and Guidelines	27
Appendix B: Tools to Manage an Economic Development Office.....	38
Appendix C: Community Profile Sources	40
Appendix D: Demographic Profile/Data	46
Appendix E: Location Quotient Analysis	57
Appendix F: Economic Gardening Sources.....	59

I. Overview of the City of Lavon

Lavon, Texas, is located in southeastern Collin County near the intersection of State Highway 78 and State Highway 205. Its unique position on Lake Lavon, which was constructed in 1952-1953, provides a pleasant setting for boaters, fishermen, and outdoorsmen. The city has recently experienced high levels of growth and can be described as in a “path of progress.” Lavon’s location, just north of Rockwall and just east of Wylie – two rapidly growing Dallas suburbs – should provide future development opportunities. According to the U.S. Census Bureau, in 2000 the city’s population was 387; the North Central Texas Council of Governments estimates a population of 2,250 in 2009, an increase of 481% (see Table 1).

Table 1
Population Change

Area	1990	2000	2009	% Change 2000-2009
Lavon	303	387	2,250	481.40%
Collin County	264,036	491,675	764,500	55.49%
Dallas-Fort Worth MSA	3,885,415	5,161,544	6,331,291	22.66%

Sources: U.S. Census Bureau and North Central Texas Council of Governments

According to Applied Geographic Solutions, in 2009 the median age of residents in Lavon was 37.6. That is an increase from 32.5 in 1990 and 35.3 in 2000, with a projected median age of 39.7 in 2014. Lavon’s population is older than the county and the state averages, where current median ages are 37.1 and 33.1, respectively. Lavon also boasts a well-educated and affluent citizenry: 84.5% of all residents have graduated from high school, 50% have attended college, and nearly 22% possess a bachelors degree or higher. In 2009 the median household income for Lavon was \$62,779, above the state and national medians of \$52,111 and \$53,684, respectively.

The largest sectors of employment in Lavon are a mix of small service providers and government employees (see Table 2). And, as shown in Figure 1, almost all of the businesses that employ five or more persons are concentrated along State Highway 78.

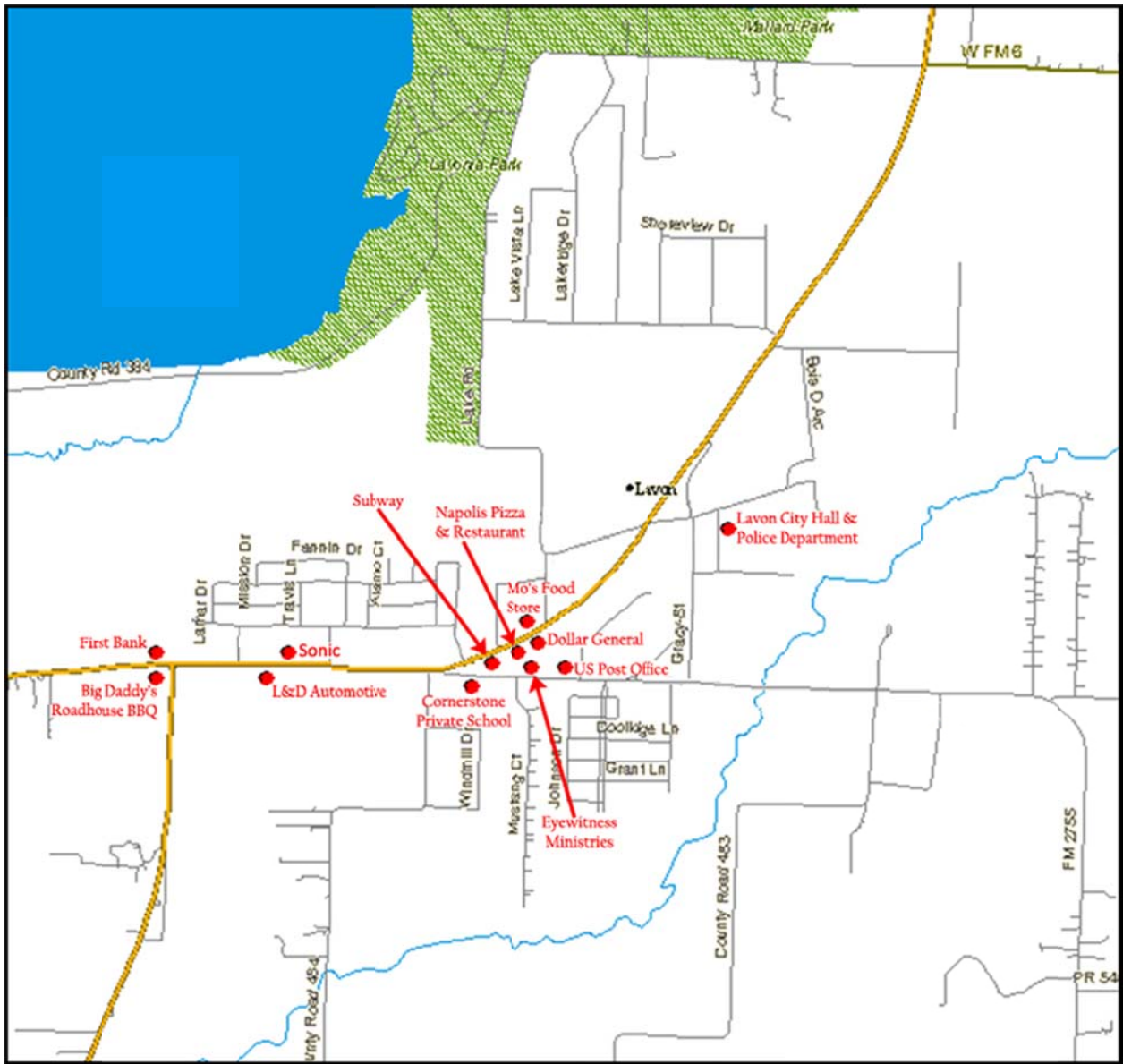
Table 2
Employers in Lavon

Company Name	Description	Employment
Sonic Drive-In	Restaurant	20 to 49
Cornerstone Private School	Child Care Service	10 to 19
Napolis Pizza & Restaurant	Pizza	10 to 19
Eyewitness Ministries	Non-Profit	10 to 19
Big Daddy's Roadhouse Bbq	Restaurants	5 to 9
Subway	Restaurants	5 to 9
Dollar General	Variety Stores	5 to 9
First Bank	Banks	5 to 9
L & D Automotive	Automobile Repairing	5 to 9
Mo's Food Store	Service Stations	5 to 9
Lavon City Hall	City Government	5 to 9
Lavon Police Dept	Police Departments	5 to 9
M A Hunter CO	General Contractors	1 to 4
Metro Pet Supply	Pet Supplies	1 to 4
Le Turtle Fashions Inc	Women's Apparel	1 to 4
Lavon Assembly of God Church	Churches	1 to 4
A Snip & A Snap	Beauty Salons	1 to 4
Milano's Pizza	Pizza	1 to 4
American Home Craft Inc	Home Builders	1 to 4
Justin Tobacco Plus	Tobacco Dealers	1 to 4
C & D Air Conditioning & Htg	Air Conditioning	1 to 4
LA Flor Mexican Cocina	Restaurants	1 to 4
Premier Carpet Svc	Carpet & Rug Cleaners	1 to 4
Crestmark Homes	Building Contractors	1 to 4
Ask US	Clothing-Wholesale	1 to 4
Donut House	Doughnuts	1 to 4
Rampley Roofing	Roofing Contractors	1 to 4
Emergency Locksmith	Locks & Locksmiths	1 to 4
US Post Office	Post Offices	1 to 4
Garcia's Trenching	Trenching	1 to 4
Lonestar Cleaners	Cleaners	1 to 4
Computence	Computers	1 to 4

Source: Reference USA, December 2009

Figure 1

Location of Major Employers in Lavon



Source: Map created using data obtained from Applied Geographic Solutions and Reference USA software

II. Development of Other Small Cities in the Dallas-Fort Worth Area

Since 2000, Dallas-Fort Worth has been the fastest growing major metropolitan area in the nation, adding 1.16 million new residents. The lion's share of growth has occurred in the northern suburbs of our region, and that growth pattern is projected to continue for some time. However, significant growth is also occurring on the east side of the metroplex. Many small communities have implemented various strategies to capture a portion of this growth. Based on population, location, amenities, and industrial mix, we selected three communities similar to Lavon – Hickory Creek, Argyle, and Melissa – and examined their approach to development. Each community's response to a brief questionnaire provided a deeper understanding of economic development strategies, processes, and plans.

Hickory Creek

Incorporated in 1963, Hickory Creek is located in Denton County and has a population of 3,750. The town has seized many economic development opportunities and continues to provide additional services for its rapidly growing population. Population growth along IH-35E and the recently completed Lewisville toll bridge has increased traffic and economic activity along this corridor. The community now boasts a Rave movie theater, Wal-Mart, McDonalds, and Papa John's, and the city has developed the Cornelius Town Center, which provides additional retail opportunities.

Hickory Creek performs economic development activities through an Economic Development Corporation (EDC). Operating on an annual budget of \$400,000, the EDC coordinates recruitment and development activity with the town government. When asked about the town's economic development policy or strategy, the EDC explained that they work with the

town to meet the needs of the community. This includes providing economic development assistance in areas such as:

- Recycling Facilities
- Land
- Buildings
- Public safety facilities
- Streets and Roads
- Drainage and related improvements
- Demolition of existing structures
- General municipally-owned improvements
- Maintenance and operating costs associated with economic development projects
- Any other project that the board of directors determines will contribute to the promotion or development of new or expanded business enterprises that create or retain primary jobs

The community's primary target industries are retail, industrial, and construction (both residential and commercial). In response to the questionnaire, Hickory Creek's city officials provided the following additional information.

Incentives

The city and EDC will offer incentives on a case-by-case basis but do not have a formal program specifically for incentives. However, their website provides links, and contact information for state and federal incentive programs.

Results

Hickory Creek considers their current development strategy to be successful, given the attraction of new retail and construction of the new town square. The revenue generated from

sales taxes is used for additional studies, construction of new roads, and making land available while limiting the barriers of entry for new business.

The toll bridge and the increased involvement of the EDC have improved the ability for new establishments to enter the city while expanding the existing tax base. The creation of the town center and additional mixed used residential/retail allows residents to work, live, and play in a central area, creating a sense of community.

Finally, in order to maintain high levels of transparency between the EDC and taxpayers, key information – meeting minutes, current projects, incentive programs, and demographics – is available on-line for review at [www. hickorycreekedc.com](http://www.hickorycreekedc.com)

Argyle

Argyle was founded in 1881 when the Texas & Pacific Railway added a stop at the base of Hickory Hill. Incorporated in 1963, the community has embraced its rural setting and small-town lifestyle. The city of 3,100 is within commuting proximity to Denton, Fort Worth, and Dallas.

The community has a development services office to facilitate the expansion and relocation of businesses. The city also established an economic development corporation – the Argyle Economic Development Corporation (AEDC) – and has developed an economic development policy, referred to as the “2020 Plan.”

Incentives

The City of Argyle currently has a tax abatement policy for qualifying developments. In addition, the city has also adopted a Freeport Exemption¹ for qualifying properties. The AEDC

¹ The Freeport Exemption exempts taxes on eligible inventory that is transported out of the State of Texas within 175 days of acquisition. See Section 3 for more details.

also considers development assistance in other areas, such as infrastructure improvements, on a case-by-case basis.

Organization and Target Industries

According to the AEDC, its mission is to “promote and develop an economic foundation to diversify the tax base consistent with Argyle’s rural, suburban character” (personal communication, December 2009). The AEDC is committed to:

- Recruiting and retaining commercial and residential development consistent with the city’s 2020 Plan.
- Supporting infrastructure improvements directly related to economic development.
- Pursuing regional alliances on common development, research, and data sharing.

