

2018 ANNUAL REPORT

Greater San Marcos Partnership | Fiscal Year 2018



GREATER + SAN MARCOS
P A R T N E R S H I P

WELCOME TO THE FY18 ANNUAL REPORT

Celebrating Transformation in Our Region.



Dr. Denise Trauth
Texas State University



Adriana Cruz
Greater San Marcos Partnership

Greetings Greater San Marcos Stakeholders,

Last April, *Industry Week* featured an article proclaiming "**Greater San Marcos Region Transforms into the Texas Innovation Corridor.**" It is safe to say that the entire 2018 fiscal year was filled with changes and work that can be appropriately called TRANSFORMATIONAL.

At the beginning of FY18, GSMP offices relocated from Wonder World Drive to the historic downtown square. We believe that this new location will allow GSMP to better show prospects the vibrancy of our downtown area and proximity to Texas State University. Over the course of the fiscal year, staff changes have allowed us to add new skill-sets and experience, and strengthen the GSMP team.

This year, your support has allowed GSMP to assist six companies to announce nearly 200 jobs and more than \$100M in capital investment across our region. We also laid significant groundwork for a busy 2019 by responding to 78 RFIs with projects averaging nearly 800 jobs and \$170M in capital investment. This work promises to deliver numerous location announcements in early FY2019.

GSMP continued its work with our community partners to ensure we provide all residents with the opportunity to attain a quality job, and provide a steady workforce pipeline for our current and future businesses. This effort included the launch of the inaugural GSMP Education Summit, designed to celebrate our school districts and understand how they are preparing the future workforce for technical careers.

The end of the fiscal year marked the midway point of the Vision 2020 Strategic Plan. Considering the timing, we asked Market Street Services to perform an audit of our activities to date. Their assessment revealed significant progress and areas for mid-program adjustment. Modifications are planned and will be implemented as we prepare for the next state of the strategic planning process.

In addition, this year marked the beginning of branding our region as the heart of the *Texas Innovation Corridor*. Supported by Texas State University's marketing efforts, our annual Innovation Summit was held during the University's "Innovation Week" and the University chose "Innovation" as this year's Common Experience Theme.

Our relocated, restaffed GSMP team looks forward to continuing its relentless effort to successfully meet the region's goals for job creation and investment.

Thank you for your support in this truly transformative time!

Dr. Denise Trauth
President, Texas State University
Chair, Board of Directors
Greater San Marcos Partnership

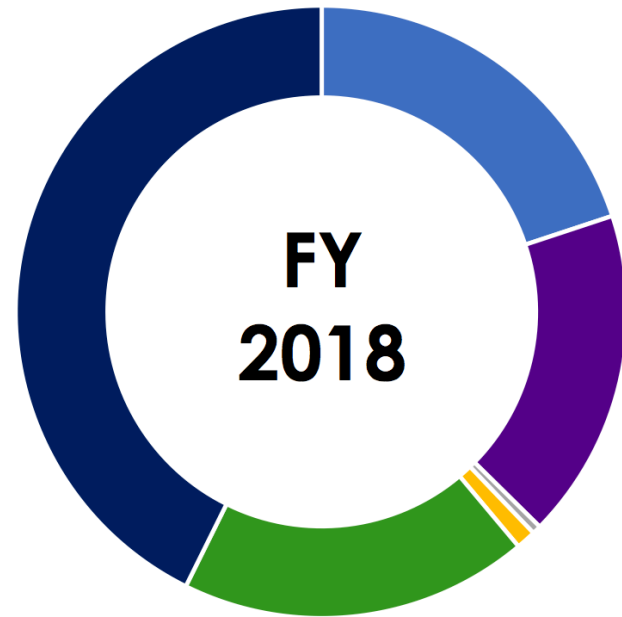
Adriana Cruz
President
Greater San Marcos Partnership

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FINANCIALS

- Promotion
- Job Growth
- Talent
- Resources
- Operations
- Personnel



Total Income	\$ 1,627,489.60
EXPENSES	
Promotion	\$ 292,223.88
Job Growth	\$ 255,950.27
Talent	\$ 6,783.48
Resources	\$ 15,294.08
Operations	\$ 270,439.43
Personnel	\$ 625,867.91
Total Expenses	\$ 1,466,559.05

OUR MISSION

The Greater San Marcos Partnership (GSMP) is a 501(c)(6) regional economic development organization serving the City of San Marcos, and Hays and Caldwell Counties. GSMP is focused on directing future growth and positioning the region for a wider diversity of quality jobs with higher wages. Our mission is to promote sustainable and comprehensive economic development in the Greater San Marcos region by implementing a five-year economic development strategic plan, entitled Vision 2020.



