



GREATER SAN MARCOS VISION 2020 IMPLEMENTATION ASSESSMENT

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INTRODUCTION

In 2014, the Greater San Marcos Partnership (GSMP) partnered with Market Street Services to facilitate a strategic planning process that culminated in the creation of Vision 2020, a comprehensive five-year strategy for the Greater San Marcos area. The strategic planning process was led by a steering committee made up of a diverse group of community leaders from the public and private sectors. During the eight-month process, over 700 stakeholders from across Greater San Marcos contributed to the development of the Vision 2020 Strategy through their participation in public input. The qualitative feedback was complimented by two comprehensive research reports that assessed the region's competitive position, challenges, and opportunities. Leveraging the findings from the feedback and quantitative research and under the guidance of the steering committee, Vision 2020 was developed and approved in 2015.

Since that time, 11 separate volunteer work groups were created to help guide and carry out the strategy's implementation, GSMP staff positions were expanded to assist with implementation efforts, and community partners have collaborated to help advance Vision 2020. The strategy is organized around five key Strategic Catalysts that are designed to help move the region forward and include measurable and actionable goals and tactics that are needed to achieve success. The five key Strategic Catalysts are:

- 1.0 Define and Promote the Greater San Marcos Value Proposition
- 2.0 Support Quality Growth in Export-oriented Target Sectors
- 3.0 Optimize the Local Talent Base
- 4.0 Accommodate and Manage Quality Growth
- 5.0 Create Destination Appeal

The holistic economic development plan is driving positive outcomes on a variety of fronts. While it is difficult to cover every program, project, partnership, and initiative that has been launched or completed since the strategy's launch, this report details dozens of Vision 2020 activities. In addition to the tangible successes, many stakeholders commented that there was a greater trust and stronger relationships among regional partners and a common understanding that positive outcomes in one community benefit the whole region.

The Implementation Assessment focuses on the progress made since Vision 2020's launch and evaluates challenges or gaps that have appeared in the strategy implementation. Findings allow the GSMP and its partners to fine tune Vision 2020 through the final half of its five-year implementation cycle.

Vision 2020 Summary

The Vision 2020 process in 2014-2015 included four phases that helped to inform the creation of the consensus-based, actionable Vision 2020 Strategy to help guide Greater San Marcos' path to short- and long-term prosperity. The process phases are detailed below.

VISION 2020 STRATEGIC PROCESS



PHASE 1: COMPETITIVE ASSESSMENT

The goals of the first phase were to identify how Greater San Marcos has grown as a community and to gather feedback from leaders and stakeholders in the area about how various changes and developments should be integrated into the new Strategy.

The following comprised the key takeaways from the Competitive Assessment research:

- ✓ Greater San Marcos must better accommodate quality growth and development.
- ✓ The region must leverage its key assets (location, workforce, Texas State, natural amenities, livability, existing businesses) more effectively.
- ✓ Perceptions of Greater San Marcos must be changed
- ✓ Greater San Marcos' two component counties are diverging.
- ✓ A consensus strategy for Greater San Marcos' future must be established.

PHASE 2: TARGET BUSINESS ANALYSIS & MARKETING REVIEW

The purpose of the Target Business Analysis was to identify economic sectors that would drive future employment growth and opportunity in Greater San Marcos. The Marketing Review complemented the target business research by analyzing the Partnership's current marketing efforts.

The following graphic shows the approved Vision 2020 target business sectors.

GREATER SAN MARCOS TARGET SECTORS



Regional Advantage Sectors = Strong or emerging Greater San Marcos assets as well as key benefits from Austin-San Marcos-San Antonio corridor concentrations

Super-Regional Advantage Sectors = Strengths and opportunities more directly related to corridor assets

PHASE 3: VISION 2020 STRATEGY

The full complement of quantitative and qualitative research conducted for Vision 2020 informed the identification of five key Strategic Catalysts that comprised the structure of Greater San Marcos' Vision 2020 plan. Acknowledging the critical importance of the region's alignment along the I-35 corridor between Austin and San Antonio as well as the work that must be done internally to capitalize on superregional opportunities, each Strategic Catalyst included tactics and priorities related to the San Marcos area's role in the context of the Central Texas corridor.

GREATER SAN MARCOS VISION 2020 STRATEGIC CATALYSTS



PHASE 4: IMPLEMENTATION GUIDELINES

While the Strategy represents “what” Greater San Marcos needs to do, the Implementation Guidelines determined “how” to do it. The Guidelines served as the “road map” for putting the Strategy into motion and will also help inform this 2018 Vision 2020 Implementation Assessment.

OVERVIEW

This Implementation Assessment report will analyze the work done to activate the Vision 2020 strategy in the first half of its five-year implementation cycle and evaluate any challenges or gaps that have appeared in its core components. The Assessment seeks to evaluate the implementation of the strategic actions themselves, in addition to the operational side of the implementation effort and its network of partners, work groups, volunteers, and staff capacity and support, among other factors.

IMPLEMENTATION ASSESSMENT

The 2018 Implementation Assessment is informed by public input that was gathered through interviews and focus groups with work group chairs and co-chairs, volunteers and implementation partners, and key staff. Additionally, GSMP reports and internal tracking, various news articles, and information from relevant partner websites, annual reports, and press releases were also used to inform the assessment of implementation activities and progress to-date. The report is broken into three sections:

Quantitative Profile

Due to data lags and the staggered launch of volunteer-driven implementation work groups, quantitative research and analysis is utilized to present a short summary of how the region has grown and changed since Vision 2020's launch in 2015. Other data points in the report are more directly tied to the implementation efforts of Vision 2020. Key metrics, data points, and benchmark regional comparisons establish baseline knowledge about where Greater San Marcos stands today and how its competitive position has evolved since the onset of Vision 2020.

Implementation Activities

The Implementation Activities section takes a programmatic approach to quantifying and analyzing the progress of Vision 2020. Leveraging qualitative feedback gathered through interviews and focus groups and implementation updates provided by the Partnership, the Assessment seeks to understand where progress has been made and the key challenges and opportunities that exist for the final two-plus years of Vision 2020's strategic implementation. **The analysis is divided into each of the five key Strategic Catalyst areas and corresponding key initiatives.**

Key Issues and Shared Challenges

This final section synthesizes the information from the first two sections into an overview of the principal themes emerging from the Implementation Assessment and how they can inform the evolution of the Vision 2020 process in the second half of its five-year implementation cycle.

IMPLEMENTATION ASSESSMENT

Quantitative Profile

The following section provides a baseline for where Greater San Marcos stands today and how its competitive position has changed in recent years relative to a selected group of comparison communities. The following data and analysis is meant to provide a more complete profile of factors related to Vision 2020 strategies and the Greater San Marcos region.

The majority of data indicators compare Greater San Marcos (inclusive of Hays and Caldwell counties) to **Brazos County, Texas (College Station); Larimer County, Colorado (Fort Collins); and Rutherford County, Tennessee (Nashville)**, in addition to the state of Texas and the United States. The only change from the comparison areas utilized in the original Vision 2020 process was the inclusion of Larimer County in place of York County in South Carolina. This reflects the emergence of the Fort Collins metro area as one of the country's fastest rising destination communities.

Analysis in the Quantitative Profile focuses on how the region has changed since the Vision 2020 process in 2014/15 and therefore is primarily profiled in three-year trends.

POPULATION GROWTH AND WORKFORCE TRENDS

- The population in Greater San Marcos has continued to grow rapidly over the past three years. Among counties with a population greater than 150,000, Hays County was the fastest growing in 2014, 2015, 2016, and 2017. At the same time, Caldwell County's population has also been growing rapidly. Overall, **the total population in the region increased by 14.4 percent between 2014 and 2017 while nationwide the population grew by 2.2 percent.** The San Marcos region's population growth outpaced all three comparison communities, the state, and nation. In 2017, the population in the Greater San Marcos region topped 250,000 for the first time.

POPULATION, 2014-17

	2014	2015	2016	2017	3-yr Chg.
Greater San Marcos	224,564	234,874	245,453	256,823	14.4%
Hays County, TX	184,871	194,497	204,345	214,485	16.0%
Caldwell County, TX	39,693	40,377	41,108	42,338	6.7%
Brazos County, TX	208,720	215,891	219,561	222,830	6.8%
Larimer County, CO	323,673	332,840	338,531	343,976	6.3%
Rutherford County, TN	288,608	297,920	307,683	317,157	9.9%
Texas	26,954,436	27,454,880	27,904,862	28,304,596	5.0%
United States	318,622,525	321,039,839	323,405,935	325,719,178	2.2%

Source: United States Census Bureau, 2017 Population Estimates

- **Population growth in the region has primarily been driven by domestic in-migration.** Since 2010, domestic migration accounted for 65.1 percent of population growth in Caldwell County and 78.7 percent in Hays County. These trends have been consistent each year. Between 2016 and 2017, domestic migration accounted for 78.7 percent and 81.6 percent of population growth in Caldwell and Hays counties, respectively.
- According to data from the Internal Revenue Service (IRS), **much of the domestic in-migration can be attributed to an influx of residents from the Austin area.**¹ Travis County continues to be the main source of new residents to Greater San Marcos, followed distantly by Harris County and Williamson County. Between 2011 and 2016, the region had a net gain of more than 15,000 residents from Travis County alone. Conversely, Comal and Guadalupe counties are the top two destinations for residents leaving region. Their proximity to Greater San Marcos suggests that those residents remain in the labor shed, but they have chosen to reside outside of Hays and Caldwell counties for other reasons.