In line with these commitments, industries targeted by the AEDC include residential and commercial development and small-scale manufacturing.

Results

The city and community consider their strategy and efforts successful. “The proof is in the numbers. We are home to one of the fastest growing counties in the fastest growing region” (AEDC, personal communication, December 2009). An electronic copy of the community’s policies and strategies is available on-line at <http://argyletx.com/Section/News/index.html>

Melissa

Melissa first began as a settlement in 1840s. The first post office was granted in 1873 and by 1884 the town had an estimated population of 100. The town was on the line of the first Texas Interurban line (the Texas Electric Railway), which ran from Denison to Dallas in 1908. This early connection to the electric railway insured the town was wired for electricity at an early stage in its development. Similar to other cities in Collin County, Melissa has experienced

tremendous growth over the last decade. In 2000 there were 1,350 residents; there are currently 4,688 residents in Melissa (Applied Geographic Solutions, 2010).

Melissa does not currently have a full time economic development department or staff. Therefore, the Development and Neighborhood Services department and the Melissa Industrial and Economic Development Committee (4A Board) respond to economic development requests. The Melissa Industrial and Economic Development Committee consists of five members who serve three-year terms and meet the last Wednesday of each month. The city currently owns three properties and has a total of 192 acres for development.

The city completed a comprehensive plan in 2006 that emphasizes the importance of the “city center” concept. In addition, the plan describes the importance of transportation and infrastructure to meet the needs of new residents and businesses to retain development momentum. The plan, along with targeted incentives, has been essential in the development of the community. The complete comprehensive plan is available at

http://www.cityofmelissa.com/city_of_melissa_2006_comprehensive_plan/docs/Melissa_Comp_Plan_Complete_Copy.pdf

III. Incentives

The use of incentives is often a controversial subject, particularly for those communities with budgetary and resource constraints. The use of various incentives and abatements has become widespread on an international, national, and state level. Now more than ever, it is imperative that a city has established incentive guidelines. We advise Lavon to coordinate all incentive initiatives with the Texas Comptroller of Public Accounts and the State of Texas Economic Development Department. The first step is to understand the various incentives available. While all incentives may serve a purpose, in this section we will focus on a few key incentives and the processes involved.

Property Tax Abatement

Abatement is the full or partial exemption from ad valorem taxes of certain improvements to real property in a reinvestment zone designated for economic development purposes. These abatements may be 100 percent and last up to ten years. The level of abatement is typically granted on a case-by-case basis that is determined by the total employment, projected employment growth, minimum dollar investment, and construction square footage requirements. Additional guidelines and criteria are listed in Appendix A.

Texas Enterprise Fund

The Texas Enterprise Fund, the State's \$295 million "deal closing fund," is an innovative economic development tool used to attract new business to the state or to assist with the considerable expansion of an existing business as part of a competitive recruitment situation. Funds can be used for infrastructure development, job training programs, and business incentives. Capital investment, job creation, wages generated, and federal and local government

and private sector financial support of a project are significant factors in approving the use of the Enterprise Fund.

Skills Development Fund

The Skills Development Fund assists businesses and trade unions by financing the planning and implementation of customized job training. The purpose of the program is to respond to the needs of businesses, to create jobs through business expansion or relocation, and to continue to facilitate the creation of a competitive advantage.

Businesses and trade unions must partner with a community or technical college, the Texas Engineering Extension Service, or a community-based organization. Businesses should have a training plan, and employees who successfully complete the training program should earn wages that are greater than or equal to the prevailing wage in the local market. Grants for a single business are limited to \$500,000.

Freeport Tax Exemptions

The Freeport Exemption allows local governing bodies the option to exempt eligible personal property from taxes. Property that may receive this exemption includes goods, wares, merchandise, or ores other than oil, natural gas, and petroleum. Eligible property must be transported out of the state within 175 days of acquisition but may be assembled, stored, manufactured, processed, or fabricated locally. Once Freeport Exemptions are established they are permanent.

Industrial Development Bonds

Cities, counties, and other local governmental districts are authorized to establish nonprofit industrial development corporations or authorities to issue tax-exempt or taxable

revenue bonds. Projects must promote the development or expansion of manufacturing and industrial facilities in Texas. The amount of a bond may not exceed \$10 million.

Companies seeking industrial development bonds are responsible for finding a bond purchaser and may choose to have the bond privately placed with a bank or offered to the public. Economic development entities will work with the company to secure the bond's financing so it will qualify for tax exemption.

Chapter 380 Agreements

Chapter 380 Agreements refer to chapter 380 of the Texas Local Government Code. This chapter authorizes Texas municipalities, both home-rule and general-law, to provide assistance for economic development. Cities may provide loans, personnel, and services to promote and encourage economic development. These agreements allow a city to attract development by refunding a portion of the sales tax generated by a project back to the developer under a long-term contract. Recently, the City of Grapevine combined 380 Agreement with a TIF district to assist Grapevine Mills Mall with a renovation project.

Unlike tax abatements, which are limited to ten years, Chapter 380 Agreements do not contain a durational limitation. Consequently, some Texas cities have entered into agreements that extend beyond ten years.

The Texas Comptroller of Public Accounts (2007) provides the following guidelines concerning Chapter 380 Agreements:

- Cities should place a limit on both the percentage of sales tax granted to the developer and the total amount of the grant. For example, the grant could be limited to a portion of the sales tax generated by the development, up to \$1 million.
- The agreement should have a termination date depending in part on the developer's total investment.

- Milestones and deadlines should be included in the agreement to ensure that the developer completes the project according to the city's expectations. The city should include terms by which the developer could be considered out of compliance or in default of the agreement and consider possible penalties, such as reductions in the sales tax incentive.
- The city should consider including terms in the contract to remedy adverse impacts caused by the development, such as increased traffic and increased demand for law enforcement and utilities.
- Payments of grants under the agreement should be based on the net sales tax allocation (after adjusted and fees) and not be due to the developer until the city receives the funds from the Comptroller. (p. 7)

IV. Organization of an Economic Development Corporation

The EDC will serve as a conduit for the community's economic development efforts, working closely with state, regional, and county economic development offices, site selectors, and the real estate community. Lavon's EDC will serve four core functions:

- Support, retain, and/or expand existing business.
- Attract desirable business and industry by strategic marketing.
- Foster a positive business climate through an enhanced quality of life.
- Establish an economic development work plan and goals.

Strong and focused leadership is essential to the success of Lavon. In accordance with state requirements, the City Council will appoint a Board consisting of seven directors. At least three of the Directors must be residents of the city and will serve as representation for the EDC. And, of the seven board members, no more than three members can be city staff.

Tasks

For the purposes of this study, we identified five areas that could possibly serve as "pain points" for economic development practitioners in Lavon:

- 1) Building the development organization;
- 2) Understanding area resources;
- 3) Selecting Strategies;
- 4) Marketing the area; and
- 5) Developing and analyzing data.

As the needs of the community continue to expand, the complexity of services will require specialized skills to address these areas. A list of tools to help manage an economic development agency is located in Appendix B.

One function of an economic development practitioner is to develop a strong, viable, and continuing organization. Capacity building relates to both helping the organization gain expertise and developing future leadership. This can be accomplished by completing training and certifications through the Texas Economic Development Council and by fostering an environment of professional growth. In addition, the practitioner must assist the local organization in strengthening its network with institutions at the local, national, and international levels.

Keeping track of community resources goes well beyond physical asset inventories. An area's development resources extend to its culture, leadership, and quality of its community social life. The practitioner must not only know the resource base but also find new ways to achieve community objectives. Of course, the practitioner must also find ways to build resources where there are deficiencies or to transform other resources to meet needs.

As a community moves through the process of selecting strategies, the practitioner should help guide the process. The practitioner must be careful to assist rather than push or sell a particular strategy. Moreover, the practitioner must help the decision makers see the need for comprehensive approaches, incorporating several methods over single component strategies.

Marketing a community is not like marketing a product. Products remain constant in terms of their performance. Communities and the environment in which they work are constantly evolving – both adding and losing capacity depending on events. This may include industrial, transportation, political, and climate change. No matter what role the practitioner plays, marketing will be a component. The marketing of place is also associated with the marketing of many other factors, such as human resources, organizational capacity, physical attributes, and community incentive programs.

Data development and analysis are essential to any program or economic development initiative. The data are not always clean or clear. The researcher should constantly attempt to find good information on the local situation, ranging from demographic to institutional analysis. For a city the size of Lavon, large scale data sources are often inadequate for this purpose. Therefore, the practitioner must refine data from the census and other sources, conduct surveys, or identify unobtrusive methods to measure any particular development dimension. Gathering data and determining what it means are not easy tasks. As a result, the practitioner must frequently develop ways to display complex information for the layperson. This requires exceptionally good analytical and presentation skills.

Position Descriptions

Hiring a full-time, professional economic development staff is essential to fostering growth in Lavon. Two critical positions are the director and research analyst because they serve as a foundation for the organization. The director of economic development serves as the chief executive officer of the EDC, oversees the administrative functions, and develops policies/procedures. In organizations similar to Lavon, the director has to remain flexible to handle a range of challenges. Serving as a community leader and manager, the individual:

- Must encompass the roles of facilitator, organizer, and networker;
- Be someone who understands the entire economic development process; and
- Possess the ability to move from vision to action.

The typical director should have a minimum of five years of management, real estate, or economic development experience and a hold a least a BA in economics, public administration or a related field, along with professional certifications.

In today's data driven landscape, a research analyst is the second logical hire for an economic development organization. The analyst should be familiar with a wide range of data sources and be able to manage databases, conduct analysis, and present information through multiple methods, including factsheets, websites, print publications, or Geographic Information System (GIS). The analyst often provides technical expertise regarding website development and critical evaluation of the work of third party consultants. The research analyst typically holds a BS or higher in economics, geography, or a related field and has two years of research experience.

V. Community Profile

When creating an economic development strategy, the first step is to understand as much as possible about the community. A community profile can be used both internally and externally as a marketing tool. The profile should include:

- Demographics
 - Population by age
 - Ethnicity
 - Households
 - Migration
 - Workforce and educational attainment
- Quality of life
 - Climate
 - Housing supply and prices
 - Education
 - Spending per student
 - Student/teacher ratios
 - Achievement test results
 - Higher education
 - Healthcare
 - Crime Rate
 - Culture
 - Green space and recreational outlets
- Income and wages
- Labor force and business community
 - Unemployment rate
 - Commute times
 - Employment by sector
 - Occupations
 - Largest employers
 - Expansions/relocations by industry and function
 - Downsizing/closures/layoff

It is important that all available data be presented even if it is not particularly flattering. A wide range of both public and private resources is available to assemble a community profile. A complete list community profile sources is located in Appendix C, and a demographic profile of Lavon is included as Appendix D.

VI. Economic Development Strategies

The City of Lavon remains underdeveloped despite a rapidly growing population. Identifying the target industries in which Lavon should expand begins with reviewing the city's physical and economic features. Lavon is currently faced with the opportunity to grow in many different directions. Incorporated into this analysis is a location quotient (LQ) identifying the industries in Lavon (see Appendix E). The LQ method may tend to exaggerate the relative concentration of industries in places like Lavon because of the relatively small size of the study area when compared to the national level. While beginning to cultivate an economic development strategy, the City of Lavon should investigate:

- Entrepreneurship to accommodate projected incoming business;
- Promotion of locally-based start-ups;
- Community services in which to increase the quality of life of all citizens; and
- Wholesale trade in order to establish an industrial presence.

Lavon is part of the Dallas-Fort Worth Metroplex, an area of strong urban and regional growth. The majority of published research argues that there is a strong correlation between high levels of entrepreneurship and a strong urban and regional economy. Moreover, recent research states that entrepreneurial growth in small towns next to large metro areas was 3.4% compared to only 2.8% for towns farther away from an urban area. Hence fostering endogenous growth through entrepreneurship and economic gardening can be a viable option to increase the economic base of Lavon. Apart from the main goal of increasing the local tax base, increased local services and trade activity will be very valuable side effects, which will help reduce spending that "leaks" outside the community.