PROMOTION

“Greater San Marcos Region is Transforming the Texas Innovation Corridor” - Industry Week 2018

GSMP promotes Greater San Marcos as a prime business location for targeted industry sectors through various marketing initiatives.

Marketing

GSMP led recruitment marketing trips to select markets in the U.S. and participated in industry trade shows.

- GSMP Marketing Trip to Seattle
- Opportunity Austin Marketing Trip to New York
- GSMP Marketing Trip to Southern California
- SXSW, Austin
- Site Selectors Guild Annual Conference
- San Marcos Chamber Inter-City Visit
- GSMP Marketing Trip to San Francisco
- Austin Chamber Federal Advocacy Trip to Washington D.C.
- 3 Signature Events: Economic Outlook, Education Summit, Innovation Summit

Public Relations

Development Counsellors International (DCI), a PR firm specializing in economic development and place-based marketing, assisted with national and international media placement. Their PR work generated numerous story placements in various publications including:



Website & Videos

Two videos were produced to promote the efforts and successes of our school districts and regional economic development efforts. The GSMP website was updated to include:

GIS Functionality

- Building database
- Properties database
- Demographic data

Education Video

- Overview of programs happening within the region's school districts
- Interviews with superintendents, CTE Directors, and students
- Presented at the inaugural Greater San Marcos Education Summit

Economic Outlook Video

- Overview of the economic state of the region
- Interviews and perspectives from Adriana Cruz, regional city managers, Texas State University President Denise Trauth, and more.
- Presented at the 5th Annual Greater San Marcos Economic Outlook

Welcome to the “Texas Innovation Corridor”

In collaboration with Texas State University and the Greater San Marcos Regional Partners, this year the Greater San Marcos Partnership began rebranding the Austin - San Antonio corridor as the “Texas Innovation Corridor”.

At the 5th Annual Greater San Marcos Innovation Summit, 250 attendees gathered to hear Keynote Speaker Lieutenant General Paul Ostrowski, of the Army Futures Command headquartered in Austin.

A higher education panel from the universities along the I-35 / SH 130 Corridor including, Dr. Mini Kahlon (UT Austin), Dr. Walter Horton (Texas State University), and Robert McKinley (UT San Antonio) explored the economic impact that commercialization, higher education, and innovation has on the economy in the Greater San Marcos Region.



59
Media Hits

\$652,075
Advertising
Equivalency

63,404,634
Impressions

4,086
Total Social
Media Followers

5
Recruitment
Trips

ECONOMY

Recognized for Growth and Affordability
Relative To Austin
- *The Economist* 2018

GSMP collaboratively works with our community partners to ensure we provide leadership and support in business recruitment, business retention & expansion, and entrepreneurship to foster the growth of quality jobs for the region.

Business Recruitment

As the economic development facilitator for the region, GSMP focuses on attracting new employers in select industry sectors. Prospect inquiries in FY18 included:

- **78** Requests for Information
- **798** jobs on average per project
- **Over 450,000** square feet of facility space
- **140** acres of land
- **\$170,000,000** in potential investment

Business Retention

GSMP continues to focus efforts on creating quality jobs through the growth and expansion of our existing companies. In FY18, there was an increase in surveys and in-depth discussions with our regional businesses to assist them in resolving issues that hinder growth and expansion.

- **35** In-person Surveys
- **71** Business Assistance Requests
- **41** Workforce Development Meetings

Entrepreneurship

Since October 2017, there have been three major initiatives to support small business in San Marcos:

- **7** BIZtalks events
- **5** available business grants with Economic Gardening
- **3** Retail Coach sessions

How Far We've Come (2010 - 2017)

We have seen significant increase in jobs, new business ceration and labor force, at times outpacing Austin and Texas.