¹ This data is compiled from anonymized tax return data. If a given return moves from one county to another between tax years, that return – and all its associated exemptions – is categorized as having migrated between counties. Examining the number of exemptions that move from county to county in a given year can provide a rough estimate of the net flow of actual people from place to place. (Note that because the data program depends on changes in county of residence between tax years, the data does not capture the majority of university students as most have never filed a tax return before.)

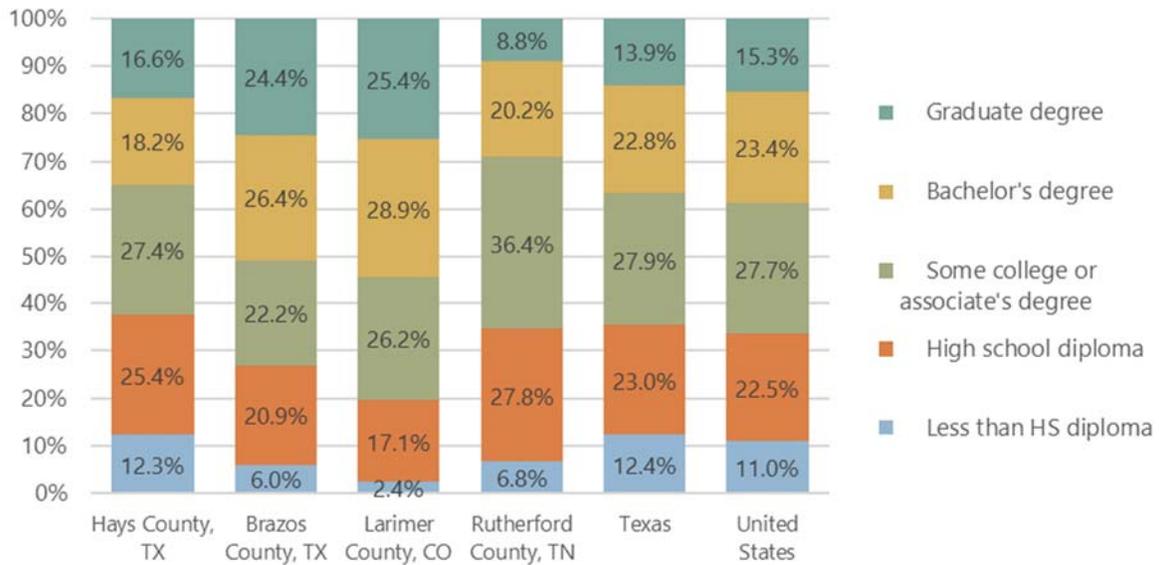
PERCENTAGE POINT CHANGE IN AGE DISTRIBUTION, 2014-17

	0-17	18-24	25-34	35-44	45-64	65+
Greater San Marcos	-0.4%	-0.8%	0.6%	0.4%	-0.4%	0.7%
Brazos County, TX	0.1%	-2.3%	0.6%	0.6%	0.4%	0.6%
Larimer County, CO	-0.7%	-0.6%	0.7%	0.2%	-1.0%	1.4%
Rutherford County, TN	-0.4%	-0.7%	0.4%	-0.3%	0.3%	0.7%
Texas	-0.4%	-0.4%	0.1%	0.0%	0.0%	0.8%
United States	-0.5%	-0.5%	0.3%	-0.2%	-0.3%	1.1%

Source: United States Census Bureau, 2017 Population Estimates

- An increase in the working age population in San Marcos is helping to drive population growth.** The share of the population 25-34 increased by 0.6 percentage points between 2014 and 2017 while the population 35-44 increased by 0.4 percentage points. Across the country, many communities are facing challenges presented by an aging population. In Greater San Marcos, the population over the age of 65 increased by 0.7 percentage points. Larimer County, Texas, and the United States all experienced greater increases in the share of their populations over the age of 65.
- Similarly, the labor force in Greater San Marcos has also been growing rapidly in recent years. The labor force measures all persons classified as employed or unemployed living in the region. Between 2014 and 2017, the labor force in Greater San Marcos increased by 13.6 percent. Only Rutherford County grew at a faster pace (14.1 percent). This is a positive finding and highlights **that not only is the population growing in the region, but importantly, workers are choosing to live in Greater San Marcos.**

IN-MIGRANT EDUCATIONAL ATTAINMENT, 2016

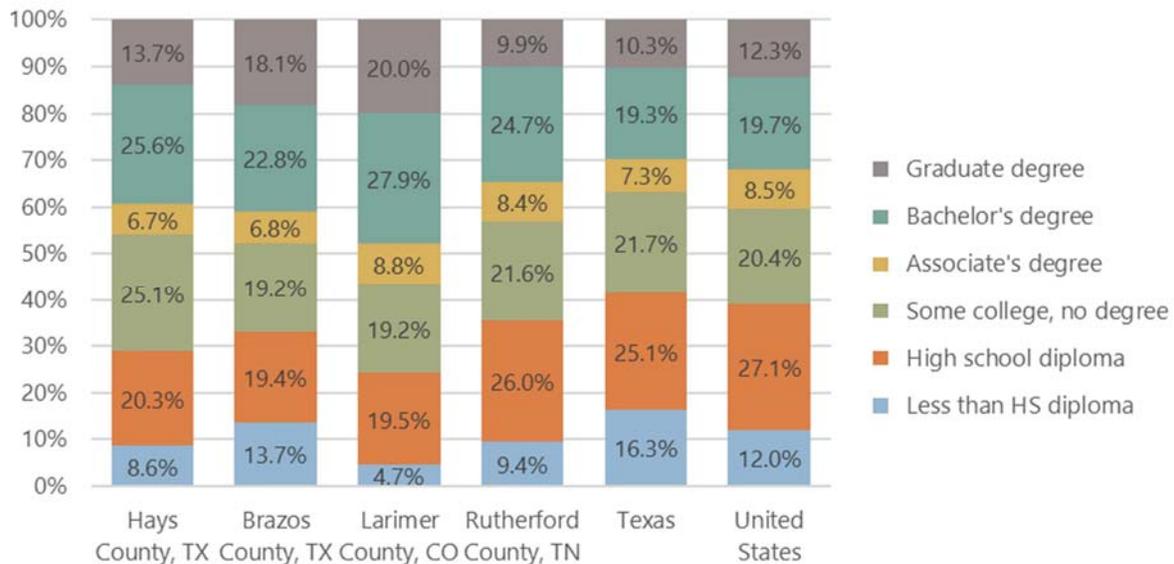


Source: United States Census Bureau, ACS 1-yr Estimate

Note: Due to Caldwell County's smaller size, data for 2016 ACS 1-year estimate was not available. ACS 1-year estimates are only available for areas with populations of 65,000 or more.

- As seen above, with regards to talent attraction, Greater San Marcos has had some recent success. In 2016, roughly 35 percent of in-migrants to Hays County possessed a bachelor's degree or higher. Comparatively, only Rutherford County had a smaller share of its in-migrants with a four-year degree or higher. Over half of in-migrants to Brazos County, Texas and Larimer County, Colorado possessed a bachelor's degree or higher.
 - Notably, there have been improvements in recent years. **The share of Greater San Marcos in-migrants that had attained a bachelor's degree or higher increased by 3.7 percentage points between 2013 and 2016.**
- There has also been measured success in the region's talent development capacity with regards to its homegrown talent and Pre-K to 16 pipeline.
 - **Five out of the six school districts in the two-county region reported graduation rates above the state average of 89.1 percent.** Only San Marcos CISD had a graduation rate below the state average; it reported an 86.9 percent graduation rate for the class of 2016. Despite this, the school district has seen improvements. The graduate rate at San Marcos CISD increased by 3.9 percentage points between the 2013 and 2016 graduation classes.
 - **Texas State University enrollment has been growing rapidly over the past several years.** Between 2013 and 2016, enrollment increased by 9.2 percent. In the Fall 2016 semester, its enrollment surpassed 38,000 for the first time. Enrollment of undergraduate students increased by 10.4 percent, while doctoral students grew by 9.0 percent.

EDUCATIONAL ATTAINMENT, 2017



Source: United States Census Bureau, ACS 1-yr Estimate

Note: Due to Caldwell County's smaller size, data for 2017 ACS 1-year estimate was not available. ACS 1-year estimates are only available for areas with populations of 65,000 or more.

- Greater San Marcos has improved its talent base and has been successful overall at both attracting and retaining talent. As a result, **the educational attainment rate of residents increased over the past three years**. Between 2014 and 2017, the share of the population with a bachelor's degree or higher in Hays County increased by 4.1 percentage points while the share of the population with less than a high school diploma fell by 4.3 percentage points. In 2017, 39.3 percent of adults in Hays County had a bachelor's degree or higher. Hays County had a higher share of the population with a bachelor's degree or higher than Rutherford County, Texas, and the United States. However, compared to Larimer County in the talent hub of Fort Collins, Colorado, Greater San Marcos' percentage of college educated workers fares more poorly. Nearly 50 percent of Larimer residents have a bachelor's degree or above.

