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**Industrial  
Development  
TEXAS Expansion NEWSLETTER  
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Sites**

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VOL. 5 NO. 7

THE OFFICIAL PUBLICATION OF THE TEXAS INDUSTRIAL COMMISSION

JULY, 1975



*Tom Waldrop (LEFT), president of Regal Tool and Rubber Company, led members and staff of the Texas Industrial Commission and officials from the Corsicana Chamber of Commerce and Industrial Foundation on a plant tour at the quarterly Commission meeting this month. The company, which manufactures oil field and underwater drilling equipment, recently received a \$150,000 Rural Development Loan approved by the TIC Commissioners this past April.*

## Regional Chambers Sponsor TEXAS FIRST Orientation

Approximately 500 regional business, industry and government leaders participated in a series of TEXAS FIRST orientation meetings sponsored by regional chambers of commerce throughout Texas this month.

TEXAS FIRST is part of Governor Dolph Briscoe's Job Creation Campaign, a coordinated effort to boost economic development across Texas and take the slack out of the economy by identifying 15,000 jobs and placing unemployed and underemployed Texans in them.

Texas Industrial Commission

and Texas Department of Community Affairs' staff members, led by TIC Executive Director James Harwell, briefed those attending on TEXAS FIRST and explained the services offered by the state agencies. Local representatives of organizations supplying assistance to the program were also identified.

Harwell expressed pleasure at the enthusiastic interest and response shown on the local level. "About 30 per cent of the state's top manufacturers have indicated that they will participate in the

(See TEXAS FIRST Page 3)

## Briscoe Announces \$40,000 Rural Loan For Sue Ann, Inc.

Governor Dolph Briscoe recently announced approval of a \$40,000 loan to the Hereford Industrial Foundation, Inc. to help finance a clothing manufacturing plant in Deaf Smith County.

This will be the eighth branch location for Sue Ann, Inc. Eventually 175 persons will be employed with an annual payroll of \$750,000.

The loan, which is authorized by the Texas Rural Development Act, was approved by the Texas Industrial Commission during the quarterly meeting in Corsicana.

The Hereford Industrial Foundation will supply an additional loan of \$30,000 and the Hi-Plains Savings and Loan Association will provide \$60,000.

There has been a great need for an industry which would employ large numbers of women and others in this area, according to House Speaker Bill Clayton at the recent ground-breaking ceremonies for the Sue Ann plant.

"Since most of the sewing machine operators will be women, this plant will have tremendous impact on poverty in Deaf Smith County," Clayton said.

U. S. Bureau of the Census statistics indicate there are 4,499 families in the county, 790 of

(See RURAL LOAN Page 4)



Moving conveyors transfer primal cuts of beef for fabrication, at Iowa Beef Processor's Amarillo facility. The modern plant can process up to 20,000 cattle per week when in full operation.

Photo courtesy — Amarillo Daily News & Globe-Times

## Iowa Beef Processors Opens \$30 Million Amarillo Plant

Can you imagine a stack of boxed beef 45 miles high?

The possibility is only as far away as Amarillo where the world's largest beef processing facility, Iowa Beef Processors, has recently begun operations.

The Amarillo plant, constructed at a cost of \$30 million, can process 20,000 cattle per week when fully operational. The plant will employ nearly 1,000 in each shift with an annual payroll of \$15 million.

Construction was begun on the plant in 1973 and the slaughtering division began operations the following October. The beef processing division began operations this May.

Currier Holman and Andy Anderson, who formed the Nebraska-based corporation, recognized that the carcass method of beef distribution was outmoded and costly. Their answer is "Cattle-Pak," the processing of prefabricated beef on a volume scale never before dreamed possible.

Their idea was to build a network of modern, efficient slaughtering plants that could supply high-volume beef processing units with high cutability carcasses to be fabricated for the retail and food

service trade.

Cattle-Pak is a method of carefully selecting beef carcasses and holding them an extra 24 hours after chill to bring internal temperatures down to 42 degrees Fahrenheit prior to fabrication. The technique costs thousands of dollars, but IBP officials believe that it assures the customer the best product possible.

Chucks are fabricated at the rate of 567 per hour and rounds at the rate of 624 per hour, plus the complete boning of all thin meats.

After fabrication and packing in protective shipping bags and containers, a computer-controlled handling system takes over. Boxes flow on the conveyor at the rate of 40 boxes per minute. Telescoping conveyors load the boxes into temperature controlled trucks at the rate of 550 boxes per 17 minutes and the beef is ready for shipping.

