

**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: *José Pontecillo, Economic Dev. Mgr. for Kathy Dodson Ph.D., Director*
(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:



Business Climate Survey Response

Firm Respondents by Industry Sector

Industry Sector	Count	% of Total
Agriculture, Mining & Utilities	4	0.7
Construction	39	6.8
Manufacturing	68	11.9
Wholesale & Retail Trade	130	22.8
Transportation & Warehousing	19	3.3
Information	14	2.5
Finance & Insurance	15	2.6
Real Estate, Rental & Leasing	22	3.9
Prof., Scientific & Tech. Services	58	10.2
Administrative/Support & Waste Management/Remediation	26	4.6
Educational (Private)	6	1.1
Health	52	9.1
Social Assistance	26	4.6
Leisure & Hospitality	47	8.2
Other Services	45	7.9
Total	571	100.0

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

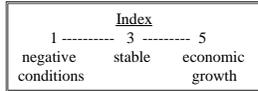
54% of respondents in 4 industries
308 firms



Business Climate Index

Current Conditions – 2.76

Leading Conditions – 2.92



Current Conditions Index
(over the past 3 months)

	% High Increase	% Some Increase	% No Change	% Some Decrease	% High Decrease	Index
Costs	36.3	43.1	13.8	5.0	1.8	1.93
Revenues	4.1	20.2	40.9	24.1	10.7	2.83
Investments	11.1	31.9	36.9	13.5	6.5	3.28
Employment	3.1	18.9	56.6	18.4	2.9	3.01
Overall Index						2.76

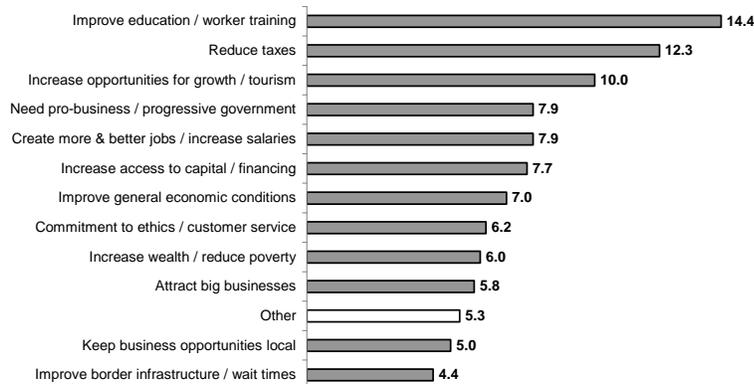
Leading Conditions Index
(over the next 12 months)

	% High Increase	% Some Increase	% No Change	% Some Decrease	% High Decrease	Index
Costs	18.6	36.2	16.2	21.9	7.2	2.63
Revenues	4.3	26.1	36.2	25.9	7.6	2.94
Investments	4.9	32.6	34.5	21.4	6.6	3.08
Employment	3.4	23.3	51.6	18.6	3.2	3.05
Overall Index						2.92

- El Paso economy is mainly stable.
- Economic expansion closely tied to cost stabilization.
- If costs do not increase, economy may witness growth.



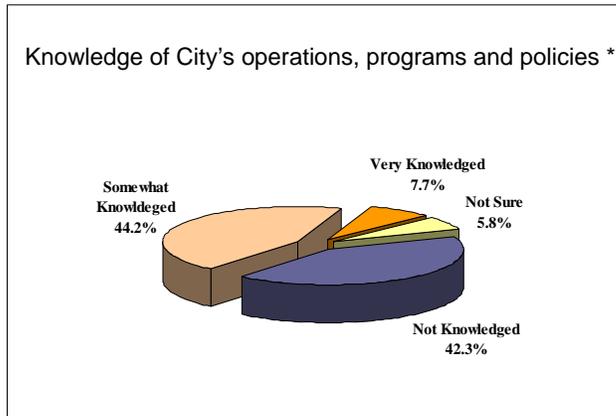
Improving Business Opportunities





12.3% of businesses believe that reducing taxes would improve business opportunities.