THE GREATER SAN MARCOS ECONOMY

- The economic success of the region has supported population and labor force growth as residents continue to find employment opportunities.** Between 2014 and 2017, the unemployment rate fell by 1.2 percentage points. The unemployment rate in Greater San Marcos remained below the national average of 4.4 percent in 2017. However, at 3.2 percent, such a low unemployment rate makes competition for skilled workers in the Greater San Marcos strong. The three comparison counties also have below average unemployment rates ranging from 2.4 percent to 3.1 percent.

TOTAL JOBS, 2014-17

	2014-17			
	2014	2017	# Chg.	% Chg.
Greater San Marcos	76,407	87,166	10,759	14.1%
Caldwell County, TX	9,702	10,170	468	4.8%
Hays County, TX	66,705	76,996	10,291	15.4%
Brazos County, TX	110,019	116,433	6,414	5.8%
Larimer County, CO	163,340	180,356	17,016	10.4%
Rutherford County, TN	125,959	138,173	12,214	9.7%
Texas	12,844,344	13,544,835	700,491	5.5%
United States	153,395,318	160,946,219	7,550,901	4.9%

Source: Economic Modeling Specialists International

- Total employment in Greater San Marcos has continued to grow rapidly over the past three years. **Since 2014, total jobs in the region increased by 14.1 percent, outpacing the jobs growth in all of the comparison communities and at a rate nearly triple that of Texas and the United States.** Between 2014 and 2017, Greater San Marcos had a net gain of nearly 11,000 jobs. Much of the job growth has been concentrated in Hays County. However, Caldwell County’s employment growth has been on par with the national growth rate.
- The following table displays a high-level overview of the business sector composition in the regional economy and how it has changed over the past decade. It is sorted in descending order by total sector employment. The second column from the left displays the “location quotient” for each broad business sector as of 2017. A location quotient measures the concentration of a given sector within a local economy relative to the concentration of that same sector in the national economy. A sector with a location quotient above 1.0 is more heavily concentrated in the local economy than it is in the United States as a whole.

ECONOMIC PERFORMANCE BY MAJOR SECTOR, GREATER SAN MARCOS (2014-17)

Business Sector	2017		3-yr Chg., 2014-17				2017
	LQ	Jobs	GSM, # Chg.	GSM, % Chg.	TX, % Chg.	US, % Chg.	Avg. Wages
Government	1.26	16,644	1,446	9.5%	4.0%	1.6%	\$44,355
Retail Trade	1.48	13,226	166	1.3%	5.1%	3.1%	\$25,654
Accommodation & Food Services	1.36	10,151	1,591	18.6%	10.4%	8.4%	\$17,370
Health Care & Social Assistance	0.74	8,142	1,030	14.5%	9.5%	7.3%	\$40,712
Construction	1.67	7,974	1,809	29.3%	8.7%	10.3%	\$44,125
Manufacturing	0.76	5,181	423	8.9%	-3.8%	2.1%	\$52,953
Other Services (except Public Administration)	1.03	4,276	391	10.1%	4.5%	3.8%	\$26,213
Transportation & Warehousing	1.28	3,914	1,732	79.4%	13.4%	12.0%	\$37,102
Professional, Scientific, & Technical Services	0.64	3,562	632	21.6%	9.4%	7.1%	\$49,698
Admin./Support & Waste Mgmt/Remed. Svcs	0.62	3,384	283	9.1%	5.5%	5.5%	\$34,474
Wholesale Trade	0.63	2,073	197	10.5%	1.6%	1.3%	\$64,024
Real Estate & Rental & Leasing	1.23	1,797	495	38.0%	9.6%	7.0%	\$37,844
Educational Services	0.76	1,700	457	36.8%	10.3%	5.9%	\$32,503
Finance & Insurance	0.48	1,664	(76)	-4.4%	7.2%	4.7%	\$55,737
Arts, Entertainment, & Recreation	0.66	982	268	37.5%	13.7%	8.9%	\$20,830
Information	0.55	879	(35)	-3.8%	0.4%	3.1%	\$51,333
Agriculture, Forestry, Fishing & Hunting	0.62	654	75	12.9%	-0.9%	0.6%	\$28,666
Mining, Quarrying, & Oil & Gas Extraction	1.09	376	(204)	-35.1%	-27.7%	-25.7%	\$55,106
Management of Companies & Enterprises	0.28	341	52	17.9%	16.3%	5.7%	\$76,217
Utilities	0.63	190	(12)	-6.1%	3.0%	0.9%	\$65,981
	87,166		10,759	14.1%	5.5%	4.9%	\$37,361

Source: Economic Modeling Specialists International (EMSI)

Note Location quotients (LQs) measure the relative concentration of regional employment in a given business sector. A location quotient above 1.0 would indicate that the sector is more heavily concentrated in the region than it is nationally. Sectors with LQs greater than or equal to 1.1 are green. LQs lower than 0.9 red, and LQs between 0.9 and 1.1 are yellow

- The Greater San Marcos economy has experienced tremendous growth over the past three years. The top sector to add the most jobs over the three-year period was in construction. **Construction employment growth is being driven by greater demand for housing in addition to business relocations and expansions and other new developments.** Residential housing has been growing rapidly over the past several years, and recent relocations, expansions, and developments include:
 - **Amazon** recently built and opened an 855,000 square foot fulfillment center in South San Marcos. There are over 3,000 employees at the Amazon Fulfillment center and it is the top private sector employer in Greater San Marcos.
 - **Berry Aviation** provides airlift and aviation services for commercial, private and government entities and recently signed a 40-year land lease with the City of San Marcos. Berry Aviation broke ground on its 31,000 square-foot aviation maintenance and supply chain headquarters

expansion in April 2018. Included in the expansion is a new \$2.7 million facility with a 20,000 square-foot maintenance hangar, machine shop, testing lab, a state-of-the-art parts retrieval system, and more than 10,000 square feet of office space.

- Louisiana-based **Epic Piping** relocated to San Marcos in fiscal year 2015 and employs roughly 300 people at its 300,000 square foot facility.
- **Urban Mining Company** relocated to San Marcos from Austin in 2017 and brought roughly 100 advanced manufacturing and technology jobs. The company relocated its headquarters to a \$25 million, 100,000 square-foot facility in San Marcos.
- **Daily Electric**, a College Station-based electrical construction and service/repair contractor, recently opened a 9,100 square foot facility on six and half acres in Lockhart. The company expects to grow to 100 electrical construction employees by 2023. It's location in Greater San Marcos allows the company to serve the growth Central Texas market along SH-130 toll road.
- The city of Kyle recently broke ground on a large distribution and fulfillment center. The **Hays Logistics Center** will have over 400,000 square feet of leasable space. Also, a professional textile rental service, also acquired eight acres to build a new distribution center on the 108-acre complex. Also is expected to employ around 250 people within five years.
- **However, key higher-wage, knowledge-driven business sectors such as finance and insurance and information have not been growing in recent years.** The regional economy has a high concentration of jobs in the government sector due primarily to its many educational offerings in the community. Hays CISD and Texas State University are the two largest employers in the region and account for more than 7,500 jobs combined. Overall, **with the exception of transportation and warehousing, the economy remains highly concentrated in local-serving, non-export sectors dependent on continued population growth to thrive.**
- **Texas State University has experienced tremendous success in its efforts to attract greater R&D expenditures.** Texas State recently earned an R-2 university classification by Carnegie Foundation, acknowledging the university as a doctoral research institution with higher research activity. Between 2013 and 2016, the amount of higher education research and development expenditures increased by an impressive 46.5 percent. According to Texas State, its **total R&D expenditures reached \$60.7 million in fiscal year 2017.**²
 - **STAR (Science, Technology, and Advanced Research) Park** is dedicated to the university's research and commercialization efforts and has been a major attractor for research and development and has helped to foster entrepreneurship and innovation in the region. The 58-acre research park is dedicated to the collaboration with industry, government labs, and nonprofit research institutions.

² Blaschke, Jayme. "Texas State University enrollment reflects Texas demographics." April 23, 2018. Retrieved from: http://www.txstate.edu/news/news_releases/news_archive/2018/April-2018/Demographics042318.html

- **Compared to the benchmark communities, Greater San Marcos has a greater intensity of utility patents originating in the region.** In 2015 (the most recent year data is available), there were 37 utility patents issued per 10,000 residents in Greater San Marcos. The next closest comparison community was Larimer County, home to Colorado State, with 11.8 patents per 10,000 residents; in Brazos County, Texas there were 3.0 patents issued and 0.7 in Rutherford County, Tennessee. Nationally, there were 4.4 patents while in Texas there were 3.6.
 - Overall, there was a total of 722 patents issued in the Greater San Marcos in 2015. The number of patents originating in Greater San Marcos increased by 8.1 percent between 2010 and 2015, but there's been little change since 2013.
- Nearly one out of every ten jobs (9.6 percent) in Greater San Marcos is held by an individual considered self-employed. **The region had the highest share of self-employed workers out of all of the comparison communities.** Nationally, the share of self-employed workers was 6.4 percent in 2017.
- Greater San Marcos also had a large share of jobs at small employers. **Overall, 32.7 percent of jobs in the region are at firms with fewer than 50 employees.** Only Larimer County (39.9 percent) had a higher share of jobs with small employers. The national average was 27.6 percent.
- **The region's share of jobs at firms that are less than five years old is also high, indicating strong growth in company and job formation in the region.** In the first quarter of 2017, 15.9 percent of jobs were at firms that were less than five years old, up 1.1 percentage points from 2014. Nationally, 10.9 percent of jobs were at similarly young firms while across the state the average was 12.5 percent.