Entrepreneurial capital and acumen can be gathered from an influx of retirees that are expected to move into the new housing developments. Physical infrastructure readily available for use, such as the nearby lake, will vastly contribute to an increased quality of life and attract commuters to the area.

While Lavon will not have the institutional resources to greatly support business owners initially, Collin County's Small Business Development Center can serve as a resource. In time, Lavon can supplement the county's business expertise by hosting professional and technical consulting services such as computer software and networking, engineering, graphical services, and business management. The current employment base in the city would support such development. The entrepreneurial approach might include:

1. Cultivate commuters as entrepreneurs – According to our calculations, a greater than average proportion of the workforce in Lavon hold occupations in science and engineering. This will prospectively have a positive impact within the guidelines of an entrepreneurial strategy.
2. Cultivate active retirees – Retirees can become actively involved in the formation of investor networks, mentorship programs, and free business counseling services, such as a local SCORE chapter.
 - a. SCORE is a non-profit organization consisting of 10,500 members in nearly 400 chapters. The purpose of the organization is to provide business leadership and counseling to entrepreneurs and small business owners through their network of retired business leaders and executives.
3. Offer incubator services – The city is currently thinking about developing a town square. The plans could include business incubator space that can then attract other

businesses or individual business related services. These activities will be highly visible and could help in revitalizing the area.

Despite the euphoria that endogenous growth can create, the city manager should be aware of the nature of entrepreneurship. Although any and every city would like to attract high growth and high tech entrepreneurs, this city's focus should probably, low tech or non-tech businesses. There are three basic distinctions among different kinds of start-ups:

1. High technology;
2. Low tech (light manufacturing and trades); and
3. Non-tech (food services, retail, professional services, and hospitality).

In addition, with the anticipated growth from housing development, construction and retail services will be in higher demand. Expanding local service and trade activity within the community will reduce the need for citizens to go outside of the community for everyday spending. The Grand Heritage housing development project will introduce an estimated 1,900 new homes over the next seven years. With this development, the community needs to allow opportunities that can target trade activity in any of the following areas: real estate, construction, home improvement, and furnishings retail. These opportunities can include a wide variety of sectors such as commercial and institutional building construction, water and sewer line construction, power and communications line construction, road construction, foundation contractors, framing contractors, masonry contractors, roofing contractors, drywall and insulation contractors, painting and wall covering contractors, finish carpentry contractors, site preparation contractors, lumber wholesalers, furniture stores, electronics stores, hardware stores, nursery stores, landscaping services, and real estate offices.

Economic Gardening Approach: Growth from Within

While retaining and expanding locally owned businesses is not a revolutionary concept, in 1989 the City of Littleton, Colorado, decided to focus their entire economic development efforts on investing in local business rather than offering incentives and tax breaks. The approach is called *economic gardening* because the community and city create an environment that nurtures business growth. Research has found that when a company grows from within a region or city, it is less likely to relocate, it serves as community stewards, and it utilizes local suppliers. This strategy provides a means of strengthening local economic linkages and enhancing the economic eco-system of the community.

Littleton experienced tangible results. By 1995, five years after adopting the strategy, the number of jobs in the city doubled from 15,000 to 30,000 and tax revenues tripled. This result far outpaces the United States, City of Denver, State of Colorado, and other surrounding communities. And, this increase occurred during a period of two major recessions, at a time when the city's population rose only 30%. Importantly, the city also spent no money on incentives or tax breaks during this period.

The Edward Lowe Foundation (2010) details three basic elements of economic gardening. In sum, a city should provide businesses with critical information, develop a greater than basic infrastructure, and assist with business-to-business connections. More details of these elements of economic gardening are available through the Economic Gardening link on the Edward Lowe Foundation website at www.edwardlowe.org

Littleton and Lavon both have a high concentration of small businesses, defined as a business with fewer than 10 employees and less than \$200,000 a year in sales. Recent data from Reference USA cite that 86 new home based businesses have opened in Lavon in the last year

alone. These micro-entrepreneurs will serve as the roots in the economic process. In many cases, competitive information differentiates small and large enterprises. Working with individual companies to identify key customers, strategies, and target markets provides the necessary information needed to make informed decisions regarding customer base, investments, and long term planning. This information may include:

- Competitors and their strategies
- Industry trends and forecasts
- Market size and sales
- Market demographics and psychographics (lifestyle information)
- Market research reports
- Potential market niches
- Prospective partners and resources
- Marketing lists and leads

The information is available through various commercial database services such as Lexis/Nexis, Dun & Bradstreet, Reference USA, Claritas, Applied Geographic Solutions, Business Journals, Dodge Construction Reports, and GIS software packages. A complete list of economic gardening resources is available in Appendix F.

An alternate and less expensive source for business information may include trade associations and government websites. The State of Texas has many databases that can provide information regarding new businesses, trademark information, professionals who register with the state, and wage and employment data. Always keep in mind that the true value added is not in merely providing reams of information but in presenting systematic reports that summarize, synthesize, and analyze the information.

With the increase in retirees to the community, with more homes being built, and with the influx of households with children, Lavon needs to access the internal resources of its citizens to grow the economy. The Lavon website is encouraging opportunities for the community to work together to help develop growth that will beautify their community. The downtown area can be the place to start by to renewing the area with local shops and creating the small town atmosphere. With the shopping center currently situated along State Highway 78 and other retail centers in the planning stages, the community should encourage local entrepreneurs to start new retail businesses along this corridor.

Opportunities for Attraction

There are several leakages within the local economy of Lavon that provide growth opportunities. One main leakage is the lack of a supermarket or grocery store. A gap analysis identified a \$2.1 million leakage in total retail trade, with \$837,000 (or 40%) of that total being in food and grocery. Other opportunities include pharmacies, family clothing stores, commercial banking, physicians offices, home health care services, nursing care facilities, retirement care facilities, services for the elderly and persons with disabilities, other individual and family services, child day care services, and fitness and recreational sports centers. As the local economy develops and diversifies, adding new businesses that create jobs and income will both strengthen the industrial base and enhance the quality of life in the community.

Another industry sector that Lavon may consider for future development is wholesale trade. Wholesale trade establishments typically sell products to businesses, government agencies, and large institutions like universities and hospitals. The Bureau of Labor Statistics (2009) explains the industry as follows:

Wholesale trade firms are essential to the economy. They simplify the flows of products, payments, and information by acting as intermediaries between the manufacturer and the final consumer. They may store goods that neither manufacturers nor retailers can store until consumers require them. In so doing, they fill several roles in the economy. They provide businesses, institutions, and governments a convenient nearby source of goods made by many different manufacturers that allows them to devote minimal time and resources to transactions. For manufacturers, wholesalers provide a national network of a manageable number of distributors of their goods that allow their products to reach a large number of users. (¶ 4)

Location quotient data for Collin, Hunt, and Fannin Counties show tremendous growth potential for wholesale trade establishments. According to the U.S. Census Bureau (2009), Lavon itself only has two establishments in this industry. Many occupations in the wholesale industry typically pay reasonably well and usually have modest training and requirements. Ninety percent of the establishments in this industry employ fewer than 20 workers, which may work well with the size of existing firms in the community.

VII. Conclusions

The City of Lavon is at a crossroads. Situated in the path of one of the region's strongest growth vector, the city is bound to grow. However, balance must be achieved between residential and non-residential development. Tremendous potential exists through the development of much needed industries, such as retail and wholesale trade, while capitalizing on future housing growth. By providing additional shopping and dining options to local residents, commercial development will expand the local tax base and create new employment opportunities for local residents, thus keeping local dollars circulating in the community instead of flowing entirely to businesses in other cities. According to our location quotient analysis, the community has the ability to expand on these industries based on the projected growth.

Creating an organizational structure of professional economic development practitioners, policies, goals, and benchmarks will serve as the foundation for creating an environment that fosters economic development. While there is no one strategy or incentive that can single-handedly transform a community, there is a direct need for a coordinated effort and large-scale community involvement.

Planning the development strategy around a balanced approach that incorporates the principles of economic gardening and new business attraction will ensure a sustainable economy. Lavon demonstrates an entrepreneurial spirit that will enable the community to expand existing industries in which they already have comparative advantages.

References

- Applied Geographic Solutions (2010) [online subscription service]. Website: <http://www.appliedgeographic.com/>
- Bureau of Labor Statistics (2009). Wholesale trade. *Career Guide to Industries, (2010-11 Edition)*. Retrieved January 10, 2010, from <http://www.bls.gov/oco/cg/cgs026.htm>
- Edward Lowe Foundation. (2010). *Second-stage entrepreneurs: Economic gardening*. Retrieved January 10, 2010, from <http://www.edwardlowe.org/index.elf?page=ss&function=eg>
- Reference USA (2010) [online subscription service]. Website: <http://www.referenceusa.com/>
- Texas Comptroller of Public Accounts (2007, September/October). Partnering for impact: Chapter 380 agreements offer sales tax incentives for commercial and retail projects. *Texas Rising*, 7. Retrieved January 10, 2010, from http://www.texasahead.org/texasrising/tr070910/partnering_impact.html

Appendix A:

Tax Abatement Policy and Guidelines

RECOMMENDED ABATEMENT POLICY LAVON

Section 1

STATEMENT OF PURPOSE

The City of Lavon is committed to the promotion of high quality commercial and industrial development in all parts of the City, and an ongoing improvement of the quality of life of its citizens. These objectives may be served by the enhancement and expansion of the local economy. The City will consider on a case-by-case basis, granting property tax abatement as a stimulus for economic development in accordance with the criteria and guidelines established herein. It is the policy of the City of Lavon to make available tax abatements for both new, expansion, and modernization of existing buildings and structures. These guidelines do not create any property, contract or other legal rights of any person to have the governing body consider or grant a specific application or request for abatement.

Section 2

DEFINITIONS

- 1) “Abatement” means the full or partial exemption for ad valorem taxes of certain improvements to real property in a reinvestment zone designated for economic development purposes.
- 2) “Agreement” means a contractual agreement between a property owner and/or lessee and an eligible jurisdiction for the purposes of tax abatement.
- 3) “Base Year Value” means the assessed value of eligible property on January 1 of the year of the execution of the agreement plus the agreed upon value of eligible property improvements made after January 1 but before the execution of the agreement.
- 4) “Deferred Maintenance” means improvements necessary for continued operations that do not improve productivity or alter the process technology.
- 5) “Economic Life” means the number of years a property improvement is expected to in service in a facility.
- 6) “Eligible Jurisdiction” means the City of Lavon, Community Independent School District, Collin County, or other special taxing districts that levy ad valorem taxes upon and provide services to property located within a proposed or existing reinvestment zone.
- 7) “Expansion” means the addition of buildings, structures, fixed machinery or equipment for purposes of increasing production capacity.
- 8) “Facility” means property improvements completed or in the process of construction which together comprise an integral role.