Iowa Beef Processors has also established its own learning center, the IBP Center for Modern Meat Management, designed to present the benefits of boxed versus carcass beef. Last year nearly one hundred sessions were conducted. Since then, sales to customers attending the classes have more than doubled.

## McGraw-Hill Study Shows Ad Program Successful in 1974

A recent report by McGraw-Hill, publisher of *Business Week* magazine, disclosed that the Texas Industrial Commission's 1974 advertising campaign was the most successful of all industrial development campaigns run during 1974.

The study noted that in two areas, number of inquiries received and cost per inquiry, the TIC campaign achieved results which exceeded efforts of all other state industrial development campaigns, including those states whose investment far exceeded that of Texas.

The TIC campaign generated 1708 inquiries for the year with less than two pages of advertising. Other leading industrial development advertisers had upwards of 18 pages of advertising each, with results running from one-third to one-half the number of TIC inquiries.

In the cost per inquiry comparison, the Industrial Commission cost per inquiry was \$18.38 compared with an average *Business Week* cost for all advertisers of \$119.83.

Results of this study were reported to TIC's Advertising Committee at their June meeting with The Pitluk Group in San Antonio. The Pitluk Group handles TIC's nationwide advertising campaign.

Commissioner A. B. "Stormy" Shelton chairs the Advertising Committee. Other members are: Eloy Centeno, James Hunt and Sam C. Naifeh.

## Mizell Will Speak At NADO Seminar

Wilmer D. Mizell, Assistant Secretary of Commerce for Economic Development, will be the keynote speaker at the annual National Association of Development Organizations (NADO) convention in Duluth, Minnesota, August 3-6.

For more information contact: NADO at W31973 First National Bank Bldg., Saint Paul, Minnesota 55101 or call (612) 224-6232.

## Unofficial census at 51,360 Longview Qualifies As SMSA

On the basis of the preliminary census total and March 1975 estimates by Standard Rate and Data Service, Longview will qualify as the 25th Standard Metropolitan Statistical Area (SMSA) in the state.

Longview's current unofficial census is 51,360. The final and official total will be announced by the U. S. Bureau of the Census in

### 'Profitaid' Proposed At Corsicana Meeting

A program to entice national manufacturers to use Texas subcontractors was proposed at the recent quarterly meeting of the Texas Industrial Commission in Corsicana.

The proposed new program, "Profitaid," may become phase two of TEXAS FIRST, the Governor's Job Creation Campaign to boost economic development in Texas, according to Jim Harwell, executive director of the TIC.

The purpose of "Profitaid" is to encourage national and major state manufacturing corporations to utilize the services of medium to small manufacturing concerns which have the machines and technology capable of manufacturing parts and/or subparts for major industrial components.

The program is similar to one underway in Connecticut which has produced over \$50 million in contracts and created more than 2,000 new jobs.

A trial meeting was held in Houston by the Industrial Commission to help the Babcock & Wilcox Company locate metal working firms to supply products for use in Navy nuclear work. B&W was so pleased with the meeting that they requested a similar one in the Dallas-Fort Worth area.

Monthly meetings in various geographical areas of Texas are planned, with one already requested in September for the Electric Motor Division of Westinghouse headquartered in Round Rock.

approximately sixty days.

If the Bureau of the Census certifies that Longview has a population of 50,000 or more it will be recognized as a SMSA, defined as Gregg and Harrison Counties.

Mayor Tommie Carlisle, City Manager Harry Mosley and other members of Longview's commission voiced their optimism at the possibility of Longview becoming the 25th SMSA.

There are several advantages to the SMSA designation other than the possible location of new industry in the area, Carlisle explained. Large investors give first consideration to SMSA markets. Other benefits, such as grants and highway projects come with the SMSA recognition, he added.

"We knew that from a standpoint of financial, industrial, building and retail sales we were well qualified for SMSA designation, but this could not be achieved until it was established that we had 50,000 or more population. This fact has now been demonstrated and as a result I firmly believe we can look forward to an accelerated growth for our city and area," Mayor Carlisle said.

Longview will be placed on the nation's official business map.

## TEXAS FIRST

*(Continued from Page 1)*

TEXAS FIRST program and it is important that we have a strong follow-up on the local level to verify their employment pledges," Harwell said.

The West Texas Chamber of Commerce sponsored four meetings hosted by the local chamber in Midland, Amarillo, Stephenville and Wichita Falls.

The East Texas Chamber of Commerce sponsored meetings in Sulphur Springs, Tyler and Humble.

