

June 23, 2017

Mr. Jorge Ayala  
Regional Director  
Austin Regional Office  
U.S. Department of Commerce  
Economic Development Administration  
903 San Jacinto Suite 206  
Austin, TX 78701

Dear Mr. Ayala:

Enclosed is the result of the Annual Update to the 2017 Comprehensive Economic Development Strategy Update for the Panhandle Regional Planning Commission. Please note that the full five year update to our CEDS including both a new Quick CEDS Summary and the more traditional Long-Form Document with fully updated data and strategies occurred in 2016. The 2017 edition of the Panhandle CEDS includes only minor statistical updates to the document based on the 5 year planning cycle. If you should have any questions please feel free to contact us at (806) 372-3381.

Sincerely,

Kyle Ingham  
Economic Development Director

Enclosure

PANHANDLE REGIONAL  
PLANNING COMMISSION

COMPREHENSIVE ECONOMIC  
DEVELOPMENT STRATEGY  
UPDATE

June 23, 2017  
Submitted

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Gary Pitner, Executive Director

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## **ECONOMIC ANALYSIS**

### **The State of the Regional Economy Summary**

The Panhandle Regional Planning Commission is the designated Economic Development District for the Panhandle Region. This region is the largest geographic planning region in Texas because it encompasses 26 counties and almost 26,000 square miles. The Comprehensive Economic Development Strategy applies to the entire region with a population of 427,927 (United States 2010 Census). This is an increase from 402,862 as listed in the United States 2000 Census. ESRI Community Analyst forecasts a 2016 population of 447,825 and 2021 population of 462,195 maintaining current growth trends for the region.

The Planning Commission assists in creating partnerships, implementing programs, and assisting localities in an effort to promote regionalism designed to stabilize, expand, and enhance economic opportunities in the Texas Panhandle. Partnerships between Cities, Counties, Schools, Colleges, Economic Development Corporations, and the private sector have led to many substantial improvements in the region over the past 5 years.

The 2016 annual unemployment rate of the Texas Panhandle region is low overall (3.5%) compared to the rest of the State of Texas (4.6%) and the USA (4.9%) {2017 May - Tracer2}. However, these numbers are skewed due to out-migration. There is a lack of high paying jobs in the region which may have caused some people to leave the area. This out-migration has led to lower unemployment rates that is causing unemployment rates to appear low in the region. The population in many counties in the Panhandle is low; and, while jobs are available, they are oftentimes not high paying jobs, so underemployment is a concern within the region. The regional mean annual wages for 2016 for all jobs in the region was \$43,966 vs. \$54,301 in TX. This is a 19% difference and indicates strong underemployment in the region.

Historically the Texas Panhandle, as a whole, has had low per-capita income numbers relative to the rest of Texas and the nation. During the past few years there has been little change to this scenario. According to the U.S. Census Bureau, 15 out of 26 counties in the Texas Panhandle have incomes less than 80% of the national average. (Source: U.S. Census Bureau; 2015 American Community Survey {May 2017})

For a county to be considered distressed due to per-capita income, the EDA guidelines state that the county must have a level that is 80% or less than the national per-capita income for the year in which the most recent data is available. For a county to be considered distressed due to unemployment rate, the EDA guidelines states that the county must have an unemployment rate 1% above the national unemployment rate. Based on the most recent ACS fifteen of the region's counties qualify as distressed under these guidelines. Specifically, all fifteen of the counties qualify based on per-capita income with two duplicating with unemployment rates also. Those counties are as follows: Briscoe, Castro, Childress, Dallam, Deaf Smith, Donley, Gray, Hall, Moore, Oldham, Parmer, Potter, Sherman, and Swisher. (See next page for table and Appendix F for map)

The wildfire and drought disaster of 2011-2014 severely damaged the economies of many Panhandle Counties. The ongoing nature of the drought has left portions of the region in an

ongoing fight to recover, but rains in 2015, 2016, and early 2017 pose a more positive outlook. However, recovery from such a catastrophic environmental disaster takes time.

EDA Distressed Counties Per Capita Income				
County	Per Capita Income	U.S. Average	80% U.S. Average	Status
Armstrong	\$28,669	\$28,930	\$23,144.00	Non-Distressed
Briscoe	\$22,323	\$28,930	\$23,144.00	Non-Distressed
Carson	\$28,400	\$28,930	\$23,144.00	Non-Distressed
Castro	\$21,068	\$28,930	\$23,144.00	Distressed
Childress	\$19,861	\$28,930	\$23,144.00	Distressed
Collingsworth	\$20,269	\$28,930	\$23,144.00	Distressed
Dallam	\$19,997	\$28,930	\$23,144.00	Distressed
Deaf Smith	\$18,846	\$28,930	\$23,144.00	Distressed
Donley	\$20,204	\$28,930	\$23,144.00	Distressed
Gray	\$21,555	\$28,930	\$23,144.00	Distressed
Hall	\$17,378	\$28,930	\$23,144.00	Distressed
Hansford	\$22,867	\$28,930	\$23,144.00	Distressed
Hartley	\$21,740	\$28,930	\$23,144.00	Distressed
Hemphill	\$30,082	\$28,930	\$23,144.00	Non-Distressed
Hutchinson	\$24,875	\$28,930	\$23,144.00	Non-Distressed
Lipscomb	\$30,237	\$28,930	\$23,144.00	Non-Distressed
Moore	\$19,475	\$28,930	\$23,144.00	Distressed
Ochiltree	\$25,995	\$28,930	\$23,144.00	Non-Distressed
Oldham	\$23,452	\$28,930	\$23,144.00	Non-Distressed
Parmer	\$20,381	\$28,930	\$23,144.00	Distressed
Potter	\$20,283	\$28,930	\$23,144.00	Distressed
Randall	\$30,480	\$28,930	\$23,144.00	Non-Distressed
Roberts	\$31,314	\$28,930	\$23,144.00	Non-Distressed
Sherman	\$22,436	\$28,930	\$23,144.00	Distressed
Swisher	\$18,437	\$28,930	\$23,144.00	Distressed
Wheeler	\$26,184	\$28,930	\$23,144.00	Non-Distressed

Source: ESRI Community Analyst (May 2017)