- 9) “Manufacturing Facility” means buildings, structures, fixed machinery or equipment, the primary purpose of which is or will be the manufacture of tangible goods or materials or the processing of such goods or materials by physical or chemical change.
- 10) “Modernization” means the upgrading of existing facilities that increases the productive input or output, updates the technology, or substantially lowers the unit cost of operation. Modernization may result from the construction, alteration, or installation of buildings, structures, fixed machinery or equipment. It shall not be for the purposes of reconditioning, refurbishing or repairing.
- 11) “New Facility” means a property previously underdeveloped, which is placed in service, by means other than or in conjunction with expansion or modernization.
- 12) “Other Basic Industry” means buildings and structures including fixed machinery and equipment not elsewhere described, used or to be used for the production of products or services, from which a majority or revenues generated by activity at the facility are derived from outside Collin County.
- 13) “Regional Distribution Center Facility” means buildings and structures including fixed machinery and equipment, used or to be used primary to receive, store, service or distribute goods or materials owned by the facility, from which a majority of the revenues generated by activity at the facility are derived from outside Collin County.
- 14) “Regional Entertainment/Tourism Facility” means buildings and structures, including fixed machinery and equipment, used or to be used to provide entertainment and/or tourism related services, from which a majority of revenues generated by activity at the facility are derived from outside Lavon.
- 15) “Regional Retail Facility” means buildings and structures including fixed machinery and equipment, used or to be used to provide retail services form which a majority of revenues generated by activity at the facility are derived for outside Lavon.
- 16) “Regional Service Facility” means buildings and structures, including fixed machinery and equipment, used to be used to provide retail services from which a majority of revenues generated by activity at the facility are derived from outside Collin County.
- 17) “Reinvestment Zone-Municipally Designated” means an area which lies within the taxing jurisdiction of the City of Lavon and has been designated a reinvestment zone for tax abatement purposes.
- 18) “Research Facility” means buildings and structures, including fixed machinery and equipment used or to be used primarily for research and experimentation to improve or develop new tangible goods or materials or to improve or develop the production process.
- 19) “Regional Health Care Facility” means buildings and structures, including fixed machinery and equipment, used or to be used to provide health care services, from which a majority or revenues generated by activity at facility are derived from outside Lavon.

Section 3

DESIGNATION OF TAX ABATEMENT REINVESTMENT ZONES

The city will consider designated area within the City limits of the City as tax abatement reinvestment zone, which will meet one or more of the criteria for designation of a reinvestment zone under Section 312.202 of the Tax Code, and where the property owner meets the minimum qualifications to qualify for tax abatement.

Section 4

ABATEMENT AUTHORIZED

- 1) **Authorized Facility.** A facility may be eligible for abatement if it is a:
 - a) Regional Health Care Facility
 - b) Manufacturing Facility
 - c) Research Facility
 - d) Regional Distribution Center Facility
 - e) Regional Service Facility
 - f) Regional Entertainment/Tourism Facility
 - g) Regional Retail Facility
 - h) Other Basic Industry
- 2) **Authorized Date.** A facility may be eligible for tax abatement if it has not applied for such abatement prior to the commencement of construction, provided, that such facility meets the criteria granting tax abatement in reinvestment zones.
- 3) **Creation of New Value.** Abatement may only be granted for the additional value of eligible property improvements made subsequent to and listed in an abatement agreement, between the City of Lavon and the property owner and/or lessee, subject to such limitations as the City Council may require.
- 4) **New and Existing Facilities.** Abatement may be granted to new facilities and improvements to existing facilities for purposes of modernization and expansion.
- 5) **Eligible Property.** Abatement may be extended to the value of buildings, structures, fixed machinery and equipment, site improvements, plus that office and related fixed improvements necessary to the operation and administration of the facility.
- 6) **Ineligible Property.** The following classes of property shall be fully taxable and ineligible for abatement: land, inventories, supplied, furnishings or other forms of

moveable personal property, vehicles, vessels, aircraft, deferred maintenance investments, residential property, property that is associated with any activity that is illegal under federal, state or local law, property owned or used by the State of Texas or its political subdivisions, property owned by any organization which is owned, operated, or directed by political subdivision of the State of Texas.

- 7) **Leased Facilities.** If an authorized facility eligible for tax abatement is leased the agreement shall be executed with both the lessor and the lessee.
- 8) **Value and Term of Abatement.** Abatement shall be granted effective with the January 1 valuation date immediately following the date of execution of the agreement. The amount of value or percentage and term of abatement of new eligible property shall be determined as follows:
 - a) The City Council, or their designated representative, shall work with the applicant prior to the execution of an abatement agreement, to determine the exact schedule for the abatement.
 - b) Under no circumstances shall the value of the abatement exceed 100 percent of the value of eligible property in a single year, and the duration of an abatement agreement shall not exceed 10 years or on-half (1/2) the economic life of the property, whichever is less.
- 9) **Economic Qualifications.** The City will consider tax abatement only on eligible facilities which meet the following criteria:
 - a) For a new facility (with the exception of a retail or regional entertainment/tourism facility), be reasonably expected to invest not less that two hundred and fifty thousand dollars (\$250,000) in the facility (including both eligible and ineligible property) within three years for the commencement of construction and be expected to create employment for not less that 10 person associated with the production of goods and services at the authorized facility on a full time permanent basis in the City of Lavon.

Percent of Value to be Abated	Capital Investment	Maximum Years of Abatement
25%	\$250,000 - 2,000,000	3
30%	\$2,000,001 - 5,000,000	5
40%	\$5,000,001 - 10,000,000	5
50% - 100%	\$10,000,000 - 50,000,000	5 - 10

- b) For an expanded or modernized facility, be reasonably expected to invest not less that one hundred thousand dollars (\$ 100,000) in the facility (including both eligible and ineligible property) within three years from the commencement of construction and be expected to create or retain employment for not less than 10 persons associated with the production of goods and services at the authorized facility on a full –time permanent basis in the City of Lavon.

- c) For retail and regional entertainment/tourism facilities, be reasonably expected to invest not less than one hundred (\$ 100,000) in the facility (including both eligible and ineligible property) within three years from the commencement of construction and be expected to create employment for not less than 5 persons associated with the production of goods and services at the authorized facility on a full-time permanent basis in the City of Lavon.
 - d) Two or more part-time, permanent employees totaling an average of not less than 40 hours per week may be considered as one full time, permanent employee.
 - e) Companies seeking to qualify for tax abatement on the basis of job retention shall document that without the creation of a reinvestment zone and/or abatement; the company will either reduce or cease production.
 - f) Not be expected to solely and primarily have the effect of transferring employment from one part of the City of Lavon to another.
- 10) **Taxability.** From the execution of the abatement agreement to the end of the agreement period , taxes shall be payable as follows:
- a) The value of ineligible property as provided in Section 4(f), above, shall be fully taxable.
 - b) The base year of existing eligible property as determined each year shall be fully taxable and
 - c) The additional value of new eligible property shall be taxable in the manner described in Section 4(h), above.
- 11) **Conflict of Interest.** Property that is in an investment zone and that is owned or leased by a member of the governing body of the Planning and Zoning Commission of the City of Lavon shall be ineligible for property tax abatement pursuant to Section 312.204(d) of the Texas Tax Code. Members of the Lavon Economic Development Advisory Board of Directors are also ineligible for property tax abatements under this policy.

Section 5

APPLICATION

- 1) Any present or potential property owner of taxable property in Lavon may request the creation of an investment zone and tax abatement by filing a written request with the City Manager or his/her designated representative.
- 2) The application shall consist of a completed application form accompanied by the following:
 - a) A general written description of the proposed use and the general nature and extent of the modernization, expansion, or new improvements to be undertaken,
 - b) A descriptive list of the improvements that will be part of the facility,

- c) A map and property description,
 - d) A time schedule for undertaking and completing the planned improvements,
 - e) Such financial and other information as deemed appropriate by the City Manager for purposes of evaluating the application.
 - f) The name, address and phone number of the owner of the real property, the contemplated improvements, any tangible personal property to be added and any lessee, if applicable, and the type of legal entity if other than an individual.
- 3) Upon receipt of a completed application the Council, or its designated representative, shall notify, in writing, the presiding officer of the governing body of each effected jurisdiction. Before acting upon the application, the City Council shall through public hearing, afford the applicant, designated representatives of any affected taxing jurisdiction and the general public opportunity to show cause why the abatement should or should not be granted. Notice of public hearing shall be clearly identified on a City Council Agenda to be posted in accordance with local ordinance or Texas State Statutes.
 - 4) After receipt of an application for creation of a reinvestment zone and application for tax abatement, the City Council, or its designee, shall prepare a feasibility study setting out the impact of the proposed reinvestment zone and tax abatement. The feasibility study shall include, but not limited to, an estimate of the economic effect of the creation of the zone and the abatement of taxes and the cost/benefit to the City.
 - 5) A request for a reinvestment zone for the purpose of tax abatements shall not be granted if the City Council finds that the request for abatement was filed after the commencement of construction, alternation, or installation or improvements related to a proposed expansion, modernization or new facility authorized as eligible under these guidelines.
 - 6) Request for variance from provisions of these guidelines may be in written form to the Mayor, or his/her designated representative, provided, however, that the term and value of abatement described in Section 4(h), above may not be increased. Such request shall include a complete description of the circumstances explaining why the applicant should be granted a variance. Approval of a request for variance. Approval of a request for variance requires a two-thirds (2/3) vote of the governing body.

Section 6

PUBLIC HEARING

- 1) Should any affected jurisdiction be able to show cause in the public hearing why the grant of abatement will have a substantial adverse affect on its bonds, tax revenue, service capacity, or the provision services, that showing shall be reason for the City to deny any designation of the investment zone, the grant of abatement, or both.
- 2) Neither an investment zone nor an abatement agreement shall be authorized if it is determined that:

- a) There would be a substantial adverse effect on the provision of government services or tax base,
- b) The applicant has insufficient financial capacity,
- c) Planned or potential use of the property would constitute a hazard to public safety, health or morals, or
- d) Planned or potential use of the property violates other codes or laws.

Section 7

AGREEMENT

- 1) After approval, the City shall formally pass a resolution and execute an agreement with the owner of the facility and/or lease, which shall include the following:
 - a) Estimated value to be abated and the year value,
 - b) Percent of value to be abated each year as provided for in Section 3(h), above
 - c) The commencement and termination dates of the abatement,
 - d) The proposed use of the facility, nature of the construction, time schedule for construction and commencement of operations, map, property description, and improvements as listed in the application under Section 5(b), above.
 - e) Contractual obligations in the event of default, violation of terms and conditions, delinquent taxes, recapture, administration and assignment as provided for in Section 3(a), 3(g), 3(h), 8, 9, 10 or other provisions that may be required for uniformity or by state law, and
 - f) Amount of investment in, and average number of jobs associated with the facility during the abatement period.
- 2) Such agreement shall normally be executed within 60 days after the applicant has forwarded all the necessary information and documentation for evaluation to the City.

Section 8

RECAPTURE

- 1) Should the City determine that the company or individual is in default according to the terms and conditions of the abatement agreement, the City shall notify the company or individual, in writing, at the address stated in the agreement, and if such non-compliance is not resolved within (60) days form the date of such notice, then the agreement shall be terminated.
- 2) In the event that the company or individual:

- a) Allows its ad valorem tax owed the City or other affected jurisdiction to become delinquent and fails to timely and properly follow the legal procedures for their protest and/or contest/or
- b) Violates any of the terms and conditions of the abatement agreement and fails to resolve such violations within sixty (60) days fro the date of written notice of such violations.

The agreement then may be terminated all taxes previously abated by virtue of the agreement will be recaptured and paid within sixty (60) days of termination.

Section 9

ADMINISTRATION

- 1) The Chief Appraiser of the appraisal district in which the eligible property is located shall determine the appraised value of the real and tangible personal property located in the investment zone. Each year, the company or individual receiving the tax abatement shall furnish the City and the City Appraiser with such information as may be necessary to determine the eligibility and continuation of abatement including the number of new and/or retained employees associated with the facility.
- 2) The agreement shall stipulate that employees and/or designated representatives of the City will have access to the into the investment zone during the term of the abatement agreement to inspect the facilities to determine if the company or individual is in compliance with the terms and conditions of the abatement agreement. All inspections will be made only after notification of not less than twenty four (24) hours and will only be conducted in such a manner as not to unreasonably interfere with the construction and/or operation of the facility. All inspections will be made with one or more representatives of the company or individual present and in accordance with the company's safety standards.
- 3) Upon completion of construction, the City shall annually evaluate each facility receiving abatement to ensure compliance with the agreement and report possible violations to the City Council and City Attorney.
- 4) All proprietary information required by the City for purposes of monitoring compliance by company with the terms and conditions of an abatement agreement shall be considered confidential as allowed by law.