RESIDENT WELLBEING AND COMMUNITY DEVELOPMENT

- **Strong job growth and low unemployment rates have put upward pressure on wages in the San Marcos region.** This is a positive trend for workers as some of the largest job gains over the past three years have been in industries that pay above the regional average wage (\$37,361). Three out of the top five sectors to add the most net jobs since 2014 have average wages above the regional average: Government (1,446 jobs, \$44,355); Health Care & Social Assistance (1,030 jobs, \$40,712); and Construction (1,809 jobs, \$44,125).

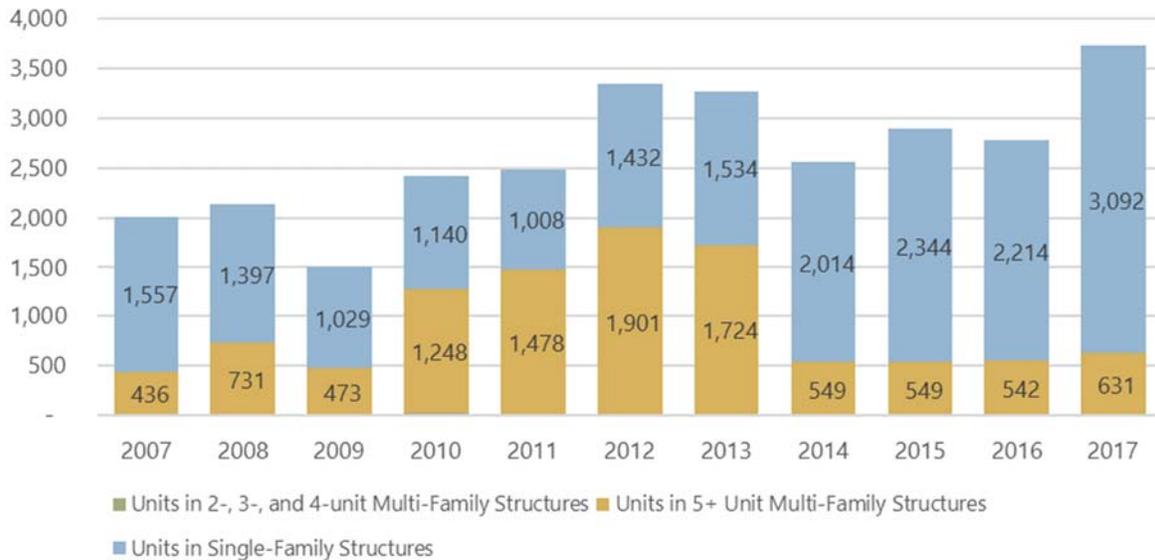
WAGES, SALARIES, & PROPRIETOR EARNINGS, 2014-17

	2014	2017	3-yr Chg.
Greater San Marcos	\$34,202	\$37,361	9.2%
Brazos County, TX	\$35,394	\$37,630	6.3%
Larimer County, CO	\$42,595	\$46,871	10.0%
Rutherford County, TN	\$42,235	\$45,804	8.5%
Texas	\$50,576	\$52,978	4.7%
United States	\$49,036	\$52,772	7.6%

Source: Economic Modeling Specialists International (EMSI)

- Overall, **average wages increased by 9.2 percent in Greater San Marcos between 2014 and 2017.** Only Larimer County experienced stronger wage growth (+10.0 percent). Nationally, wages grew by 7.6 percent, while in Texas average wages increased by 4.7 percent.
- Consequently, **individuals in Greater San Marcos have seen their standards of living increase over the past three years.** Although the per capita income in San Marcos is below all but Brazos County, it has been growing at a faster rate than all three comparison communities, Texas, and the United States. **Between 2013 and 2016, per capita income grew by 13.9 percent from \$33,055 to \$37,658.** Nationally, per capita income increased by 10.7 percent and by 6.6 percent across the state of Texas.
- **Poverty rates in the region have also declined in recent years.** Between 2013 and 2016, the total poverty rate fell by 1.2 percentage points, a faster decline than all the comparison communities. The child poverty rate also declined over the three-year period and fell by 0.8 percentage points to 15.2 percent. **In 2016, the total poverty rate was 13.1 percent in Greater San Marcos which was less than Brazos County, Texas, and the United States.** Likewise, the child poverty rate was 15.2 percent and only Larimer County and Rutherford County had rates below that of Greater San Marcos.

RESIDENTIAL BUILDING PERMITS, 2007-2017



Source: U.S. Department of Housing and Urban Development, SOCDs Building Permits Database

- Key findings of the 2014 Vision 2020 public input process were the lack of quality mid-priced and executive level single family homes, the preponderance of product constructed for the student market, the lack of mixed-use development and alternative models like townhomes and attached condominiums, and the infringement of major potential housing developments on natural environments. Data in this Implementation Assessment provide insight on these trends.
 - Between 2014 and 2017, the number of total building permits issued increased by 45.4 percent. Additionally, there has been a shift in the composition of the types of building permits being issued over the past three years. In 2017, 83 percent of total building permits were for single-family structures. In 2013, single-family structures accounted for just 47 percent of total permits.
 - While this is a positive trend for those concerned about Greater San Marcos’ single-family housing product, it should be of concern for stakeholders fearful that a lack of quality multi-family residential options will limit the region’s potential to attract and retain young professional workers.
- According to data from the National Association of Realtors, the median sales price for existing single-family homes in Hays County increased by 22.1 percent between the second quarter of 2018 and three years prior. In Caldwell County, prices increased by 10.9 percent. Nationally, prices grew by 18.5 percent while across the state they increased by 17.6 percent. In comparison, prices in Travis County grew by 23.5 percent over the same time period.
 - In 2018 Q2, the median sales price for existing single-family homes in Hays County was \$263,650 while it was \$150,820 in Caldwell County. The median price in Travis County –

the top source for new residents to Greater San Marcos – was \$361,390. Nationally, the median sales price was \$264,040.

KEY TAKEAWAYS

The following represent important findings from the Implementation Assessment's quantitative analysis. As noted previously, these should not be connected directly to Vision 2020 implementation, but rather the continuation or proliferation of economic and demographic trends in Greater San Marcos since the Vision 2020 process in 2014/15.

- Population growth trends are positive and show that Greater San Marcos has had significant success attracting and retaining talent and growing its workforce in recent years. Both the share of the population with a bachelor's degree or higher and local high school graduation rates have increased over the past three years. As the region's labor force and working age population expands, ensuring that the region has a sufficient supply of workforce housing to accommodate new residents is critical to sustaining quality growth and development.
- Wages and per capita income have been growing at a faster pace than Texas and the United States, in addition to the majority of the benchmark communities. However, average wages in the region remain relatively low and are nearly 30 percent less than the state's average wage. It is important that Greater San Marcos continues to focus on growing quality employment opportunities at various skill levels in order to help build local wealth and improve residents' standards of living.
- Texas State University has seen success in its efforts to grow its research capacity and enhance the region's innovation ecosystem. Greater San Marcos must leverage these efforts and continue to foster entrepreneurship and innovation by supporting the university's research priorities, partnering to attract investment at STAR Park, and advancing the City of San Marcos' proposed Innovation District.
- Similar to findings in the 2014 Vision 2020 Competitive Assessment, Greater San Marcos' economic growth has benefitted significantly from expansion in employment sectors tied to the region's tremendous population increases – specifically construction, retail, and housing-dependent financial services. As population growth inevitably slows, the region must redouble efforts to supplement these lower-paying sectors with high-value employment in healthcare, information technology, and manufacturing. Data show that this is already occurring to some degree as Greater San Marcos' economy matures and export sectors such as healthcare and manufacturing exhibit positive growth trends.

Implementation Activities

After the approval of the Vision 2020 plan by the project's Steering Committee in 2015, the group then then vetted and confirmed the process for strategic implementation. These guidelines included prescriptions for staffing, funding, and governing Vision 2020 activities. The Greater San Marcos partnership successfully developed resources that enabled them to enhance its staffing and programmatic capacity to implement the plan.

The Partnership also pursued another recommendation from the Vision 2020 implementation report: the creation of volunteer work groups to oversee and inform implementation of specific Vision 2020 activities. Partnership leaders embarked on a truly ambitious work group framework, with 11 teams empaneled to direct implementation of Vision 2020's priority goals and objectives. A number of groups began meeting in 2016. However, because of the logistical challenges inherent in building a structure of this type as well as unexpected delays caused by personnel transitions at the Partnership, the Implementation Work Groups (IWPs) were not fully deployed until 2017.

Through hundreds of hours spent by staff and volunteers to implement Vision 2020, Greater San Marcos has made real, measurable, and impactful progress. However, challenges posed by the breadth and complexity of managing such an ambitious implementation effort have also created opportunities to adjust and evolve the Greater San Marcos Partnership's implementation framework to enhance coordination, collaboration, administration, and focus of the organizations and individuals enlisted to support advancement of the region's strategic vision.

METHODOLOGY

The following sections take a look at Vision 2020 implementation progress by leveraging activity measures provided by the GSMP, input from stakeholder interviews and focus groups, community news, and other sources. Perspectives on continuing challenges and opportunities to successful implementation are referenced throughout.

