

**Longview Economic
Development Corporation
Program Performance Overview**

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

December 16, 2009

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

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**INSIGHT RESEARCH
CORPORATION**

Longview Economic Development Corporation Program Performance Overview

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3. Insight Research Corporation

December 16, 2009

Mr. John Stroud, Executive Director
Longview Economic Development Corporation
410 North Center Street
Longview, TX 75601

**SUBJECT: Program Performance Overview, 1993 through 2009
Economic, Employment and Tax Revenue Impact**

Dear Mr. Stroud:

Thank you for the opportunity to be of assistance to the City of Longview as you monitor the performance of the program activity of the Longview Economic Development Corporation.

Insight Research Corporation (Insight) has completed an analysis of the overall 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.

Background: The Longview Economic Development Corporation

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, LEDC owns two business parks in Longview with 1,200 acres of land, which are also a development focus of its activities.

Background and Project Description

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.

Project information was reconstructed for each 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.

LEDCO-Related Business Activity in the Longview Area

Business activities benefiting from LEDCO support included in this analysis fall into three broad categories, including (1) Manufacturing and Automotive-related businesses, (2) Oil and Gas business activities, and (3) Warehouse/Distribution facilities. LEDCO 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.

- **Manufacturing and Automotive-Related Businesses**

Longview's favorable business climate, plus the work ethic and education levels in its workforce make it a desirable location for manufacturers. Manufacturers and automotive-related businesses are important employers in the LEDCO area, and include General Dynamics, Borg-Warner, Hanson Pipe, Norris Cylinder, Alcatel, and AAON Coil and others with agreements with LEDCO.

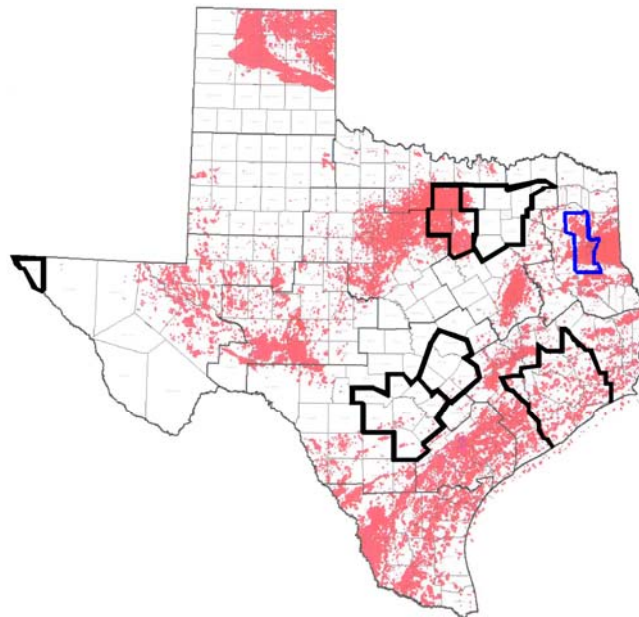
- **Warehouse/Distribution Facilities**

More than 44 million people live within one day's trucking distance of Longview. This central location in the southern United States offers convenient access to both coasts, with weather conditions being almost universally favorable for logistics activities. The major markets of Dallas, Houston, San Antonio, Austin, New Orleans, Kansas City, Memphis, Little Rock and Oklahoma City are all within a one-day truck haul. A few of LEDCO's agreements in this category are Neiman Marcus, Dana Corporation, H&S Valve, SYSCO, and Strathmore Products.

- **Oil and Gas Industry Activities**

The LEDCO service area is an active region for oil and gas drilling, with the Longview Metropolitan Statistical Area (MSA), including the counties of Gregg, Rusk and Upshur, noted on the following map of Texas drilling activities, and outlined in blue. These are illustrated in relation to the other major MSA population areas in the State (Dallas, Fort Worth, Austin, San Antonio, Houston and El Paso). Many oil and gas drillers, suppliers and service providers have been among LEDCO-related companies, including TEC Well Services, Halliburton, Frac Tec and LeTourneau Technologies.

Location of Texas Oil & Gas Rigs, June 2008

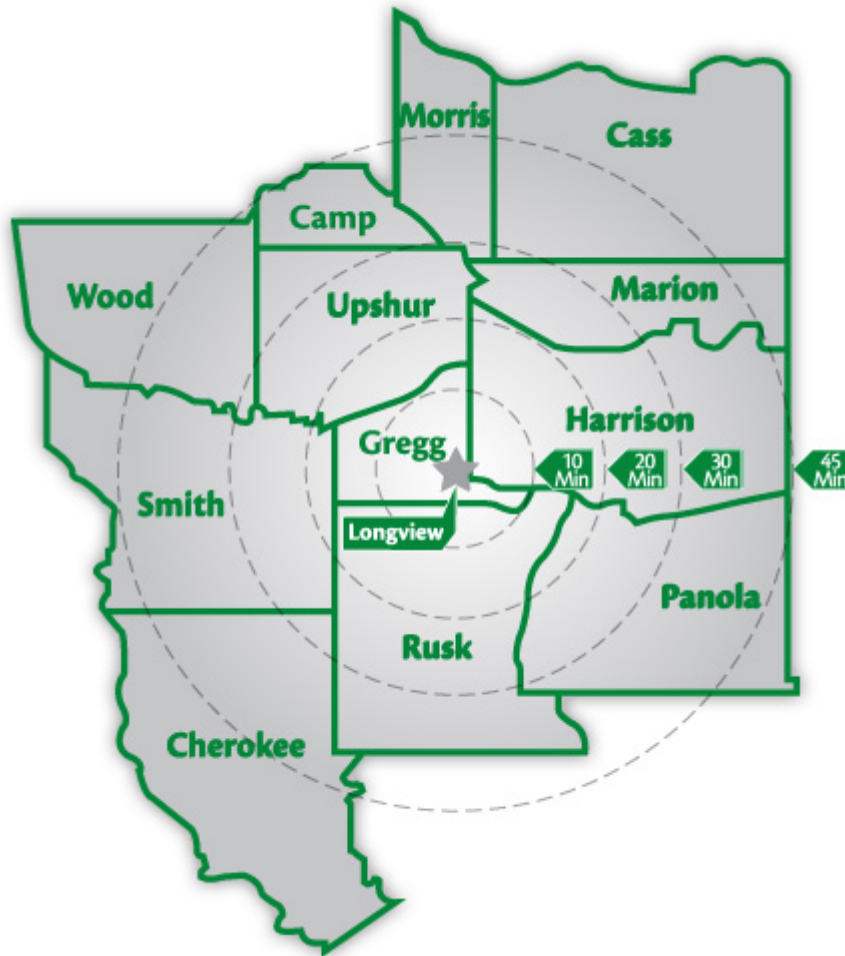


Regional Population and Employment Data

Located in Gregg County, the City of Longview is centrally located in a 12-county region with a population of 660,000 in 2008, about which LEDCO provides workforce, economic and demographic information to its prospects. As noted below, the LEDCO's area monitored includes the counties of Camp, Cass, Cherokee, Gregg, Harrison, Marion, Morris, Panola, Rusk, Smith, Upshur and Wood.

The Longview Metropolitan Statistical Area (MSA), as formally designated by the United States Bureau of Labor Statistics (US BLS), is much smaller and includes the three counties of Gregg, Upshur and Rusk.