Section 10

ASSIGNMENT

- 1) Abatement may be transferred and assigned by the holder to a new owner or lessee of the same facility upon the approval by resolution of the City Council subject to the financial capacity of the assignee and provided that all conditions and obligations in the abatement agreement are guaranteed by the execution of a new contractual agreement with the City of Lavon.
- 2) The expiration date of the new contractual agreement shall not exceed the termination date of the abatement agreement with the original owner and/or lessee.
- 3) No assignment or transfer shall be approved if the parties to the existing agreement, or the owner or new lessee are liable to the City of Lavon or any affected taxing jurisdiction for outstanding taxes or other obligations.

Section 11

OTHER ECONOMIC DEVELOPMENT INCENTIVES

- 1) **Economic Development Incentives.** The City by resolution may enter into an economic development incentive agreement as permitted by Chapter 380.001 of the Texas Local Government Code. An Incentive may include but is not limited to:
 - a. **Loans and Grants.** The City may provide subsidized loans or grants upon approval of the City Council
 - b. **Provide Personnel.** The City may provide personnel and services of the municipality upon approval of the City Council.
 - c. **Waiver of Fees.** Permit application, utility tap, impact fees and similar fees may be waived upon approval of the City Council.
 - d. **Infrastructure.** Extension, construction or reconstruction of infrastructure necessary for the development of a targeted enterprise may be made upon approval of the City Council.
- 2) Any agreement will include, but not limited to, the following specific items:
 - a. All appropriate stipulations included in the application, as outlined by the document, for an economic development incentive agreement,
 - b. The amount and type of incentive,
 - c. A method for determining the qualifications of meeting the criteria and applicant's promise to meet and maintain these qualifications over the term of the agreement. This may require the submission of an annual report to the City demonstrating that the terms and conditions required to receive an incentive have been met, and the City will be allowed, upon written request and reasonable notice, to inspect and audit such

- records of the applicant as are necessary to substantiate that the applicant is meeting the criteria agreed upon during the term of the incentive,
- d. A provision for recapturing City expenditures and/or cost of labor associated with the agreement, in the event the company or individual is found to be in default according to the terms and conditions of the incentive agreement.
 - e. All proprietary information required by the City for purposes of monitoring compliance with the terms and conditions of an incentive agreement shall be considered confidential.

Section 12

SEVERABILITY AND LIMITATION

In the event that any section, clause, sentence, paragraph, or any part of these Guidelines and Criteria shall, for any reason, be adjudged by any court of competent jurisdiction to be invalid such invalidity shall not affect, impair, or invalidate the remainder of these Guidelines and Criteria.

Appendix B:

Tools to Manage an Economic Development Office

Contacts

Act! www.act.com

ContactPlus www.contactplus.com

Maximizer www.maximizer.com

Site and Building Databases

ProCure www.e-procuresite.com

LocationOne www.locationone.com

GISPlanning www.gisplanning.com

Retention and Expansion

E-synchronist www.e-synchronist.com

ExecutivePulse www.executivepulse.com

Appendix C:
Community Profile Sources

Geography and Climate

Geography

Geography or Maps at U.S. Census Bureau: www.census.gov

Statistical Programs and Standards, OMB:
www.whitehouse.gov/omb/inforeg/statpolicy.html#ms

Geographic Names: geonames.usgs.gov/domestic/index.html

Climate

Climate at a Glance, National Climatic Data Center, NOAA:
www.ncdc.noaa.gov/oa/climate/research/cag3/cag3.html

Weatherbase: www.weatherbase.com

Population

Census Bureau

Decennial Census (2000), SF 1 through 4, PUMS, etc.:
www.census.gov/main/www/cen2000.html

American Community Survey: www.census.gov/acs/www/

Population Estimates: www.census.gov/popest/estimates.php

State Data Centers: www.census.gov/sdc/www

Labor Force

Characteristics

U.S. Bureau of Labor Statistics (BLS): www.bls.gov

Local Employment Dynamics, BLS: lehd.did.census.gov/led/led/led.html

Journey to Work

U.S. Bureau of Economic Analysis (BEA): www.bea.gov/ea/regional/reis/jtw/

Census Transportation Planning Package 2000, U.S. Department of Transportation (DOT):
www.fhwa.dot.gov/ctpp

Other Economic Indicators

GSP, GRP, GMP, Personal Income, Regional accounts, etc.

BEA: www.bea.gov/region/data.htm

Retail Sales, Housing Permits, Business Establishments, etc.

Census Bureau: www.census.gov/econ/www/index.html

Inflation and Consumer Spending, etc.

BLS: www.bls.gov/bls/inflation.htm

Beige Book, Federal Reserve Board: www.federalreserve.gov/FOMC/BeigeBook/2007

Taxes

www.payroll-taxes.com

www.taxsites.com/state.html

www.taxadmin.org/fta

www.taxfoundation.org/statefinance.html

Employment

Place of Work Estimates

Current Employment Statistics (CES), BLS: www.bls.gov/sae/home.htm

Quarterly Census of Employment and Wages (QCEW), BLS:
www.bls.gov/cew/home.htm#report

County Business Patterns, Census Bureau: www.census.gov/epcd/cbp/view/cbpview.html

Total Employment, BEA: www.bea.gov/, www.bea.gov/regional/index.htm

Place of Residence Estimates

Local Area Unemployment Statistics (LAUS), BLS: www.bls.gov/lau/home.htm#data

Education

Institutions, Enrollments, Programs

National Center for Education Statistics (NCES): nces.ed.gov

NCES Search Engines: nces.ed.gov/globallocator

State Education Contacts

ED.Gov, U.S. Department of Education: www.ed.gov/about/contacts/state/tx.html

Real Estate Markets

Commercial Markets

CB Richard Ellis: www.cbre.com/Global/Research/Market+Reports/

Cushman & Wakefield: www.cushmanwakefield.com/cwglobal/jsp/marketPulse.jsp

Marcus and Millichap: www.mmreibc.com/Research/Reports/ReportsRev.asp

Transportation

U.S. Department of Transportation

Transtats, Bureau of Transportation Statistics: www.transtats.bts.gov

Air, FAA: www.faa.gov/data_statistics/

Highways, FHWA: www.fhwa.dot.gov/policy/ohpi/hss/index.htm

Motor Carriers, FMCSA: www.fmcsa.dot.gov/facts-research/facts-research.htm

Rail, FRA: www.fra.dot.gov/us/home

Transit, FTA: www.fta.dot.gov/14512_ENG_HTML.htm

Water, MARAD: www.marad.dot.gov/MARAD_statistics

State Agencies: www.fhwa.dot.gov/webstate.htm

Utilities

Electricity, Regional Councils, North American Electric Reliability Council:
www.nerc.com/regional/

Water, U.S. Environmental Protection Agency (EPA): www.epa.gov/water/region.html

Air, EPA: www.epa.gov/air/oaqps/cleanair.html

www.epa.gov/air/data/

www.epa.gov/oar/oaqps/greenbk/

Landfills, EPA: www.epa.gov/epaoswer/non-hw/muncpl/landfill/landfills.ht

U.S. Department of Commerce

Federal Links: www.eda.gov/Resources/FederalPartnerships.xml

State ED Agencies: www.eda.gov/Resources/StateLinks.xml

National ED Resources: www.eda.gov/Resources/NationalEDOrganizations.xml

Cost of Living

Comparative

ACCRA Cost of Living Index: www.coli.org

Inflation

BLS, Consumer Price Index: www.bls.gov/bls/inflation.htm

Housing

Existing Home Sales Prices, National Association of Realtors:

www.realtor.org/Research.nsf/Pages/MetroPrice

Housing Price Index, Coldwell Banker*:

www.coldwellbanker.com/request/CBDocument?QMLclass=HPCI&mode=full

Healthcare

U.S. Department of Health and Human Services

General, www.hhs.gov

References, <http://www.hhs.gov/reference/index.shtml>

National Center on Health Statistics, Center for Disease Control (CDC), www.cdc.gov/nchs/

State Health Departments, U.S. Food and Drug Administration (FDA),

www.fda.gov/oca/sthealth.htm

Other Regional and Local Resources

Council of State Governments: www.csg.org

Regional Councils: www.narc.org

Metropolitan Planning Organizations: www.ampo.org

State and Local Webpages: www.statelocalgov.net

State Economic Data Sources, Association of University Business and Economic Researchers: www.auber.org/htmls/leapcomp.html

State of the Cities Data Systems, U.S. Department of Housing and Urban Development: socds.huduser.org/index.html

Proprietary and Subscription Services

Economy.com. Wide array of economic summaries, reports and data resources, for fee or by subscription: www.economy.com

Global Insight. Well-known, respected source of economic data, analyses, models, forecasts, etc.: www.globalinsight.com

Haver Analytics. Summary reports and data on line. For fee data access, data management software, etc.: www.haver.com

Hoovers and ZapData. D&B company and industry data online:

www.hoovers.com/free/

www.zapdata.com/HomePage.do

ArcView Business Analyst. Spatially based data access and reporting online. (Check out the free zip code profiles): <http://www.esribis.com>

Appendix D:
Demographic Profile/Data

Population by Race/Ethnicity

	1990		2000		2009		2014		Percent Change	
	Census		Census		Estimate		Projection		1990 to 2000	2009 to 2014
White	362	93.4%	538	91.9%	885	87.4%	1,037	88.7%	48.6%	17.1%
Black	13	3.4%	11	1.8%	48	4.7%	62	5.3%	-19.4%	31.3%
American Indian or Alaska Native	1	0.4%	5	0.8%	6	0.6%	4	0.4%	257.1%	-26.7%
Asian or Pacific Islander	1	0.2%	3	0.5%	31	3.1%	34	2.9%	275.0%	8.1%
Some Other Race	10	2.7%	19	3.2%	27	2.7%	20	1.7%	79.2%	-26.8%
Two or More Races			11	1.8%	16	1.5%	11	1.0%		-27.5%
Hispanic Ethnicity	21	5.4%	54	9.2%	139	13.7%	168	14.4%	157.0%	21.1%
Not Hispanic or Latino	366	94.6%	532	90.8%	873	86.3%	1,000	85.6%	45.2%	14.5%

Population by Age

	1990		2000		2009		2014		Percent Change	
	Census		Census		Estimate		Projection		1990 to 2000	2009 to 2014
0 to 4	31	7.9%	42	7.1%	64	6.3%	70	6.0%	35.7%	10.1%
5 to 14	67	17.3%	107	18.3%	167	16.5%	178	15.2%	59.5%	6.9%
15 to 19	30	7.7%	40	6.8%	72	7.1%	89	7.6%	33.6%	23.0%
20 to 24	15	4.0%	27	4.7%	56	5.5%	70	6.0%	77.2%	25.4%
25 to 34	73	18.7%	74	12.6%	108	10.7%	102	8.7%	1.3%	-5.4%
35 to 44	67	17.3%	119	20.3%	166	16.4%	169	14.5%	78.1%	1.6%
45 to 54	48	12.4%	82	14.0%	153	15.2%	182	15.6%	71.4%	18.7%
55 to 64	30	7.8%	50	8.6%	118	11.6%	154	13.2%	66.5%	31.3%
65 to 74	18	4.6%	30	5.1%	77	7.6%	111	9.5%	65.2%	43.9%
75 to 84	8	2.1%	11	1.9%	22	2.1%	32	2.7%	36.6%	47.3%
85+	1	0.4%	4	0.7%	10	1.0%	11	0.9%	185.7%	8.0%
Median Age:										
Total Population	32.5		35.3		37.6		39.7		8.6%	5.7%

