

**Longview Economic Development Corporation
Program Performance Overview**

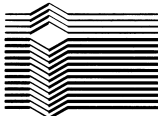
***Analysis of Economic, Employment
and Tax Revenue Impacts
1993 - 2009***

Executive Summary

January 11, 2010

Prepared for:
Longview Economic Development Corporation
410 North Center Street
Longview, Texas 75601

Prepared by:
Insight Research Corporation
9441 LBJ Freeway, Lock Box 20
Dallas, TX 75243
(972) 238-8838



**INSIGHT RESEARCH
CORPORATION**

**Longview Economic Development Corporation
Program Performance Overview, 1993 through 2009
Economic, Employment and Tax Revenue Impact**

Executive Summary

January 11, 2010

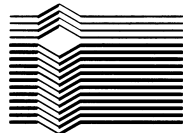
Purpose and Scope

Insight Research Corporation (Insight) has completed an analysis of the program performance of fifty-nine (59) agreements executed by the LEDCO from its inception in 1993 through fiscal year end 2009, or September 30, 2009. These projects represent a wide spectrum of business uses, including manufacturing and assembly facilities, oil and gas-related business entities, and warehousing distribution facilities, among others.

Project information was reconstructed for each project's operating year, from inception to the current fiscal year end (FY 2008–2009), establishing the basis for a consistent and quantifiable overview of LEDCO's program impact across its period of activity.

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BACKGROUND AND PROJECT DESCRIPTION

The Longview Economic Development Corporation (LEDCO) was created by the voters of Longview in 1991 under the Development Act of 1979 (Texas Revised Civil Statutes Article 5190.6), Section 4A, for the purpose of creating and retaining primary jobs.

LEDCO is the central information source for economic development in the City of Longview and the surrounding region, working in cooperation with site selection consultants, facility managers, developers, realtors, and property owners. Since its inception, LEDCO has assisted numerous firms with grants, referrals or counseling.

Appointed by the Mayor and City Council, the Corporation's independent board of directors, five voting members and five non-voting members oversee the program direction of the organization. At this time, LEDCO owns two business parks in Longview with 1,200 acres of land, which are also a focus of its development activities.

In 1998, LEDCO commissioned an economic impact analysis of its work from 1993 to the end of the year 1998. The current analysis incorporates the findings of that study, expanding and updating the project profiles and actions of LEDCO to compare, quantify and illustrate economic, employment and tax revenue impacts to the region achieved by these identified economic development projects.

Business activities benefiting from LEDCO support included in this analysis fall into three broad categories, including the following:

- (1) Manufacturing and Automotive-related businesses,
- (2) Oil and Gas business activities, and
- (3) Warehouse/Distribution facilities.

LEDCO's support to the identified businesses may have included providing data, making local introductions, assisting with counseling in required development processes and procedures, or in specific cases, providing grants to assist with expansions, new business development or relocations.

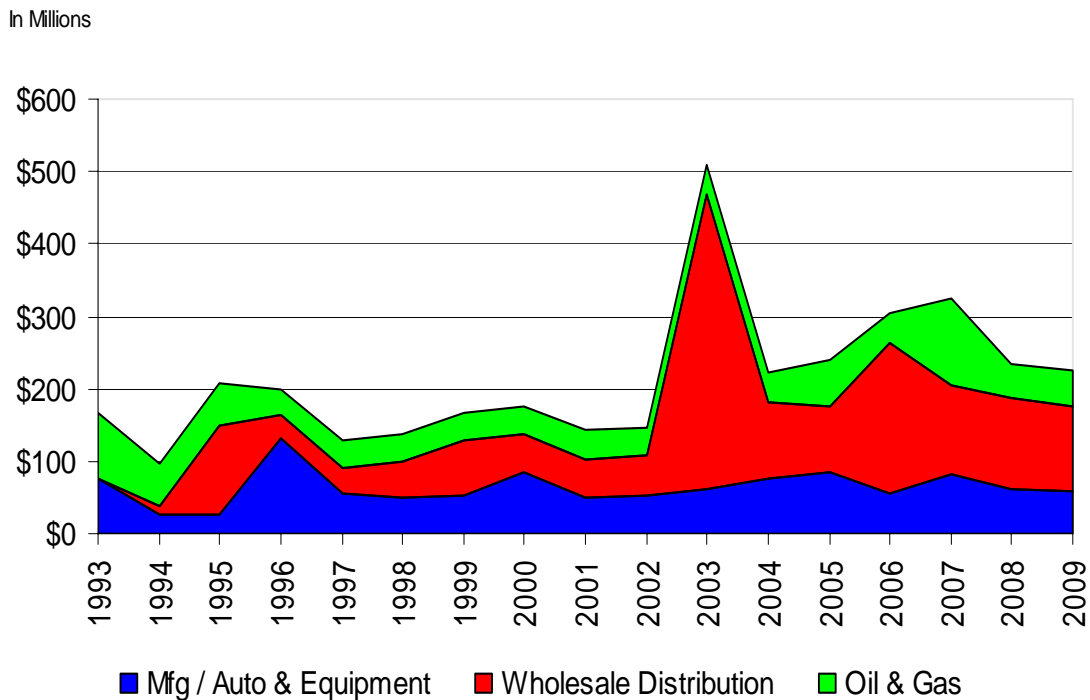
**KEY FINDINGS OF
ECONOMIC, EMPLOYMENT AND TAX REVENUE IMPACT
LEDCO-RELATED PROJECTS, 1993 TO 2009**