LEDCO 12-County Service Area



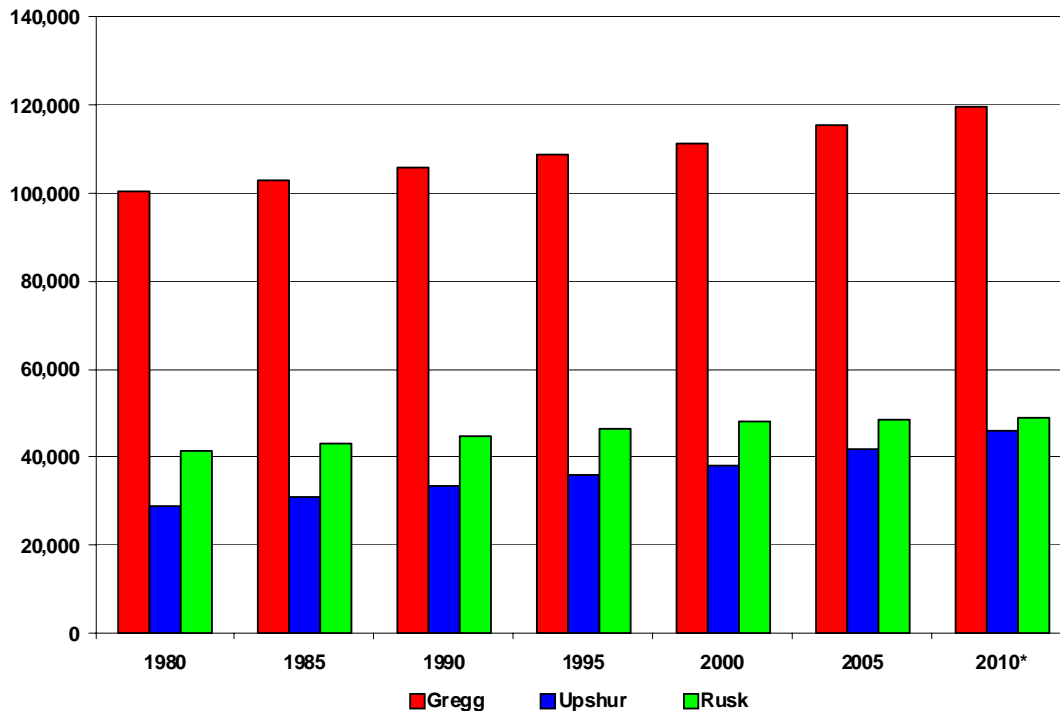
Population Growth in the Longview MSA

Population growth in the three-county Longview MSA has increased from 170,597 in 1980 to an estimated 214,187 by calendar year end 2010, as shown in following table and chart.

Longview TX MSA Population: 1980- 2010

	1980	1985	1990	1995	2000	2005	2010*
Gregg	100,292	103,062	105,832	108,602	111,379	115,479	119,579
Upshur	28,800	31,130	33,460	35,790	38,118	41,988	45,858
Rusk	41,505	43,165	44,825	46,485	48,142	48,446	48,750
MSA Total	170,597	177,357	184,117	190,877	197,639	205,913	214,187

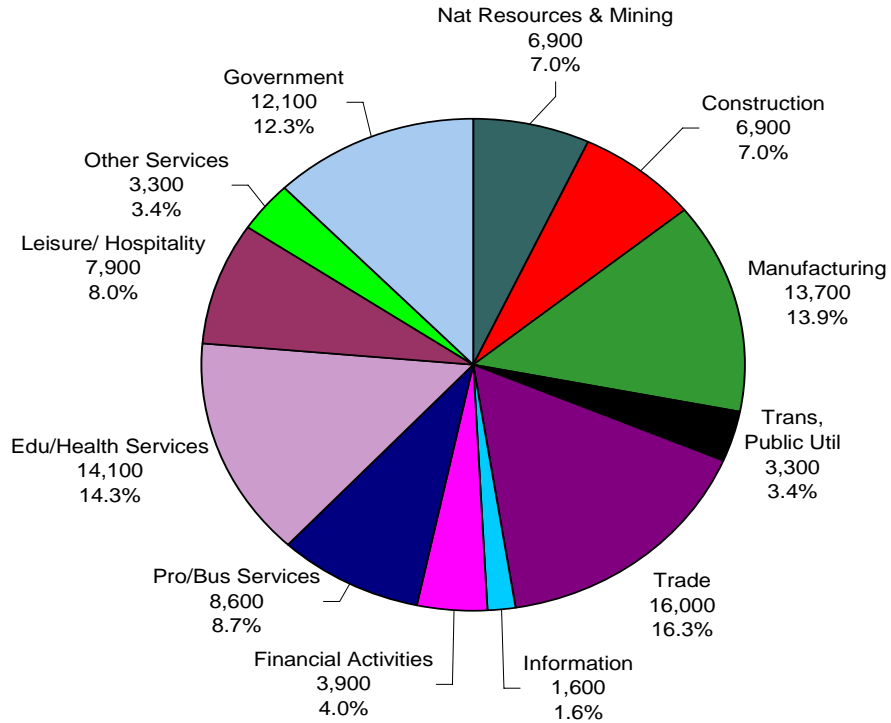
* Source, US BLS, 2010 Population Estimated



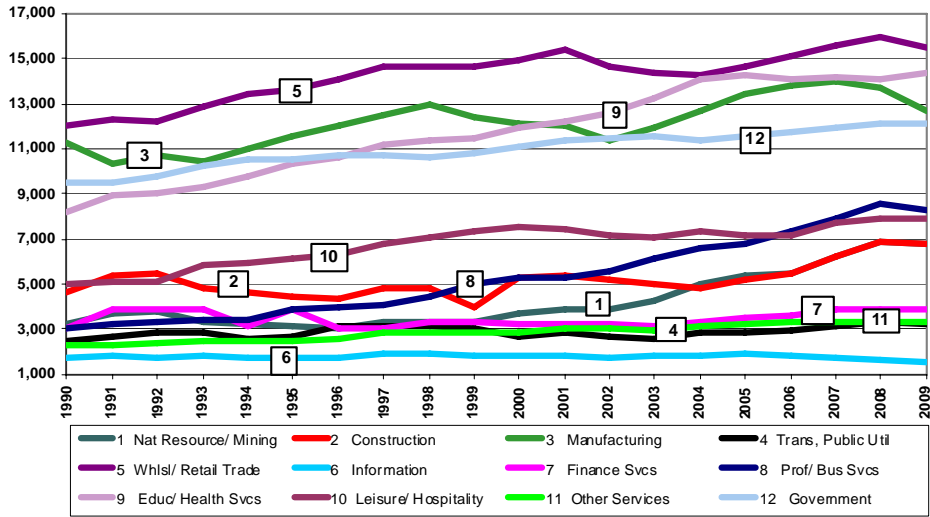
The Longview MSA's Non-Agricultural Wage and Salary Employment Growth and Trends

The Longview MSA also has a well diversified economy, as shown in the accompanying chart, graph of trends, and table providing annual employment detail for the non-agricultural employment sectors.

**Longview MSA (Gregg, Rusk and Upshur Counties)
Non-Agricultural Wage and Salary Employment
By Employment NAICS Sector in 2009**



Longview MSA (Gregg, Rusk and Upshur Counties) Non-Agricultural Wage and Salary Employment NAICS Sector Trends, 1990 through 2009



Longview MSA (Gregg, Rusk and Upshur Counties)
Non-Agricultural Wage and Salary Employment
NAICS Sector Trends, 1990 through 2009

	Nat Resources & Mining	Construction	Manufacturing	Trans. Public Util	Trade	Information	Financial Activities	Pro/Bus Services	Edu/Health Services	Leisure/Hospitality	Other Services	Government	Total
1990	3,239	4,661	11,300	2,500	12,000	1,700	3,000	3,000	8,200	5,000	2,300	9,500	66,500
1991	3,731	5,369	10,300	2,700	12,300	1,800	3,900	3,200	8,900	5,100	2,300	9,500	68,000
1992	3,813	5,487	10,700	2,800	12,200	1,700	3,900	3,300	9,000	5,100	2,400	9,800	69,200
1993	3,321	4,779	10,400	2,800	12,900	1,800	3,900	3,400	9,300	5,800	2,500	10,200	70,000
1994	3,239	4,661	11,000	2,600	13,400	1,700	3,100	3,400	9,800	5,900	2,500	10,500	71,700
1995	3,116	4,484	11,600	2,700	13,600	1,700	3,900	3,900	10,300	6,100	2,500	10,500	73,400
1996	3,034	4,366	12,000	3,100	14,100	1,700	3,000	4,000	10,600	6,300	2,600	10,700	75,400
1997	3,321	4,779	12,500	3,100	14,600	1,900	3,000	4,100	11,200	6,800	2,800	10,700	78,900
1998	3,321	4,779	13,000	3,100	14,600	1,900	3,300	4,400	11,400	7,100	2,800	10,600	80,300
1999	3,280	3,920	12,400	3,000	14,600	1,800	3,300	5,000	11,500	7,300	2,800	10,800	80,700
2000	3,649	5,251	12,100	2,700	14,900	1,800	3,200	5,300	11,900	7,500	2,800	11,100	82,300
2001	3,906	5,394	12,000	2,800	15,400	1,800	3,200	5,300	12,200	7,400	3,000	11,400	83,700
2002	3,913	5,187	11,400	2,700	14,600	1,700	3,200	5,600	12,600	7,200	3,000	11,500	82,800
2003	4,232	4,968	11,900	2,600	14,400	1,800	3,100	6,100	13,200	7,100	2,900	11,600	84,400
2004	4,998	4,802	12,700	2,800	14,300	1,800	3,300	6,600	14,100	7,300	3,100	11,400	87,100
2005	5,406	5,194	13,400	2,800	14,600	1,900	3,500	6,800	14,300	7,200	3,200	11,600	89,700
2006	5,450	5,450	13,800	2,900	15,100	1,800	3,600	7,300	14,100	7,200	3,300	11,700	91,900
2007	6,250	6,250	14,000	3,100	15,600	1,700	3,900	7,900	14,200	7,700	3,300	11,900	95,700
2008	6,900	6,900	13,700	3,300	16,000	1,600	3,900	8,600	14,100	7,900	3,300	12,100	98,400
2009	6,800	6,800	12,700	3,200	15,500	1,500	3,900	8,300	14,400	7,900	3,300	12,100	96,500