Households by Income

	1990		2000		2009		2014		Percent Change	
	Census		Census		Estimate		Projection		1990 to 2000	2009 to 2014
\$0 - \$15,000	21	15.5%	26	13.0%	30	9.1%	32	8.1%	26.7%	3.8%
\$15,000 - \$24,999	26	19.9%	15	7.3%	25	7.5%	29	7.5%	-44.4%	15.5%
\$25,000 - \$34,999	11	8.4%	24	11.9%	29	8.5%	27	7.0%	114.0%	-4.1%
\$35,000 - \$49,999	33	24.6%	34	16.8%	42	12.5%	47	12.1%	3.0%	11.6%
\$50,000 - \$74,999	30	22.5%	54	26.8%	84	25.1%	89	23.0%	79.1%	5.8%
\$75,000 - \$99,999	7	5.6%	26	12.8%	53	15.8%	65	16.7%	244.7%	22.1%
\$100,000 - \$149,999	5	3.5%	12	5.8%	46	13.8%	63	16.2%	145.8%	36.3%
\$150,000 +	0	0.0%	11	5.7%	26	7.8%	36	9.3%	N/A%	37.3%
Average Hhld Income	\$39,784		\$62,777		\$70,212		\$76,339		57.8%	8.7%
Median Hhld Income	\$39,828		\$50,650		\$62,779		\$67,513		27.2%	7.5%
Per Capita Income	\$13,643		\$21,444		\$23,350		\$25,395		57.2%	8.8%

Employment and Business

	1990		2000		2009		2014		Percent Change	
	Census		Census		Estimate		Projection		1990 to 2000	2009 to 2014
Age 16 + Population	285		429		768		903		50.6%	17.6%
In Labor Force	215	75.6%	315	73.5%	553	72.0%	644	71.3%	46.5%	16.4%
Employed	206	95.7%	301	95.6%	501	90.6%	607	94.2%	46.2%	21.1%
Unemployed	8	3.6%	14	4.4%	52	9.4%	37	5.8%	77.5%	-28.8%
In Armed Forces	1	0.3%	0	0.0%	0	0.0%	0	0.0%	-100.0%	N/A%
Not In Labor Force	70	24.5%	114	26.5%	215	28.0%	259	28.7%	63.5%	20.5%
Number of Employees (Daytime Pop)					150					
Number of Establishments					21					
Emp in Blue Collar Occupations			123	40.8%						
Emp in White Collar Occupations			178	59.2%						

Housing Units										
	1990 Census		2000 Census		2009 Estimate		2014 Projection		Percent Change	
									1990 to 2000	2009 to 2014
Total Housing Units	144		216		365		427		49.2%	17.1%
Owner Occupied	114	78.7%	180	83.6%	306	83.8%	361	84.6%	58.6%	18.2%
Renter Occupied	19	13.1%	20	9.1%	30	8.4%	27	6.3%	4.1%	- 12.2%
Vacant	12	8.2%	16	7.2%	29	7.9%	39	9.1%	31.1%	36.1%

Vehicles Available										
	1990 Census		2000 Census		2009 Estimate		2014 Projection		Percent Change	
									1990 to 2000	2009 to 2014
Average Vehicles Per Hhld	2.20		2.00		2.30		2.80		-10.9%	22.6%
0 Vehicles Available	4	3.1%	3	1.7%	4	1.2%	4	1.1%	-22.7%	10.0%
1 Vehicle Available	26	18.4%	43	21.6%	72	21.3%	78	20.1%	67.4%	8.7%
2+ Vehicles Available	110	78.6%	153	76.8%	261	77.5%	306	78.8%	39.1%	17.4%

Marital Status										
									Percent Change	
	1990 Census		2000 Census		2009 Estimate		2014 Projection		1990 to 2000	2009 to 2014
Age 15+ Population	290		437		782		920		50.5%	17.7%
Married, Spouse Present	202	69.7%	279	63.9%	499	63.9%	587	63.9%	37.9%	17.7%
Married, Spouse Absent	4	1.5%	9	2.1%	16	2.1%	19	2.1%	109.1%	18.3%
Divorced	24	8.3%	48	11.0%	86	11.0%	101	11.0%	99.2%	17.6%
Widowed	12	4.1%	18	4.2%	32	4.1%	38	4.1%	52.5%	17.6%
Never Married	46	16.0%	83	18.9%	148	19.0%	175	19.0%	78.5%	17.8%

Educational Attainment										
					Percent Change					
	1990 Census		2000 Census		2009 Estimate		2014 Projection		1990 to 2000	2009 to 2014
Age 25+ Population	245		370		654		761		50.9%	16.4%
Grade K - 8	21	8.5%	16	4.3%	39	5.9%	44	5.8%	-23.6%	14.2%
Grade 9 - 12	35	14.1%	52	14.2%	63	9.6%	61	8.0%	51.4%	-3.4%
High School Graduate	102	41.7%	127	34.5%	221	33.7%	243	32.0%	24.7%	10.2%
Some College, No Degree	49	20.0%	94	25.3%	151	23.1%	182	23.9%	91.6%	20.6%
Associates Degree	13	5.1%	19	5.0%	43	6.6%	53	6.9%	48.4%	21.6%
Bachelor's Degree	20	8.1%	48	13.1%	101	15.5%	130	17.1%	142.2%	28.2%
Graduate Degree	5	2.2%	12	3.3%	36	5.6%	49	6.4%	125.0%	33.9%
No Schooling Completed			1	0.3%						

Source: Applied Geographic Solutions

Consumer Expenditure Summary Reports

Consumer Expenditure Totals (Average Household Annual Expenditures)

	2009 Estimate	2014 Projection	% Change 09- 14
Total Households	336	388	15.40%
Total Avg Household Expenditure	\$55,289	\$58,687	6.10%
Total Avg Retail Expenditure	\$23,363	\$24,768	6.00%

Consumer Expenditure Detail (Average Household Annual Expenditures)

	2009 Estimate	% of Total	2014 Projection	% of Total	% Change 09- 14
Airline Fares	\$404.89	0.70%	\$436.56	0.70%	7.80%
Alcoholic Beverages	\$639.04	1.20%	\$681.22	1.20%	6.60%
Alimony & Child Support	\$285.29	0.50%	\$308.14	0.50%	8.00%
Apparel	\$2,651.48	4.80%	\$2,817.83	4.80%	6.30%
Apparel Services & Acces	\$416.49	0.80%	\$450.19	0.80%	8.10%
Audio Equipment	\$93.22	0.20%	\$98.41	0.20%	5.60%
Babysitting & Elderly Care	\$470.57	0.90%	\$506.29	0.90%	7.60%
Books	\$65.61	0.10%	\$69.77	0.10%	6.30%
Books & Supplies	\$184.38	0.30%	\$201.24	0.30%	9.10%
Boys Apparel	\$132.30	0.20%	\$140.17	0.20%	5.90%
Cellular Phone Service	\$428.03	0.80%	\$448.00	0.80%	4.70%
Cigarettes	\$318.57	0.60%	\$328.31	0.60%	3.10%
Computer Hardware	\$387.73	0.70%	\$415.33	0.70%	7.10%
Computer Information Svcs	\$181.37	0.30%	\$194.51	0.30%	7.20%
Computer Software	\$30.14	0.10%	\$32.29	0.10%	7.10%
Contributions	\$2,043.69	3.70%	\$2,215.01	3.80%	8.40%
Coolant & Other Fluids	\$8.56	0.00%	\$9.03	0.00%	5.50%
Cosmetics & Perfume	\$113.20	0.20%	\$120.05	0.20%	6.10%
Deodorants & Other Pers Care	\$31.23	0.10%	\$33.16	0.10%	6.20%
Education	\$1,309.58	2.40%	\$1,428.39	2.40%	9.10%
Electricity	\$1,391.88	2.50%	\$1,453.45	2.50%	4.40%
Entertainment	\$3,102.11	5.60%	\$3,300.21	5.60%	6.40%
Fees & Admissions	\$808.88	1.50%	\$877.41	1.50%	8.50%
Finance Chgs Exc Mort & Veh	\$586.14	1.10%	\$615.54	1.00%	5.00%
Floor Coverings	\$83.55	0.20%	\$91.81	0.20%	9.90%
Food & Beverages	\$8,448.46	15.30%	\$8,908.44	15.20%	5.40%
Food At Home	\$4,381.01	7.90%	\$4,582.09	7.80%	4.60%
Food Away From Home	\$3,428.41	6.20%	\$3,645.13	6.20%	6.30%
Footwear	\$420.46	0.80%	\$440.40	0.80%	4.70%
Fuel Oil & Other Fuels	\$144.51	0.30%	\$152.35	0.30%	5.40%
Funeral & Cemetery	\$101.65	0.20%	\$107.57	0.20%	5.80%
Furniture	\$676.59	1.20%	\$726.85	1.20%	7.40%
Gasoline & Oil	\$2,503.44	4.50%	\$2,625.72	4.50%	4.90%
Gifts	\$1,448.57	2.60%	\$1,563.27	2.70%	7.90%
Girls Apparel	\$183.13	0.30%	\$194.52	0.30%	6.20%
Hair Care	\$61.83	0.10%	\$65.61	0.10%	6.10%
Hard Surface Flooring	\$28.45	0.10%	\$30.52	0.10%	7.30%
Health Care	\$3,330.31	6.00%	\$3,495.58	6.00%	5.00%
Health Care Insurance	\$1,606.22	2.90%	\$1,685.58	2.90%	4.90%

	2009 Estimate	% of Total	2014 Projection	% of Total	% Change 09- 14
Health Care Services	\$805.12	1.50%	\$844.67	1.40%	4.90%
Health Care Supplies & Equip	\$918.97	1.70%	\$965.33	1.60%	5.00%
Household Services	\$358.91	0.70%	\$387.13	0.70%	7.90%
Household Supplies	\$887.69	1.60%	\$957.93	1.60%	7.90%
Household Textiles	\$172.44	0.30%	\$183.97	0.30%	6.70%
Housewares & Small App	\$1,240.42	2.20%	\$1,328.82	2.30%	7.10%
Indoor Plants & Fresh Flowers	\$77.81	0.10%	\$83.14	0.10%	6.90%
Infants Apparel	\$121.37	0.20%	\$128.84	0.20%	6.20%
Jewelry	\$167.89	0.30%	\$181.66	0.30%	8.20%
Legal & Accounting	\$110.50	0.20%	\$116.41	0.20%	5.30%
Magazines	\$36.74	0.10%	\$39.06	0.10%	6.30%
Major Appliances	\$283.38	0.50%	\$301.53	0.50%	6.40%
Mass Transit	\$108.67	0.20%	\$117.04	0.20%	7.70%
Men's Apparel	\$502.94	0.90%	\$534.80	0.90%	6.30%
Mortgage Interest	\$4,410.75	8.00%	\$4,731.07	8.10%	7.30%
Natural Gas	\$536.47	1.00%	\$564.22	1.00%	5.20%
New Car Purchased	\$1,330.27	2.40%	\$1,424.53	2.40%	7.10%
New Truck Purchased	\$1,580.83	2.90%	\$1,691.95	2.90%	7.00%
New Vehicle Purchase	\$2,911.10	5.30%	\$3,116.48	5.30%	7.10%
Newspapers	\$76.80	0.10%	\$81.77	0.10%	6.50%
Oral Hygeine Products	\$28.72	0.10%	\$30.46	0.10%	6.10%
Other Lodging	\$616.90	1.10%	\$674.12	1.10%	9.30%
Other Miscellaneous Expenses	\$112.77	0.20%	\$118.50	0.20%	5.10%
Other Repairs & Maint	\$161.58	0.30%	\$173.20	0.30%	7.20%
Other Tobacco Products	\$35.43	0.10%	\$36.49	0.10%	3.00%
Other Transportation Costs	\$628.81	1.10%	\$671.74	1.10%	6.80%
Other Utilities	\$446.73	0.80%	\$469.79	0.80%	5.20%
Paint & Wallpaper	\$71.43	0.10%	\$76.43	0.10%	7.00%
Personal Care Products	\$186.51	0.30%	\$197.84	0.30%	6.10%
Personal Care Services	\$534.70	1.00%	\$566.60	1.00%	6.00%
Personal Insurance	\$569.36	1.00%	\$614.97	1.00%	8.00%
Pet Supplies & Svcs	\$300.59	0.50%	\$317.63	0.50%	5.70%
Photographic Equip & Supplies	\$133.95	0.20%	\$141.47	0.20%	5.60%
Plumbing & Heating	\$65.39	0.10%	\$70.18	0.10%	7.30%
Property Taxes	\$1,907.77	3.50%	\$2,060.31	3.50%	8.00%
Public Transportation	\$628.50	1.10%	\$677.79	1.20%	7.80%
Records/Tapes/CD Purchases	\$147.75	0.30%	\$155.93	0.30%	0.00%
Recreational Equip & Supplies	\$1,226.86	2.20%	\$1,297.65	2.20%	5.80%
Rental Costs	\$2,296.42	4.20%	\$2,354.86	4.00%	2.50%
Roofing & Siding	\$88.69	0.20%	\$95.05	0.20%	7.20%
Satellite Dishes	\$11.67	0.00%	\$12.34	0.00%	5.70%
Shaving Needs	\$13.36	0.00%	\$14.17	0.00%	6.10%
Shelter	\$10,671.36	19.30%	\$11,362.20	19.40%	6.50%
Telephone Svc Excl Cell	\$847.49	1.50%	\$887.59	1.50%	4.70%
Televisions	\$136.18	0.20%	\$143.68	0.20%	5.50%
Transportation	\$11,189.81	20.20%	\$11,824.38	20.10%	5.70%
Tuition	\$1,125.20	2.00%	\$1,227.15	2.10%	9.10%
Used Car Purchase	\$952.15	1.70%	\$988.24	1.70%	3.80%
Used Truck Purchase	\$834.76	1.50%	\$865.76	1.50%	3.70%
Used Vehicle Purchase	\$1,786.91	3.20%	\$1,854.00	3.20%	3.80%
VCRs & Related Equipment	\$55.87	0.10%	\$58.92	0.10%	5.50%
Vehicle Insurance	\$1,257.18	2.30%	\$1,324.39	2.30%	5.30%
Vehicle Repair	\$854.03	1.50%	\$901.58	1.50%	5.60%
Vehicle Repair & Maintenance	\$862.59	1.60%	\$910.61	1.60%	5.60%