\* Changes in status from 2016 to 2017 highlighted in yellow

Area	Unemployment Rate: 12 Months 2016
United States	4.9%
Armstrong	2.8
Briscoe	4.4
Carson	3.4
Castro	3.1
Childress	3.1
Collingsworth	3.5
Dallam	2.3
Deaf Smith	3.1
Donley	4.3
Gray	7.0
Hall	7.1
Hansford	3.1
Hartley	2.2
Hemphill	3.8
Hutchinson	5.6
Lipscomb	4.6
Moore	3.0
Ochiltree	5.4
Oldham	3.0
Parmer	2.5
Potter	3.3
Randall	3.0
Roberts	4.7
Sherman	2.9
Swisher	4.3
Wheeler	5.0

Source: Texas Workforce Commission – TRACER 2

Another staggering statistic for population change in the Panhandle region is that between the Census of 2000 and 2010 half of the region’s counties saw declining population. It shows that 12 of the rural counties declined in population during that time. Of the 26 counties in the Panhandle region, 13 of the counties have seen a decline in population. In addition, the majority of the 26 counties have low population figures correlating to low population densities. Based on the 2010 data, 12 of the counties have fewer than 5,000 people, 8 of the counties have between 5,000 and 15,000, 4 have between 15,000 and 25,000, and only 2 counties have above 25,000 in population.

Current ACS population data shows the estimated population of the Texas Panhandle to be 433,979. Four of the top six most populous counties in the Panhandle qualify as distressed under EDA guidelines. Fifteen of the 26 counties qualify as distressed and 239,219 people

live in these fifteen distressed counties. This means that over 55% of the citizens of the Texas Panhandle qualify as living in a distressed county according the current ACS data estimates.

COUNTY	2000	2010	2000-2010
			Increase/Decrease
Armstrong County	2,148	1,901	-11.50%
Briscoe County	1,790	1,637	-8.55%
Carson County	6,516	6,182	-5.13%
Castro County	8,285	8,062	-2.69%
Childress County	7,688	7,041	-8.42%
Collingsworth County	3,206	3,057	-4.65%
Dallam County	6,222	6,703	7.73%
Deaf Smith County	18,561	19,372	4.37%
Donley County	3,828	3,677	-3.94%
Gray County	22,744	22,535	-0.92%
Hall County	3,782	3,353	-11.34%
Hansford County	5,369	5,613	4.54%
Hartley County	5,537	6,062	9.48%
Hemphill County	3,351	3,807	13.61%
Hutchinson County	23,857	22,150	-7.16%
Lipscomb County	3,057	3,302	8.01%
Moore County	20,121	21,904	8.86%
Ochiltree County	9,006	10,223	13.51%
Oldham County	2,185	2,052	-6.09%
Parmer County	10,016	10,269	2.53%
Potter County	113,546	121,073	6.63%
Randall County	104,312	120,725	15.73%
Roberts County	887	929	4.74%
Sherman County	3,186	3,034	-4.77%
Swisher County	8,378	7,854	-6.25%
Wheeler County	5,284	5,410	2.38%

Source: U.S. Census Bureau

### **External Trends and Forces**

The Texas Panhandle has an economy that spans major industries from agriculture to technology. The region’s economy is beginning to diversify based on regional, statewide, and national trends to meet local needs and the broad needs of the country. Market forces including the supply, demand, and market prices of major commodities such as oil/gas, wheat, and cattle have a significant correlation to the wellbeing of the region’s industries. National and statewide initiatives in renewable energy and technology also have a significant influence on the economic activity of the region with this field rapidly evolving from a growing niche into one of the key industries in the region. Infrastructure issues related to waste disposal and water resources are also key external factors related to the economic viability of the Texas Panhandle. Finally, the marketing of the region’s people, resources, and industries is key to the long term success of the communities and people that live in the Texas Panhandle.

### *Traditional Industries:*

Oil, cattle, and production agriculture have historically driven the Texas Panhandle economy. There have been a few changes in some of the region's historically driven markets in the last couple of years. Between 2010 and 2014 the number of drilling rigs in the Panhandle consistently increased, but lower oil and gas prices in the recent years have had a significant negative impact on drilling though that is beginning to improve in 2017. The number of drilling rigs in the Panhandle for May of the current year has risen from a low of 7 in 2016 to 21. This is all down from a high in March 2014 of 66. The 2015 and 2016 dip and current improvement in activity in the region is correlated to Oil Price Per Barrel. In May of 2014 the Oil Price Per Barrel was at \$100.49, compared to the drop in the Oil Price to \$25.56 in May of 2016. The price is back up to \$48.77 in May of 2017, so this is another positive indicator in the region.

The price of oil has begun to correct itself in the past year following a bad 2015 and 2016, and this is welcome news to affected cities and counties of the Panhandle region, as seen above. The Oil Price Per Barrel began its decline in July of 2014 where it topped-out at \$102. Oil prices remained weak for the remainder of 2014 and have generally trended down to the \$25 range through early 2016, well below its point of concern for the region of \$75 per barrel. At roughly \$50.00 per barrel most producers can comfortably continue production in the region, but drilling and job creation do not occur until prices hit roughly \$75 per barrel. Conversely, many lay-offs begin around the \$50.00 mark. The movement of the price per barrel towards the \$50.00 mark in recent months is a positive development in the region.

The price of natural gas steadily declined for three years. In June of 2014 the price of natural gas was \$4.60 per MMBTU, but by March of 2016 the price had considerably dropped to \$1.97. Fortunately, prices have improved to \$3.15 in May of 2017 creating hope going forward. The price of natural gas has remained volatile; however the overall price trend was downward until very recently. With the volatility in this sector, and with the accompanying general fall in natural gas prices, this will suppress the amount of drilling and economic activity in the Panhandle region.

The price per bushel of wheat has fluctuated a great deal during the past five years. In April 2011, wheat per bushel sat comfortably at \$7.71. An ongoing downward trend has pushed the price all the way down to \$3.15 in May of 2017, and this is even lower than the \$3.78 of 2016. Unfortunately, this rate sits at about half of what a healthy agriculture economy should sit at. Corn and cotton prices have seen similar significantly low prices that are severely damaging to the agriculture industry in the region. It is expected that recent rains should produce strong crops, but better market prices are needed to see the full impact on the economy be realized.