Market Street has structured the assessment of Vision 2020 implementation based on the plan's Strategic Catalysts and underlying key initiatives. Implementation activities are comprehensively detailed for each Catalyst and key initiative. After the full breadth of implementation activity has been profiled, **we will present higher-level analysis of important programmatic and operational themes that have emerged from qualitative feedback.**

Vision 2020 implementation efforts were based on the **five Strategic Catalysts** developed in the 2015 strategic plan. These included:

- 1.0 Define and Promote the Greater San Marcos Value Proposition
- 2.0 Support Quality Growth in Export-oriented Target Sectors
- 3.0 Optimize the Local Talent Base

4.0 Accommodate and Manage Quality Growth

5.0 Create Destination Appeal

The five Catalysts were then distilled into **12 key initiatives** comprising first-year implementation priorities. Key initiatives will be listed in the following pages, grouped with their Strategic Catalyst.

CATALYST 1.0 DEFINE AND PROMOTE THE GREATER SAN MARCOS VALUE PROPOSITION

Vision 2020 concluded that Greater San Marcos must determine what it has to “sell” to internal and external stakeholders and how to best communicate these advantages. The region’s “value proposition” – in other words, what differentiates Greater San Marcos in the marketplace – must be better defined, both among local stakeholders and external audiences. It was determined that a process was needed to create visual and messaging platforms to inform a positive and impactful narrative on the benefits for companies and talent of locating in Hays and Caldwell counties.

There were **two key initiatives** under this catalyst:

- *Work collaboratively to define a regional narrative for Greater San Marcos*
- *Develop a brand and messaging platform for Greater San Marcos and utilize the campaign to promote the region to influential constituencies and markets*

Results and Perspectives

- As a direct outcome of Vision 2020 and the identified need to define a regional narrative and develop brand and messaging platform for Greater San Marcos, GSMP developed and launched a **new website** in 2017 to help communicate the region’s story. In addition to a revamped website, GSMP rebranded under a **new logo**. The Partnership has a marketing strategy it uses to develop its program of work each year.
- Similarly, in support of promoting the Greater San Marcos Value Proposition, GSMP has made progress in driving **social media and online engagement**.
 - The number of Facebook likes for the Greater San Marcos Partnership’s page increased from 807 in February 2015 to over 2,000 by August 2018. Likewise, the number of twitter followers increased from 350 to 1,375, and the number of LinkedIn connections increased from 350 to 410 over the same time period.
- GSMP **contracted with a national PR firm**, DCI, to help foster national media contacts while maintaining local relationships. Additionally, they launched a **national public relations campaign** that garnered more than \$581,000 in advertising equivalency. Greater San Marcos was featured by CNBC, Bloomberg Technology, and Thrillist during the 2017 Fiscal Year. There was a total of 24 media results with more than 164 million impressions.

- Input participants noted that Vision 2020 has helped to strengthen regional partnerships to market the community more effectively. Several stakeholders pointed to the April 2018 Economist article on Hays County, "High prices in America's cities are reviving the suburbs," as a direct example of a positive outcome of the Vision 2020 process. The article took multiple regional partners working together and leveraged GSMP's marketing resources to maximize the article's impact.
- However, there was some concern among stakeholders that marketing was not always "on the same page" in terms of messaging and information sharing.
- Additionally, stakeholders reported that it would be beneficial to have a closer relationship between DCI and volunteers and partners working to advance the region's internal and external messaging. They feel DCI could be more effectively provided with compelling regional narratives.
- A **Destination Appeal Implementation Work Group** was formed with the mission of educating others about the Greater San Marcos region. The group identified goals and completed a gap analysis which led to the creation of sub-groups with targeted focuses such as housing, health care, arts and culture, retail, beautification, and community pride, among others. Target audiences were also identified including prospects, site selectors, potential employers and employees, and recruiters.
- GSMP is currently working with the Austin Chamber, Texas State University, and Cap City Innovation (a non-profit coordinating Austin's Innovation District) on messaging and branding for the super-regional **Innovation Corridor**.

CATALYST 2.0: SUPPORT QUALITY GROWTH IN EXPORT-ORIENTED TARGET SECTORS

Vision 2020 research found that, while there were certain burgeoning concentrations of employment in export-oriented sectors, to a large degree the San Marcos metro economy was anchored by local-serving employment driven by population growth. This was identified as a challenge if local wealth is to be increased and better jobs created for existing and future residents, especially graduates of Texas State University and other regional higher education institutions.

There were **six key initiatives** under this catalyst:

- *Take existing business retention and expansion (BRE) efforts to the next level*
- *Develop an effective suite of multi-media marketing tools*
- *Develop a Greater San Marcos entrepreneurship initiative*
- *Support resource-development and expansion of STAR (Science, Technology, and Advanced Research) Park*

- *Help Texas State secure funding for the construction and programming of its proposed Engineering and Science Building*
- *Maximize the economic impact of the San Marcos Regional Airport*

Results and Perspectives

- Since the launch of Vision 2020, GSMP has facilitated a number of **corporate relocations** spanning multiple target sectors, including Amazon's San Marcos Fulfillment Center, Best Buy's first and only Texas e-commerce sales operation center, Urban Mining Company, Fashion Glass & Mirror, and Triple Freeport. A notable **expansion project** was Dailey Electric in Lockhart.
 - Aerospace target sector successes included relocations of Berry Aviation and Coast Flight Training.
 - Materials Science has been bolstered by Texas State's Materials Science, Engineering and Commercialization (MSEC) program. The program has helped to attract significant federal research funding and produced new commercial products for civilian, commercial, and defense applications.
 - The Information Technology target will be supported by the recent launch of Texas State's new applied computer science Ph.D. program. The program will be the first of its kind in Texas to combine the application of computer science practice and theory with entrepreneurial and commercialization skills. The program will help to support the region's ability to attract and retain computer science talent and expand the areas of research conducted at STAR Park as well.
 - In 2017, GSMP reported 175 existing business interactions, 11 entrepreneurial events, six recruitment trips, 11 relocations/expansions, and 662 jobs announced.
- The Sites and Real Estate Implementation Work Group helped create **fact sheets** for individual development sites and properties throughout the region to use in RFP responses and to help market the region's development product. Additionally, they worked with partner organizations and volunteers to create standardized maps and information such as utilities, property ID and descriptions. GSMP new website includes a real estate section with a sites and building database.
- The Partnership regularly engages in **relationship-building** in the Austin-San Antonio corridor. This includes the participation, sponsorships, and other opportunities with organizations and events such as Austin-San Antonio Growth Summit, Hosting Central Texas Mayor's meeting, AARO, Austin Chamber, and the Austin Area Research Organization (AARO).
- GSMP recently acquired the Synchronist customer resource management (CRM) software to help manage its **business retention and expansion** efforts and is currently inputting data into the system for reports and developing a new schedule for visits. Synchronist was specifically developed for use by economic development organizations (EDOs).

- Work Group volunteers have made suggestions for how to improve the Synchronist survey instrument and make business calls more conversational. Input respondents would also like to see a higher degree of BRE collaboration between local and regional economic developers.
- In August 2018, GSMP launched a new **economic gardening program**, the Greater San Marcos Economic Gardening Initiative (EDI). The new program is designed to support second stage companies that have moved beyond startup but haven't yet reached maturity. The initiative assists in the following four areas: strategic market research, geographic information services, search engine optimization, and social media marketing. It is administered by the Edward Lowe Foundation as a service to local economic development organizations.
- While an **Entrepreneur Ecosystem Group** has been formed, a gap analysis to identify existing and proposed programs and initiatives, along with other sub actions to develop a Greater San Marcos entrepreneurship initiative are still in the works.
- **Texas State University** has helped Greater San Marcos make headway in its efforts to develop and promote an innovation-based economy. Following on the heels of Texas State University's 2012 reclassification as an Emerging Research University by the Texas Higher Education Coordination Board, in 2016 the university was designated as a **Doctoral University with Higher Research Activity** by the Carnegie Foundation, the second-highest designation for research institutions.
 - In 2013, Texas State and the Greater San Marcos Partnership began hosting the **Innovation Summit**. In 2018, the university sponsored **Innovation Week** as part of its university-wide, year-long Common Experience theme of innovation at Texas State. Innovation Week allows the university to showcase to students and stakeholders the many indicatives, research projects and programs of the university and its partners.
 - Activity continues at Texas State's **STAR Park** to expedite research and commercial development. With the May 2018 addition of Ion Indicators, the Park's 36,000 square foot technology business incubator reached full capacity. University officials are in the discussion stages to develop a second applied research facility on the STAR Park campus.
 - Citing Texas State's materials science program as a key asset, **Urban Mining Company** selected San Marcos as the location for its new, state-of-the-art rare earth magnet manufacturing facility and headquarters. The move added more than 100 advanced manufacturing and technology jobs in Greater San Marcos.
 - Accomplishing one of Vision 2020's key initiatives, Texas State successfully secured funding for **Bruce and Gloria Ingram Hall** (the Engineering and Science Building). The 167,000 square foot, \$120 million building began construction in August 2016 and opened in 2018. The facility includes a campus-accessible Maker Space with multiple thematic zones, customized space for Engineering Senior Design activities, a Collaborative Learning Center and STEM scholarship facilities, and an extension of the SMART Lab where students are directly involved in research pertaining to renewable energy.