Source: U. S. Bureau of Labor Statistics

**FINDINGS OF ECONOMIC, EMPLOYMENT
AND TAX REVENUE IMPACT ANALYSIS**

1993 TO FISCAL YEAR END 2009

FINDINGS OF ECONOMIC, EMPLOYMENT AND TAX IMPACT

Economic Impact – Seventeen-Year Cumulative, 1993 to 2009:

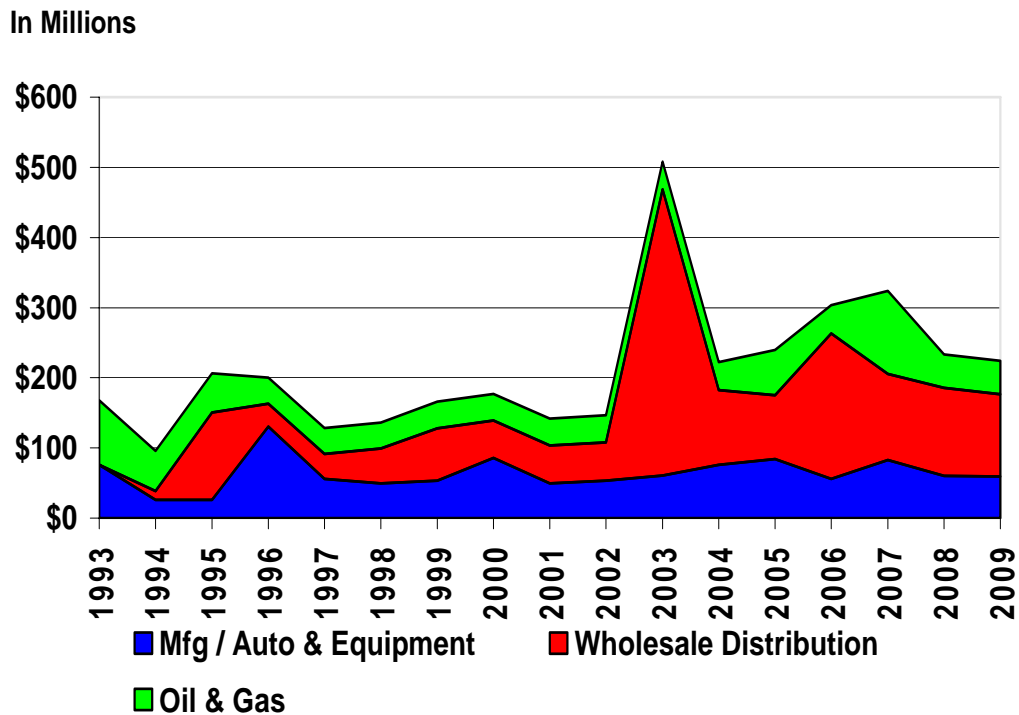
\$3.62 Billion

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." This calculation uses multipliers specific to the Longview MSA from U.S. Bureau of Economic Analysis Regional Input-Output Modeling System, Series II (US BEA RIMS II).

The economic impact of new construction, expansions and on-going operation of the fifty-nine projects to whom the LEDCO has provided some form of assistance or incentive support during the seventeen-year period of analysis from 1993 through 2009 has been **\$3.62 Billion** in new dollars available to be re-spent in the regional economy.

This impact is widely experienced throughout the LEDCO service area and driven by all areas of purchasing, employment and operating functions of the companies.

LEDCO-RELATED PROJECTS *Economic Impact -- 1993 to 2009*



Employment Impact in 2009

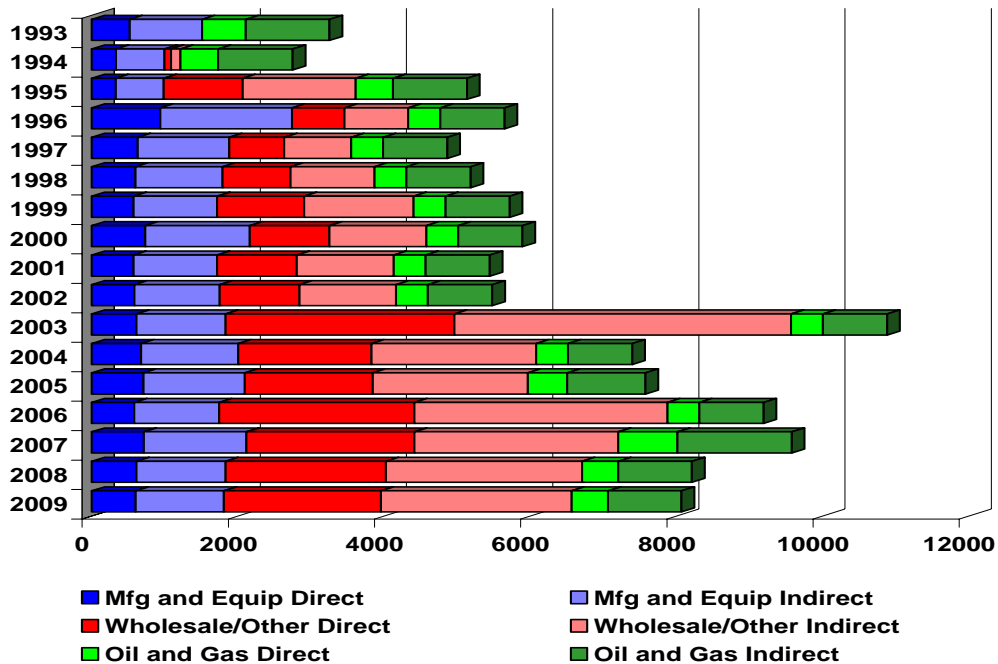
The Longview MSA and LEDCO Service area has experienced the following number of jobs in LEDCO-related firms as of 2009:

3,251 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 in 2009

This economic impact analysis includes direct and indirect employment for construction, expansion and operating activities. 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.

Expansions among existing LEDCO firms may also be included under some reporting criteria, showing another 4,122 jobs that have been retained. Direct and indirect jobs associated with the LEDCO projects year-to-year are illustrated below:

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



**Direct, Indirect and Construction Jobs by Year
1993 – 2009**

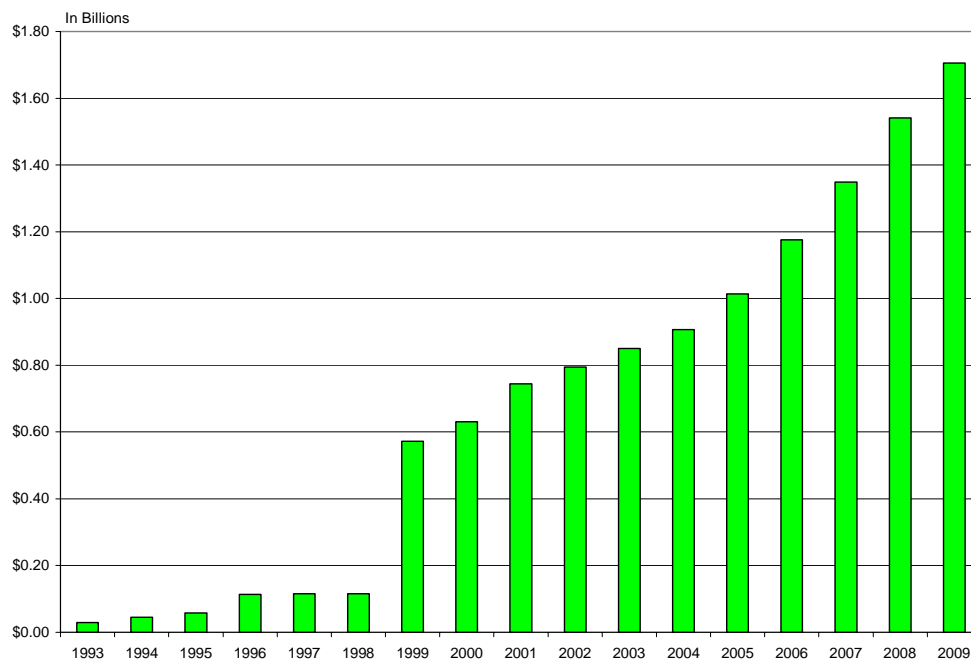
Year	Direct Jobs	Const. Jobs	Indirect Jobs	Total
1993	607	509	2,137	3,253
1994	803	131	1,816	2,751
1995	1,435	481	3,217	5,133
1996	1,727	366	3,554	5,647
1997	1,784	35	3,047	4,865
1998	1,934	30	3,221	5,185
1999	2,068	131	3,520	5,719
2000	2,099	160	3,634	5,893
2001	2,099	0	3,347	5,446
2002	2,099	12	3,369	5,480
2003	2,757	1,421	6,704	10,883
2004	2,757	176	4,462	7,395
2005	2,757	240	4,578	7,575
2006	3,307	383	5,502	9,192
2007	3,401	419	5,756	9,577
2008	3,251	51	4,910	8,211
2009	3,251	0	4,819	8,070

Tax Values Generated – 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. These values are shown in detail in Appendix D.

Annual Private Investments of LEDCO-Related Projects



LEDCO-related projects are located in the following jurisdictions, as noted in the table provided as Appendix A:

- ◆ Cities of Longview and Gladewater
- ◆ Gregg and Harrison Counties (including Kilgore Junior College)
- ◆ Longview, Gladewater, Hallsville and Pine Tree ISDs

Tax Revenue Impact – Seventeen-Year Cumulative 1993 to 2009

\$333.43 Million

Tax revenue included in this impact analysis is classified as Direct or Indirect. 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.

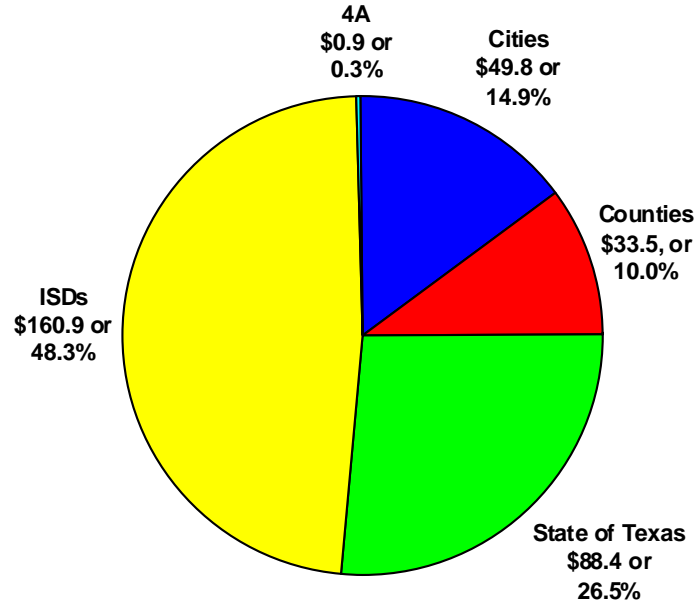
Indirect taxes are tax benefits to the state and local jurisdictions as a result of employment and other taxable spending. Indirect revenue streams are not investment-grade, but reflect the “ripple effect” of potential taxes which can flow to each jurisdiction where employees live or make purchases.

These fifty-nine projects for which the LEDCO has been an active recruiting or investment partner have generated direct and indirect taxes of **\$333.43 Million** cumulative taxes to all applicable taxing jurisdictions over the seventeen year period of study. The cumulative value of taxes generated and accruing to local and state jurisdictions between 1993 and 2009 are as shown on the following table and illustrated on the charts which follow:

Cumulative Direct and Indirect Taxes to Applicable Jurisdictions 1993 to 2009

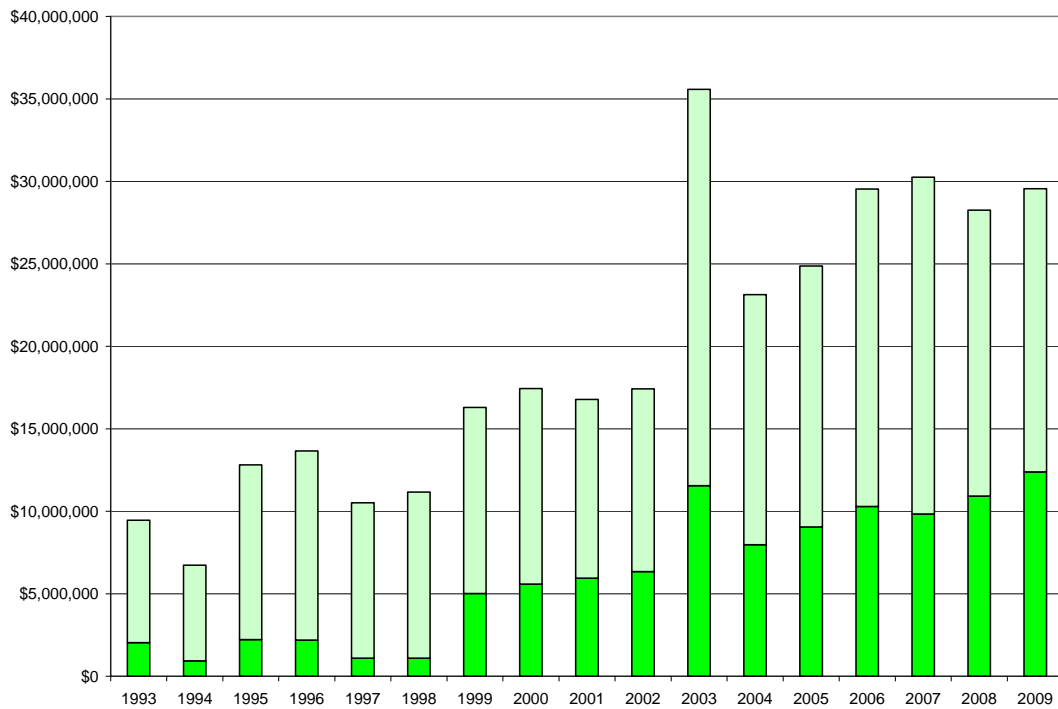
	Direct Taxes	Indirect Taxes	Total Direct & Indirect Taxes
Cities	\$18,708,718	\$31,052,430	\$49,761,148
Counties	\$11,187,145	\$22,267,704	\$33,454,849
State of Texas	\$16,548,733	\$71,829,778	\$88,378,511
ISDs	\$57,713,928	\$103,210,472	\$160,924,401
4A	<u>\$302,796</u>	<u>\$607,825</u>	<u>\$910,620</u>
Total All Jurisdictions	\$104,461,321	\$228,968,209	\$333,429,530

**Cumulative Tax Revenue Generated
By Jurisdiction: 1993 to 2009
(In Millions of Dollars)**



Annual tax revenue generated is illustrated in the following bar chart also shows the activity levels, with higher values in some years reflecting taxable construction activity in those years. The dark green shading represents direct tax revenue while light green shading represents indirect tax revenue.

Fifty-Nine LEDCO Projects
Annual Tax Revenue Generated to All Jurisdictions
1993 through 2009



DEFINITIONS OF TERMS

The findings of impact in this analysis are defined as follows:

1. ***Economic Impact.*** Economic impact is the benefit to the general economy of the Longview TX MSA, shown as a multiplier and generally referred to as the "economic ripple effect." This calculation uses U.S. Bureau of Economic Analysis Regional Input-Output Modeling System Series II (US BEA RIMS II) multipliers specific to the Longview MSA.
2. ***Direct and Indirect Employment Impact.*** Direct employment refers to the number of on-site jobs on the payroll of the projects, while indirect employment includes jobs generated or stimulated in the region by the purchase of goods and services by the projects and their employees.
3. ***Direct and Indirect Tax Impact.*** Direct tax impact refers to the taxes paid by the projects themselves, while indirect taxes are the resulting tax benefits to the state and local jurisdictions as a result of employment and other taxable spending.