Average Annual Job Count Increase

- **34.6% in Greater San Marcos**
- 25.7% in Austin
- 28.7% in Austin MSA
- 16.6% in Texas

Average Annual Businesses Established Increase

- **32.0% in Greater San Marcos**
- 35.6% in Austin
- 36.8% in Austin MSA
- 18.0% in Texas

Labor Force Increase

- **30.3% in Greater San Marcos**
- 21.4% in Austin
- 23.9% in Austin MSA
- 10.6% in Texas



2018 GREATER SAN MARCOS Economic Outlook

With nearly 300 attendees, the 2018 Greater San Marcos Economic Outlook featured a keynote address from Mark Vitner, Managing Director & Senior Economist from Wells Fargo, who provided insights on national economic trends and the Greater San Marcos region's outlook.

A panel of regional mayors from Lockhart, Kyle, and San Marcos then discussed the challenges and opportunities in our region and how our local communities are working to address them.

256,823

GSM
Population

84,121

GSM
Total Jobs

\$37,788

GSM Avg
Annual Wage

TALENT

“The Coolest Small Town in Texas
is Building a Better Austin”
- Thrillist 2018

GSMP staff continues work with our community partners to ensure we provide all our residents with the opportunity to attain a quality job with the proper training and provide a steady workforce pipeline for our existing and future businesses.

Texas State University

Awarded 8,656 bachelor, masters, and doctoral degrees in the last academic year. About 60% of graduates remain in the region after completing their degree.

- GSMP is partnering with the University to complete a workforce needs assessment of the region, potentially with the support of a grant from the Texas Workforce Commission.

Austin Community College

Recipient of \$1.8M Texas Workforce Commission Skills Development Fund Grant to provide specialized training to EPIC Piping.

- GSMP staff are currently working with ACC on a construction trades program for adults to be provided on the San Marcos High School campus.
- GSMP is partnering with Austin Community College's Continuing Education Program to identify grants that prepare adults for jobs in skilled trades.

Gary Job Corps

The largest Job Corps Program in America offers a no-cost education and career technical training program by the US Department of Labor.

- GSMP staff is working closely with Gary Job Corps and finding ways for them to partner with ACC and our area high schools.

K-12

The Greater San Marcos Region School District Tours Initiative invited area ISDs to open their doors to the business community in March. The tours highlighted CTE & Advanced Academics programs and successfully showcased the work being done in our area to prepare tomorrow's workforce. The results are presented in:

- The 2018 Education Report
- The 2018 Education Video - *Greater San Marcos School Districts in the Innovation Corridor*

Support of Existing Sectors

This year, GSMP worked with local manufacturers to revive the **Greater San Marcos Manufacturing Association (GSMMA)** to create opportunities for industry growth. GSMP will be serving in an administrative capacity to support communication, professional development, workforce development, and advocacy.

- National Manufacturing Day is a new initiative to highlight the benefit of manufacturing as a career.
- 5 manufacturers and 300 middle and high school students participated in tours to showcase career opportunities in the region and the chance to see first-hand how STEM related course work can lead to a great career.



The inaugural GSMP Education Summit highlighted career and technical education and how our school districts are preparing the future workforce.

The event featured a panel of superintendents that discussed the direction of their schools and shared the value they place on college and career readiness to our regional stakeholders.

REGIONAL EDUCATIONAL ATTAINMENT:

87.1%
HS Graduate

40.6%
Associates +

33.8%
Bachelors +

11.2%
Graduate +

PLACE

“One of America’s
Best Small Cities to Move to”

- Thrillist 2018

Quality of Life

People and companies flock to the region because of affordability and “Quality of Life”. The region continues to receive recognition as a great place to live:

- 13 media hits from the 2018 Food Writers FAM tour
- Ranked as “Best Place to Retire” by AARP & Forbes
- Lockhart featured on the cover of *Texas Monthly*
- 47% of media hits reflect Quality of Life

In comparison:

- 87% lower average home sale price than Austin
- 54% lower median home sale price than Austin
- 57% less congested traffic than Austin
- 10% lower Cost of Living than U.S. average

River Study

Students, families, and young professionals are attracted to the San Marcos River which was ranked as the 4th Best River in America for Tubing by Matador Network. GSMP commissioned a study to find out just how much river tourism impacts the economy.