	2009 Estimate	% of Total	2014 Projection	% of Total	% Change 09- 14
Video & Audio Equipment	\$1,066.37	1.90%	\$1,125.15	1.90%	5.50%
Video Game Hardware & Software	\$34.55	0.10%	\$36.51	0.10%	5.70%
Watches	\$30.74	0.10%	\$33.25	0.10%	8.20%
Women's Apparel	\$874.79	1.60%	\$928.91	1.60%	6.20%

Consumer Expenditure Categories contain overlapping information and will therefore NOT add up to Total Household Expenditure

Appendix E:
Location Quotient Analysis

Location Quotient Analysis: Lavon

NAICS	Industry	LQ
811420	Reupholsters and Furniture Repair	146.60
813312	Environment, Conservation and Wildlife Organizations	90.12
221310	Water Supply and Irrigation Systems	72.76
238170	Siding Contractors	31.57
711510	Independent artists, writers, & performers	24.62
441221	Motorcycle Dealers	22.58
452990	All Other General Merchandise Stores	19.81
424330	Women's, Children's, and Infants' Clothing	18.23
541511	Custom Computer Programming Services	17.90
713990	All Other Amusement and Recreation Industries	16.55
541690	Other Scientific and Technical Consulting Services	13.53
423110	Automobile & other motor vehicle merchant wholesale	13.34
238990	All Other Specialty Trade Contractors	13.08
238210	Electrical Contractors	11.65
811111	General Automotive Repair	8.58
561990	All Other Support Services	8.11
722211	Limited-Service Restaurants	6.55
236220	Commercial and Institutional Building	4.66
444190	Other Building Material Dealers	3.86
812112	Beauty Salons	3.45
813110	Religious Organizations	3.26
541211	Offices of Certified Public Accountants	3.10
238220	Plumbing, Heating, and Air-Conditioning	3.09
621210	Offices of Dentists	2.94
447110	Gasoline Stations with Convenience Stores	2.16
722110	Full-Service Restaurants	1.96
611110	Elementary and Secondary Schools	1.89
541330	Engineering Services	1.63
524210	Insurance Agencies and Brokerages	1.23
621111	Offices of Physicians (except Mental Health Specialists)	0.73

Source: County Business Patterns

Appendix F:
Economic Gardening Sources

General Sites

AllBusiness, <http://www.allbusiness.com/>, offers a number of short articles on all aspects of running a small business. You can find information on topics such as starting a business, incorporation, sales and marketing, accounting and finance, franchises, buying and selling a business, insurance, and Internet and technology. A variety of business forms and guides are available for purchase.

Business Week Online – Small Biz, <http://www.businessweek.com/smallbiz/index.html>, offers news and advice for entrepreneurs on topics such as marketing, sales, leadership, and technology. There are special “resource centers” on opening a franchise, comparing salaries, and purchasing health insurance and retirement plans.

Entrepreneur.com, <http://www.entrepreneur.com/>, has a vast array of resources on starting a business, buying a franchise, growing a home-based business, business opportunities, money and finance, sales and marketing, management, e-business, technology, and other topics.

EntrepreneurialConnection.com, <http://www.entrepreneurialconnection.com>, powered by the National Association of the Self-Employed, offers free learning modules on topics vital to the success of the self-employed and micro-entrepreneurs (with less than 10 employees). Some of the topics covered include creating a marketing plan, financing, outsourcing, and wireless networks. You can also subscribe to a free e-newsletter, Get Connected.

eVenturing, <http://www.eventuring.org/eShip/appmanager/eVenturing/eVenturingDesktop>, is designed for entrepreneurial growth companies—those that innovate and create jobs and wealth. “The site provides original articles, written by entrepreneurs for entrepreneurs, and aggregates ‘the best of the best’ content on the Web related to starting and running high-impact companies.” Topics include finance and accounting, people, sales and marketing, products and services, operations, and the entrepreneur. The site hosts an “Entrepreneurs’ Viewpoint Blog.”

My Entre.Net, <http://www.myentre.net/index.php>, provided by the University of Northern Iowa Regional Business Center, is designed for small business owners. It offers specialized resources tailored to the profile of the business (provided as part of the required site registration process). One useful resource is a selection of dozens of general business research documents on topics such as pricing your product, marketing your business, avoiding patent and trademark problems, and developing an online presence.

My Own Business, <http://www.myownbusiness.org/>, is a free Internet course for anyone starting a business. It provides 12 lessons covering topics such as business communications, e-commerce and online marketing, and small business marketing. The course textbook may be purchased for a donation of \$45.00.

SCORE, <http://www.score.org>, offers a host of resources for people starting, growing, financing or managing their business. One of the most valuable services offered is “Ask

SCORE,” a database of retired business people who will provide free business advice. You can specify an area of expertise, for example, manufacturing, advanced technology, disaster recovery, or financial services, and also qualify your search by state.

Small Business Administration (SBA), <http://www.sba.gov/>, has sections on starting a business, financing a business, managing a business, business opportunities, and disaster recovery. The site’s library offers more than 200 free publications, as well as forms, business magazine links, and frequently asked questions.

The SBA’s Online Women’s Business Center, <http://www.sba.gov/aboutsba/sbaprograms/onlinewbc/index.html>, also has a section called “Business Basics” that covers topics such as accounting and finance, growing your business, marketing, and procurement.

Small Business Development Center (SBDC) National Information Center Clearinghouse, <http://sbdcnet.utsa.edu/>, is a virtual library of resources for small businesses. It includes annotated links to websites containing forms and regulations for business start-ups, demographic information, company information, patent and trademark information, industry research, finance, small business trends, marketing, and many more topics. You can also access the SBDC Counselor Toolkit, which contains actual examples of business plans, marketing audits, finance matrices, and other resources. This site is a good place to start your search for information and resources.

WSJ Startup Journal, <http://www.startupjournal.com/>, is part of the journal’s Center for Entrepreneurs. It includes how-to advice, news, and articles on topics such as marketing and sales, franchising, financing, running a business, and e-commerce. You’ll find a section of tools that walks you through creating a mini business plan on line and doing a trademark search.

Business Plans

BPlans.com – The Business Planning Expert, <http://www.bplans.com/>, offers more than 60 free sample business plans that you can view online. It also features interactive calculators to determine cash flow, starting costs, conversion rate, and other figures to use in a business plan, and includes feature articles on topics such as starting a business, marketing and advertising, growing a business, and managing your e-business. The company’s Business Plan Pro 2005 business planning software is available for purchase through the website.

Carnegie Library of Pittsburgh – Business Plans and Profile Index, <http://www.clpgh.org/subject/business/bplansindex.html>, lists types of small businesses and a corresponding sample business plan, profile or book about each type with sources provided after each entry.

SBA Business Plan Basics, <http://www.sba.gov/smallbusinessplanner/plan/index.html>, offers help in writing a business plan, including an outline of what should be included in the plan, and links to sample business plans for dozens of different types of businesses.

Small Business Development Center – Business Plans,

<http://sbdcnet.utsa.edu/SBIC/bplans.htm>, links to sites with specific business plans and other business planning tools and resources.

SBA Office of Advocacy, <http://www.sba.gov/advo/research/>, offers research studies and data on small businesses, finance, business owner demographics, regulation, exporting, and other topics. Among the dozens of downloadable reports is *The Small Business Economy*, an extensive annual report that provides information on small business' performance in the economy. You can also subscribe to a number of e-newsletters on small business research.

Funding and Finance Resources

Business Finance.com, <http://www.businessfinance.com/>, allows you to search the funding criteria of over 4,000 sources for business loans, venture capital, equipment leasing, and commercial real estate financing. You can search by type of funding (e.g., working capital or equipment finance), or you can limit your search to funding sources for businesses already in existence for four months, for businesses just starting up, or for purchase of a business or franchise.

Fintel Scorecard, <http://www.fintel.us/cms/DesktopDefault.aspx>, is a free online tool that allows businesses to benchmark their financial performance against similar-sized firms in their industry. Businesses need only enter their SIC code, eight figures from financial statements, and the number of employees to see how their company ranks in its industry, based on nine core financial ratios. Click on an individual ratio name to read about ways to improve the firm's performance on that ratio.

National Association of the Self-Employed, <http://abcfinance.nase.org/abcfinance.asp>, is a professional association for the self-employed and micro businesses (up to ten employees). The website offers a section on the ABCs of Finance that provides an overview of topics such as setting up a chart of accounts, inventory basics, financial ratios, and Small Business Administrations loans. You can also submit a finance question that will be answered by an "experienced consultant."

SBA – Financing Your Business, <http://www.sba.gov/financing/>, provides information about raising capital for your business. It includes information about eligibility and preparation, SBA loans, contract surety bonds, equity capital, and special purpose loan programs.

Marketing Principles and Strategies

Association for Progressive Communications, <http://www.apc.org/english/ngos/business/busplan/mtoolkit.htm>, offers the Mission-Driven Business Planning Toolkit, a free web-based resource that includes a forms-driven market analysis approach, a method for ascertaining client satisfaction with a company's products and services, and a description of how to develop a marketing plan.

CCH Business Owner's Toolkit: Marketing Your Product,

http://www.toolkit.cch.com/text/P03_0101.asp, is a free web-based resource designed to introduce the small business owner to some of the concepts and strategies that professional marketing experts in large companies use.

