

Economic Development

8.1 The Bulverde Area's Economy

Economic growth is needed to help create job opportunities, provide a variety of goods and services, and be the foundation for a tax base that can sustain a community while alleviating the tax burden placed upon residential property owners. Economic development has become so important that communities can no longer afford to leave it to chance. This chapter addresses the economy of the Bulverde area as well as institutions having an economic impact, and what steps Bulverde should take to maximize its economic well-being in the future.



In the summer of 2003, the Economic Development Subcommittee met and discussed the state of Bulverde's economy and the possibility of forming an Economic Development Corporation (EDC) for Bulverde. The Development Corporation Act of 1979 allows municipalities to create nonprofit organizations called Development Corporations that can promote business development within the municipality and its vicinity. In 1989, the Texas Legislature amended the Act by adding Section 4A, allowing communities to levy a sales and use tax of one-eighth to one-half percent dedicated to economic development. More recently, House Bill 2912 restricted economic and community development corporations from funding retail projects. Industrial and commercial projects that create primary jobs must be the focus of an EDC's efforts. In Bulverde's case, however,

there is no room left for adding a one-eighth to half-half percent sales and use tax (see Table 8.1). State law limits the collection of local sales and use tax to no more than two percent for a total sales tax rate of 8.25 percent.

Table 8.1. Sales Tax Rate for the City of Bulverde - 2004

Tax	Rate
State Sales tax	.06250
Bulverde City Tax	.01000
Comal County tax	.00500
Bulverde Area Library District Tax	.00500
Total	.08250

Source: Window on State Government, Texas Comptroller of Public Accounts.

At the meeting, subcommittee members asked questions like “What do new businesses and residents look for in a community?” and “What kinds of businesses do we want to attract?” They agreed that business managers are looking for quality housing, good schools, a nearby hospital, infrastructure, an available and skilled workforce, an environmentally friendly and permit friendly government (not easy but clear), an inventory of property, a sound transportation network, and stability. As for the “target market”, they concluded that unique and distinct niches can be pursued in preplanned areas of the community, but the citizens have to be open to well-managed growth. Target industries include retail, recreation, entertainment, low impact light industrial and institutional entities. Retail is the target area that should be the first and most conducive to develop as the population increases. It is also the most natural way to increase sales tax revenues and the community’s future ability to fund the city’s budget as well as an Economic Development Corporation via the sales tax. Subcommittee members selected action items that include locating sites for potential development, surveying the available infrastructure, and determining areas where permitting can be streamlined. They also noted the advantages of working with the Institute for Economic Development at the University of Texas at San Antonio. The Institute provides technical, research, training and information assistance to local governments, EDC’s and Chambers of Commerce in central and south Texas.

Many issues affect the ability of a city to attract desirable businesses, ranging from quality of life, taxation and development costs, and workforce availability. The community’s desire to attract businesses and diversify the tax base will be an ongoing endeavor. Challenges related to growth and development will occur in the future, and proper solutions, as well as comprehensive planning, will serve to improve the stability of the economy.

8.2 Employment

The major employment classifications for the Alamo Workforce Development Area (WDA) for 2003 are listed in Table 8.2. The Alamo WDA includes Comal, Kendall and Bexar counties along with Atascosa, Bandera, Frio, Guadalupe, Karnes, Kerr, Medina and Wilson counties. The largest employment classifications are Trade-Transportation-Utilities, Local Government, and Education-Health Services. In terms of annual payroll, Trade-Transportation-Utilities is the largest employment classification with Local Government and Financial Activities being the second and third largest. The average payroll per Financial Activities employee is almost twice as much as that for Trade-Transportation-Utilities employees. Financial Activities jobs are the “best-paying” in the area. Professional and Business Services and Leisure and Hospitality are other industries that employ significant numbers of people. Slightly more than one of ten persons (10.9%) employed in the Alamo WDA work in the Leisure-Hospitality category. Unfortunately, these are the lowest paying jobs in the area with that industry category’s payroll accounting for only 5.1% of the area’s total payroll.

