CITY OF EL PASO, TEXAS
AGENDA ITEM DEPARTMENT HEAD’S SUMMARY FORM

DEPARTMENT: Office of Economic Development

AGENDA DATE: March 24, 2009 - Regular Agenda

CONTACT PERSON/PHONE: Kathy Dodson, PhD, Director 541-4670

DISTRICT(S) AFFECTED: ALL

SUBJECT:
Presentation regarding Business Climate Survey conducted by IPED. [All Districts] [Economic Development, Kathryn Dodson, Ph.D., Director (915) 541-4670]

BACKGROUND/DISCUSSION:
Economic Development contracted with IPED to perform a Business Climate Survey to assess the current economic conditions faced by area businesses and their perceptions on future business operations.

PRIOR COUNCIL ACTION:
Has the Council previously considered this item or a closely related one?

N/A

AMOUNT AND SOURCE OF FUNDING:
How will this item be funded? Has the item been budgeted? If so, identify funding source by account numbers and description of account. Does it require a budget transfer?

N/A

BOARD/COMMISSION ACTION:
Enter appropriate comments or N/A.

N/A

******************REQUIRED AUTHORIZATION******************

LEGAL: (if required) FINANCE: (if required)

DEPARTMENT HEAD: (Example: If RCA is initiated by Purchasing, client department should sign also). Information copy to appropriate Deputy City Manager

APPROVED FOR AGENDA:

CITY MANAGER: ___________________________ DATE: ____________
2008 City of El Paso Business Climate Survey

Conducted by:  

Survey:
- Response from 571 businesses w/5+ employees (6,000+ businesses sent survey)
- Survey asked about business conditions in El Paso and perceptions on future business
- Survey conducted Oct/Nov 2008

54% of respondents in 4 industries  
308 firms

Business Climate Survey Response

<table>
<thead>
<tr>
<th>Industry Sector</th>
<th>Count</th>
<th>% of Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture, Mining &amp; Utilities</td>
<td>4</td>
<td>0.7</td>
</tr>
<tr>
<td>Construction</td>
<td>30</td>
<td>6.8</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>98</td>
<td>17.3</td>
</tr>
<tr>
<td>Wholesale &amp; Retail Trade</td>
<td>130</td>
<td>22.8</td>
</tr>
<tr>
<td>Transportation &amp; Warehousing</td>
<td>10</td>
<td>1.7</td>
</tr>
<tr>
<td>Information</td>
<td>14</td>
<td>2.5</td>
</tr>
<tr>
<td>Finance &amp; Insurance</td>
<td>15</td>
<td>2.6</td>
</tr>
<tr>
<td>Real Estate, Rental &amp; Leasing</td>
<td>22</td>
<td>3.9</td>
</tr>
<tr>
<td>Prof., Scientific &amp; Tech. Services</td>
<td>58</td>
<td>10.2</td>
</tr>
<tr>
<td>Administrative/Support &amp; Waste Management/Remediation</td>
<td>26</td>
<td>4.6</td>
</tr>
<tr>
<td>Educational (Private)</td>
<td>4</td>
<td>0.7</td>
</tr>
<tr>
<td>Health</td>
<td>52</td>
<td>9.1</td>
</tr>
<tr>
<td>Social Assistance</td>
<td>28</td>
<td>4.8</td>
</tr>
<tr>
<td>Leisure &amp; Hospitality</td>
<td>47</td>
<td>8.2</td>
</tr>
<tr>
<td>Other Services</td>
<td>45</td>
<td>7.9</td>
</tr>
<tr>
<td>Total</td>
<td>571</td>
<td>100.0</td>
</tr>
</tbody>
</table>
El Paso economy is mainly stable.
- Economic expansion closely tied to cost stabilization.
- If costs do not increase, economy may witness growth.

Improving Business Opportunities

- Improve education / worker training: 14.4
- Reduce taxes: 12.3
- Increase opportunities for growth / tourism: 10.0
- Need pro-business / progressive government: 7.9
- Create more & better jobs / increase salaries: 7.9
- Increase access to capital / financing: 7.7
- Improve general economic conditions: 7.0
- Commitment to ethics / customer service: 6.2
- Increase wealth / reduce poverty: 6.0
- Attract big businesses: 5.8
- Other: 6.3
- Keep business opportunities local: 5.0
- Improve border infrastructure / wait times: 4.4
12.3% of businesses believe that reducing taxes would improve business opportunities.

Regarding local taxes, they may be unaware of the services provided per the results of 2008 Citizens Survey - 86% of citizens are somewhat or not knowledgeable of city programs.

Knowledge of City’s operations, programs and policies *

<table>
<thead>
<tr>
<th>Somewhat Knownledged</th>
<th>Very Knownledged</th>
<th>Not Sure</th>
<th>Not Knownledged</th>
</tr>
</thead>
<tbody>
<tr>
<td>44.2%</td>
<td>7.7%</td>
<td>5.8%</td>
<td>42.3%</td>
</tr>
</tbody>
</table>

* 2008 City of El Paso Citizen Survey

Top Barriers Facing Business

- General economic slowdown: 16.3%
- Lack of qualified labor: 14.3%
- Rising costs: 10.9%
- Local / national competition (i.e., lower prices): 10.3%
- Access to capital / financing: 10.2%
- Low income / high unemployment / poverty: 8.4%
- Few opportunities for growth / greater sales: 7.4%
- High taxes: 7.3%
- Government interference / lack of support: 5.8%
- Other: 5.7%
- Border location / infrastructure: 3.5%
Education, Training and Labor Characteristics

- Availability of qualified labor
- Training providers
- Wage levels
- K-12 education
- Productivity of labor
- Training providers
- EPCC
- UTEP

Quality of Life Characteristics

- Condition of downtown
- Healthcare
- Recreational activities
- Entertainment & shopping
- Cultural activities
- Housing availability
- Public safety
- Public transportation (Sun Metro)

- Strength
- Average
- Weakness
### Positive & Negative Issues to do business & to live

#### Most positive/negative for doing business:

<table>
<thead>
<tr>
<th>Positive (top 4)</th>
<th>Negative (top 4)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Border location – 21.4</td>
<td>Border location – 19.1</td>
</tr>
<tr>
<td>Potential for growth – 18.1</td>
<td>Low income/poverty – 15.9</td>
</tr>
<tr>
<td>Climate / weather – 14.2</td>
<td>High taxes / rising costs – 14.7</td>
</tr>
<tr>
<td>Friendly, good people – 13.1</td>
<td>Low education/unskilled labor – 13.3</td>
</tr>
</tbody>
</table>

#### Most positive/negative as place to live:

<table>
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<th>Positive (top 4)</th>
<th>Negative (top 4)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Weather / climate – 47.4</td>
<td>Few activities (recreation, entertainment) – 15.8</td>
</tr>
<tr>
<td>Safe/peaceful/laid back – 16.6</td>
<td>Low income / poverty – 13.6</td>
</tr>
<tr>
<td>Culture / friendly people – 14.7</td>
<td>Taxes – 12.8</td>
</tr>
<tr>
<td>Cost of living – 11.0</td>
<td>Border location – 12.2</td>
</tr>
</tbody>
</table>