Lower prices on cattle would generally indicate a weakening market, and unfortunately many ranchers are reporting less profitability because Fat Cattle prices are down 18% from a year ago. While there has been a slight improvement from drought years as herds have begun to expand, Fed Cattle Per CWT are up to \$144.73 in May. Fortunately due to the relatively significant amount of rain that the Panhandle has received in the past two years, there has been continued resurgence of herd rebuilding. Milk prices are rebounding to \$15.50 and remain above a break-even point.

### *Developing Industries:*

National trends towards technology based national defense provide the region with an opportunity to develop and improve different segments of the regional economy. PRPC promotes the commercialization and deployment of technology industries in the region by informing business groups of the opportunities in technology transfer at the Pantex Plant, Sandia National Lab, Kirtland AFB (Phillips Lab), and White Sands Missile Range in New Mexico. Bell Helicopter operates a major development and assembly facility in the City of Amarillo that has created hundreds of jobs for the region. In 2016 the Amarillo Globe News reports that Bell Helicopter is pursuing new projects that could create hundreds of new jobs in the region. Firms interested in the research and production of unmanned aircraft have begun exploring development opportunities in the region due to the open spaces, existing industries, and readily available airports in many communities. The further development of the defense industry in the region will continue to significantly diversify the region's economy.

The wind industry is also beginning to bring more high tech business into the region. The Electric Reliability Council of Texas (ERCOT) has established multi-billion dollar Competitive Renewable Energy Zones (CREZ) throughout much of the Panhandle Region to transfer the Panhandle's renewable energy into the ERCOT power grid. The construction of this project was completed and brought online in 2013. Many County and School governments are beginning to see great increases in tax income resulting from new wind projects coming online. Many wind energy generation facilities have gone on in the last year with many more now on the books. It is anticipated that the number of wind farms in the region will continue to rapidly expand in 2017 & 2018.

More complex secondary power projects associated with the wind industry have been in discussion for several years in the region. A proposed Tres Amigas project designed to serve as an interconnect between the nation's three major power grids, has the potential of making the Panhandle of Texas one of the leading regions in the United States related to renewable energy technology. Discussions regarding the development of energy storage technology in the region may lead to increased opportunities in the renewable energy field.

### *Infrastructure:*

Aging regional infrastructure and increasing infrastructure demands pose a great concern to many of the communities in the Texas Panhandle. Water and sewer infrastructure was largely put in place prior to 1960 throughout the region; and, limited local fund availability over the last half century has resulted in failing infrastructure that cities must address. The use of local funds, low interest loans, and the Community Development Block Grant Program are all being used by localities to address this issue and increase local infrastructure capacity to address growing economic demands. Unfortunately, communities with small populations that can only generate very small amounts of capital even at the highest taxing and utility rates combined with dwindling federal and local fiscal resource availability create a concern for the region regarding locality ability to maintain and expand infrastructure.

Historically, the disposal of the region's solid waste has been a concern for many communities in the region. A Regional Solid Waste Advisory Committee has been in place for many years in order to examine the issues of solid waste management. That body makes recommendations for future action based on their findings. A Comprehensive Regional Plan was developed to provide the best approach to, or give direction to, the solid waste problem in the region. This plan is regularly updated to accommodate changes to the region's solid waste disposal needs and capacity. The issue of solid waste management was once a threat to economic development in the Texas Panhandle, but now it has become more of an opportunity. The Regional Plan that was established, along with new government regulations, set forth strict guidelines for cities and counties to follow when setting up landfills and disposing of solid waste. As these guidelines have been followed, the issue of recycling has become a priority for much of the Panhandle. Through recycling programs and increased landfill capacity over the last 20 years, the lifespan of the region's waste disposal capacity has significantly improved.

Water availability for both municipal and agriculture use in the Panhandle Region is a primary concern regarding economic viability. The 2016 Panhandle Regional Water Plan developed with Texas Water Development Board assistance gives the most current assessment of water resource availability and demand in the region. With over 90% of the region's water coming from the Ogallala Aquifer, a confined aquifer that has very limited recharge, there is great attention paid to ensuring that long term water availability is established. Research indicates that the Ogallala recharges at less than 1 inch per year, so without substantial surface water in the region, all water users need to exercise conservation and responsible water usage in order to manage depletion of the finite resource. Water is an absolute necessity to the agriculture sector of the region's economy, and municipalities must have adequate water supplies to meet long-term population growth and future economic development. The Panhandle Regional Planning Commission serves as the political subdivision for the Panhandle Water Planning Group and focuses extensively on accurately identifying water supplies, future water demands, and strategies necessary to meet projected water deficits. Programs to put both municipal infrastructure and aid farmers in water conservation strategies are necessary in the region to extend the life of limited available water supplies.

#### *Regional Marketing:*

PRPC believes that by working together the communities of the Texas Panhandle have a much stronger voice than each does individually. As such, PRPC has been a partner to many regional collaborations focused on promoting the Texas Panhandle as a whole in an effort to recruit tourism, industry, and other business opportunities.

The Panhandle Tourism Marketing Council (PTMC) was formed in 1993 to promote the region's 26 counties and surrounding area's attractiveness to tourists. Tourism's value to this region is recognized by Panhandle communities as a key opportunity to increase sales tax revenue and increase awareness to the area. The PTMC publicizes the Alibates National Monument, Lake Meredith, Palo Duro Canyon, Panhandle Plains Historical Museum, the American Quarter Horse Heritage Center & Museum, and the famous Red River Wars to attract people living outside of the region to visit. The high employment rate of the region is

beginning to bring outside people to the region to see what is working and this is a developing aspect of regional tourism.

PRPC was a founding member of the High Ground of Texas over 25 years ago and continues to strongly support the High Ground's efforts as a member of the Executive Board to bring diverse businesses into the region. By marketing the Texas Panhandle and South Plains together the High Ground is able to get the attention of businesses that might not otherwise be interested in the small communities in the regions. The High Ground is now one of the most recognized regional marketing organizations on both a national and international level. The philosophy that the region is stronger together than any individual community can be rings very true. The High Ground of Texas has been a part of bringing the dairy, swine, wind, and other renewable energy industries to the region over the last 10 years. Participation in trade shows, online marketing, educational opportunities, and other business recruitment activities has made the High Ground of Texas a nationally recognized regional collaboration.