South Texas Chamber of Commerce meetings were held in San Antonio and Corpus Christi and the Valley Chamber of Commerce hosted a meeting in Weslaco.

## Plant Locations Down 35% from '74 Figures

Plans to establish 102 new manufacturing plants and to expand 142 existing facilities were reported to the Bureau of Business Research at the University of Texas at Austin during the first six months of 1975.

These totals represent a 35 per cent decrease from the 157 new plants announced during the first half of 1974 and almost a 22 per cent decline in expansions reported during the same period.

The 24 standard metropolitan statistical areas continue to attract most of the state's new manufacturing activity. The Dallas-Fort Worth and Houston SMSAs together accounted for more than 37 per cent of the manufacturing projects throughout the state. The Dallas-Fort Worth SMSA led with 48 reported developments, followed by the Houston SMSA with 43. The San Antonio and McAllen-Pharr-Edinburg SMSAs ranked in third and fourth place, respectively.

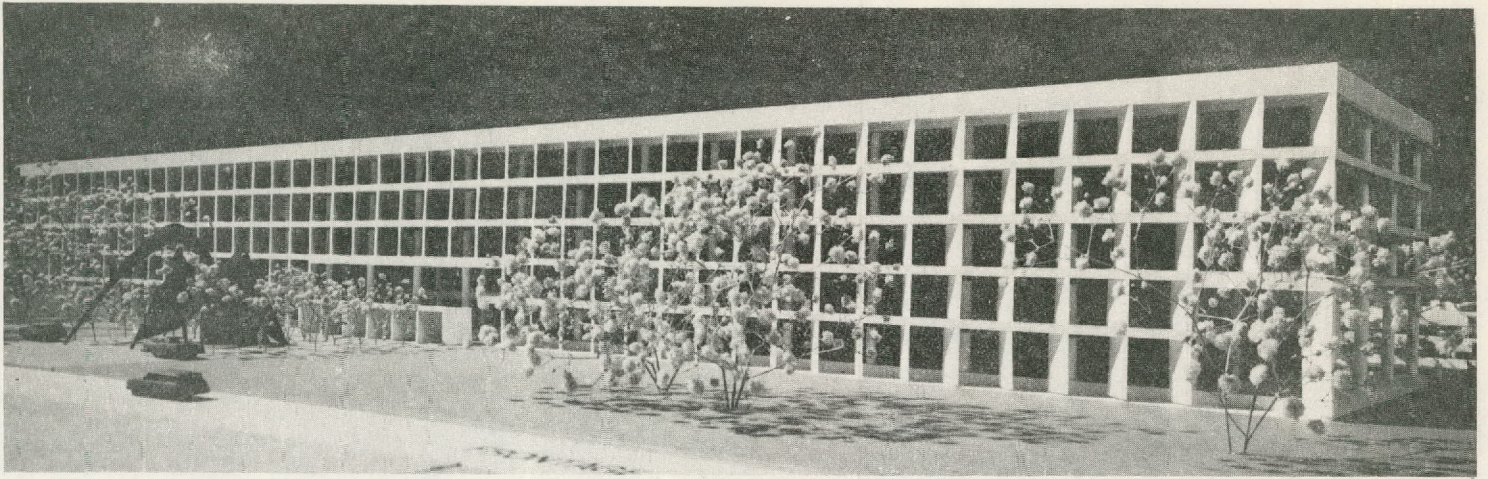
During the first six months of 1975 nonmetropolitan communities accounted for 31 per cent of new industrial development, an increase from the 26 per cent in 1974. Longview maintained its lead with 20 new and expanded plants.

## Texas Ranks Second

Texas business enterprises with owners of Spanish origin numbered 23,651 in 1972 with gross receipts of \$1.0 billion, according to a report recently issued by the Bureau of the Census.

In the state location breakdown Texas ranked second only to California which led the nation with 28,166 businesses with owners of Spanish origin and gross receipts of \$1.3 billion.

Figures for the entire United States rose to 120,108, a 20 per cent increase over the 1969 survey. The new report also showed that gross receipts increased 58 per cent to an estimated total of \$5.3 billion in 1972 from an estimated total of \$3.4 billion in 1969.



Prudential Insurance Company's five-story office building, scheduled for completion in 1977, is just one of five major projects under construction in Bellaire. The office will headquarter Prudential's Southwestern home office.

## BELLAIRE BOASTS BIG BUILDING BOOM

There's a big boom in Bellaire changing the city's skyline and it isn't a giant firecracker leftover from July Fourth celebrations.