- River tourism contributes to the brand of San Marcos as well as adding a little over **\$10M** in total annual economic activity, **120** jobs, and **\$181,000** in sales tax revenue.

Film Study

The Film Industry is a growing segment of our economy, with popular shows and movies filming in and around Hays and Caldwell County. Since 2008, there were over **35** *Texas Moving Image Industry Incentive Program* (TMIIIP) eligible projects in Hays and Caldwell Counties, along with **75** non-incentivized projects. In addition, *the Leftovers Season 2*, resulted in approximately **\$13.7M** stimulating the local economy.

- The region benefits from the generalized brand identity created by Austin around creativity and lifestyle, but film projects offer the opportunity to draw attention to the unique attributes of Greater San Marcos, especially related to costs and “authenticity”.
- 4 cities are designated “Film Friendly” by the Texas Film Commission.
- From 2008 - 2016, the Film Industry added **\$26.7M** in total economic impact and supported **185** jobs to the Greater San Marcos Region.

Perception Survey

The Benchmark Company conducted a perception survey of Greater San Marcos on behalf of GSMP. One Hundred C-level executives participated in online interviews. The results revealed:

- 63% were familiar or somewhat familiar with San Marcos.
- Familiarity of both Lockhart and Kyle grew from previous years.
- 53% associated San Marcos with technology/software.
- 44% associated San Marcos with manufacturing.
- 31% associated San Marcos with aerospace.
- 28% associated San Marcos with clean energy.
- 46% indicated they would consider/strongly consider San Marcos.

Texas Monthly Small-Town Revival!

Dreaming of cheaper rents and a slower pace, a new generation
is saying goodbye to city life. BY JOHN NOVA LOMAX

Greater San Marcos SHOWCASE

★ ★ ★ ★ 2018 ★ ★ ★ ★

Building relationships with Site Selection Consultants is critical to being considered in corporate relocation searches. For that reason, GSMP hosts an annual event focused on familiarizing a select group of consultants on the benefits of the region.

GSMP hosted eight consultants and guests last October for a three-day educational tour of the region and to experience it's unique quality of life. We work closely with Texas State University, Austin Community College, Kyle, Lockhart and other regional partners on this event. Attendees experience glass-bottom boat tours, meeting with faculty, touring Engineering & STAR Park, as well as introductions to our natural and cultural amenities.

Throughout the weekend, the consultants taste barbecue, local food and drink, and attend the Formula 1 Grand Prix.

Each year, these tours result in an increase of prospect activity and have resulted in successful projects.

GSMP is a proud sponsor of community events and festivals such as:

- Luling Watermelon Thump
- Chisholm Trail RoundUp
- Hot Rods and Hatters
- Cottage Kitchen
- Old Settlers Music Festival
- Great TX River Clean Up

REGIONAL PARTNERS

“Greater San Marcos Region is America’s Next Great Metropolis”

- Forbes, 2016

San Marcos

- GSMP and Texas State University partnered to launch the Texas Innovation Corridor in preparation of TXST’s Common Experience “Innovation Week.” During the third week of September, speakers, seminars, and events highlighted the immense innovation happening throughout the region.
- Texas State’s Bruce and Gloria Ingram Hall opened in late 2018 as the new Engineering and Science Building and is now the largest on campus.
- EPIC Piping donated welding equipment to San Marcos High School valued over \$15,000.

Lockhart

- The region celebrates the first vertical farm in FreshBox Farms that supplies leafy greens to HEB and employs 100 people.
- Visionary Fiber Technologies is the first technology company to locate in Lockhart that commercializes research from Texas State professors.
- KB Homes and DR Horton are building new single-family housing developments near SH-130.
- ACC is launching new workforce programs geared towards filling the need for electrical and HVAC trades on the newly completed Lockhart ISD HQ Campus.