#### *SWOT Analysis:*

In the past three updates to CEDS documents for the Panhandle Region, the SWOT Analysis was expanded and elaborated upon to provide a more comprehensive view of the assets and vulnerabilities of the region. In the 2016 Comprehensive Update, the Economic Development Advisory Committee took an in depth look at this analysis and affirmed the findings.

#### Strengths:

Workforce Work Ethic – historically the Texas Panhandle is a blue-collar region with a tremendous work ethic. People work hard to provide for families & develop communities – one stereotype the region fully embraces.

Central Continental Location – The Texas Panhandle sits in the very middle of continental United States. It is roughly equidistant from the east coast, west coast, gulf coast, and up to the Canadian border; sits in the middle of ports-to-plains corridor, historic route 66 and I-40 transcontinental corridor.

Rail Access - Burlington Norther Santa Fe (BNSF) transports goods across the country, multiple rail stops and spurs in the region accessing major suppliers of the nation's cattle, oil & gas, and manufactured goods within region large portions of region develop around access to rail 20 years ago.

Highway Access - Two major interstates are within the Panhandle region. I-40 is one of the most trafficked highways in the nation. I-27 is a key component to the economy of the region. Highway-287 brings goods from Austin, DFW Metroplex, Houston, and north into Colorado and up to Canada. Numerous other highways serve as tributaries to these major thoroughfares'

Regionalism - The Texas Panhandle utilizes regionalism better than any other regions in the State of Texas due to a high number of small rural municipalities, communities and people have to work together. For over 100 years people of the Texas Panhandle

have lived off of the idea that working together provides much greater benefit than working alone. This fact continues through group like Class 4 Winds, High Ground of Texas, and Panhandle Regional Planning Commission (PRPC).

*Natural Resources* - The Texas Panhandle has one of the richest mineral deposits in the U.S. For 100 years the oil & gas industry has been a major part of the region. The Ogallala aquifer serves as a support for the \$300 million agriculture industry. Renewable energy such as wind and solar are now contributing to national grids in rates of up to 20%.

*Regional Educational Opportunities* - Similar to the sense of regionalism, community leaders focus on provisions of local opportunities with the community. West Texas A&M University has been providing higher education within the region for over 100 years and is also one of the oldest universities in the State of Texas West of I-35. Amarillo College, Frank Phillips, and Clarendon College work together to provide access to trade schools, nursing degrees, and trade specialized classes with an easy driving distance for most residents of Texas Panhandle.

*Diversifying Economy* - The economy of the Texas Panhandle is generally comprised largely of oil & gas on the eastern side and agriculture on the west. In 2010, the Panhandle made a dive to renewable energy with the establishment of the Competitive Renewable Energy Zone (CREZ), and establishing secondary agriculture manufacturing markets. Local EDC's are currently exploring guns & ammunition markets and expanded tourism opportunities. Further, warehousing and goods transportation opportunities appear to be an opportunity for the region.

*Innovation in Addressing Weaknesses* - Citizens of the Texas Panhandle have traditionally been innovative and collaborative in approaching challenges dating back 100 years ago when the Panhandle was settled. Current citizens work together quickly to address any issues using available technology, regional collaboration, and a strong work ethic to address difficulties. This region can generally meet demands any industry throws their way.

*Low Unemployment* – 2017 is the first Comprehensive Economic Development Strategy (CEDS) in the region to show any county exceed the national average on unemployment rates by 1% - due to economic downturns in the oil & gas industry. This shows that citizens of the region are willing to work as business and industry are willing to create jobs. Jobs may sometimes not be glamorous; however people of the Texas Panhandle are willing to work very hard to provide for themselves and their families. This is a great asset to industries and businesses with 2017 an anomaly

*High Capacity Electric Transmission Infrastructure* - Since 2010 the Texas Panhandle has built over \$10 billion in electrical transmission infrastructure in the Panhandle. Electric Reliability Council of Texas (ERCOT) has invested and constructed the Competitive Renewable Energy Zone (CREZ) to transmit up to 20% of power into ERCOT grid from the Texas Panhandle. The Eastern Power Pool has dropped transmission lines into region to bring power to Oklahoma, Chicago, and parts of East Coast.

Weaknesses:

Educational Attainment Levels - Unfortunately the Texas Panhandle have some of the lowest education attainment levels in the country. This is partially due to the agricultural nature of jobs in the region. Also, the region has a high immigrant population which, too, contributes to the low educational attainment levels. Panhandle 20/20 and community leaders have spent almost 15 years to identify ways to improve educational attainment levels. Levels are improving in the region as strategies are implemented; however this is a long and painful process.

Heavy Reliance on Primary Industries - Historically the region has largely relied on agriculture and the oil & gas industries. Historically, fluctuations in oil & gas prices have caused major layoffs and regional disasters have occurred when droughts hit the agriculture industry. The region is diversifying into new industries, but this process is just getting underway in recent years.

Housing Availability - Housing availability is a challenge in a majority of Panhandle communities outside of Canyon and Amarillo. Very few homes have been built since 1980's due to economic and geographical constraints. As the economy continues to flourish, housing is beginning to pop up in some isolated areas. It is still difficult to get builders and developers to work in other communities when Amarillo market is so handy and lucrative.

Aging Infrastructure - The majority of Panhandle communities were developed in the 1920's and 1930's. Large portions of the infrastructure still dates to that timeframe through the 1960's. As historically blue collar and conservative communities developed, tax rates and service fees have stayed low to create business and resident friendly environments. The downside to this is that in many cases infrastructure was left to age. Many communities are now having to catch up with their public infrastructure.

Lack of Surface Water - The Texas Panhandle is in an arid climate and as such there is limited surface water. Ninety percent of municipal, agricultural, and residential water use, on an annual basis comes from Ogallala Aquifer. Recent rains have begun to bring surface water levels higher, however surface supply is still limited and will remain so due to the region's arid climate.

Underemployment - As previously noted the region's unemployment rate is low, but many jobs fail to meet livable wages as defined by the U.S. Census Bureau. With the type of labor and trade jobs produced in the region this is not unexpected. It is hoped that as education attainment levels increase within region so will the living wages.

Opportunities:

Workforce Development for Emerging Industries - As the region's economy begins to diversify, new industries continue to develop. It is imperative that the community colleges and trade schools in region continue to offer coursework to meet the needs of developing industries.