Table 8.2. Quarterly Employment and Wages, Alamo Workforce Development Area, 2003

Alamo WDA	Firms	No. of Employees	% of Total Employees	Total Wages (\$1,000s)	% of Total Payroll	Avg Weekly Wages
Natural Resources & Mining	644	5,826	0.8%	\$53,138	0.9%	\$702
Construction	3,806	43,039	5.6%	\$ 331,072	5.4%	\$ 592
Manufacturing	1,554	51,243	6.7%	\$455,192	7.4%	\$683
Trade, Transportation, Utilities	6,738	139,036	18.2%	\$991,933	16.2%	\$549
Information	470	23,509	3.1%	\$327,761	5.3%	\$1,072
Financial Activities	3,134	60,639	8.0%	\$815,743	13.3%	\$ 1,035
Professional & Business Serv	5,569	87,306	11.4%	\$ 689,905	11.2%	\$608
Education & Health Services	3,966	95,647	12.5%	\$ 698,285	11.4%	\$ 562
Leisure & Hospitality	2,961	83,636	10.9%	\$ 313,646	5.1%	\$ 288
Other Services	4,187	23,906	3.1%	\$124,043	2.0%	\$ 399
State Government	209	19,409	2.5%	\$ 161,079	2.6%	\$ 638
Local Government	417	101,492	13.3%	\$828,667	13.5%	\$ 628
Federal Government	145	29,575	3.9%	\$ 344,641	5.6%	\$ 896
Total	34,080	764,852		\$6,138,443		\$617

Source: Tracer Texas Labor Market Information, Employment and Wages – UI Covered, www.tracer2.com. Alamo Workforce Development Area includes Atascosa, Bandera, Bexar, Comal, Frio, Karnes, Kendall, Kerr, Guadalupe, Medina, Frio and Wilson counties.

According to the Texas Workforce Commission, the top twenty major employers in the Alamo Workforce Development Area are:

- Alamo Community College
- Bexar County Hospital District
- Citicorp Data Systems Inc.
- City Public Service Board
- Columbia HCA Healthcare Corporation
- Department of Defense
- HEB Grocery Company
- Labor Ready Central III
- North East Independent School District
- Northside Independent School District
- Postal Data Center
- San Antonio Independent School District
- City of San Antonio
- Texas Association of Counties
- USAA
- University of Texas San Antonio
- University of Texas Health Sciences Center
- VHS Acquisition Subsidiary
- Wal-Mart Associates, Inc.

Major employers in Comal County include:

- Comal Independent School District (2,000 employees)
- H E Butt Grocery Company
- Checks in the Mail
- Eden Home
- Gristmill Restaurant
- Lightning Metal Specialties
- McKenna Health Management
- Mission Valley Fabrics
- New Braunfels Independent School District
- PSP Industries
- River Gardens
- Silverleaf Vacation Club
- Symons Corporation
- Target
- Texas Industries
- The Coleman Company
- The Scooter Store
- Wal-Mart
- Waterpark Management

Table 8.3 illustrates that the rate of total employment growth for Bexar, Comal and Kendall counties as well as the Alamo and Rural Texas Workforce Development Areas, and the State of Texas. Two of the top three entities with the greatest percent increases from 1990 to 2003 are Comal and Kendall counties. For all three counties (Bexar, Comal and Kendall), employment growth outstripped population growth, especially in Kendall County.

Table 8.3. Total Employment Comparisons, 1990-2003

Entity	1990	2003	Percent Change Employment	Percent Change Population
Bexar County	522,805	696,491	33.2%	22.9%
Kendall County	7,257	17,771	144.9%	79.3%
Comal County	24,394	43,290	77.5%	65.0%
Alamo WDA	657,708	905,100	37.6%	
Rural Capital	167,164	305,630	82.8%	
State of Texas	8,091,627	10,335,099	27.8%	29.6%

Source: Tracer Texas Labor Market Information, Employment Rates and Labor Force, www.tracer2.com. Population percentages based on 1990 U.S. Census and Texas State Data Center Population Estimates for Texas Counties, January 2003.

The Texas Workforce Commission provides employment projections by industry for the year 2010 for the State as a whole and for the various Workforce Development Areas in the State. Table 8.4 gives industry category projections for the Alamo WDA and compares the percentage increases (or decreases) for each category to that for the State of Texas. In the Alamo WDA, employment growth in the Communications-Utilities category will be approximately 50 percent greater than

that for the State of Texas, while employment growth in the Government category will be less than half that growth rate for the State. Table 8.5 also compares the Alamo WDA projection for the total of all industries with those for the Capital and Rural Capital WDAs. The Alamo WDA has the highest projected growth rate in annual average employment of the other two WDAs and the State.