Luling

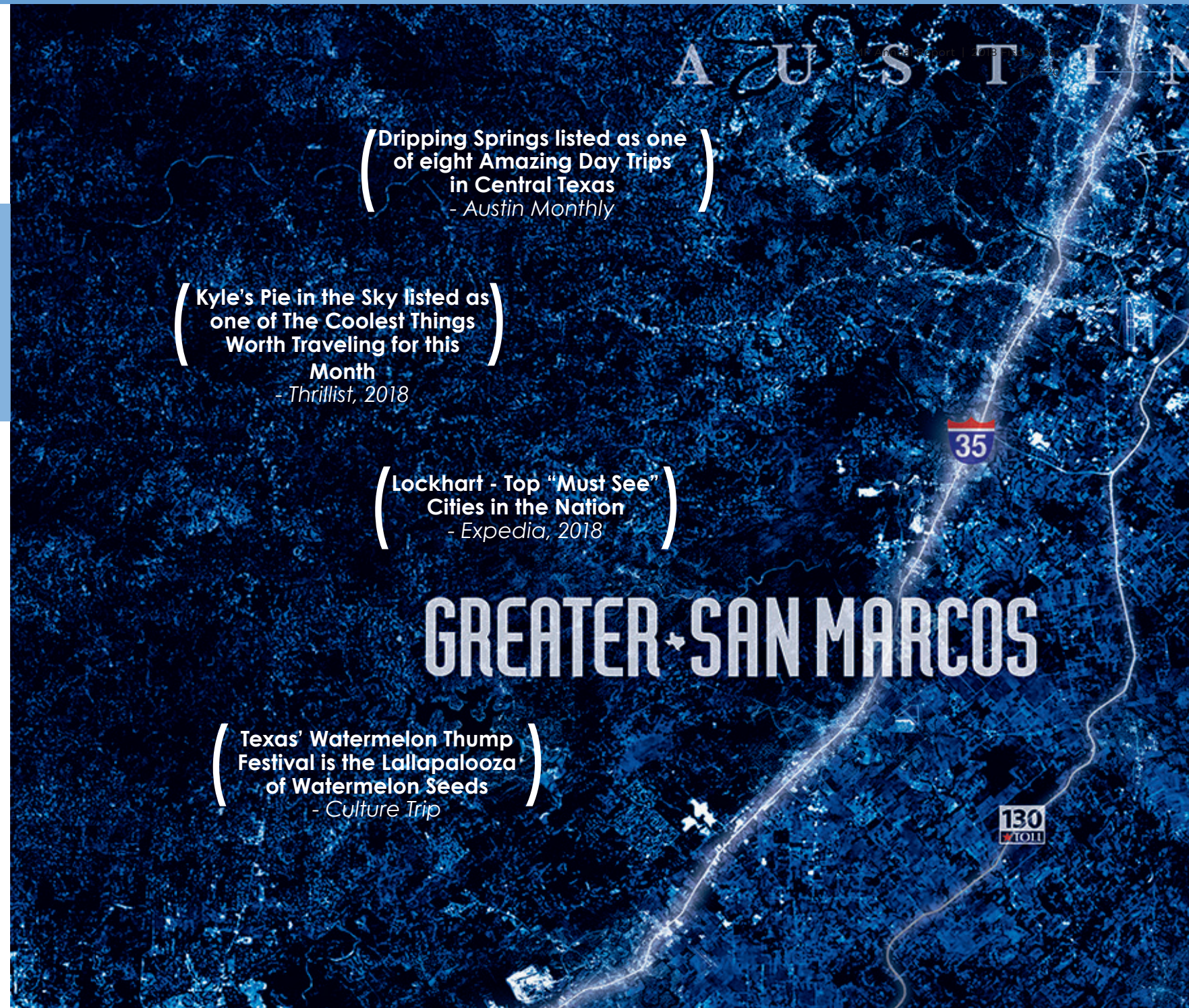
- Luling’s Watermelon Thump garners the title “Texas’ Watermelon Thump Festival is the Lollapalooza of Watermelon Seeds” by *Culture Trip* Magazine. The 4 day festival now draws an estimated 30,000 visitors to a town of 5,000.
- Luling Lavender Fields opened and is attracting visitors from all across the state.
- AFT Distillery opened and continues the narrative of Luling being a “quaint, but progressive” town.