Continued Marketing of Swine, Dairy, and Renewable Energy Industries - Continuing the development of more and more diversified work in the region will ensure that the unemployment rate stays low and underemployment is addressed. These industries have taken hold in region and create growth potential. Encouraging local EDC's to continue pursuing these opportunities will likely be beneficial to the region.

Relatively Low Unemployment in the Region as Recruitment Tool - Promotion of the regions benefits and assets is key to economic development on both the local and regional level. The region's workforce willingness to work hard should be an appealing attribute to businesses and industries looking at the region.

Rise in the Price of Commodities - While decline in market prices is dangerous for agriculture and oil & gas in the region, the converse proves to be a great opportunity. As market prices rise individuals, businesses, and communities have the opportunity to generate great wealth and reserves. It is imperative that citizens be responsible and put fund in reserves for future needs.

Continued Growth in Building Permits - In recent years many communities have begun to see building development for the first time since the 1980's. Communities need to encourage this type of action in the residential and commercial sectors. The more permits that are issued the more economic development can occur.

Increased Retail Sales - Retail sales is expanding in region according to ACS. This is a positive trend, but there is room for growth and expansion. The opportunity for increases in this area occurs due to improved educational attainment and higher paying jobs. The opportunity for increased sales revenues should not be overlooked.

Renewable Energy Storage - Renewable energy has been a great boon to the region. The industry has opted to utilize renewable energy formula that allows for renewable energy to constitute 20% of ERCOT's capacity. The reason is that a fraction of available wind and solar resources cause a lack of reliable energy to house. Recent technology developments appear to bring mass storage for renewable energy closer to reality. When mass-storage capacity becomes viable, there will be even more demand for renewable energy generation.

Renewable Energy Transmission - The establishment of the CREZ zone into different sections of the Panhandle will accommodate 2.4 GW wind generation in the region. The energy transmission from the remote parts of Texas to more populated areas will

provide infrastructure necessary to meet the long-term needs of other parts of Texas, resulting in increased demand of Panhandle wind energy. Further, the Southeastern Power Pool is beginning to drop transmission lines into the Texas Panhandle to supplement demand in other large swaths of the nation.

Increased Regional Marketing - Two of the regions great strengths are regionalism and collaboration. It is important that the region markets itself to businesses and industries, as there can be a lack of information. Industry can become more and more aware of the appeal of doing business in the region. It is important that the High Ground of Texas remain strong and viable, as it is one of the strongest regional marketing coalitions in the United States.

#### Threats:

Drought - Prior to 2015 the Texas Panhandle was in the midst of an historic drought of record. The drought negatively impacted every aspect of the agriculture industry and consequently every city and county in the Texas Panhandle suffered economic losses from the natural disaster. 2015 and 2016 have been much wetter years with water filling reservoirs and crops receiving ample precipitation. However, future droughts pose a significant threat to one of the region's key components. As the region continues to diversify its economy this concern will be reduced, but it is an omnipresent concern for the region.

Stagnant Tax Bases - The cities and counties of the Texas Panhandle take great effort to keep the region a friendly place for both businesses and citizens. As such, most communities take great effort to keep tax rates and utility rates as low as possible. The unfortunate side effect of this is that there are very limited resources available for many communities in the region to maintain and upgrade infrastructure. Economic Development is key within the region because further diversification of the region will help to prevent tax bases from stagnating. With low rates it is key that the regional economy continue to grow.

Inflation - It has been previously noted that underemployment is a challenge in the region. As the cost of goods and services increases through inflation there is a great strain on residents and communities in the region. With limited income it is difficult for the region's population to maintain current buying power. It is key that the region continue to increase educational attainment levels and higher paying jobs within the region.

State & Federal Political Uncertainty - This threat is a threat or opportunity in virtually all communities in the State of Texas and across the nation. Subsidies to the wind industry have helped that new industry rapidly develop within the region, and negative revisions to these policies could greatly slow the development of that industry. Similarly, programs and tax structures that benefit the oil & gas industry as well as the agriculture industry are very important to the long term viability of the region. If these benefits go away, it would be very bad for the region. Further, the unknown aspects of potential policies on political subdivisions create uncertainty for all communities.

Availability of Consumer Financing for Small Business – The Panhandle has been very cognizant of small businesses’ need for financing when necessary. Several banks in the region have extended good loans to many businesses. However, there are businesses who do not qualify for more traditional financing for credit reasons. In such instances, they can apply for a Rural or Amarillo Microloan, administered by the PRPC, which serves as a lender of last resort, for those who have been turned-away by traditional forms of financing.

Threats of Layoffs by Large Firms – Over the past few years the Panhandle has seen big layoffs take place due to macroeconomic and business related reasons. Many of the large firms in the region are very susceptible to systemic risks, such as a significant fall in oil, gas, and cattle prices, or government contract issues which have the high possibility of leading to unexpected layoffs.

Downturn in Oil & Gas Prices – The Texas Panhandle is heavily reliant on the prices of oil & gas. When oil & gas prices fall significantly, as they have in the past 12 months, layoffs follow and a large reduction in oil rigs occurs. A drop in gas prices may be good for the consumers of the Panhandle; however for larger firms it could be detrimental.

Housing Availability - Many of the municipalities in the Panhandle are struggling with housing availability as the demand exceeding the supply of houses. Many of the communities have taken steps to accommodate the demand by getting new home in their respective areas, but most homebuilders tend to stay away from the smaller communities as they are not as lucrative as the larger Amarillo area.

### **Internal Partners for Economic Development**

The Panhandle Regional Planning Commission participates in a number of capacities that directly or indirectly create an environment friendly to economic development including the following activities: Economic Development, Community Development, Aging, Criminal Justice, Workforce Development, Dispute Resolution, Emergency Communications, Solid Waste Management, Water Planning, Regional Services, Emergency Preparedness, Transportation Planning, and Special Projects.