DATA SOURCES FOR THIS ANALYSIS; LIMITATIONS OF THE ASSUMPTIONS

- ◆ All data was provided by the LEDCO in the form of historic records and business surveys.
- ◆ Appraised values, as then historically current, were used for all projects as set by the Gregg and Harrison County Appraisal Districts.
- ◆ Insight Research Corporation prepared value estimates of operating pro formas for all businesses using the then-current information from LEDCO project profiles and Insight's proprietary data base of operating pro formas by business type.
- ◆ Employment of any part-time workers has been reduced to "full time equivalent" positions (FTE) using a standard work week and benefits.
- ◆ Models use historic year-to-year changes in actual tax rates and valuation.

- ◆ Tax impact does not include state franchise tax or federal income taxes on the activities of the businesses, which are determined as a tax on annual net profits or book values.

We appreciate the opportunity to be of service to the Longview Economic Development Corporation and are available for your questions or comments at 972-238-8838.

Sincerely,

M. Elizabeth Morris
CEO and Chief Economist

MEM:set

**Longview Economic Development Corporation
Program Performance Overview
1993 to 2009**

***Economic, Employment and
Tax Revenue Impact Analysis***

Appendices

- A. Included LEDCO-Related Projects, Applicable Jurisdictions and 2009 Assessed Value, Alpha
- B. Included LEDCO-Related Projects, By Year Including Grant Amount
- C. Tax Rates by Jurisdiction and Year
- D. Direct, Indirect and Total Taxes by Year

Appendix A
Included LEDCO-Related Projects, Applicable
Jurisdictions and 2009 Assessed Value

**LEDCO-Related Projects with Applicable Jurisdictions
and 2009 Assessed Value**

Company	Tax Jurisdiction			2009 Assessed Value
	City	County	School	
3D Plastics	Gladewater	Gregg	Gladewater	\$2,710,210
AAON Coil	Longview	Gregg	Longview	\$128,500
Alcatel - Expansion	Longview	Gregg	Hallsville	\$0
All Seasons	None	Gregg	Pine Tree	\$2,704,020
Allis-Chalmers	None	Gregg	Pine Tree	\$6,144,930
Alumatech/Everlite	Longview	Gregg	Pine Tree	\$376,050
Automated Systems	Longview	Harrison	Hallsville	\$0
Axelson/Dresser Oil Tools	Longview	Harrison	Hallsville	\$2,102,950
Bates Container	Longview	Gregg	Longview	\$3,025,130
Bemis Custom Products	None	Gregg	Pine Tree	\$3,226,190
Bois D'Arc	Longview	Gregg	Longview	\$1,258,580
Borg-Warner	Longview	Gregg	Longview	\$7,938,580
Brenntag Southwest Inc.	Longview	Gregg	Pine Tree	\$3,908,820
Capacity of Texas	Longview	Gregg	Pine Tree	\$14,075,770
Colony Cabinets	Longview	Gregg	Longview	\$1,638,600
Convergys	Longview	Gregg	Longview	\$1,505,160
Cooper Industries	Longview	Gregg	Pine Tree	\$0
Dana Corporation/Dana Structural	Longview	Gregg	Longview	\$35,726,340
Dana Corporation/Dana Structural	Longview	Harrison	Hallsville	\$10,941,350
Durilon Brake	Longview	Gregg	Pine Tree	\$0
E&S Valve Components	Longview	Gregg	Longview	\$285,770
East Texas Machine Works	Longview	Gregg	Pine Tree	\$7,919,970
ETR Services	Longview	Gregg	Pine Tree	\$3,072,130
Exopack	Longview	Gregg	Pine Tree	\$7,689,570
Fleetwood	Longview	Gregg	Longview	\$2,961,060
Frac Tec	Longview	Gregg	Longview	\$22,994,060
Frontier RV	Longview	Gregg	Longview	\$1,919,130
Frye International	Longview	Gregg	Longview	\$200,110
General Dynamics	Longview	Gregg	Pine Tree	\$3,457,490
General Dynamics SATCOM	Longview	Gregg	Kilgore	\$1,731,170
Glazer's	Longview	Gregg	Longview	\$3,958,170
Grinnell Corporation	Longview	Gregg	Longview	\$1,096,380
H&S Valve Inc.	Longview	Gregg	Longview	\$979,670
Hanson Pipe	Longview	Harrison	Hallsville	\$8,078,600
Holt CAT	Longview	Gregg	Longview	\$16,466,000
Holt CAT	Longview	Harrison	Hallsville	\$8,792,670
Hunsaker Trucking	None	Harrison	Hallsville	\$0
Huntsman Corp/R&D	Longview	Gregg	Longview	\$3,259,690
Industrial Power	Longview	Harrison	Hallsville	\$0
LeTourneau Technologies	Longview	Gregg	Longview	\$227,544,540
Lone Star Lumber	Longview	Gregg	Longview	\$200,590
Longview Fab & Machine	Longview	Harrison	Hallsville	\$1,527,910
Longview Inspection	Longview	Gregg	Longview	\$337,720
MicroMetl	Longview	Gregg	Longview	\$4,284,960

**LEDCO-Related Projects with Applicable Jurisdictions
and 2009 Assessed Value (continued)**

Company	Tax Jurisdiction			2009 Assessed Value
	City	County	School	
Neiman Marcus	Longview	Harrison	Hallsville	\$63,298,960
Norris Cylinder	Longview	Gregg	Longview	\$3,337,810
Nutrina Labs	N/A	N/A	N/A	\$0
Panel Truss	Longview	Gregg	Longview	\$0
R&H Machine	Longview	Harrison	Hallsville	\$961,950
Rexam	Longview	Gregg	Pine Tree	\$36,783,670
Rex-Rosenlew	Longview	Gregg	Pine Tree	\$1,241,770
Steel & Pipe Supply	Longview	Gregg	Pine Tree	\$24,663,370
Strategic Telecom	Longview	Gregg	Longview	\$0
Strathmore Products	Longview	Harrison	Hallsville	\$2,339,260
Supreme Plastics Group	White Oak	Gregg	White Oak	\$277,720
SYSCO	Longview	Gregg	Longview	\$63,060,300
TCIM Services	Longview	Gregg	Longview	\$250,000
TEC Well Services/SHOCO	Longview	Gregg	Pine Tree	\$14,130,610
Technical Tubes, Inc.	Longview	Harrison	Hallsville	\$2,092,310
Vessel Technology	Longview	Gregg	Longview	\$0

Appendix B
Included LEDCO-Related Projects,
by Year Including Grant Amount

**LEDCO-Related Projects
by Year Including Grant Amount**

Company	Start Yr	Taxing Jurisdiction (plus College and Road & Bridge)			Incentive
		City	County	School	
AAON Coil	1993	Longview	Gregg	Longview	\$742,000
Alcatel - Expansion	1993	Longview	Gregg	Hallsville	\$242,000
Automated Systems	1993	Longview	Harrison	Hallsville	\$40,000
Durilon Brake	1993	Longview	Gregg	Pine Tree	\$134,071
E&S Valve Components	1993	Longview	Gregg	Longview	\$0
Frye International	1993	Longview	Gregg	Longview	\$37,500
Norris Cylinder	1993	Longview	Gregg	Longview	\$287,950
Cooper Industries	1994	Longview	Gregg	Pine Tree	\$12,000
Glazer's	1994	Longview	Gregg	Longview	\$160,000
Industrial Power	1994	Longview	Harrison	Hallsville	\$55,000
Panel Truss	1994	Longview	Gregg	Longview	\$60,000
Supreme Plastics Group	1994	White Oak	Gregg	White Oak	\$100,000
Vessel Technology	1994	Longview	Gregg	Longview	\$203,750
Axelson/Dresser Oil Tools	1995	Longview	Harrison	Hallsville	\$344,000
Hunsaker Trucking	1995	None	Harrison	Hallsville	\$75,000
Longview Inspection	1995	Longview	Gregg	Longview	\$220,000
Grinnell Corporation	1996	Longview	Gregg	Longview	\$200,000
Huntsman Corp/R&D	1996	Longview	Gregg	Longview	\$100,000
Rex-Rosenlew	1996	Longview	Gregg	Pine Tree	\$60,000
Alumatech/Everlite	1997	Longview	Gregg	Pine Tree	\$331,315
Nutrina Labs	1997				\$100,000
Strategic Telecom	1997	Longview	Gregg	Longview	\$150,000
Fleetwood	1998	Longview	Gregg	Longview	\$600,000
Brenntag Southwest Inc.	1999	Longview	Gregg	Pine Tree	\$370,000
Capacity of Texas	1999	Longview	Gregg	Pine Tree	\$370,000
Colony Cabinets	1999	Longview	Gregg	Longview	\$200,000
H&S Valve Inc.	1999	Longview	Gregg	Longview	\$20,000
LeTourneau Technologies	1999	Longview	Gregg	Longview	\$600,000
Lone Star Lumber	1999	Longview	Gregg	Longview	\$50,000
Neiman Marcus	1999	Longview	Harrison	Hallsville	\$1,332,000
TCIM Services	1999	Longview	Gregg	Longview	\$537,000
All Seasons	2000	None	Gregg	Pine Tree	\$150,000
Borg-Warner	2000	Longview	Gregg	Longview	\$470,000
Dana Corporation/Dana Struc	2000	Longview	Harrison	Hallsville	\$5,220,000
Rexam	2001	Longview	Gregg	Pine Tree	\$40,000
Frontier RV	2002	Longview	Gregg	Longview	\$399,000
3D Plastics	2003	Gladewater	Gregg	Gladewater	\$30,000
Exopack	2003	Longview	Gregg	Pine Tree	\$150,000
Longview Fab & Machine	2003	Longview	Harrison	Hallsville	\$40,000
Technical Tubes, Inc.	2003	Longview	Harrison	Hallsville	\$119,750
Bemis Custom Products	2004	None	Gregg	Pine Tree	\$200,000
Bois D'Arc	2004	Longview	Gregg	Longview	\$35,000
Bates Container	2005	Longview	Gregg	Longview	\$50,000
East Texas Machine Works	2005	Longview	Gregg	Pine Tree	\$165,000
Frac Tec	2005	Longview	Gregg	Longview	\$300,000