Table 8.4. Alamo WDA Employment Projections by Industry 2000 - 2010

Industry	2000 Employ	2010 Employ	Change	% Change	% Texas
Agriculture, Forestry and Fishing	25,240	27,020	1,780	7.1	10.3
Mining	2,850	2,670	-180	-6.3	-4.1
Construction	42,090	48,370	6,280	14.9	15.8
Manufacturing	58,220	62,760	4,540	7.8	9.6
Transportation	25,140	29,500	4,360	17.3	17.0
Communications and Utilities	19,350	23,690	4,340	22.4	15.7
Wholesale Trade	34,260	39,160	4,900	14.3	12.9
Retail Trade	155,400	182,290	26,890	17.3	15.2
Finance, Insurance and Real Estate	52,970	59,930	6,960	13.1	12.2
Services	315,810	413,090	97,280	30.8	26.7
Government	68,510	73,040	4,530	6.6	15.4
Total All Industries	858,960	1,026,590	167,300	19.5	17.6

Source: Tracer Texas Labor Market Information, Employment Rates and Labor Force, www.tracer2.com.

Table 8.5. Employment Projections for 2010

Workforce Development Areas	2000	2010	Change	Growth Rate
Rural Capital ^a	186,190	217,920	31,730	17.0%
Capital (Travis County)	586,450	691,320	104,870	17.9%
Alamo ^b	858,960	1,026,590	167,630	19.5%
State of Texas	10,393,760	12,217,920	1,824,160	17.6%

Source: Texas Workforce Commission Labor Market Information Projections, www.twc.state.tx.

a: Blanco, Llano, Burnet, Hays, Caldwell, Bastrop, Williamson, Lee; b: Karnes, Guadalupe, Comal, Kendall, Kerr, Bandera, Medina, Frio, Atascosa, Wilson.

The fastest growing industries in the Alamo WDA include:

- Commodity contracts brokers, dealers – 50%
- Computer and data processing services – 86%
- Automotive services except repair - 55%

The Texas Workforce Commission also projects growth in occupations, in addition to industries. For the Alamo Workforce Development Area, and for occupations

requiring one or two years of additional education beyond high school, the top ten occupations adding the most jobs in the next ten years and requiring an associates degree or postsecondary vocational education, include:

- registered nurses
- computer support specialists
- licensed practical and licensed vocational nurses
- automotive service technicians and mechanics
- medical records and health information technicians.

Of the top twenty-five fastest growing occupations requiring advanced education, twelve involve medical professions (e.g. respiratory therapy technicians, surgical technologists, etc.).

The fastest growing occupations percentage-wise from 2000 through 2010 include:

- Computer software engineers, applications – 108%
- Computer support specialists – 92.7%
- Computer software engineers, systems software – 92.7%
- Network and computer systems administrators – 86.4%
- Networks systems and data communications analysts – 72.3%

Occupations adding the most number of jobs include:

- customer service representatives - 6,150
- fast food preparers and serving workers - 5,550
- child care workers – 4,110
- cashiers – 3,520
- registered nurses – 3,320
- retail salespersons – 3,230

Table 8.6 compares the labor force, persons employed and the unemployment rates in the Alamo WDA to that of Comal County and the State of Texas. Again, the Alamo region and Comal County have lower unemployment rates that does the State.

Table 8.6. Civilian Work Force & Unemployment Rates, 1990 - 2003

Civilian Work Force	Alamo WDA		Comal County		State of Texas	
	1990	2003	1990	2003	1990	2003
Labor Force	705,773	956,567	25,791	45,504	8,620,440	11,066,977
Employed	657,708	905,100	43,290	24,394	8,091,627	10,335,099
Unemployed	48,065	51,467	1,397	2,214	528,813	731,878
Unemployment Rate	6.8%	5.4%	5.4%	4.9%	6.1%	6.6%

Source: Tracer Texas Labor Market Information, Employment Rates and Labor Force, www.tracer2.com.