Through its involvement in the above noted program areas the Planning Commission is directly or indirectly tied to fourteen standing committees. Each of these committees is comprised of experts in the area of focus for the respective committee and serves as either a decision making or advisory body for the region. By working in specific areas the committees are able to ensure that each of these key areas receives comprehensive review, assessment, and input within the region. The committees are:

- Economic Development Advisory Committee
- Regional Criminal Justice Advisory Committee
- Area Agency on Aging Advisory Council
- Panhandle Rural Transportation Planning Organization
- Rolling Plains Organization for Rural Transportation

- Panhandle Workforce Development Board
- Panhandle Workforce Development Consortium’s Governing Body
- Dispute Resolution Advisory Board
- Panhandle Regional 9-1-1 Network Advisory Board
- Panhandle Water Planning Group
- Regional Solid Waste Management Advisory Committee
- Panhandle Regional Organization to Maximize Public Transportation
- Groundwater Management Area #1
- Panhandle Regional Emergency Management Advisory Committee
- Panhandle Rural Planning Organization
- Rolling Plains Organization for Rural Transportation

Additionally, the Planning Commission works extensively with external entities through collaborative efforts to make the Texas Panhandle a more economically viable, diverse, and sustainable economy on an ongoing basis. By working with external entities ranging from the Texas Cattle Feeders Association (agriculture) to Class 4 Winds (renewable energy) to Panhandle 20/20 (education to jobs alignment) PRPC Staff has the opportunity to identify how internal programs can collaborate with other partners in the community to ensure that the region is fertile ground for economic expansion.

### **Regional Resources and External Partners for Economic Development**

The Panhandle Region has many resources aimed at economic development available to municipalities, businesses, and individuals. These resources come in the form of local low interest loans, business planning assistance, grant programs, and local business assistance in rural communities. Many cities have local Economic Development Corporations and/or Chambers of Commerce focused on business recruitment and development respectively.

#### *Resources:*

Historically, flexible financing was needed in the region to assist with business opportunities. Reasonable termed financing was needed for small businesses dealing with cash flow problems, new accounts, increased demand, and expansion space to name a few. Varieties of different programs have been introduced and remain available to the communities trying to assist small businesses. These programs include: EDA grant programs, Texas Capital Fund projects, USDA Rural Development programs, and others. Communities can effectively deal with many of the challenges of the region by working with these programs. Additionally, PRPC administers two micro-loan programs aimed at providing regional businesses the assistance necessary to survive and thrive. The challenge currently facing these low-interest loan programs is that many applicants to the programs are not able to meet the basic qualification standards. As such, PRPC has partnered with the regional business incubator, the West Texas A&M Enterprise Center, to serve as the front door or the micro-loan programs.

PRPC, with the assistance of local banks, operates the Amarillo MSA Micro-Loan Program. This program supplies small businesses with increased access to capital in Potter County (an economically distressed county) and Randall County. The program is aimed at low to moderate-income individuals of the Potter and Randall County area who require business

financing. To date, 33 loans have been funded for this program totaling over \$500,000 in total capital investments. Additionally, at least 45 jobs are estimated to have been created.

The PRPC was approved for a USDA Rural Business Enterprise Grant which created the Rural Micro-Loan Program on October 1, 2001, to help rural counties of the region. This program is similar in nature to the program used for Potter and Randall Counties except its focus is on jobs created/retained in the rural portion of the region rather than low-to-moderate income requirements. Since its implementation there have been 25 loans funded by the PRPC. To date the loan amount for this program totals over \$500,000 with at least 35 new jobs created.

The Panhandle Regional Planning Commission's (PRPC) track record is excellent with assisting business and financial providers with pertinent information and the necessary tools to make a project work. The Planning Commission regularly provides cities, businesses, and individuals with information on the following programs and activities focused on economic improvement and development throughout the Panhandle:

- PRPC Rural Micro Loan Program
- Amarillo MSA Micro Loan Program
- Workforce Development
- Governor's Department of Economic Development & Tourism
  - Rural Loan Fund
  - Export Guaranteed Loan Program
  - Enterprise Zone Program
- Texas Department of Agriculture
  - Texas Capital Fund
  - Community Development Block Grants
  - Agricultural Finance Authority
  - Linked Deposit Program
  - Diversification Matching Grant Program
  - Micro Enterprise Program
- Small Business Administration
  - 504 Loan Program
  - Guaranteed Loan Program
  - SCORE and ACE
- Texas Panhandle Regional Development Corporation
- Small Business Development Center through WTAMU
- Rural Economic and Community Development Service
  - Business and Industry Program
  - Industrial Development Grant Program
  - Intermediary Relending Program
  - Community Facilities Program
- Panhandle Small Business Development Center
- Panhandle Tourism Marketing Council
- Panhandle International Business Forum
- Area Chambers of Commerce
- Area industrial development groups
- Area banks

- Amarillo Economic Development Corporation
- Booker Economic Development Corporation
- Borger Economic Development Corporation
- Bovina Economic Development Corporation
- Canadian Economic Development Corporation
- Canyon Economic Development Corporation
- Childress Economic Development Corporation
- Clarendon Economic Development Corporation
- Dalhart Economic Development Corporation
- Dumas Economic Development Corporation
- Friona Economic Development Corporation
- Fritch Economic Development Corporation
- Groom Economic Development Corporation
- Gruver Economic Development Corporation
- Hereford Economic Development Corporation
- McLean Economic Development Corporation
- Memphis Economic Development Corporation
- Miami Economic Development Corporation
- Pampa Economic Development Corporation
- Panhandle Economic Development Corporation
- Perryton Economic Development Corporation
- Quitaque Economic Development Corporation
- Shamrock Economic Development Corporation
- Spearman Economic Development Corporation
- Stinnett Economic Development Corporation
- Turkey Economic Development Corporation
- Wellington Economic Development Corporation
- Wheeler Economic Development Corporation
- White Deer Economic Development Corporation
- Texas A & M Extension Centers
- Institutions of higher learning
  - West Texas A & M University
  - Amarillo College
  - Frank Phillips College
  - Clarendon College
- Entrepreneurial Alliance
- Xcel Energy
- Class 4 Winds
- West Texas Utilities
- Texas – New Mexico Power Company
- High Ground of Texas Program
- Rural Economic Development Initiative (Trainers)
- Texas Manufacturing Assistance Center
- Sherman County Development Committee
- West Texas A&M Enterprise Center

A vital part of economic development is “Networking.” As previously noted, PRPC Staff coordinates and works with agencies in the region to access programs available for economic development. The staff has been, and continues to be, extremely successful in their efforts. Several networking workshops have been sponsored through partnerships in order to address economic development incentives, government contracting, and SBA small business programs.