- The U.S. Army recently announced Austin as the home of the new **Army Future Command Center** headquarters. Texas State University was part of the higher education community that contributed to the city of Austin's proposal to recruit the facility to the Innovation Corridor. The command is expected to assess the future operational environment, emerging threats, and new technologies in order to develop and deliver concepts, requirements, future force designs, and modern materiel solutions to meet wartime needs.
 - Among the potential benefits for Greater San Marcos are opportunities to incubate companies at STAR Park seeking proximity to the Command Center.
- There have been a number of improvements made to the **San Marcos Regional Airport** with additional projects planned, including a new hangar for the north side. These projects were primarily funded by grants from TxDOT, FAA, City of San Marcos, and Caldwell County and include airport improvements to the pavement and lighting at the facility, new airfield striping and signage, an electric loop, infrastructure surrounding the airport, and better access to the airport.
 - A **regional airport master plan update** is currently underway looking at long-term airport use, facility improvement and/or expansion based on forecasted aviation demand, and funding needs over the next ten years.
 - There have also been a number of **new companies and expansion projects** at the San Marcos Regional Airport. Berry Aviation recently announced the signing of a 40-year land lease and broke ground on a new 31,000+ square foot facility for a total of approximately \$3.2 million investment. Coast Flight Training began operating in January 2017 and provides flight training. Its San Marcos location maintains approximately 40 aircraft in its fleet.
 - New opportunities at the airport a **customs facility**. Despite the destination appeal of San Marcos' outlet malls for international shoppers, the region does not have a customs facility to accommodate visitors flying in and out on their private planes.
 - Infrastructure upgrades would make the airport more competitive for relocations and new activity. For example, ramps need updating, fire prevention is needed, utilities must be expanded, and the airport lacks a sufficient supply of corporate hangars. While the airport has been successful at securing FAA grants and funding from local governments beyond annual operating costs, acquiring resources to maximize the airport's potential is still a challenge.
 - A highest-and-best use analysis of developable property at and adjacent to the airport and an assessment of current land-use guidelines and availability of site-based incentives to gauge applicability to priority development scenarios are still in the pipeline of action items to complete.

CATALYST 3.0: OPTIMIZE THE LOCAL TALENT BASE

Vision 2020 found that, compared to the state of Texas and the nation, Greater San Marcos has competitive workforce dynamics. But seen in the context of Central Texas, the San Marcos region must upgrade its complement of adults with college degrees at all levels to get on the radar of top knowledge businesses in the Austin-San Antonio corridor and beyond. Concerning trends were apparent when comparing educational attainment and skills-levels of Hays and Caldwell County adults. Significant demographic differences also existed within the western and eastern portions of Hays County itself. The Vision 2020 process also proposed that the San Marcos area boost performance in its pre-K to 12 systems, raise the degree-attainment levels of working-age adults, and better align education and training with regional job creation to more effectively compete for knowledge-intensive industries.

There was **one key initiative** under this catalyst:

- *Create a partnership to better align and coordinate education and training in Greater San Marcos.*

Results and Perspectives

- The creation of a partnership to better align and coordinate education and training in Greater San Marcos was identified as a key Initiative for the first year of implementation of Vision 2020. Although Workforce Development and K-12 Implementation Work Groups have been active since their formation in 2016, stakeholders report that “cradle-to-career” alignment would benefit from more formal coordination between education and training entities and local employers. This mandate is now a key goal of the two IWGs.
 - The **K-12 Implementation Work Group** has been one of the most active Vision 2020 volunteer panels. The group has met regularly and reported strong collaboration and information sharing among partners. Key efforts have sought to improve the perception of the San Marcos Independent School District and better connect all districts with area employers. Volunteers reported that “having the right people at the table” has helped drive their efforts.
 - The **Higher Education and Workforce IWG** has recently recommitted to goals of preparing students for post-baccalaureate and graduation from higher education. Retraining is another important focus. Volunteers are preparing to survey regional employers to determine workforce skills gaps and develop strategies to address them.
- In order to improve community perceptions of public school districts and build connections between businesses and education and workforce entities, Vision 2020 volunteers worked with GSMP staff to program and host an **Education Summit** in April 2018. Programming included a panel discussion with superintendents and materials promoting K-12 assets. The well attended event had strong participation from across the region and was spoken of highly by stakeholders. Some even consider it the top success to emerge from the Vision 2020 process.
 - With, another Education Summit planned for 2019, volunteers hope to make this an annual event with even greater participation from San Marcos area businesses.

- Stakeholders report that **poor perceptions** of the local CISDs – San Marcos in particular – continue to be a challenge. Overcoming misperceptions and focusing on telling the story of the districts as assets, not liabilities is still seen as a priority for the region.
 - **Tours of schools** throughout the region were given to realtors and business leaders in March 2018 and in 2017 in an effort to combat negative perceptions. Tour participants spoke highly of their experience and volunteers reported that the tours were successful in helping to educate the community about the reality of the schools in the region.
 - Stakeholders and volunteers suggested collaborating with the Marketing and PR Implementation Work Group to help further combat these misperceptions.
- Since Vision 2020 launch, **Austin Community College (ACC)** has launched several new programs benefitting Greater San Marcos. Accomplishments include:
 - A \$1.7 million Skills Development Fund grant was received from the Texas Workforce Commission to provide specialized job training for EPIC Piping, Inc. ACC's Continuing Education Division provided training programs to 554 employees with focused instruction on fabrication, pipefitting, welding, tacking, and industrial painting.
 - A new outreach program was developed focused on connecting with nontraditional populations. ACC teaches at more than three dozen locations which helps students that may face transportation barriers that limit their educational opportunities.
 - ACC has developed programs in HVAC, plumbing, and welding. Additionally, there are plans for a Continuing Education Commercial Vehicle Operator Training Program in Greater San Marcos with hope of it being located near Gary Jobs Corp.
 - The ACC Hays campus opened in 2014; Phase 2 of the campus plan recently had its grand opening in the fall 2018. Phase 2 was funded by a 2014 Bond Program which included the construction of a regional first-responders center that will prepare students jobs in law enforcement and emergency medical services. The new facility includes a 19-acre Emergency Vehicle Operations course, a gun range, and buildings set aside for classes and emergency operations.
 - Stakeholders reported that they would like to see greater collaboration between the Greater San Marcos CISDs and ACC such as dual credit programs. However, there are concerns regarding the affordability and accessibility of ACC classes for students that live in cities that are out-of-district. A number of input respondents suggested a new referendum to place the San Marcos CISD in ACC's funding district be held.
- **Gary Jobs Corp** is the largest U.S. Department of Labor Job Corps facility in the United States which provides vocational training for youth from across the country. Gary Job Corps Center has several work-based learning programs that align with the region's target-sector priorities including in

advanced manufacturing, finance and business, and transportation, among others, and is an important component to Greater San Marcos' training capacity and talent pipeline.

- As mentioned previously, Texas State has experienced tremendous success in recent years and the positive impact on the community cannot be overstated. Texas State has also had record enrollment numbers in the past several years. The University counted nearly 39,000 students in the fall 2018 semester.
- Working with regional partners, **externships** opportunities were provided for teachers in Greater San Marcos. Local employers throughout the community participated and teachers were asked to them incorporate what they learned into a lesson plan.
- While **internships** are supported by the San Marcos Chamber and organizations such the San Marcos Manufacturer's Association (SMMA), the lack of a central database for internships continues to be a challenge. Hays CISD recently hired an internship coordinator, which is a positive development. But overall, stakeholders reported that more regional collaboration and better coordination for internships with the area's business community and higher education institutions such as Texas State and ACC is needed and would aid in the region's talent retention and attraction efforts.
- An early "win" for Vision 2020 was the creation of a Greater San Marcos Young Professionals network. **San Marcos Young Professionals**, an organization for up and coming professionals between the ages of 21 and 40 in the San Marcos region, launched in 2015 by the San Marcos Chamber. The organization provides opportunities to develop professionally through networking, education, community involvement and economic development.

CATALYST 4.0: ACCOMMODATE AND MANAGE QUALITY GROWTH

Data supports residents' perceptions: Hays and Caldwell counties, taken together, are growing faster than nearly every region in the country, while San Marcos specifically has been designated the fastest growing city in the country with over 50,000 residents several times in recent years. Concerns about transportation capacity and traffic congestion, natural resource protection, water capacity and sustainability, utility and wastewater infrastructure, and provision of quality public services are common in conversations across the region. Addressing growth issues requires a two-pronged approach: development of capacity to support and accommodate growth and also creation of policies and safeguards to ensure that Greater San Marcos' growth is sustainable and equitable.