8.3 Income

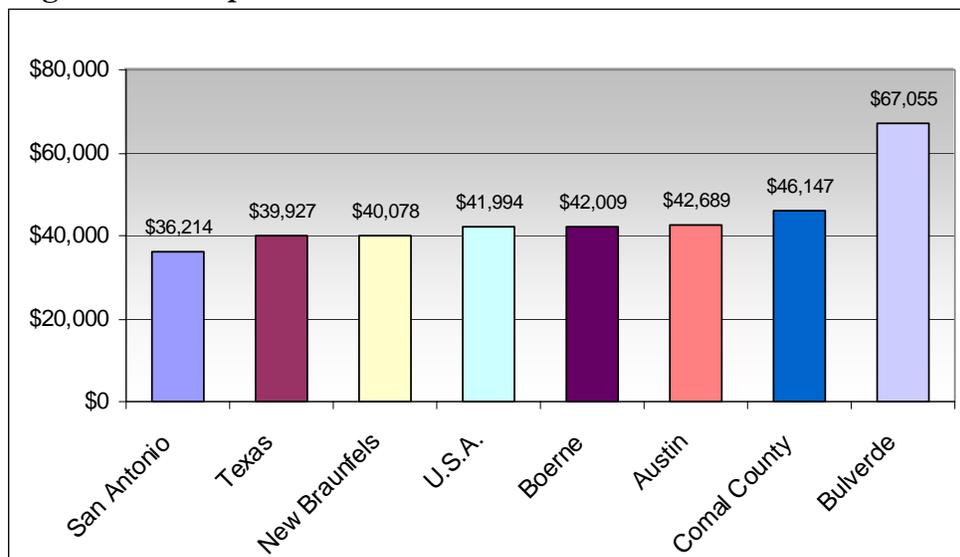
Per capita personal incomes for Comal County and nearby counties, the San Antonio and Austin Metropolitan Statistical Areas, the State of Texas and the U.S. are shown in Table 8.7. From 1990 to 2001, per capita income in Comal County rose 62.4 percent compared to 64.5 percent for the San Antonio Metropolitan Statistical Area. Travis County and the Austin-Round Rock MSA had the highest increases in the region at 80.4 percent and 74.4 percent respectively. Figure 8.1 graphically illustrates the median household incomes for Bulverde and other nearby communities, counties, the State of Texas and the U.S.A. The median income for Bulverde is substantially higher than any of these other entities.

Table 8.7. Income Comparisons, 1990-2001

Entity	Per Capita Personal Income		Percent Change
	1990	2001	
Comal County	18,159	29,491	62.4
Kendall County	19,969	28,665	43.5
Bexar County	16,245	27,138	67.1
Guadalupe County	14,492	22,399	54.6
Travis County	19,550	35,267	80.4
San Antonio MSA	16,341	26,887	64.5
Austin MSA	18,066	31,511	74.4
Texas	17,446	28,472	63.2
United States	19,572	30,413	55.4

Source: U.S. Department of Commerce, Bureau of Economic Analysis, Regional Accounts Data.

Figure 8.1. Comparisons of Median Household Incomes - 1999



Source: 2000 U.S. Census, Summary Tape File 3, Table P53 – Median Household Income.

8.4 Cost of Living

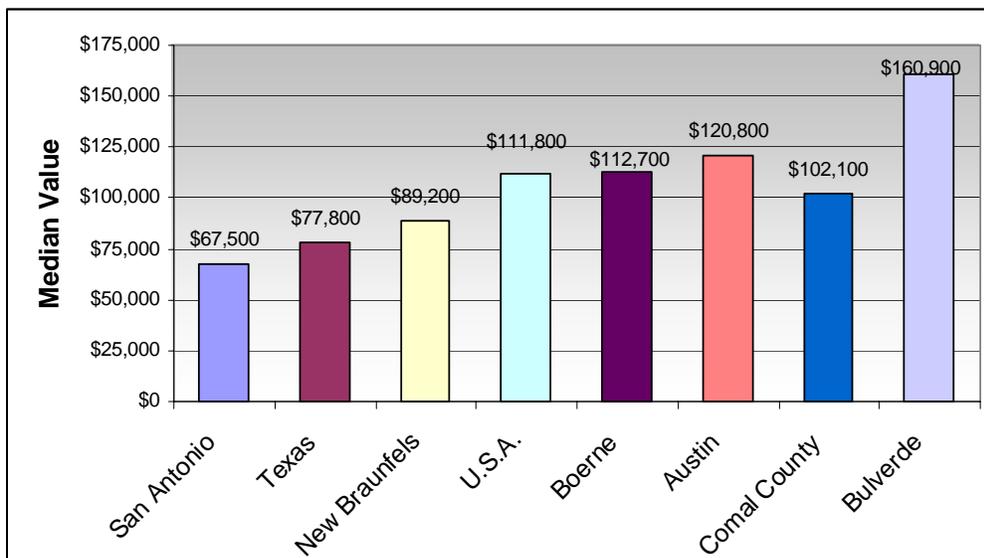
The cost of living is considered to strongly contribute to the “quality of life” in any community or region. Indeed, while incomes in Comal and Kendall Counties are slightly higher than the state average, the cost of living indices in the San Antonio Metropolitan Statistical Area (MSA), which includes both of these counties, is lower than the index averages across all Texas metropolitan areas (see Table 8.8). For the San Antonio MSA only housing and miscellaneous goods/services are higher than the averages across all Texas MSAs. Indeed, housing is costly in Bulverde as can be seen from Figure 8.2.