Duct Tape Marketing, <http://www.ducttapemarketing.com/>, offers a number of free small business marketing resources on topics such as developing a marketing plan, website marketing strategies, small business marketing blunders, and great referral strategies. The site hosts an award-winning blog that features posts from 22 small business experts.

Mplans.com, <http://www.mplans.com/>, contains a collection of free sample marketing plans. It also offers articles and advice for managing a business. "Mplans.com includes practical advice on planning, interactive tools, and a panel of experts who have answered more than 1,400 questions from people like you." The website is a free resource owned and operated by Palo Alto Software, Inc., which also sells its marketing software through the site.

SBA – Market and Price,

<http://www.sba.gov/smallbusinessplanner/manage/marketandprice/index.html>, has a helpful section on marketing basics that provides information about all aspects of marketing, including market research, marketing strategy, and targeted marketing. You'll also find information about creating a marketing plan, a list of 100+ marketing ideas, a guide to email marketing, and a marketing FAQ.

Marketing Lists

*Several companies sell customized business and consumer marketing lists online. **InfoUSA** offers pay-as-you-go options for business (B2B) and consumer (B2C) lists. A nonprofit version of their product, **ReferenceUSA**, is available through libraries, but offers a limited number of downloads per screen. Other commercial web-based companies include **Zapdata** (B2B only), and **AccuLeads** (B2B and B2C). These websites allow you to create marketing lists of businesses or consumers based on multiple criteria, usually downloadable in a variety of formats. You can figure roughly \$.10-\$.15 per lead for a standard mailing list; additional features (e.g., phone numbers, sales figures, and other parameters) will add to the fee. You can also purchase direct marketing lists that have been compiled by a third party through services such as **SRDS** or **List Finder**. Direct marketing lists are especially helpful for specific targeted audiences, such as people who travel to the Caribbean, own toy poodles, or suffer from headaches.*

AccuLeads, <http://www.acculeads.com/>, offers leads from more than 18 million businesses and 136 million households. The site also offers lists from real estate records, lists of new borrowers, and a list of affluent professionals. You can search the database for free and create customized lists based on a wide range of parameters. AccuLeads is often the least expensive alternative for generating lists, but they have a \$50.00 minimum order.

InfoUSA, <http://www.infousa.com/>, lists more than 14 million businesses and 200 million consumers (104 million households) in its database. You can create a customized list of

businesses or residents based on dozens of categories such as geography, demographics, and sales figures. You can also purchase lists of new homeowners. Searching the database is free.

ListFinder, <http://listfinder.directmag.com/market>, offers a searchable database of more than 50,000 direct mail lists. You can select the type of list you want (e.g., e-mail, postal mail, or telephone) and search by keyword. Summary information is provided for each list, with the option to pay for a subscription for more information or to contact a list broker. You can also send a message requesting information or a quote directly to the list manager. In addition, the site features articles about direct marketing, web marketing, direct mail legal and regulatory issues, and other topics.

SRDS.com, <http://www.srds.com/>, is the granddaddy of direct marketing lists. It requires an annual subscription fee (around \$700) to search the database of around 55,000 domestic and international lists. The subscription includes the printed version of the list as well (which is cumbersome and difficult to use).

Zapdata.com, <http://www.zapdata.com/>, from Dun & Bradstreet, offers business-to-business marketing leads from their database of more than 14 million businesses. Selection criteria include location, number of employees, annual sales, SIC code, job function, and specialty data such as import/export flags or IT demand. Price is calculated based on the number of records in a list as well as individual parameters selected, and can range from \$.14 to more than \$2.00 per record.

Market Research - General Sources

AllBusiness - Secondary vs. Primary Market Research, <http://www.allbusiness.com/articles/salesmarketing/1286-26-1818.html>, explains the difference between secondary and primary research, and links to several short articles that provide information on conducting market research.

Condensed Guide to Market Research, http://www.markettrends.com/guides/guide_method.htm, from Informa Research Services, provides an overview of market research, including data collection techniques, available research methodologies, and when to conduct research.

Inc.com – Market Research, <http://www.inc.com/guides/marketing/24018.html>, has a collection of articles about market research, including low-budget suggestions for conducting your own market research.

Market Research – Secondary Research

Secondary research refers to data that already exists. Many government websites contain free or low-cost information about demographics and markets (see the section above on statistics). Generally speaking, there are no free sources of market research reports published by commercial firms such as Gartner, Frost & Sullivan, and Datamonitor. You can often find useful market information on industry and professional association websites.

BizMiner, <http://www.bizminer.com/index.asp>, offers moderately priced subscriptions (\$720/year + \$10/report) for access to more than 2.5 million online industry reports. These include marketing research profiles for 16,000 industries in 300 US market areas; financial analysis profiles; area demographic profiles; and business vitality measures for any US county, metro area or state.

MarketResearch.com, <http://www.marketresearch.com/>, is a searchable database of market research reports covering all industry sectors, both domestic and international. The site offers free searching, abstracts, and tables of contents, but the actual reports are fee-based, often costing thousands of dollars. You can sometimes buy “by the slice” to get specific pieces of a report.

Mindbranch, <http://www.mindbranch.com/>, is similar to MarketResearch.com in that it aggregates syndicated and custom industry research from 350 independent research firms through a searchable interface. Searching is free; the actual reports are fee-based. Description and table of contents are available for most reports, and purchased reports are downloadable in PDF format.

Market Research – Primary Research

There are hundreds, if not thousands, of market research firms that conduct primary research (e.g., surveys, focus groups, and interviews) on behalf of companies. If you want to conduct your own primary research, here are a few tools:

Conducting Focus Groups, http://ctb.ku.edu/tools/en/sub_section_main_1018.htm, is part of a set of tools for community development. This section provides information about when and how to use focus groups, including real world examples and a checklist that summarizes the key points.

Focus Group, http://en.wikipedia.org/wiki/Focus_group, offers a complete explanation of what focus groups are and when they are used. The article links to additional resources, including a handbook on focus group principles from the American Marketing Association.

Gathering Evidence – A Guide for Using Focus Groups, <http://www.cornwall.gov.uk/index.cfm?articleid=12635>, is a British government site that explains clearly what a focus group is and how to conduct an effective focus group.

The Seven Stages of Effective Survey Research, <http://www.marketingpower.com/content14402.php>, from the American Marketing Association, offers insights and tips on how to create effective and useable surveys. In addition to an introductory section, it covers survey planning and design, data collection and organization, analysis and reporting, and completing the survey. Free registration is required.

SurveyMonkey.com, <http://www.surveymonkey.com/>, allows you to create professional online surveys, collect responses, and analyze results via the web. A basic subscription is free and includes all of the basic features of SurveyMonkey. Basic subscribers are limited to a total of 10 questions and 100 responses per survey. A professional subscription is \$19.95/month (or only \$200.00/year), and includes an unlimited number of surveys, and up to 1,000 responses per month. The service is straightforward and easy to use. There are numerous competitors for this service (e.g., Zoomerang, Active Web Survey, StatSurvey), and you can link to their websites through SurveyMonkey's section on pricing.

Company Information

Most in-depth company information is not available for free. Below are a number of websites that provide information for free or at low cost. Company websites are often a valuable source of information on all aspects of the company. You can usually find annual reports and other basic information about the company, as well as press releases about new products and developments, key personnel, and financial information.

10KWizard, <http://www.10kwizard.com>, provides expanded coverage and advanced search capabilities of the SEC's EDGAR (Electronic Data Gathering, Analysis and Retrieval) database. It allows you to perform keyword searches on up-to-the-minute SEC filings and set up alerts for companies you want to track. The database includes all 418 electronically filed forms, EDGAR Archives through 1994, pre-EDGAR Historical Index (listing) of all SEC filings to 1966, and foreign filers. Subscriptions start as low as \$220/year.

AnnualReports.com, <http://www.annualreports.com/default.aspx>, is a free directory of company annual reports. You can look for a company through five search criteria: alphabetically, by company name, by ticker symbol, by sector, or by industry. Once a company is found, the annual report can be viewed in either HTML or PDF format.

BizJournals.com, <http://www.bizjournals.com/>, offers recent news from more than 40 local business journals. You can search and view articles by topic, industry, or market location. When researching a particular company, this is a good place to view recent news articles about them.

High Beam, <http://www.highbeam.com>, is a low-cost search engine that allows you to search both its library of articles from leading business, industry, and general interest publications (more than 3,000 sources), or free sources on the Web, including search engines, news, discussion lists, business information and research Web sites. You can create a customized group of resources to search each time, or search by source type or topic. You can also create email alerts or RSS feeds for a particular search. High Beam offers both a free basic subscription and a \$200 full subscription that provides access to the full text of the articles.

LLRX.com – Business Filings Databases, <http://www.llrx.com/columns/roundup29.htm>, is a helpful compendium of annotated links by state to corporate and business filings available online. "All 50 states make some level of corporate and business filings available online. In a few instances only limited information (such as name availability) is retrievable. The

majority of the states, however, use their Web presence to disseminate a range of public business records -- and most of them offer access at no charge.”

New York Public Library – Searching for Company Information,

<http://www.nypl.org/research/sibl/company/c2index.htm>, includes a free online course, “Prospecting for Business Information.”

SEC Filings and Forms (EDGAR), <http://www.sec.gov/edgar.shtml>, provides free access to U.S. corporate filings. All companies, foreign and domestic, are required to file registration statements, periodic reports, and other forms electronically through EDGAR. The website offers links to the complete list of filings available through EDGAR and provides instructions for searching the EDGAR database.

Thomas.net, <http://www.thomasnet.com>, is an industrial search engine that provides information on more than 650,000 manufacturers, suppliers, and service providers. You can search for product information by category or name; for example, glass bottles or fence posts. You can also search for company information by region or for the entire United States and Canada, and for information by brand name. Other options include millions of CAD drawings, a radius search from a specific location, and company certification information. The website is free.

*You can also find quite a bit of useful information on companies and other economic data through **state agencies**. Most states collect information on corporations, sales tax revenues, demographics, wages and employment, licensed professionals, and other data that you can access via the Web, usually for free or a small fee.*

Industry Information

Alacra Industry Spotlights,

http://www.alacrawiki.com/index.php?title=Alacra_Industry_Spotlights, provides a good starting place to gather industry information for more than 70 industries. The entry for each industry lists trade and industry associations, government websites, and other major sources of information about that industry. The industry information is global in scope.

SBDCNET – National Information Clearinghouse: Industry,

<http://sbdcnet.org/industry.php>, links to key websites, associations, and publications for a small number of major industries. There are also links to SIC and NAICS codes lists; the US Census County Business Patterns, which has county level economic data by industry; the US Economic Census; and BizStats, which has small business industry statistics. This is a good place to start a search for industry information.

SpecialIssues.com, <http://www.specialissues.com/>, tracks “special issues” of trade and industry journals in dozens of industries. These publications include industry outlooks, overviews, or surveys; statistical issues; company ranking lists; buyers guides; salary surveys; product/industry focus issues; membership directories; who's who registers;

tradeshow specials; etc. A link is included to the actual article or issue, when available on the web. Otherwise, you will need to obtain the issue through a library or obtain it for a fee from a document delivery service or the publisher. Annual subscription fees start at \$300 and include a monthly newsletter and access to reference help from site founder Trip Wycoff.

U.S. Bureau of Economic Analysis—Industry Economic Accounts,

<http://www.bea.gov/Industry/Index.htm>, prepares and publishes a variety of economic statistics on industries. It offers gross domestic product by industry, input-output accounts, and three satellite accounts—research and development, transportation, and travel and tourism. The website offers a BEA Customer Guide that explains these statistics and how to use them. You can view the interactive tables online or download the Excel files.

U.S. Bureau of Labor Statistics—Industry at a Glance,

<http://www.bls.gov/iag/iaghome.htm>, consists of profiles of 12 industry supersectors such as construction, education and health services, financial activities, and wholesale and retail trade. Each profile contains a variety of facts about the supersector and links to additional statistics.