There were **two key initiatives** under this catalyst:

- *Effectively inform and support regional transportation planning*
- *Provide appropriate assistance to optimize development controls, regulations, and permit issuance as a competitive advantage in Greater San Marcos*

Results and Perspectives

- Work assessing the region's **infrastructure** has recently been completed. GSMP looked at the entire region to understand what specific issues and needs exist in each corner of the two counties, while the Infrastructure Work Group spent time going through all utilities and other infrastructure to understand what is going on from a development standpoint.
 - Additionally, guest speakers from water, gas, electrical, and roadways came to talk to the work group to get a better understanding of the region's infrastructure.
 - Other work is currently being done on an overlay map in order to inform future plans on top of existing infrastructure and to see where the plans are aligning with needs and, more importantly, where they are not aligning.
- The region has invested significantly in its **transportation system**. Hays County has spent more than \$500 million on roadway improvements since 2007. This includes FM 110, jointly approved and funded by Hays, the City of San Marcos, Caldwell County, and the Texas Department of Transportation. This loop running east of Interstate 35 was designed to help alleviate congestion on the "NAFTA Highway" and promote development. In May 2018, CAMPO selected the FM 110 project for \$30 million in construction funding. Construction is estimated to begin in Spring 2019.
 - In 2016, voters in Hays County passed Proposition 2, a \$131.4 million bond to fund long-term transportation work such as adding shoulders and widening lanes in addition to improving drainage, low-water crossings, bike-pedestrian improvements and environmental mitigation and conservation projects. The passing of the bond helped to ensure that the city will not have to increase the current tax rate.
 - In 2018, the City of San Marcos updated its Transportation Master Plan which will help to enhance transportation safety, minimize congestion, preserve local character, and protect the rivers and San Marcos environment.
- Other infrastructure improvements include a new **pipeline project**. Once completed, the project will double the pipeline's original expected output and bring an additional 26 million gallons of water per day to Kyle, Buda, San Marcos, and other cities along the Interstate 35 corridor by 2023. The Guadalupe-Blanco River Authority and Alliance Regional Water Authority partnered on the \$325 million project, which will help to secure a long-term water supply for the region.
 - The City of San Marcos recently adopted a new **stormwater management plan** concurrent with City Council approval of a 15 percent drainage utility rate increase. The increase will help to pay for \$66.1 million in drainage improvement projects over the next five years. The city received millions of federal disaster recovery funds to repair some of the damage done during the two 2015 floods.
- The City of San Marcos recently passed **CODE SMTX**, a new land development code. The new rules and regulations look to ensure that new development in the city will fit with the community's vision

for future growth by preserving existing neighborhood's character and that new growth and development patterns align with residents' desires.

- Despite CODE-SMTX's passage, stakeholders would like to see it adhered to. One noted, "It's one thing to have the development controls and another thing to follow it." The individual cited the Lindsey Hill project as an example. The development, aimed at providing housing options for young professionals, has been described as an uphill battle fueled by an anti-growth sentiment.
- Some stakeholders are also concerned that the business climate in the City of San Marcos overall is anti-competitive, with challenges to receive permits in a timely manner and other issues risking that new development will bypass the city for other areas, exacerbating San Marcos' housing issues.
- CAMPO (Capital Area Metropolitan Planning Organization) completed the **2045 Regional Active Transportation Plan** in October 2017. The Lone Star Rail, a sub-action of the 2015 Vision 2020 strategy, was removed from CAMPO's long-range transportation plan at the end of 2016. It was conceded that the proposed commuter rail from San Antonio to Georgetown might someday make sense, but it did not justify further study at this time.
- Over the past few years, Hays County, Dripping Springs, San Marcos and Wimberley independent school districts each sought **bonds** to fund new facilities and upgrades for student programs. Residents overwhelmingly supported and approved the school bond packages. Although these bonds are more closely tied to the talent pipeline, they are important components to the community's growth-supportive infrastructure.

CATALYST 5.0: CREATE DESTINATION APPEAL

The Vision 2020 public input was clear: Greater San Marcos residents wanted more and better housing choices, dining and entertainment variety, arts and cultural amenities, recreation opportunities, downtown and activity center dynamism, and other trappings of a destination community. These sentiments continue to be expressed by residents and stakeholders today. Proactive steps can be taken to advance development timelines and stimulate destination-amenity projects while still protecting the region's sensitive natural areas and amenities.

There was **one key initiative** under this catalyst:

- *Consistently maintain and promote information supporting development opportunities in the Greater San Marcos housing market*

Results and Perspectives

- Most of the destination amenity projects completed since Vision 2020 have been related to activity centers, retail-development goals and strategies, and advancing efforts to stimulate dynamism and development in downtowns throughout Greater San Marcos.

- There have been a number of new efforts to optimize the **downtowns** in Greater San Marcos. The City of San Marcos is currently completing a downtown master plan that will be finished later this year. They are working on consistent aesthetics and design standards with a focal point on the river. A new gateways initiative will also help to beautify the downtown area.
- The **Plum Creek** development in Kyle is the city's largest master planned community. It is spread across 2,200 acres and is a live-work-play, mixed-use development. It recently completed its 1,600th apartment.
- San Marcos **Main Street Program** recently received a number of awards and grants for their efforts in beautifying and improving the downtown. Downtown San Marcos was also selected as a "Great Neighborhood" for the 2018 Great Places in Texas program by the Texas Chamber of the American Planning.
- The San Marcos Main Street program and Texas Historical Commission partnered together to create and launch an online database on property inventory. The website, **DowntownTX.org**, allows users to search and access information on properties in downtown to either build or lease. It also provides information on investment incentives and the downtown area.
- According to the city, Downtown San Marcos has seen more than \$50 million in private reinvestment in the downtown area since 2012. The City has also invested in infrastructure to make the area more pedestrian friendly such as the \$11 million reconstruction of two downtown roadways in 2015.
- The City of San Marcos will attempt to eliminate free all-day parking in its downtown to alleviate the usage of these spaces by students and workers, which takes needed parking supply out of the system for shoppers and other downtown visitors.
- **Workforce housing** continues to be a key issue and topic of concern among regional stakeholders. Despite growth in housing construction, they report that there is not enough inventory due to population growth and increased demand. As a result, prices are steadily rising and houses are selling fast. There is concern that the region is not meeting the demand for new multifamily housing options for non-students such as empty nesters, young professions, and other residents looking for options outside of single-family homes. Stakeholders are concerned that anti-growth sentiments will hinder development activity and stifle construction of new quality, affordable, and diverse housing.
 - Input participants said that growth in single-family homes is also not keeping up with demand. There have been new real estate developments such as Sunfield and Shadow Creek in Buda and throughout Greater San Marcos that have helped to boost inventory in recent years. However, experts from the local real estate industry report that the region only has two or three months of inventory even though a six-month supply is typically viewed as a healthy, balanced real estate market.

- As of March 2018, the San Marcos Convention and Visitors Bureau reported that the city had added 600 **hotel rooms** over the past three years including the Holiday Inn Express, Homewood Suites, and Studio 6. Additionally, Residence Inn recently broke ground.
- There have been a number of **retail studies** completed in support of local partners' retail-development goals and strategies, including in the cities of Kyle, Lockhart, San Marcos, and Dripping Springs. A strategy was also developed to advance the Yarrington Road and I-35 intersection in Kyle and Hays counties.
 - The City of San Marcos and the Greater San Marcos Partnership (GSMP) teamed up with Retail Coach, a national retail consulting and research firm, to help downtown and local businesses optimize strategies to attract their ideal customer base. In August 2018, GSMP hosted an information session on the downtown shopper study to help support local businesses.
- The **San Marcos Community Partnership Committee** recently hosted its first meeting in August 2018. The Community Partnership was adopted by the San Marcos City Council as a strategic initiative to focus on city priorities.
 - The Committee assembled a **Workforce Housing Task Force** with plans to monitor future development to ensure a variety of housing types. Goals also include housing programs that use both local and federal funding sources to build new product. The Task Force held its first meeting in September 2018 with recommendations expected to be presented to the City Council by fall 2019.
- The City of San Marcos and Texas State University launched a joint VeoRide **bike-share program** for residents and students in September 2018. The company will initially provide 180 bikes on the Texas State campus and another in select areas throughout the city.

Key Issues and Shared Challenges

The previous sections summarized the Vision 2020 implementation progress and status through the lens of quantitative data and activities in each of the five key Strategic Catalysts. This final section synthesizes the information from the first two sections into an overview of the principal themes emerging from the Implementation Assessment and how they can inform the evolution of the Vision 2020 process in the second half of its five-year implementation cycle. Rather than looking catalyst by catalyst, we will explore the higher-level issues and challenges facing Greater San Marcos as it continues to deal with record-breaking growth and optimize the implementation of its vision plan.

STRATEGIC DIRECTION AND FOCUS

Given the breadth and scope of the Vision 2020 strategy, it is not surprising that there have been challenges that have arisen since the launch of implementation. Several implementation work groups expressed concern that they were taxed with overseeing multiple activities but were not provided with sufficient and actionable “work plans” for how to move forward with their tasks. They felt too much was put on their plates as volunteers and would like to see greater focus and structure related to their roles and clearer expectations of their outputs. Others expressed concern that the scope for several work groups had been too broad and hard to manage with outsized expectations placed on volunteers to coordinate meeting agendas, flow, and follow-up.

It should be noted that these issues were not universal among the 11 IWGs. But with so many work groups created, the potential for confusion between these committees and their roles is increased. Because of the stated overlap between many of the IWGs, volunteers suggested that the Vision 2020 implementation framework be reexamined to identify potential opportunities to combine or synthesize work groups. Though there could still be sub-committees of the IWGs, volunteers felt that unifying multiple categories under broader areas of emphasis would improve their focus and reduce redundancies.

Overall, volunteers are eager to produce something tangible and want to be valuable when it comes to helping advance implementation efforts. Nearly all work group participants Market Street spoke with in interviews and focus groups expressed the desire to continue their service, albeit with more specific direction and actionable focus underpinning their participation.