Table 8.8. Cost of Living Comparisons, First Quarter 2003, U.S. Average=100

Indices	San Antonio MSA	Austin MSA	Houston MSA	Dallas MSA	Across Texas MSAs	Percent Difference with U.S.
Composite Index-100%	91.4	96.2	95.3	98.4	93.1	-6.9%
Grocery Items 16%	88.0	93.3	92.8	98.4	90.4	-9.6%
Housing 31%	88.9	87.5	83.9	94.9	85.5	-14.5%
Utilities 8%	80.7	106.2	110.4	95.7	97.5	-2.5%
Transportation 10%	85.0	89.3	105.7	102.2	96.0	-4.0%
Health Care 5%	92.6	99.2	107.9	99.3	97.1	-2.9%
Misc. Goods/Services 30%	99.6	102.0	97.7	100.6	98.1	-1.9%

Source: U.S. Census Bureau. *Statistical Abstract of the United States 2002*. Table 684, Pages 454-456; and BLS Consumer Price Index. “Percent Difference with U.S.” is the difference across Texas metropolitan areas with the averages for the United States.

Figure 8.2. Median Value for Owner-Occupied Housing in Selected Cities, Comal County and the State of Texas



Source: 2000 U.S. Census, Summary tape File 3, Table H85 – Median Value (Dollars) for All Owner-Occupied Housing Units.

Table 8.9 shows that the city, school and county property tax rates in Bulverde are less than selected other cities in the area except for Boerne, which enjoys an exceptionally low school tax rate.

Table 8.9. Comparison of City, School and County 2002 Property Tax Rates

City	City	School	County	Other	Total
New Braunfels	0.3711	1.8550	0.3337		2.5598
Hollywood Park	0.4179	1.7625	0.3210		2.5014
Garden Ridge	0.2489	1.8000	0.3337		2.3826
San Antonio	0.5785	1.7220	0.3210		2.6215
Boerne	0.4125	1.4300	0.3770		2.2195
Bulverde	0.1487	1.8000	0.3337		2.2824

Source: Survey of County Appraisal Districts.

8.5 Educational Attainment

Whenever quality of life is discussed within the community, the quality of education is consistently mentioned as a high priority. Quality schools and an educated workforce are key ingredients to achieving the vision and goals outlined in this chapter. Comal Independent School District serves the city and much of the surrounding county (See Section 1.5 *Education* in Chapter 1). There are numerous institutions of higher education within an hour's drive of Bulverde. They include:

- University of Texas at San Antonio
- University of the Incarnate Word
- St. Mary's University
- Our Lady of the Lake University
- Trinity University
- Texas Lutheran University
- Texas State University-San Marcos
- Schreiner University in Kerrville
- University of Texas at Austin

Additionally, there are several community colleges in the region. These include:

- San Antonio College
- Northwest Vista College
- St. Philip's College
- Palo Alto College
- Austin Community College with seven locations in the Austin area
- Central Texas Vocational Training Center (not yet open)

Table 8.10 illustrates Bulverde's high school graduation levels rank slightly lower than that of the state, while the percentage of residents with associate's degrees or bachelor's degrees is higher.