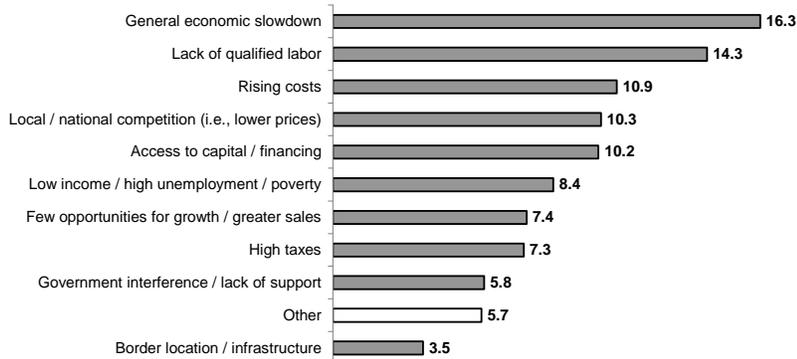
Regarding local taxes, they may be unaware of the services provided per the results of 2008 Citizens Survey - 86% of citizens are somewhat or not knowledgeable of city programs



* 2008 City of El Paso Citizen Survey

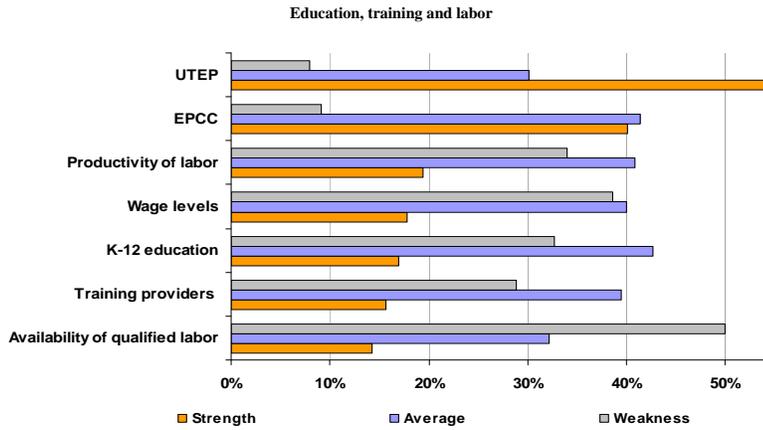


Top Barriers Facing Business

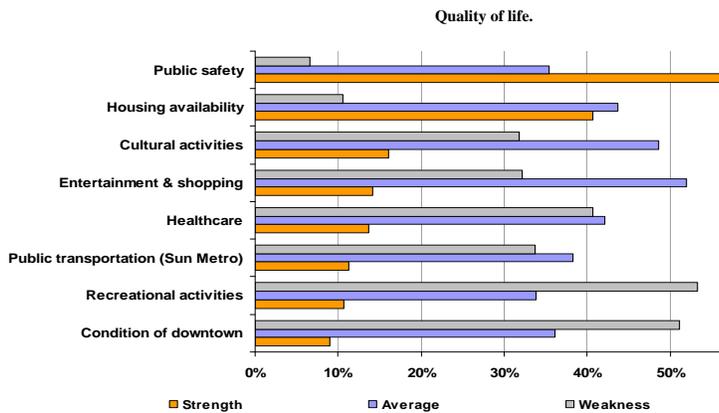




Education, Training and Labor Characteristics



Quality of Life Characteristics





Positive & Negative Issues to do business & to live

Most positive/negative for doing business:

Positive (top 4)

Border location – 21.4
Potential for growth – 18.1
Climate / weather – 14.2
Friendly, good people – 13.1

Negative (top 4)

Border location – 19.1
Low income/poverty – 15.9
High taxes / rising costs – 14.7
Low education/unskilled labor – 13.3

Most positive/negative as place to live:

Positive (top 4)

Weather / climate – 47.4
Safe/peaceful/laid back – 16.6
Culture / friendly people – 14.7
Cost of living – 11.0

Negative (top 4)

Few activities (recreation, entertainment) – 15.8
Low income / poverty – 13.6
Taxes – 12.8
Border location – 12.2