STAFFING CAPACITY

A strategy as ambitious and far-reaching as Vision 2020 requires a level of staff support and coordination that has been difficult to accommodate given the rigors of advancing regional economic development programs and allowing for staff transitions that can affect any organization. Departure of senior staff in workforce/existing business and marketing created unavoidable delays as new staff were vetted, hired, and got up to speed on Vision 2020 and its components. As a result, many of the work groups were put “on hold” during these transition periods. Other work groups continued to move forward but experienced “volunteer fatigue” as work group chairs and participants were forced to manage most aspects of their group’s activities.

This situation also led to some frustration as discussion in meetings was not followed up by action because staff capacity did not exist to move priorities forward.

The result of these transitions is that multiple work groups “restarted” in 2017-18 as GSMP’s staff capacity ramped up and personnel were able to assume oversight and management of the IWGs. Group chairs and participants are pleased with the support they have received from new staff and are optimistic that efforts are moving forward with positive trajectory. They would like to see IWG management assigned solely to senior staff given the challenges of managing these important leaders and interacting with public and private partners across Greater San Marcos and the Innovation Corridor.

The general consensus among work group leaders was that the GSMP does not need to create a stand-alone implementation coordinator position to oversee all aspects of Vision 2020 implementation. Most felt that these administrative, communication, coordination, and reporting functions could be accommodated by dividing up these responsibilities among current staff. This is especially true of the number of IWGs is reduced and their focus tightened.

COORDINATION AND COMMUNICATION

A strategy as comprehensive and multi-dimensional as Vision 2020 naturally features many inter-related programmatic components, issues that span multiple competitive categories, and volunteers and partner organizations working on more than one Strategic Catalyst – and corresponding work group – at a time. With 11 IWGs created to shepherd Vision 2020 forward, the risk that multiple groups will be working on activities that either impact or overlap with another group is elevated. Indeed, volunteers were concerned that their work group’s efforts were potentially replicating the activity of one or more other committees. Because there was no formalized communication system between work groups nor a central hub for volunteers to see meeting minutes or progress reports from other IWGs, some participants in Vision 2020 implementation became frustrated over an “information vacuum” that made them question the value of their time commitments. As an example, concerns were expressed about potential duplication of efforts between the Destination Appeal and Marketing and PR work groups, K-12 and Higher Education and Workforce work groups, and the Sites and Infrastructure work groups.

Ensuring that communications and volunteer management efforts reflect the interconnectivity of work groups will be important to improving implementation efforts for Vision 2020. Likewise, **clear and organized lines of communication will foster greater clarity of purpose among volunteers, staff, and implementation partners.** Multiple volunteers said they would like to better understand the “big picture” of Vision 2020 and how all implementation activities are aligned to achieve desired goals. To that point, participants recommended that consistent reporting of performance metrics and implementation activities would be important for tracking implementation progress. This would also help communicate return-on-investment in Vision 2020 to public and private funders of the plan.

LEVERAGING PARTNERS

The scope and breadth of the Vision 2020 Strategy is reflective of regional issues and opportunities and depends on the expertise, resources, and organizational capacity of strong partners in the community to advance effectively. Volunteers report that the first years of implementation have helped foster stronger relationships between organizations in the region, many of which had not previously crossed paths or interacted. This in and of itself is a very positive outcome of Vision 2020. However, implementation participants said that more could be done to incorporate additional actors into both work group membership and programmatic activity and oversight.

Volunteers suggested that more of the “right people” need to be at the table to provide strategic direction and cohesiveness. Recommendations were made to periodically review work group rosters and participation levels to ensure that all necessary partners are engaged. Similarly, implementation leaders would like to see consistent assessment of lead and support entities for specific Vision 2020 programmatic implementation to optimize the network of public and private organizations working to activate and sustain strategic efforts. This would also increase the likelihood that staff responsibilities of GSMP and partner entities are not over-extended and that fiscal resources are utilized effectively.

CONCLUSION

As profiled throughout the report, Greater San Marcos has made strong strides in implementing the Vision 2020 Strategy. The region has successfully won several key projects such as Amazon and Best Buy which brought new jobs and investment to the community, and it has marketed the region competitively through a number of national media placements. The region has improved the local talent base by successfully attracting and retaining skilled workers and helping to connect and align workforce needs of existing and potential employers with education and training providers. At the same time, it has made significant progress in creating a more innovative environment by leveraging Texas State University and other partners and through advancements in areas such as material sciences. However, input from volunteers and other stakeholders highlighted key challenges that have affected implementation efforts.

Key Takeaways

The following represent notable findings from the Vision 2020 Mid-course Assessment process:

- There has been much activity since Vision 2020's launch in all five Strategic Catalysts.
- Successes have improved perceptions of economic development among key public sector leaders.
- The five Vision 2020 strategic catalysts remain valid.
- With minor adjustments, the Key Initiatives also continue to reflect regional priorities.
- But concerns remain that opposition to new growth among certain constituencies will adversely affect development of projects contributing to housing choice and destination appeal, support for attraction of new employers, and resourcing of growth-supportive infrastructure.
- The Greater San Marcos Partnership has increased its capacity to support Vision 2020 implementation and its coordination, but challenges remain to effectively manage such an ambitious plan and volunteer network.
- Effective strategic implementation will continue to require strong public-private partnerships and coordination between local and regional organizations and practitioners.

Strategic Considerations

This Implementation Assessment provides a summary of Vision 2020 activities and volunteer perspectives so implementation can be recalibrated for the final two-plus years of the strategy's initial timeframe. While the project scope did not include specific recommendations for adjustment of Vision 2020 tactics, **the following strategic considerations are provided based on activities that have been initiated or suggested by regional partner organizations and leaders who participated in public input for the Assessment process.** Market

Street recommends that the Greater San Marcos Partnership and its public and private partners serving on Implementation Work Groups and in other functions come together and strategize for the final years of Vision 2020 to ensure that tactical action plans reflect consensus projections of regional priorities.

Strategic considerations emerging from the Mid-course Assessment Process include:

Marketing and business attraction

- Greater San Marcos has a terrific story to tell; the region must ensure that this message gets out.
- Contracted public relations must be effectively managed and the firm's staff provided with compelling narratives.
- Marketing messaging must be consistent across organizations and geographies.
- Sufficient capacity of speculative buildings for office, logistics is necessary for growth.
- There is momentum behind the Texas Innovation Corridor branding.

International business

- There is an opportunity to engage consular generals.
- Confirmation must be made of high value export markets and outreach strategies developed to capitalize on them.
- Provision of a "soft-landing" space for international firms would provide benefit.
- Efforts should pursue foreign-exchange partnerships and seek to attract foreign-direct investment (FDI).

Existing business services

- Collaboration and communication between local and regional partners must be robust and timely.
- Economic developers' BRE survey instrument could be tightened up and made more conversational.

Innovation

- Promotion of Greater San Marcos innovation will build awareness and change perceptions.
- Partners should support the pursuit of a new STEM academic building at Texas State and a second building at STAR Park for translational research.
- A proposed Innovation District in San Marcos could generate significant impact.
- The recently-announced Army Futures Command in Austin provides opportunities for linkages and partnerships in Greater San Marcos.

San Marcos Regional Airport

- An ongoing master plan will establish priorities for implementation.

- Partners must sell the vision of the airport's value to attract more industry and corporate users.
- A new customs facility could provide strong benefit.
- Opportunities exist for additional corporate hangars and pilot training capacity.
- The airport must receive sufficient public investment to advance its strategic opportunities.

Cradle-to-career education and training

- Partners must prepare students for baccalaureate opportunities, completion of higher education programs, and conduct retraining as necessary.
- There is a continued need to "tell the story" of San Marcos Independent School District quality, including through events such as Education Summit.
- Efforts must ensure that the local business community learns about K-12 districts and that training providers understand employers' workforce needs.
- Strong connections between K-12 and Austin Community College and Texas State must be fostered.
- Career and technical education, dual credit programs, internships, and teacher externships will help address current and future workforce needs.
- There must be purposeful efforts to retain Texas State graduates in the region.

Acknowledge and manage growth

- Local governments must provide sufficient infrastructure to support sustainable growth.
- They must also communicate that they are "open for business" with customer-friendly regulations and permitting processes.
- Priorities should not only secure passage of progressive development controls but also ensure they are followed.

Workforce housing

- Anti-growth sentiment affects the provision of needed market-rate housing for young professionals.
- The rejection of the Lindsey Hill mixed-use project sent the wrong message about the benefit of quality mixed-use, market-rate development.

San Marcos River

- Access to the river and provision of parking are challenges, but must be balanced with environmental concerns.
- The river continues to have tremendous potential as a transformational amenity.

Final Thoughts

Over the next two years, **Greater San Marcos will need to take a more focused approach to strategic implementation and better define what is most actionable and impactful in Vision 2020.** This relates to the strategic recommendation themselves and the operational framework in place to advance them. Improved communication, collaboration, and leveraging of diverse public and private partners will ensure that staff and volunteers committing time and effort to Vision 2020 implementation will see their efforts maximized. At the same time, IWG chairs must work together to identify and address any duplication of efforts in order to optimize the impact and efficiency of their participation.

The sustainability of the Vision 2020 implementation structure will ensure that the region's strategy and its activities continue to have a positive impact on Greater San Marcos for years and decades to come.