Kyle

- Officially coined “The Pie Capital of Texas” with a filed trademark and logo.
- Austin Community College Hays Campus in Plum Creek opens their \$22.4 million Phase 2 expansion.
- Hillwood Properties and HPI Real Estate Services & Investments partnered on Hays Logistics Center - a two-building distribution and fulfillment center totalling over 428,000 square feet of leasable space.
- Majestic Realty Company announced the development of over 500,000 square feet of speculative industrial space for Majestic Plum Creek Business Park.
- Seton Medical Center Hays underwent a major expansion estimated at \$25M and added 40 jobs.
- Baylor Scott and White opened their first medical facility in Kyle, creating 20 jobs.
- AlSCO Linens opened their 100,000 square foot facility kicking off development at Hays Commerce Center and bringing over 250 jobs into the community.

Dripping Springs

- GSM Food Writers Tour inspired 5 placements in publications throughout Austin and Texas that celebrate the unique wineries, breweries, restaurants and small businesses in the city.
- Dripping Springs was named Texas’ First Dark Sky Community.
- DSISD sold \$110M of its bond package to start an expansion of Dripping Springs High School.
- The 11th Annual Dripping with Taste event attracted hundreds of enthusiastic foodies and more than 80 vendors.



(Dripping Springs listed as one of eight Amazing Day Trips in Central Texas - *Austin Monthly*)

(Kyle’s Pie in the Sky listed as one of The Coolest Things Worth Traveling for this Month - *Thrillist, 2018*)

(Lockhart - Top “Must See” Cities in the Nation - *Expedia, 2018*)

GREATER SAN MARCOS

(Texas’ Watermelon Thump Festival is the Lollapalooza of Watermelon Seeds - *Culture Trip*)

STRATEGIC LOCATION

4.5M
Population within
60-Mile Radius

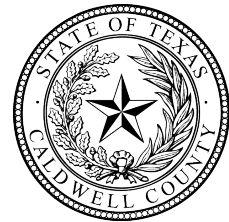
2.3M
Labor Force within
60-Mile Radius

38.9%
Job Growth from
2007 - 2010

SAN ANTONIO

THANK YOU TO ALL OF OUR INVESTORS

Lead Investors (\$20,000+)



Principal Investors (\$10,000+)

American Constructors
Austin Business Journal
Bowman Consulting
Buie & Co.
Carson Properties
CBRE/Trammell Crow
First Lockhart National Bank
Fuse Architecture Studio
HDR
Heritage Title Company of Austin
Highpointe Communities
Hill & Wilkinson General Contractors
Ingram Readymix
JE Dunn Construction
Lower Colorado River Authority
Mark Shields Enterprises
Metcalf, Wolff, Stuart & Williams, LLP
Pape-Dawson Engineers
Sabre Commercial
San Marcos Industrial Foundation
SH 130 Concession Company
SpawGlass

Executive Investors (\$5,000+)

Luling EDC
City of Dripping Springs
Driftwood Municipal Management District
Ace Relocation Systems, Inc.
Amazon SAT2
American Structurepoint
Avison Young
Bank of America
Blanco River Walk
Brown & Gay Engineers
Cadence McShane Construction
CFAN
ECM International Inc.
EEA Consulting Engineers
Four Rivers Board of Realtors
Gary Job Corps
Grande Communications
Graves, Dougherty, Hearon & Moody, PC
GSC Architects
Guadalupe-Blanco River Authority
Hart Properties
Hays Energy/Dynegy Inc.
Heldenfels Enterprises
HNTB Engineering
Live Oak-Gottesman
Maestas & Associates, Inc.
Maxwell Locke & Ritter
MW Builders
Palmer's Restaurant, Bar & Courtyard
Peloton Land Solutions
PGAL
Plains Capital Bank
Qualico Communities & Pacesetter Homes
R.L. Worth
Rosendin Electric
RVI Planning & Landscape Architecture
San Marcos Area Chamber of Commerce

Schroeder Company
SEC Planning, LLC
Studio 8 Architects
Texas Disposal Systems
Texas Engineering Solutions
Tex-Mix Concrete
Thermon

Associate Investors (\$1,500+)