CUMULATIVE ECONOMIC IMPACT, 1993 TO 2009

\$3.62 BILLION

Economic impact is the benefit to the general economy of the entire Longview MSA, shown as a multiplier and generally referred to as the "economic ripple effect." It quantifies the amount of "new money" added to the economy for the period of study, and is specific as to the types of expenditures made. This calculation uses U.S. Bureau of Economic Analysis Regional Input-Output Modeling System, Series II (US BEA RIMS II) with multipliers that are applicable to the Longview MSA.

***Cumulative Economic Impact
LEDCO Related Projects, 1993 through 2009***

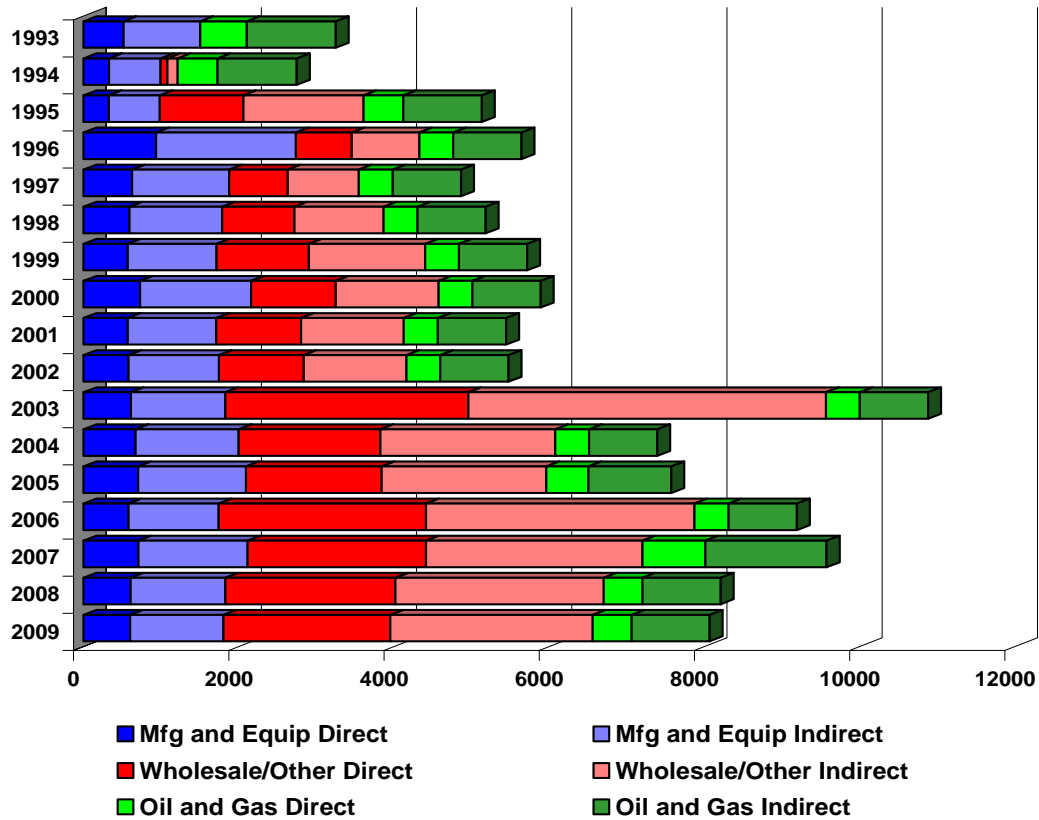


EMPLOYMENT IMPACT AS OF 2009

3,251 New Direct Jobs (On-Site at LEDCO-Related Firms)
4,819 Indirect Jobs (Supporting Positions in the Region)
4,122 Retained Jobs (In Existing Firms That Have Expanded)
12,462 Total Jobs in LEDCO-Related Projects as of 2009

Employment impact includes direct and indirect employment for both construction and operating phases of each project's activity. Direct employment refers to persons on new payrolls of the LEDCO-related projects, while indirect employment is generated by the first tier purchase of goods and services by the facilities and their employees.