**LEDCO-Related Projects with Applicable Jurisdictions
and 2009 Assessed Value (continued)**

Company	Start Yr	Taxing Jurisdiction (plus College and Road & Bridge)			Incentive
		City	County	School	
Hanson Pipe	2005	Longview	Harrison	Hallsville	\$250,000
MicroMetl	2005	Longview	Gregg	Longview	\$250,000
R&H Machine	2005	Longview	Harrison	Hallsville	\$160,000
TEC Well Services/SHOCO	2005	Longview	Gregg	Pine Tree	\$300,000
ETR Services	2006	Longview	Gregg	Pine Tree	\$86,000
Strathmore Products	2006	Longview	Harrison	Hallsville	\$125,000
SYSCO	2006	Longview	Gregg	Longview	\$2,000,000
Allis-Chalmers	2007	None	Gregg	Pine Tree	\$200,000
Convergys	2007	Longview	Gregg	Longview	\$600,000
Holt CAT	2007	Longview	Gregg	Longview	\$150,000
General Dynamics	2008	Longview	Gregg	Pine Tree	\$150,000
Steel & Pipe Supply	2008	Longview	Gregg	Pine Tree	\$60,000

Appendix C
Tax Rates by Jurisdiction and Year

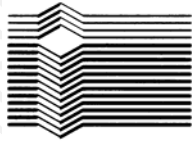
**Tax Rates per \$100 of Assessed Value by Jurisdiction
1993 – 2009**

	City of Longview	Gladewater City	White Oak City	Gregg County	Harrison County	Gladewater ISD	Longview ISD	Pine Tree ISD	White Oak ISD	Hallsville ISD	Kilgore Junior College
1993	0.523400	0.734284	0.310000	0.270060	0.329000	1.473545	1.379970	1.319700	1.350000	1.423840	0.138000
1994	0.523400	0.726688	0.360000	0.269130	0.329000	1.500000	1.379970	1.434400	1.395000	1.370000	0.153000
1995	0.523400	0.724747	0.400000	0.280300	0.343300	1.500000	1.379970	1.486800	1.450000	1.440420	0.158000
1996	0.523400	0.723302	0.400000	0.266706	0.385000	1.524500	1.395500	1.523800	1.500000	1.462600	0.162980
1997	0.523400	0.700000	0.400000	0.241050	0.380000	1.524500	1.409820	1.523800	1.500000	1.534250	0.162980
1998	0.523400	0.682999	0.440000	0.245460	0.372500	1.671173	1.428820	1.636200	1.500000	1.610000	0.164760
1999	0.523400	0.655320	0.483500	0.245420	0.372500	1.580000	1.438820	1.636200	1.651600	1.667660	0.168900
2000	0.518400	0.655320	0.540000	0.240120	0.372500	1.560000	1.474200	1.641900	1.662400	1.667660	0.168900
2001	0.493400	0.600000	0.540000	0.229700	0.353760	1.450000	1.554200	1.641700	1.501610	1.654430	0.168900
2002	0.483400	0.631805	0.571100	0.229700	0.353700	1.560000	1.553270	1.631700	1.566880	1.654430	0.168900
2003	0.483400	0.631805	0.571100	0.229700	0.374510	1.560000	1.619000	1.631700	1.575040	1.655000	0.178900
2004	0.483400	0.576665	0.550000	0.274700	0.374500	1.516433	1.615000	1.632800	1.606500	1.625000	0.178900
2005	0.483400	0.576665	0.520000	0.274700	0.353500	1.480851	1.610000	1.698300	1.603200	1.587000	0.174000
2006	0.483400	0.565399	0.510000	0.274700	0.348500	1.335240	1.468000	1.613900	1.443700	1.440000	0.164000
2007	0.484000	0.586000	0.480000	0.264700	0.348500	1.120343	1.138050	1.346900	1.190000	1.359000	0.164000
2008	0.484000	0.583066	0.480000	0.262200	0.316900	1.040000	1.297950	1.348500	1.242600	1.300000	0.154000
2009	0.484000	0.583066	0.480000	0.262200	0.316900	1.040000	1.420200	1.378500	1.245700	1.353000	0.154000

Appendix D
Direct, Indirect and Total Taxes by Year

**Direct, Indirect and Total Taxes by Year
1993 – 2009**

Year	Direct Taxes	Indirect Taxes	Total Direct & Indirect Taxes
1993	\$2,042,146	\$7,413,671	\$9,455,817
1994	\$931,036	\$5,794,171	\$6,725,207
1995	\$2,218,570	\$10,594,989	\$12,813,560
1996	\$2,194,267	\$11,461,620	\$13,655,886
1997	\$1,090,454	\$9,420,007	\$10,510,461
1998	\$1,099,117	\$10,061,404	\$11,160,520
1999	\$5,013,525	\$11,279,202	\$16,292,727
2000	\$5,587,590	\$11,854,539	\$17,442,129
2001	\$5,947,312	\$10,830,401	\$16,777,713
2002	\$6,342,125	\$11,073,227	\$17,415,352
2003	\$11,546,333	\$24,031,488	\$35,577,820
2004	\$7,976,929	\$15,157,990	\$23,134,918
2005	\$9,042,275	\$15,819,410	\$24,861,685
2006	\$10,291,274	\$19,244,769	\$29,536,043
2007	\$9,833,297	\$20,421,063	\$30,254,360
2008	\$10,923,727	\$17,330,038	\$28,253,765
2009	\$12,381,345	\$17,180,221	\$29,561,566



INSIGHT RESEARCH
CORPORATION

INSIGHT RESEARCH CORPORATION

Our Mission

*“Insight Research Corporation clearly defines
the economic costs and benefits of project alternatives
so that decision makers have fully informed choices.”*

Insight Research Corporation is one of the nation's most respected and recognized economic analysis firms. Founded in 1981, the firm's custom approaches and pioneering methodologies have received wide industry acclaim. Completing assignments in the United States, Canada and Mexico -- in three languages and three currencies -- Insight Research Corporation has a long standing reputation for confidentiality, clarity, accuracy and added value.

Insight Research Corporation is a dominant competitor in several practice areas, including:

- Economic, Employment, and Investment Grade Tax Revenue Impact Analysis
- Cost/Benefit and Public Finance Analysis
- Simulation Modeling of Land Use Alternatives
- Economic Analysis of Transportation Improvements

Insight Research Corporation is noted for translating complex issues into clear communications for public audiences. To assure the complete objectivity of its work, Insight Research does no incentive negotiations; instead, providing its public and private clients with an independent, third-party statistical research laboratory.