Five major office buildings, with a combined construction value of \$64,000,000 and a tax potential of \$519,000, are under construction or on the drawing board, according to Roger Westrup, executive vice president of the Greater Bellaire Chamber of Commerce.

The \$23,000,000 Prudential project got its building permit in early June and has since filed a July, 1977 completion date. The five-story building will headquarter Prudential's southwestern home office.

Sun Oil Company has been granted its foundation permit for development of a \$13,000,000 twelve-level office tower and adjacent parking garage. An estimated 350 employees will move into the new facility when it is completed in the summer of 1976.

The \$15,000,000 Hansen project is nearing 50 per cent completion with the five-story Sperry-Univac Building already completed and occupied by the Sperry-Univac Division of the Sperry Rand Corp.

Texaco's ten-story \$10,000,000 building should be well along toward completion by the end of 1975, quartering about 2,000 employees. Plans are also underway for Mel Powers to begin construction of a \$3,000,000 six-story office building adjacent to its completed counterpart.

These office buildings, along with numerous town houses and other commercial and residential building projects, represent around \$1,386,000 in tax revenue for Bellaire—revenue which the city will not begin to collect in substantial amounts until 1978 or 1979.

Bellaire levies ad valorem taxes by assessing property at fifty per cent of value and multiplying the resulting figure by \$1.62 per \$100 valuation.

City Manager Dave Doty points out that the revenue from new construction is not "money in the bank" until a project is well along or actually completed. For example, the Sperry-Univac Building of the Hansen project is the only building completed in time to go completely on the January 1, 1975 tax rolls.

Burgess Pool, city tax assessor for Bellaire, predicts January of 1977 and 1978 to be the "big years" as far as tax produced revenue is concerned.

In the meantime these major construction projects call for expanded municipal services. Money must be spent in advance for enlarged sewer and water lines, wider streets and additional services.

Of course, city officials feel that the taxes realized from the building boom will offset any expenses that the city might incur. For example, the city will receive up to \$30,000 as its share of the sales tax on the material and supplies used to build

Prudential's \$23,000,000 project. Additional tax revenue will come from the building's furnishings—carpets, desks, etc.—assessed at fifty per cent of the value times \$1.62 per \$100 valuation.

And tax revenue is only one of the advantages of the building boom, Westrup points out. Some 2,500 new families will be involved in the Texaco, Sun Oil and Prudential projects on their completion. Many will want to live in Bellaire, near their work, and will build homes and shop in Bellaire.

All in all, the Bellaire building boom will definitely help improve the area's economy.

## RURAL LOAN

(Continued from Page 1)

whom have incomes which fall below the poverty level. The women who will be employed at the plant will be able to provide a second income to their families.

TIC's industrial start-up training will be utilized for 150 sewing machine operators

The Texas Rural Development Act was passed by the 62nd Legislature and funded through the 63rd Legislature. It establishes the Rural Industrial Development Commission under the TIC. As funds are available, up to 40 per cent of the cost of financing a new or expanding industry in a rural area can come from the program.



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**For Service Call:**

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## Rural Industrial Development Training Is Planned for Community Leaders

Registration is now underway for a Rural Industrial Development Self Study Course and Workshop, designed to provide training for community leaders of cities under 50,000 population.

Jointly sponsored by the Texas Industrial Commission, the Department of Agricultural Economics at Texas A & M University and the Texas Agricultural Extension Service, the study course and workshop will educate those new to the industrial development field as part-time professionals.

### Research Staff Publishes Report

*Economic Potential of the Surgical, Medical and Dental Instruments and Supplies Industry* is now available from TIC's Research and Program Development Department for \$1.25 postage and handling fee.

Preparation of the report was financed by Governor Briscoe's TEXAS FIRST program through the use of Comprehensive Employment and Training Act funds provided by the U. S. Department of Labor.

The 54-page report analyzes the economic potential of the surgical, medical and dental instruments and supplies industry and also documents new and expanding markets.

According to the report, increasing manpower needs of the health field are expected to yield a potential market of some 30,000 individual physicians and dentists by 1980. More hospitals, clinics and residential facilities for the aged will also produce an increased need for medical and dental supplies. The state's manufacturers are at this time unable to meet these needs.

"A special attempt must be made to bring the manufacturers and this expanding market together, for the benefit of both and for the ultimate benefits to be accrued by the public," says Dr. Phyllis Procter, manager of Research and Program Development.

This includes those working in local industrial development agencies(private, civic or public), chambers of commerce, financial institutions, news media, public utilities or community development agencies.

