



Industrial Development Expansion And Sites TEXAS NEWSLETTER

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Contract Signed To Assist Laredo

The Texas Industrial Commission recently announced the signing of a technical assistance contract with three Dallas firms for economic development studies for the city of Laredo to offset the loss of jobs through the closing of Laredo Air Force Base.

Shanahan/Wyse Associates, urban planning and economic consultants of Dallas and Houston, will head the project team together with their associates Henningson, Durham & Richardson, Inc. of Texas, consulting engineers, and Leisure & Recreation Concepts, Inc., specialists in recreation and tourism projects.

Al Rodriguez, head of the Technical Assistance Center of the TIC, said that proposals on the project were received from over 20 consulting firms across the nation.

Immediate objectives of the project are to re-evaluate the utility of the air base site, to develop a plan for its reuse in connection with new industrial locations, to integrate the traffic and circulation patterns of the base and the community, and to stimulate the tourism industry to offset losses from the base closing.

Laredo Mayor J. C. Martin, Jr., chairman of the Opportunity Laredo Committee co-sponsoring the

(See CONTRACT page 4)



Chris Duerr(L), Jay Taylor, Jim Harwell, Carl Cox, Bill Hobby, James Hunt, and Ed McManus represented Texas at the Invest in USA seminar in Dusseldorf, Germany, in May. (See related story page 2)

TIC Undergoes Reorganization Following Management Study

The Texas Industrial Commission has undergone a complete reorganization following the recommendation of a recently completed management study.

The study, undertaken to assess organizational efficiency and gather opinions of those utilizing the Commission's services, has resulted in the establishment of several new divisions to replace the existing structure.

To alleviate complex internal structures, all the Commission programs were grouped under four basic functions, each with its own director.

The Operations Division, under

Ed Latta, provides administration services and backup support to the other three divisions. Programs under this division include finance and accounting, word processing, printing and mailing, data processing, research and special projects.

Advertising, industrial location and industrial services now fall under the Industrial Development Division directed by R. L.(Bud) Reed. This division operates programs for attracting and locating new industry, as well as providing for maintenance and expansion of existing industry.

The International Division, dir- (See REORGANIZATION page 4)

Harwell, Hunt Attend Seminar

James Harwell, executive director of the Texas Industrial Commission, and James Hunt, rural commissioner from Sonora, represented Texas and the Industrial Commission at the Invest in USA seminar in Dusseldorf, Germany in May.

Harwell participated in a panel discussion on state and local taxation with directors from four other states. "In analyzing advantages of various states, tax rates are often not as important as methods used to determine the tax base," he said.

"In making site location decisions, marketing, not taxes, should probably be the main criterion since differences within regions are greater than those between the regions," Harwell concluded.

The seminar, cosponsored by the National Association of State Development Agencies, the U. S. Department of Commerce and the American Embassy, was attended by 101 German businessmen and representatives from 30 states.

Other members of the Texas delegation include Lieutenant Governor Bill Hobby; J. L. Taylor, manager of the Economic Development Department of the Houston Chamber of Commerce; Carl Cox, executive director of the Natural Fibers and Food Protein Committee; Chris Duerr, European representative of Shindler/Cummins of Houston; Emerson Kailey, European representative of Henry Miller of Dallas; Ed McManus, executive director of the Mohair Council of America.

Sorry We're Late

Response to special reports offered by TIC's Research and Planning Department in last month's newsletter has exceeded original estimates.

Additional reports are being printed and requests will be filled by order of submission as soon as possible. Please excuse the delay.

TIC Offers Economic Impact Analysis

If the XYZ Corporation decides to locate a plant in Your City, Texas, what impact will it have on your community?

The Texas Industrial Commission's Information Services Department now offers a computer program that analyzes the economic impact of a particular company locating in any specific area of Texas.

Havey Promotes World Trade Week

James Havey, director of the International Development Division of the Texas Industrial Commission, recently completed a lecturing tour to four different areas of Texas promoting World Trade Week.

Havey, guest speaker at export seminars on international trade, addressed over 350 businessmen at Odessa, Fort Worth, Dallas and Houston. A slide presentation exemplified his lectures.

He explained that total Texas produced manufactured exports were at \$2+ billion last year giving Texas seventh ranking in the nation, but there is considerable potential for manufacturers to increase exports. "An estimated 90 per cent of manufacturers do not export at all," he said.

"Exporting is not a function of only the largest corporation," he explained. Three out of five successful exporters are firms with less than 100 employees.