**INSIGHT RESEARCH
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*“Every day in North America,
an Insight Research project is front page news.”*

INSIGHT RESEARCH CORPORATION

Our Services

*“Every day in North America,
an Insight Research project is front page news.”*

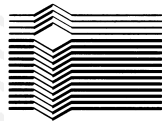
Insight Research Corporation is a dominant competitor in the measurement of economic, employment, and investment grade tax revenue impacts.

The firm has special depth in freight and passenger transportation, traditional and high-tech manufacturing. Insight Research Corporation also provides specific services for the needs of fast-growing municipalities.

Economic Analysis Services:

- Economic, Employment, and Tax Revenue Impact Analysis
 - Investment-Grade Tax Revenue Projections
 - Project Cost/Benefit Analysis
- Development Simulation Modeling of Land Use Alternatives
- Impact of Transportation Design Alternatives
- The ROAN Report® of Retail Opportunity
- The “FAST TRAKKER” Cost/Benefit Analysis
- The Final Decision Model

All analytical services provided by Insight Research Corporation are confidential and are custom-designed to address the specific needs of each client.



**INSIGHT RESEARCH
CORPORATION**

INSIGHT RESEARCH CORPORATION
Economic Impact Analysis
**A Multi-Jurisdictional Analysis of Economic,
Employment and Tax Revenue Impact**

In a clearly stated, color illustrated format, an Economic Impact Analysis answers the question:

“What will the proposed facility, project, move or expansion mean to the target community in jobs, new dollars in the economy and tax revenues over time?”

Insight Research Corporation has refined an economic analysis protocol to evaluate the detailed economic, employment and tax impacts of public and private capital investments, major projects and business site locations and expansions. Insight Research Corporation’s approach employs the methodologies of the US Bureau of Economic Analysis and the Bureau of Canadian Statistics, the “gold standards” of economic analysis in the United States and Canada respectively.

While economic impact is highly quantifiable and uses traditional methodologies, measuring direct and indirect tax impact is a technical breakthrough in applied microeconomics. This analytical system has many successful applications for a wide variety of projects in the United States and Canada.

Benefits of the economic impact protocol can include investment-grade tax revenue forecasts for public and/or private financing and cost/benefit analysis as needed.

For further information about your Economic Impact Analysis needs, please contact:

Elizabeth Morris, CEO/Chief Economist
Insight Research Corporation
9441 LBJ Freeway, Lock Box 20
Dallas, TX 75243
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Email: theteam@getinsight.com

Insight Research Corporation

Development Simulation Modeling for Local Government

Development Simulation Modeling (DSM) is a highly accurate new method of financial forecasting. It allows modeling of a community's future growth and land use under different development scenarios while simultaneously estimating the financial impacts to the jurisdiction of each scenario.

DSM modeling provides for short and long term, risk-free examination of future zoning, annexation, community and economic development alternatives, helping to answer the key question, **"Can our city afford its future?"**

Some of the issues in which the DSM has been valuable include:

- Defining the optimum balance of residential to commercial tax base
- Examining the city's future operating and capital needs under current development trends
- Testing alternative land use and public management strategies to achieve a more favorable outcome

Development Simulation Modeling provides statistical support to elected officials and municipal professionals as they examine municipal issues including:

- Forecasting community growth under alternative hypothetical scenarios
- Testing many different opinions and options in a risk-free environment, using variable assumptions
- Examining the tax revenue balance produced from different types of residential and commercial development
- Facilitating consensus on community goals

For further information about your community's
Development Simulation Modeling needs, please contact:

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Email: theteam@getinsight.com

INSIGHT RESEARCH CORPORATION

Transportation Impact Analysis

A Multi-Jurisdictional Analysis of Economic, Employment, Tax Revenue and Cost/Benefit Impact for Transportation Projects

Insight Research Corporation has recognized expertise in quantifying the effects of transportation projects including freight and passenger rail, bridge and overpass placement, airport and seaport improvements. Using federal methodologies and its proprietary databases of design, construction and operating budgets, Insight Research augments the required socioeconomic and environmental analyses to help achieve the following results:

- Quantify the economic, employment and fiscal impact of highway design alternatives
- Build public understanding of the value of these major public and private investments
- Assist the jurisdiction in placing bonds and obtaining right-of-way

Insight Research Corporation's advanced modeling capacity captures not only the often cited economic and employment impacts of public design and construction expenditures, but also includes the **direct and indirect tax impacts by specific jurisdiction** of the following transportation project phases:

- Design and Construction Investments for Alignment Alternatives
- Right-of-Way Purchase and Reinvestment
- Estimates of Adjacent Private Development Potential
- Construction Phase Business Interruption Losses
- Business Activity Gains Due to Improved Access and Visibility
- Impacts of Toll versus Non-Toll Alternatives
- Lost Opportunity Impacts of "No Action"
- Environmental Impacts
- Environmental Justice Issues

For further information about Transportation Impact Analysis, please contact:

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INSIGHT RESEARCH CORPORATION

The ROAN Report[®], “A Diagnostic Analysis of Retail Opportunity”

The ROAN Report[®] is a breakthrough in retail analysis which measures the disparity between retail supply and demand in virtually any custom-designated geographic trade area in the United States or its territories. This diagnostic analysis is designed to answer the questions:

“What retail use will be most profitable on this site?” or
“What is the unmet demand for certain goods and services at this site?”

The Roan Report[®] has been developed and tested in an applied research environment, and has been refined, calibrated and used by Insight Research Corporation’s clients in hundreds of retail site evaluations throughout the United States.

This analytical approach adds significant value by reducing retail risk and revealing current unmet retail demand across fifteen retail categories. The ROAN Report[®] is unique to the retail industry because, for the first time, both supply and demand information are provided in one cost-effective, timely and completely custom analysis. Included in this report is the following information:

- Quantification of New or Unmet Retail Potential
- Supportable Retail Square Footage
- Sales Tax Revenue Potential
- Market Share Analysis
- Identification of Retail Needs Currently Met
- Population and Income Trends in the Study Area
- Quantification of Added Retail Jobs

For further information about The ROAN Report[®], please contact:

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INSIGHT RESEARCH CORPORATION
“The FAST TRAKKER – A Cost/Benefit Analysis Breakthrough”

Two of the most controversial questions facing communities are:

- A. “What kind of incentives can we afford to offer to desirable new businesses?”**
- B. “When can we expect to get our investment back?”**

Insight Research’s **FAST TRAKKER** is designed to be used in-house by city or economic development staff. **FAST TRAKKER** reports quickly and accurately compute the cost-to-benefit relationship of a proposed project. Reports provide succinct, consistent results, illustrated by colorful graphics. Fully customized for each project, the **FAST TRAKKER** allows a jurisdiction to test multiple cost options against the potential benefits, addressing the following issues:

Costs:

- Public service cost
- A full range of incentives, abatements, grants, rebates, infrastructure participation, fee waivers
- Environmental credits
- Special tax exemptions

Benefits:

- New assessed values
- Real and personal property taxes
- Inventory and sales taxes
- Permit and fee generation
- Utility franchise fees
- Land or special use donations

- All financial analyses are prepared by your staff, safeguarding project confidentiality.
- Methodology is tailored for the jurisdiction’s individual tax and incentive structure, as well as for each project opportunity.
- Comparative results improve communications to elected officials and the public.
- Insight Research Corporation provides the friendliest, most knowledgeable support services in the industry are available to assist the user -- by telephone, e-mail or on-site -- including annual user conferences.
- Five models of the **FAST TRAKKER** are available to accommodate project timeframes and financial variables.

For further information about Insight Research Corporation’s
FAST TRAKKER, please contact:

Sarah Edquist, Director of Municipal Services
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Email: theteam@getinsight.com


INSIGHT RESEARCH CORPORATION
The Final List Software
“Score, Weight, Rank and Decide”

Insight Research Corporation specializes in business relocation modeling and analysis. The company provides confidential consulting, research and analytical support for companies of many sizes, particularly those with high growth or specialized labor force concerns.

Business location analysis allows a company to define and quantify its relocation or expansion goals, translating those goals into action. The Final List protocol allows a company to rank location options by defined variables to see which option best corresponds with its stated objectives.