The study course will be divided into two parts. Part I, the background of industrial development and its place in our economic life, discusses methods needed to understand an area's economy as well as information desired by prospective industries. Part II, the practice of industrial development, will deal with conducting labor surveys, collecting community data, financing industry and prospecting for new industry.

Participants will be mailed a text, *Bringing in the Sheaves*, ten weeks prior to the November 4-6 workshop. After studying the text, they will answer questions on material covered in each chapter and then mail the answers to the study course coordinator.

Upon completion of the text, a workshop will be held at the Rudder Conference Center at Texas A & M University.

Tuition for the course is \$20.00 including text books, course materials and postage. Registration is limited to 60 persons for this session and should be made no later than August 18.

Registration requests should be attentioned to Dr. James Mallett, Community Resource Development, Texas Agricultural Extension Service, Texas A&M University, College Station, Texas 77843.

### Information, Please

It is still not too late to return community update questionnaires for TIC's Insta-Site program, reminds Ron Rossberg, manager of the Information Services Department. Extra forms are available and will be provided upon request.

# 19 COMPANIES CHOOSE TEXAS IN JUNE

COMPANY	CITY	PRODUCTS	EMPLOYMENT		ANNUAL NEW TAXES GENERATED			DIRECT ANNUAL OUTPUT OF FIRM	TOTAL ANNUAL ECONOMIC IMPACT ON ECONOMY
			NEW	GENERATED	FEDERAL	STATE	LOCAL		
Galleon International, Inc.	San Antonio	Furniture	15	9	\$ 32,114	\$ 1,848	\$ 2,038	\$ 211,634	\$ 546,016
Holt Manufacturing Company	San Antonio	Land clearing implements	35	25	92,361	4,960	5,668	612,198	1,530,495
Edison Brothers	Jacksonville	Lumber	5	4	12,647	834	2,976	71,845	207,632
Crosbyton Wholesale Meats	Crosbyton	Meat processing	10	72	106,284	6,321	12,940	611,845	2,429,025
Universal Tank & Iron, Inc.	Ennis	Water tanks	50	56	218,152	11,461	13,437	1,571,042	3,597,686
Kerri Clothing	Stafford	Denim clothing	16	7	\$ 26,959	\$ 1,555	\$ 1,779	\$ 193,482	\$ 439,204
Specialty Pipe Fabricators	Gonzales	Pipe	100	152	531,747	28,135	34,406	3,547,231	9,080,911
Citrus Processors of Texas, Inc.	Edinburg	Citrus juice concentrates	20	41	89,576	5,185	7,756	598,659	1,772,031
Aircastle Furniture Mfg. Company	Cleburne	Wooden upholstered furniture	10	6	21,409	1,232	1,359	141,089	364,010
Continental Furniture Mfg. Company	Cleburne	Wooden upholstered furniture	15	9	32,114	1,848	2,038	211,634	546,016
National Pipe & Tube Company	Liberty	Casing, pipe, tubing	350	483	\$1,486,726	\$ 88,883	\$ 94,555	\$12,200,648	\$29,281,555
American Klegecell Corporation	Corsicana	Cellular insulation systems	40	41	145,881	7,316	9,383	828,208	2,310,700
GLF Manufacturing Company	Corsicana	Steel fabrication	100	111	481,040	22,865	27,645	2,914,347	6,673,855
Royal Park Fashions, Inc.	Fort Stockton	Women's blouses	107	45	180,287	10,399	11,900	1,293,911	2,937,178
Solarsystems, Inc.	Tyler	Solar energy collectors	4	2	9,419	364	373	54,398	115,868
Yates Monogram, Inc.	Fort Worth	Monogramming	6	5	\$ 18,675	\$ 1,033	\$ 1,279	\$ 132,167	\$ 326,452
L & S Auto Supply	Victoria	Machine shop	7	6	20,409	1,093	1,319	116,503	319,218
Tracor Radcon	Laredo	Glass chaff	75	82	263,773	16,422	22,740	1,398,810	4,308,335
Wood & Iron Mfg. Company, Inc.	Laredo	Wooden frames, furniture	500	365	1,099,869	64,004	105,491	7,718,193	19,372,664
TOTALS:									
Companies - 19			1,465	1,521	\$4,869,442	\$275,758	\$359,082	\$34,427,844	\$86,158,851

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

NOTE: IMPACT CALCULATIONS PRODUCED BY THE TIC USING THE GOVERNOR'S OFFICE OF INFORMATION SERVICES ECONOMIC MULTIPLIERS.