Table 8.10. Years of School Completed, 2000

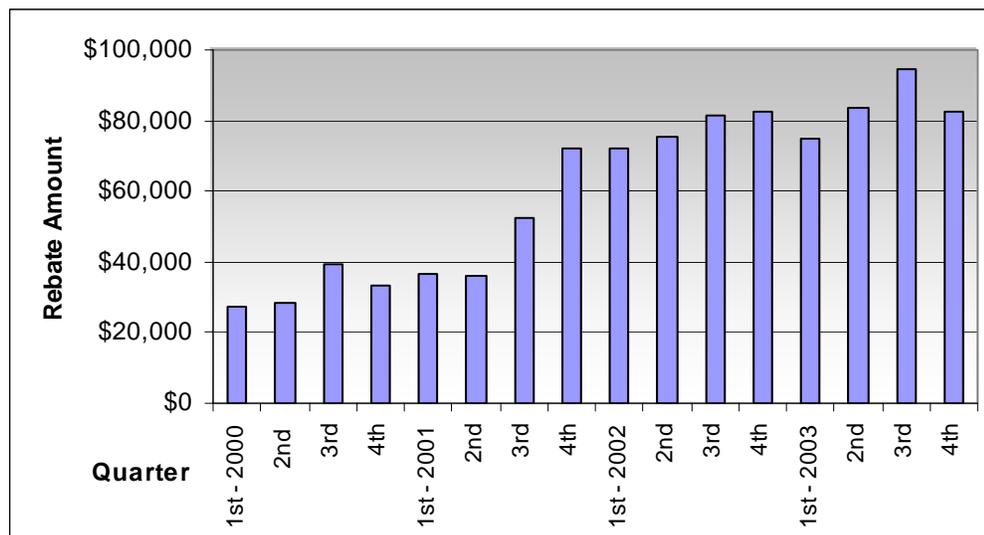
Level Attained	City of Bulverde	City of Boerne	City of Garden Ridge	City of New Braunfels	State of Texas
High school graduate	27.7%	22.8%	17.4%	30.0	28.6%
Some college, no degree	31.1%	28.1%	23.9%	19.3%	21.1%
Associate degree	7.3%	5.0%	6.0%	4.0%	6.3%
Bachelor degree	18.8%	19.5%	27.3%	16.7%	15.5%
Graduate or professional degree	8.9%	10.0%	21.5%	7.9%	8.9%

Source: 2000 U.S. Census, Summary Tape File 3, Table P37. Based on all persons 25 years of age and older.

8.6 Retail Sales

Bulverde enjoys healthy sales tax revenue by serving as a retail center for western Comal County and the Canyon Lake region. Reportable taxable sales rebates have increased significantly over the past four years. As shown in Figure 8.3, total city sales tax rebates have more than doubled in ten years, from \$5.25 million in 1990 to \$13.46 million in 2000. This sector of the economy continues to thrive with the location of new retail establishments, restaurants and other businesses in Bulverde that contribute to increased tax revenue. Much of the retail development is concentrated along State Highway 46 west of U.S. Highway 281. In November 1995, voters approved an additional ½ cent sales tax to support the Bulverde/Spring Branch library. Revenue is dedicated to a variety of projects that promote the library.

Figure 8.3. Sales Tax Rebates for the City of Bulverde 2000 – 2003

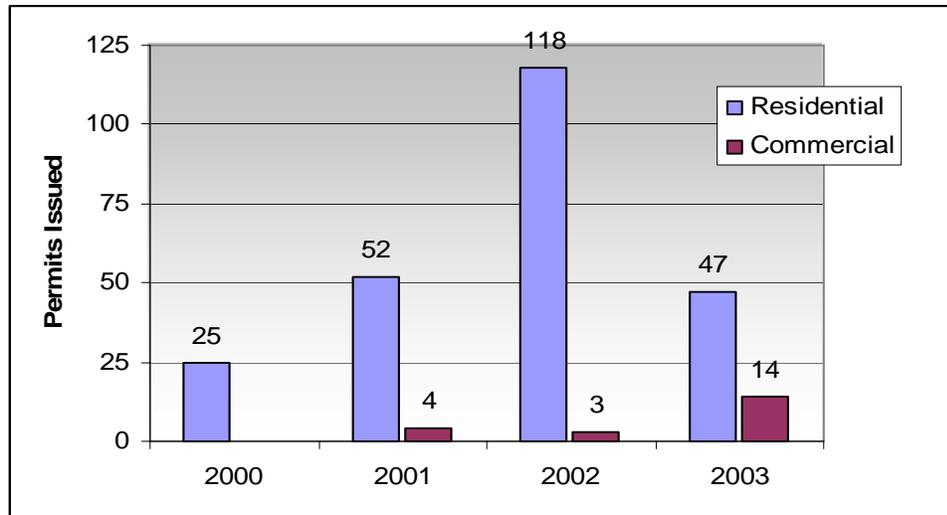


Source: City of Bulverde.