Havey said that selling abroad today is not an easy matter—it takes time and constant attention. The International Trade Department of the TIC is charged with this program at the state level.

He then reminded businessmen to take advantage of the TIC's 'International Trade Opportunities' bulletin which lists trade leads and overseas requests for Texas sources of supply. TIC sponsored reverse investment seminars and trade missions also aid manufacturing firms seeking to export.

"Don't decide your product is not saleable overseas," he cautions. After all, wine is exported to France and tamales are shipped to Mexico.

The program uses the economic multipliers provided by the input-output model of Texas which was developed by the Governor's Office of Information Services. These multipliers represent state averages by industry type and are stored in the computer.

Ron Rossberg, manager of the Information Services Department of the TIC, explains that once his office receives certain data—plant location area, company Standard Industrial Classification code number, and number of new employees—the economic impact of the plant can be estimated.

"The computerized analysis provides a good feel for the economic impact on the community, local area and the state," Rossberg says.

Communities, industrial developers, and businesses can benefit from the information which includes additional employment a new plant generates; federal, state and local taxes generated annually; direct annual output of the firm in dollars; total annual economic impact of the firm on the economy in dollars.

For example, the XYZ Corporation (SIC Code 2399) chooses Travis County for a new plant employing 110. This information is fed into the computer and the input-output model determines that this new plant will generate 99 additional jobs in the area.

The company will contribute \$342,376 in federal, \$18,941 in state and \$23,444 in local taxes. Direct annual output of the firm will be approximately \$2,423,067. The total annual economic impact of the firm on the Texas economy is about \$5,984,975.

For more information on the impact analysis program or a specific analysis on a proposed plant in your area, contact Ron Rossberg at the TIC.



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Minority Business Enterprise(475-5945)

The Official Publication of the Texas Industrial Commission. Editorial contributions are welcome and should be addressed to Editor, P. O. Box 12728, Capitol Station, Austin, Texas 78711.

Training Underway For Waco Residents

State Representative Lane Denton recently announced an industrial start-up training program now underway to train Waco and area residents for job opportunities provided by the location of the Hurricane Manufacturing Company.

A. F. Alagna of the Texas Industrial Commission's Industrial Services Department, coordinated the start-up program which will be funded by the Texas Education Agency through the TIC/TEA Interagency Agreement.

Hurricane Manufacturing Company, manufacturers of ladies garments, will provide the training facility and the instructors and the Waco Independent School District will supervise training of 60 sewing machine operators.

Representative Denton, a member of the House Vocational-Technical Committee, said the training was an excellent example of a "people" program and he heartily endorses such a program.

TIC Captures Literature Awards

The Texas Industrial Commission took top honors in literature award competition sponsored by the American Industrial Development Council at the 49th annual AIDC Conference in Fort Worth recently.

Best of Class, top award given, was awarded to TIC in the stuffers, mailers and flyers category for the Pico fishing lure mailed to industrial prospects during January and February. The lure was engraved "Texas Treats You Better" with "Do Not Open Until Summer" on the outside envelope.

TIC also received a Best of Class rating in the ad series in media publications category and a superior rating in the single ad in media publications category.

Selections were made by representatives of industry who studied the entries submitted nationwide for competition.

Hunt Encourages Wool-Mohair Trade

James Hunt, TIC commissioner from Sonora, has recently returned from Western Europe and England where he attended several meetings with wool and mohair processors and manufacturers in Dusseldorf, Germany; Amsterdam, Holland and Bradford, England.

Hunt, who also serves as president of the Mohair Council of America, represented the Industrial Commission and the state of Texas in discussions with the English and European wool and mohair trade representatives about the possibilities of them investing in new wool and mohair processing facilities in Texas.

"The potential is there. It behooves us to make every effort to interest them in what Texas has to offer in the way of plant locations, labor, capital, transportation and other resources in addition to raw material," Hunt said.

The TIC, recognizing that up to 85 per cent of the mohair produced in Texas has been sold overseas, believes it would be advantageous to foreign mohair users to establish processing plants close to the production area. In addition, large quantities of wool would be available to the prospective processors and merchants since Texas is the largest wool producing state in the nation.

Hunt reported that several of the processors expressed interest in learning more about the TIC's proposals for investing in Texas. English wool and mohair processors are faced with numerous problems including high interest rates and high taxes, shortage of skilled labor, reductions in energy supplies and in some instances, reluctance among investors to spend money on plant improvement and modernization.