**Annual Employment Impact by Major Type of Business
1993 through 2009**

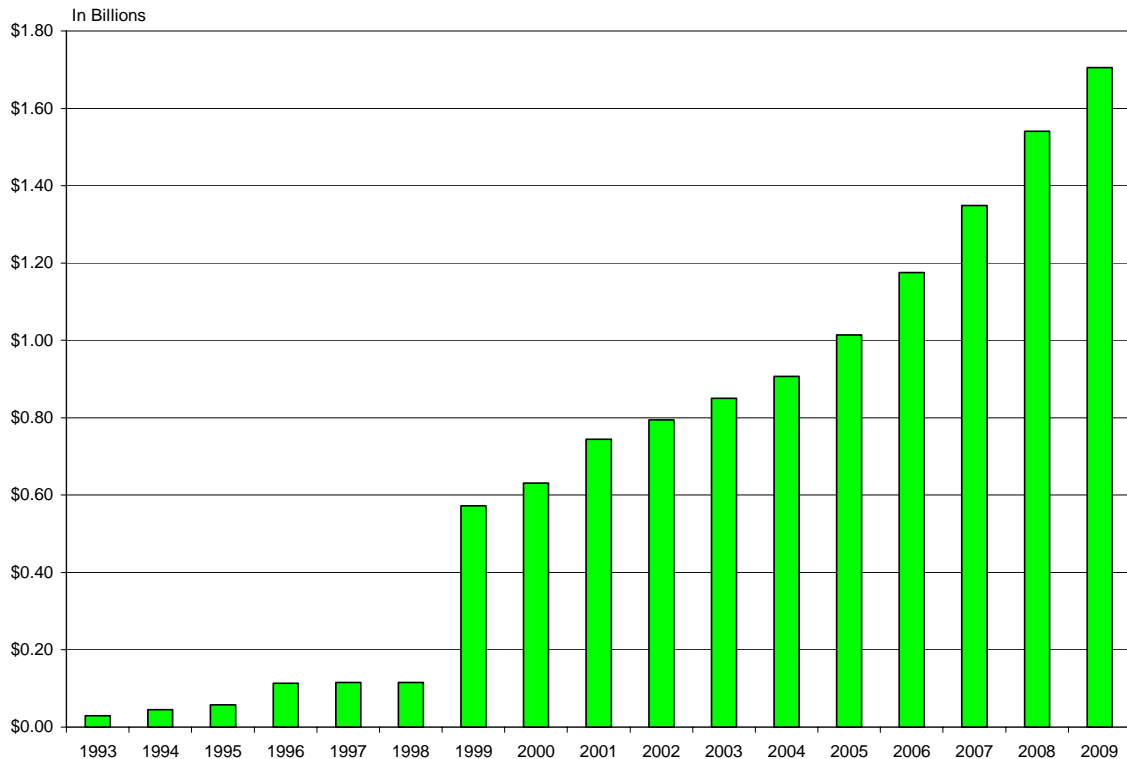


TAXABLE VALUES GENERATED BY LEDCO-RELATED FIRMS IN 2009

\$363.5 MILLION

The assessed value of these fifty-nine projects by the Gregg and Harrison County Assessor's offices at fiscal year end 2009 is **\$363.5 Million** in real and personal property, generated by the value of land, buildings, equipment and other business personal property as assessed by the Counties' Central Appraisal Districts. Shown below is the annual growth of that value over the period of study.

**Real and Personal Property Taxable Value Generated Annually
LEDCO-Related Projects
1993 through 2009**



CUMULATIVE TAX REVENUE IMPACT - 1993 TO 2009

\$333.56 MILLION

Direct tax revenue impact refers to the taxes paid by the facilities themselves, including real property, personal property and sales taxes. Direct tax revenue streams may be available for investment or financing commitments under certain agreements. Indirect taxes are tax benefits to the state and local jurisdictions as a result of employment and other taxable spending. Indirect revenue streams are not investment-grade, but reflect the “ripple effect” of potential taxes which can flow to each jurisdiction where employees live or make purchases.

Cumulative Direct and Indirect Taxes to Applicable Jurisdictions

	Direct Taxes	Indirect Taxes	Total Direct & Indirect Taxes
City of Longview	\$18,758,000	\$31,052,000	\$49,810,000
Counties	\$11,187,000	\$22,268,000	\$33,454,000
State of Texas	\$16,549,000	\$71,830,000	\$88,379,000
ISDs	\$57,797,000	\$103,210,000	\$161,007,000
4A	<u>\$303,000</u>	<u>\$608,000</u>	<u>\$911,000</u>
Total All Jurisdictions	\$104,594,000	\$228,968,000	\$333,561,000

Cumulative Tax Revenue Generated By Jurisdiction 1993 through 2009 (In Millions of Dollars)