### *Primary External Partners*

One program that PRPC recognizes as vital to the region is the Texas Panhandle Regional Development Corporation (TPRDC). The U.S. Small Business Administration established the TPRDC in 1982 as a Certified Development Company. The genesis of the TPRDC was to operate the SBA 504 Loan Program to primarily service the 26 counties of the region. The PRPC had a profound effect on the creation and substantial growth of the program, and the program currently operates separately from PRPC out of the Amarillo Economic Development Corporation. The TPRDC is one of the region’s strongest assets for economic growth for the region. The TPRDC Board of Directors acts as a conduit in oversight of the Micro Loan programs that the PRPC administers. While now a separate entity from PRPC, the TPRDC is one of the most important economic development partners in the region.

The PRPC is also actively involved with the High Ground of Texas. The High Ground of Texas is a coalition of communities and organizations that cooperatively market the Panhandle, South Plains, and Permian Basin. The main purpose of the High Ground is to create jobs and increase the tax base of the region. The organization has an ongoing presence on regional, state, and national levels with an emphasis on marketing the region to prospective new industry, networking, and economic development. The High Ground is currently comprised of over 75 members with development interests in the region. Membership includes cities ranging in population from 250,000 to less than 500, as well as partnering organizations like the PRPC. The High Ground conducted a successful economic development training course throughout 2017 entitled Rural Economic Development Initiatives (REDI) with four sessions aimed at training practitioners in areas ranging from available resources to deal packaging to business recruitment. The High Ground attended international wind and agriculture trade shows in 2016 along with other industry specific events to develop connections and interest from people who may bring industry to the Texas Panhandle.

Class 4 Winds & Renewables, currently in a hiatus mode, is the third primary economic development partner of the PRPC. Class 4 provides quarterly training sessions for renewable energy professionals, land owners, and the public at large. In the past 10 years the renewable energy sector has gone from a concept in the region to a major employment and growth sector. With the addition of the CREZ project and similar Southeastern Power Pool projects Class 4 has and continues to effectively create an international industry hubbed in the Texas Panhandle. It is anticipated that new wind generation and possibly other renewable energy generation will continue a rapid expansion in the region.

## **ECONOMIC DEVELOPMENT DISTRICT MANAGEMENT**

The Panhandle Regional Planning Commission is honored to serve as the Economic Development District for the 26 counties of the Texas Panhandle. As such, for over 20 years PRPC has established a strong model for the functional responsibilities necessary for serving in this capacity. In considering the management of the Economic Development District PRPC has identified objectives and goals for the future of economic development in the region.

### **Management:**

The Economic Development District utilizes the PRPC Board of Directors as the Comprehensive Economic Development Strategy Committee as well as the governing board of the Economic Development District. The board members contribute to, review, consider, and ultimately approve the design and development of the CEDS package. Assisting the PRPC Board of Directors is the Economic Development Advisory Committee (EDAC). The Committee helps with increasing public and private participation in the economic development program. The EDAC provides quarterly guidance to PRPC Staff in functioning as an Economic Development District; and, EDAC membership receives comprehensive economic development training from experts in specific economic development related areas.

The draft CEDS is composed by PRPC Staff with vital input from the EDAC, community leaders in the District, and the PRPC Board of Directors. Staff and local government representatives develop program strategies, goals, and objectives which EDAC, acting as the CEDS Advisory Committee, then recommends for approval by the PRPC Board of Directors. Through this process PRPC ensures that local and regional guidance and information is incorporated into a CEDS document that accurately portrays the region for the current year.

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### **Objectives**

The primary objective of the PRPC is to encourage and allow local units of government to work together through regionalism. This allows for the improvement of the health, safety, and general welfare of citizens of the Panhandle by planning for the future in an efficient manner and minimizes duplication of services. The Planning Commission is an organization of, by, and for local governments. It focuses on the concept that local governments acting cooperatively, rather than alone, can accomplish more. Without the desire of local governments in the Texas Panhandle to utilize PRPC there would be no PRPC.

An objective of the PRPC's economic development programs is to support the formulation and implementation of economic development planning programs and projects in cities, counties, and economic development corporations. These programs are designed to create or retain permanent jobs and reasonable wages for individuals, with the focus primarily upon the unemployed, underemployed, low per-capita income persons, and otherwise distressed counties of the Panhandle. Assisting communities develop the infrastructure necessary to pursue economic development opportunities is a key component to PRPC's mission.

The heart of economic development initiatives is providing long-term economic development benefits through sustainable growth. The utilization of EDA Infrastructure and Capacity Building programs combined with Texas Capital Fund projects has and will continue to enable many communities to accommodate businesses creating hundreds of jobs in the region. Through the PRPC's involvement with the EDA grant programs, Texas Capital Fund, the Amarillo MSA Micro-Loan Program, and the Rural Micro-Loan Program, the PRPC strives to provide long-term economic development benefits for the Panhandle.

### **NEEDS OF THE COUNTIES IN THE TEXAS PANHANDLE**

The identification of local needs is a primary component of the regional economic development planning process, so ensuring that the information is current and accurate is highly important. In meetings and conversations that were held with economic development representatives from each of the 26, distressed and non-distressed, counties of the Panhandle the top five issues, problems, concerns, and needs were identified and prioritized. Additionally, surveys were issued to each county to review, complete, and provide additional comment on some of the issues facing their specific area to ensure that any inaccuracies in the draft information were resolved. These needs are prioritized for each of the counties within the Economic Development District as follows:

#### **Non-Distressed Counties**

##### **Armstrong County**

1. Attract businesses
2. Upgrade and expand sewer system
3. Expand water system
4. County and city square beautification
5. Increase night security patrols

##### **Briscoe County**

1. Water infrastructure
2. Economic diversification & development
3. Local medical service
4. Housing
5. Attract & expand businesses in area

### Carson County

1. Attract and expand business in the area
2. Value added agriculture expansion
3. Economic diversification and development
4. Improvements of infrastructure
5. Local medical services

### Hemphill County

1. Economic Diversification
2. Attract & Expand Business
3. Affordable Housing
4. Improvements in Infrastructure
5. Limited Development Infrastructure