Ashlar Development
Barrie Breed, Realtor
Benchmark Insurance
Broadway Bank
Clear Creek, Inc. Construction & Environmental
ColorMix Graphics & Printing
Covenant Development, Inc.
The Damron Group
DPFG
Green Guy Recycling
Half Associates, Inc.
JL Powers & Associates
K Friese & Associates
Kent Black's Barbecue
Kimley-Horn
McNabb & Co., Real Estate Services
Mochas & Javas
Perkins + Will
Sage Capital Bank
Schertz Bank & Trust
Sign Arts
Skiles & Associates
TX Real Estate Brokers
Texas Aviation Partners
Townwood Apartments, Ltd.
Two P's & Calli's Boutique and Cody's Bistro & Lounge
Vickrey & Associates
Waterridge

Community Advocates

Dripping Springs Chamber of Commerce
Environmental Allies
Greater San Marcos
Manufacturing Association
Lockhart Chamber of Commerce
Lockhart Independent School District
STAR Park
Smith Robertson, LLC

GSMP STAFF

2018 BOARD

The Best & Brightest

GSMP is focused on guiding the growth of the region by strategically recruiting employers in targeted industry sectors to spur an increase in the number of quality jobs with higher wages. We work tirelessly at this goal with the generous support of our board members and investors, and by hiring the best and brightest from Texas and across the country to form an award-winning team of economic development professionals committed to the betterment of our region.



Adriana Cruz

President



Laurie Hartz

Director of Investor Relations



Cara Ryan

Director of Business Retention and Expansion & Workforce Development



John Ellis

Director of Marketing & Communications



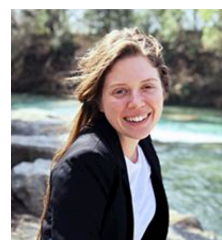
Chris Duran

Research Analyst



Giselle Myers

Marketing & Communications Specialist



Marissa Cooney

Economic Development Coordinator

Chair

Dr. Denise Trauth

President
Texas State University

Dr. Hector Aguilar

Dean of Continuing Education
Austin Community College

John Kroll

Councilmember
City of Dripping Springs

Jeff Nydegger

Associate
Winstead PC

Chair-Elect

Patrick Rose

President
Corridor Title

Michael Cardona

Superintendent
SMCISD

Patricia Lankford

Director
Gary Job Corps

Scott Sellers

City Manager
City of Kyle

Secretary

Becky Collins

General Manager
Walton Development

John Doucet

President & CEO
Doucet & Associates

Bert Lumbreras

City Manager
City of San Marcos

Lon Shell

County Commissioner
Hays County

Treasurer

Anthony Stahl

CEO
Central Texas Medical Center

Ron Hart

Owner
Hart Properties

Robert McDonald

President
McDonald Development Group

Rick Skiles

Owner
Skiles & Associates

Immediate Past Chair

John Schott

Board Chair
Frost Bank

Fred Heldenfels

President & CEO
Heldenfels Enterprises

Ed Mihalkanin

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City of San Marcos

Amy Stanfield

Past-Chair
San Marcos Area Chamber of Commerce

Honorary Co-Chair

Will Conley

Chairman
CAMPO

Jane Hughson

Councilmember, Place 4
City of San Marcos

Terry Mitchell

President
Momark Development

Ed Theriot

County Commissioner
Caldwell County, Precinct 3

Honorary Co-Chair

John Thomaides

Mayor
City of San Marcos

Debbie Ingalsbe

County Commissioner
Precinct 1, Hays County

Linda Moore

EDC Board
Luling EDC

Rob Tobias

Director
Lockhart EDC

Brenda Jenkins

Senior Vice President
ECM International

Chuck Nash

President
Chuck Nash Auto Group

Roland Velvin

President
First Lockhart National Bank

Joe Kenworthy

Branch President
Sage Capital Bank

John Navarrette

President
GSMMMA

Dr. Eric Wright

Superintendent
Hays CISD

“IN THE HEART OF THE INNOVATION
CORRIDOR, THE SAN MARCOS REGION IS
THE PERFECT BLEND OF CITY AMENITIES,
OUTDOOR ADVENTURE, AND TEXAN
CULTURE WITH A UNIQUE FLAIR”

— *Livability*, August 2018



GREATER SAN MARCOS
PARTNERSHIP

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