8.8 New Construction Activity and Property Valuation

There are only four years of new construction data based on building permits issued. Of particular interest are the dramatic drop in the number of residential permits issued in 2003 and the dramatic increase in the number of commercial building permits issued in 2003.

Figure 8.4: Residential and Commercial Building Permits Issued 2000 - 2003



Source: City of Bulverde.

8.7 Summary

The economy in the City of Bulverde is growing. City sales tax rebates have shown a steady upward trend over the past four years. Property values are high and residents of the city enjoy median household incomes substantially greater than nearby cities, Comal County and the State (see Figure 8.2). The regional economy is robust with employment projected to grow at a greater rate than the State. Future economic development strategies for Bulverde should consider that many of the fastest growing occupations in the region are related to medical/health care and computer support. By planning for and managing the growth of Bulverde, we can build a uniquely desirable place that will be attractive to the types of businesses and institutions that can contribute to the prosperity and attractiveness of our city.

8.8 Goals and Objectives

Goal 1: Promote appropriate economic development.

Objective 1.1: Develop a strategic economic development plan that includes goals, action items and timelines.

- Objective 1.2: Encourage balanced business and commercial development that reflects Bulverde's up-scale, hill country, and semi-rural ambience.
- Objective 1.3: Discourage heavy industrial development and the establishment of enterprises that are too large, produce overcrowding, excessive traffic and pollution.
- Objective 1.4: Enact ordinances to regulate allowable commercial/industrial uses.
- Objective 1.5: Determine areas and locate sites for potential development.

Goal 2: Diversify and expand the tax and economic base through the promotion of desired businesses and activities.

- Objective 2.1: Work to develop relationships/alliances with ED groups in the surrounding areas in order to collaboratively develop leads for Bulverde.
- Objective 2.2: Promote the attractiveness of Bulverde to higher paying industries by improving cultural and recreational amenities.
- Objective 2.3: Use the Comprehensive Plan as a marketing piece to desirable business prospects.
- Objective 2.4: Tie into various incubator programs in the surrounding area to work with new business startups and market our area as a relocation option for these businesses.

Goal 3: Promote Bulverde as an attractive center for retailing, health care, entertainment and education.

- Objective 3.1: Contact developers that have experience in our targeted businesses.
- Objective 3.2: Ensure that all future development fits into the scale and character of Bulverde.
- Objective 3.3: Encourage architecture consistent with the old hill country style.
- Objective 3.4: Ensure that development policies, plans and procedures are conducive to a favorable business environment, and establish positive relations between business and government.
- Objective 3.5: Work with the Center for Economic Development at the University of Texas at San Antonio to enhance Bulverde's ability to engage in economic development and sustain economic growth.

Goal 4: Involve the business community and the local Chamber of Commerce in Bulverde's growth and development.

- Objective 4.1: Emphasize retaining and expanding local businesses. .

Goal 5: Develop Bulverde’s historical and natural assets to take advantage of heritage tourism in the Hill Country region.

Objective 5.1: Promote the small town business character and culture of the Bulverde area.

Objective 5.2: Prepare a downtown revitalization/enhancement plan and incorporate it into the Capital Improvements Program (CIP) process.

Goal 6: Foster a positive attitude towards growth and development among local government and business groups.

Objective 6.1: Support a network of communication that keeps residents informed, fosters cooperation with local and regional organizations, and enables the city to respond to opportunities.

Objective 6.2: Survey existing businesses to determine just what we have in Bulverde and what are the wants and needs of these businesses.

Objective 6.3: Promote and preserve locally owned businesses that serve the needs of the citizens.

Objective 6.4: Determine ways the permitting process can be streamlined while remaining in compliance with regulations.

Goal 7: Plan for future infrastructure needs that will accommodate prospective businesses and activities.

Objective 7.1: Conduct a survey of available and potential infrastructure.

Objective 7.2: Promote the development of a Capital Improvements Program that addresses the future infrastructure needs of a growing city.