The mohair industry and the Texas Sheep and Goat Raisers Association, have expressed much interest in TIC's effort to attract foreign firms to invest in Texas.

29 Companies Choose Texas in April

COMPANY:	CITY:	PRODUCT:	EMPLOYEES:
UNIVERSAL FOUNDRIES, INC.	ABILENE	REINFORCING BARS	(18)
PORT ARTHUR SHIPYARDS, INC.	PORT ARTHUR	SHIP REPAIR	(200)
STATE WELDING & MACHINE	PORT ARTHUR	BARGE REPAIR	(50)
TEXACO INC.	PORT ARTHUR	PETROCHEMICALS	()
SHERWOOD MEDICAL INDUSTRIES, INC.	COMMERCE	SURGICAL GLOVES	(150)
KERNCO INSTRUMENTS, INC.	EL PASO	PH INSTRUMENTS	(8)
WEATHERBY ENGINEERING COMPANY	CORPUS CHRISTI	GENERATORS	(50)
ROWE INDUSTRIES, INC.	EL PASO	ELECTRIC MOTORS	(10)
LONE STAR GAS COMPANY	FORT STOCKTON	NATURAL GAS	()
CHAMPION INTERNATIONAL TIMBERLANDS	CLEVELAND	WOOD VENEERS	(300)
CLEVELAND FORGE, INC.	CLEVELAND	ROUGH FORGINGS	(100)
TENNECO CHEMICALS, INC.	DEER PARK	POLYVINYL CHLORIDE	()
AD-TEX, INC.	HOUSTON	PRINTING	()
JOHN E. ANDERSON PUBLISHING COMPANY	HOUSTON	BOOKS	()
BOWEN TOOLS, INC.	HOUSTON	TOOLS	()
CORR TECH, INC.	HOUSTON	PLASTIC PRODUCTS	(6)
FANNIN MANUFACTURING COMPANY	HOUSTON	FURNITURE	()
JOT FABRICATORS	HOUSTON	STEEL FABRICATION	()
K & K MACHINE SHOP	HOUSTON	MACHINE SHOP	()
SCOTT STEEL, INC.	HOUSTON	STEEL FABRICATION	(10)
JUMBOTEX MILLS CORPORATION	LAREDO	SPINNING MILL	(100)
ARMCO STEEL CORPORATION	LONGVIEW	STEEL BUILDINGS	(200)
CENTURY MOBILE-AIR MFG. & ENG. COMPANY, INC.	LONGVIEW	AIR CONDITIONERS	(20)
MURPHY PRODUCTS, INC.	LONGVIEW	LIVESTOCK FEED	()
STILWELL FOODS, INC.	MCALLEN	FROZEN FOODS	(100)
EAST TEXAS ASPHALT COMPANY	NACOGDOCHES	ASPHALT	()
DOTTY DAN, INC.	SEMINOLE	LADIES' CLOTHES	(120)
DENA K MANUFACTURING	TAYLOR	LADIES' SPORTSWEAR	(120)
DONELSON, INC.	TYLER	BICYCLES	(30)

SOURCE: MAY ISSUE OF TEXAS INDUSTRIAL EXPANSION, BUREAU OF BUSINESS RESEARCH, U.T. AT AUSTIN.

REORGANIZATION

(Continued from page 1)

ected by James Havey, encourages expansions of the Texas businesses through exporting, operates a foreign office in Mexico City to promote good trade relations, and encourages foreign investments in Texas.

Jerry Heare directs Community Development Division which implements programs to assist rural areas in their economic and development programs. The division also conducts programs to assist minority businessmen.

The Community Development programs encompass special com-

munity assistance, Texas Office of Minority Business Enterprise and the rural development department.

In accordance with the study, programs under each division have been assigned managers.

New department managers include Frank Alagna, Frank Call, Lou Campbell, Benoid Glawe, Jim Heath, Frank Hutchinson, Al Rodriguez, Ron Rossberg, Pat Williams.

Lifson, Wilson, Ferguson and Winick, Inc. of Houston conducted the three-month study involving personal interviews with TIC staff, legislators and people utilizing the commission's services.

CONTRACT

(Continued from page 1)

project, said that unemployment reached a record 18.9 per cent early this year, necessitating the studies.

The Economic Development Administration granted a total of \$195,000 to Laredo and Mineral Wells, the latter of which suffered from the closing of Fort Wolters. The \$90,000 EDA money at Mineral Wells will be used to undertake a water development study, conducted by Rady & Associates, Inc., and to develop industrial sites in Mineral Wells and Weatherford.