Insight Research Corporation provides its clients with the following:

- A flexible, extensively tested analytical system for all types of business activities: manufacturing, retail, corporate headquarters, data control centers, call and service centers
- On-line, library and data gathering resources for virtually unlimited business information, skillfully refined to assure "apples-to-apples" site comparisons
- Objectivity, experience and confidentiality
- Experience in regionally related cost variations



For further information about comparative business site location analysis, please contact:

Elizabeth Morris, CEO/Chief Economist
Insight Research Corporation
9441 LBJ Freeway, Lock Box 20
Dallas, TX 75243
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INSIGHT RESEARCH CORPORATION
Partial List of Public Sector Clients

FEDERAL

FDIC
 US Department of Energy
 US Dept of Housing &
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 Michigan
 Minnesota
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 Oklahoma
 Quebec
 Tennessee
 Texas

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Aberdeen, MD
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 Allen Park, MI
 Allen, TX
 Alexandria, VA
 Ann Arbor, MI
 Arlington, TX
 Asheville, NC
 Atlanta, GA
 Austin, MN
 Austin, TX
 Battle Creek, MI
 Beaumont, CA
 Bedford, TX
 Beloit, WI
 Bethel, CT
 Borger, TX
 Boston, MA
 Calgary, Alb
 Cambridge, Ont
 Carol Stream, IL
 Carrollton, TX
 Cedar Hill, TX
 Cedar Rapids, IA
 Champaign, IL
 Charlotte, NC
 Chicago, IL
 Cleveland, OH
 Colleyville, TX
 Collierville, TN
 Columbia, SC
 Coppell, TX
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 Dallas, TX
 Davenport, IA
 Denton, TX
 Denver, CO
 DeSoto, TX
 Edmond, OK
 El Paso, TX
 El Segundo, CA
 Ennis, TX
 Euless, TX
 Farmers Branch, TX
 Fayetteville, TN
 Flint, MI
 Florence, KY
 Flower Mound, TX
 Frankfort, IN
 Fremont, MI
 Fort Worth, TX
 Fort Smith, AR
 Garland, TX
 Grand Prairie, TX
 Grand Rapids, MI
 Grapevine, TX
 Greenville, SC
 Haltom City, TX
 Houston, TX
 Indianapolis, IN
 Jackson, MS
 Jonesboro, AR
 Kansas City, MO
 Katy, TX
 Keller, TX
 Killingly, CT
 Kinston, NC
 Kirkwood, NY
 Lake Charles, LA
 Lake Worth, TX
 Lansing, MI
 Lauzon, Quebec
 Lexington, KY
 Lubbock, TX
 Lynchburg, VA
 Mansfield, TX
 Marion, AR
 Marysville, MI
 McKinney, TX
 Memphis, TN
 Mesquite, TX
 Miami, FL

Midlothian, TX
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 Oak Forest, IL
 Oklahoma City, OK
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 Pearland, TX
 Peoria, IL
 Pflugerville, TX
 Plano, TX
 Plymouth, MI
 Port Fourchon, LA
 Portland, OR
 Raleigh, NC
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 Reno, NV
 Richardson, TX
 Rockwall, TX
 Rock Springs, WY
 Rockville, MD
 Rowlett, TX
 Saginaw, MI
 Salt Lake City, UT
 San Antonio, TX
 San Diego, CA
 Schaumburg, IL
 Shelby County, TN
 Southgate, MI
 Southlake, TX
 St Louis, MO
 Sterling Heights, MI
 Summit, IL
 Sweetwater, WY
 Tallulah, LA
 Tampa, FL
 Topeka, KS
 Visalia, CA
 Waco, TX
 Waterford, MI
 Waxahachie, TX
 West Chicago, IL
 West Memphis, TN
 West Valley, UT
 Wichita Falls, TX
 York, PA
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Munsch, Hardt, Kopf, Harr
Stollenwerck Moore &
Silverberg
Strasburger & Price, LLP
Vinson & Elkins
Winstead Secrest & Minick

CORPORATE

3-M Corporation
Albertsons Inc.
American Express
Angelika Theaters
Andersen Consulting
AT&T
BeautiControl Cosmetics
Bell South
Blue Cross-Blue Shield
Bureau of Nat'l Affairs
(BNA)
Cabela's
Carter & Burgess
Catullus
CB Commercial
Centex Development Corp
Dallas Design District
Dell Computer Corporation
Dr Pepper/Cadbury NA
EDS Realty Corporation
Ernst & Young
Forbes Development
Frito-Lay, Inc.
G E Capital Corporation
General Shopping Ctrs
Gerber Products Corp
Goodman Homes, Inc.
GTE
Halff Associates
HNTB
Hunt Properties, Inc.
Intelsat

Kimley-Horn & Associates
Koch Industries
KPMG
Lowe's Inc.
Maguire Thomas Partners
Marathon Group
Matthews Southwest CA
MCI
Medtronics
Merrill Lynch Pierce
Fenner & Smith
Microsoft
Mills Corporation
Mobil Land Development
Mobil Oil Corporation
Mobil Solar Energy Corp
Mutual of New York
Bank of America
Nestle Corporation
PepsiCo Inc.
Pepsico International
Perot Group/Hillwood Dev
Perot Systems Corp.
Raytheon
Rich's Food Products
Roadway Express
Rosewood Properties, Inc.
RTKL, Inc., Architects
SABRE Group
Sandoz Pharmaceutical
Skywalker Development
/Lucas Films
Sogetexas, Inc. (France)
Southland Corporation
Southwestern Bell
Staubach Company
T-Mobile
Texas Industries (TXI)
Texas Instruments Inc.
The Container Store
Torchmark Insurance
Trammell Crow Company
TriCon Global Taco Bell,
KFC, Pizza Hut
Visa International
Westinghouse
Woodbine Development
Xerox Realty Corporation

PROFESSIONAL SPORTS

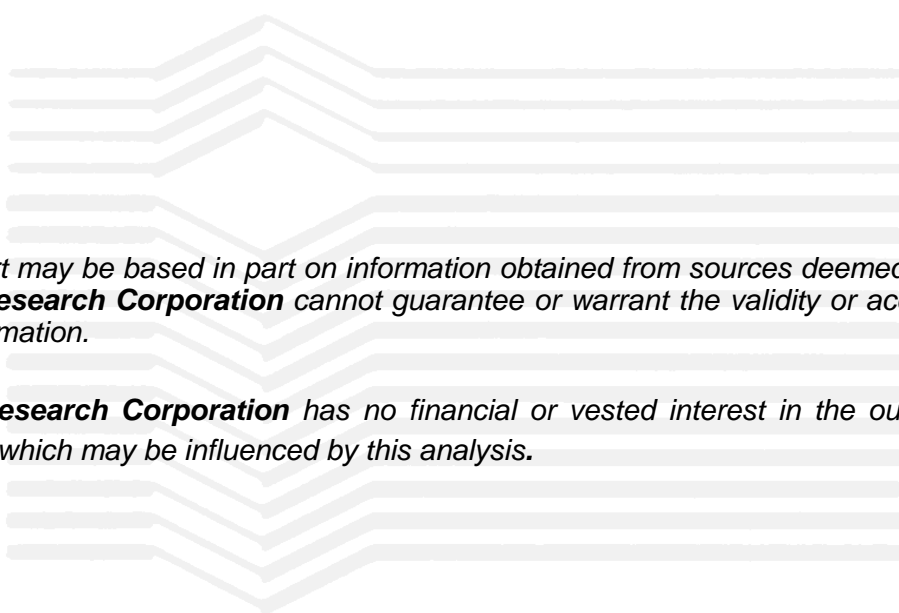
Dallas Stars (NHL)
Ft Worth Motor Speedway
Lone Star Park-Breeders
Cup
Major League Baseball
(MLB)
National Basketball
Association (NBA)
National Football League
(NFL)
San Antonio Spurs (NBA)
St Louis Rams (NFL)
Stafford Sports

TRANSPORTATION

Airbus
Alliance Airport
BNSF Railroad
CSX Intermodal
CSX Railroad
CSX Transportation, Inc.
D/FW International Airport
Dallas Area Rapid Transit
(DART)
Daimler-Chrysler
Dulles International Airport
Fed Ex
Federal Express Ground
LSTransit
North Central Texas
Council of Governments
North Texas Tollway
Authority
Pacer Stacktrain
TX Dept of Transportation
Union Pacific Railroad
Wilbur Smith Associates

NON-PROFITS

Arts of Collin County
Baptist General Conv.
Greater Dallas Chamber
Home and Apartment
Builders Association
Lutheran Brotherhood
OK City Chamber
Presbyterian Foundation
Sci-Tech Discovery Center
YMCA



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***Insight Research Corporation** has no financial or vested interest in the outcome of decisions which may be influenced by this analysis.*