### Hutchinson County

1. Expansion and improvement of infrastructure
2. Attract and expand businesses and provide business development opportunities
3. Development of technical training to insure adequate workforce to meet needs of industrial jobs.
4. Create venues for public, tourist, and local use within county ( event center & ballpark facilities.)
5. Housing to meet medium income base citizens

### Lipscomb County

1. Affordable housing
2. Value added agriculture expansion
3. Economic diversification and development
4. Attract and expand businesses in the area
5. Improvements of infrastructure

### Oldham County

1. Infrastructure Improvement
2. Quality Housing Availability
3. Elderly & Retirement Housing
4. Health care
5. Attract & Expand Businesses

### Ochiltree County

1. Development of Industrial Property
2. Infrastructure Improvements
3. Workforce – Skilled Labor
4. Workforce Training
5. Affordable housing

### Randall County

1. Economic development
2. Water supply
3. Planned growth and county zoning
4. Quality education
5. Quality health care

### Roberts County

1. Affordable housing
2. Local medical services
3. Economic diversification & development
4. Attract & expand area business
5. Expansion & improvement of infrastructure

### Wheeler County

1. Affordable housing
2. Continued improvements of infrastructure
3. Affordable housing
4. Value added agriculture expansion
5. Attract and expand businesses in the area

## **Distressed Counties**

### Castro County

1. Business promotion – economic development
2. Medical expansion
3. Small business retention
4. Water conservation/quality rights
5. Infrastructure improvements

### Childress County

1. Expand Housing Options
2. Attract and Expand Businesses in the Area
3. Leverage Gigabit Internet for Business Expansion
4. Target Industries in Medical and Metal Fab Fields (economic diversification)
5. Invest in Downtown Redevelopment

### Collingsworth County

1. Affordable Housing
2. Improvement of Infrastructure
3. Job Training
4. Value added agriculture expansion
5. Park Improvements

### Dallam County

1. Affordable housing
2. Expansion of infrastructure
3. Access to higher education
4. Job training
5. Radio communication

### Deaf Smith County

1. Water availability
2. CREZ completion & wind farm creation
3. Infrastructure improvements (streets/roads & sewer systems)
4. Business expansion/new business attraction – Value added agriculture expansion
5. Recruit/retain/train/work ethic for employees of existing businesses

### Donley County

1. Improvements of infrastructure
2. Expansion of infrastructure
3. Value added agriculture expansion
4. Attract and expand business in the area
5. Economic diversification and development

### Gray County

1. Economic Diversification
2. Attract & Expand business in the County
3. Job Training Programs
4. Expansion/Improvement of Infrastructure
5. Market Rate Housing (Multi & Single Family Units)

### Hall County

1. Economic Diversification (jobs)
2. Higher Education
3. Local Medical Services
4. Youth Center
5. Water Supply & Utilities

### Hansford County

1. Housing
2. Aging Infrastructure
3. Volunteerism
4. Aging Population
5. Access to Capital

### Hartley County

1. Youth activities; community building
2. Water
3. Commodity prices
4. Housing needs
5. Infrastructure improvements

Moore County

1. Economic diversity
2. Transportation issues
3. Infrastructure improvements/expansion
4. Water improvements
5. Housing

Parmer County

1. Affordable housing
2. Infrastructure improvements
3. Economic diversification
4. Emergency management
5. Park improvements

Potter County

1. Water quality and conservation
2. Economic development
3. Implement quality education system
4. Access to low-interest money
5. Public infrastructure improvements

Sherman County

1. Infrastructure expansion
2. Housing
3. Diversification
4. Workforce – more of it
5. Local medical services

Swisher County

1. Increase Trade Occupations (workforce development)
2. Housing Availability
3. Infrastructure Improvement
4. Downtown Revitalization
5. Agricultural Services

**ADDRESSING DISASTER SCENARIOS IN THE REGION:**

The Panhandle Regional Planning Commission has been involved with the Cities and Counties of the Texas Panhandle in Emergency Management and Hazard Mitigation Planning since 2001. A series of regional plans have been developed that guide everything from regional first response, to inter-jurisdictional communication, to post-disaster responses. These planning processes have been federally, state, and locally funded to ensure that they entail the highest quality information possible. As such, it is much more prudent to reference these existing documents, many of which are hundreds of pages, than it would be to try and conduct an additional assessment of the region's natural and man-made threats for economic development purposes.

The series of disaster related plans in the Panhandle Region include the following:

Regional Emergency Operations Plan (EOP) – The regional plan that outlines how each county will implement its emergency response in a disaster situation. Annually, each County not receiving federal Emergency Management Performance Grant (EMPG) funding to keep their plan at or above the Intermediate level receives assistance from PRPC to update this plan, and thus each County in the region has an EOP that is at or above the Intermediate level.

Threat and Hazard Identification and Risk Assessment (THIRA) – Each year, the Panhandle Regional Emergency Management Advisory Committee (PREMAC) updates the region’s THIRA; identifying the natural/manmade risks of greatest concern to the region. Then with the State Preparedness Report and Annual Regional Implementation Plan; measures/actions to address those priority issues are developed.

Hazard Mitigation Action Plan – Each County in the region has developed a plan with FEMA assistance that identifies all potential man-made and natural disaster that can affect the jurisdictions within the county. Within the Plan a series of strategies that could be implemented to mitigate the negative impacts of each disaster has been developed. Counties and jurisdictions within each county have the capacity to apply to FEMA for funding assistance to implement these mitigation strategies. This plan is updated every five years for each County.

Community Emergency Response Plan – Every County in the region is operating under their own Community Emergency Response Plan. This document is primarily intended to guide local response to hazardous materials spills

Regional Mass Fatality Plan – This regional plan was developed in 2015. This plan consists of an over-arching regional response plan to a mass fatality incident (MFI); the plan is supported by plan annexes that will be incorporated into the EOPs to guide responses to local MFIs that are dealt with at the County level

Regional Resiliency Assessment Program (RRAP) Regional Foreign Animal Disease Plan – This plan addresses disaster in one of the key economic components of the Panhandle Region’s economy, agriculture. This plan and its sub-components is designed to thwart the spread of Foreign & Emerging Animal Disease (FEADs) that could otherwise devastate local feeding operations.

Regional Interoperable Communications Plan (RICP) – This is a regional plan for achieving and maintaining P25-compliant interoperable communications for public safety agencies in the region. This ensures that first responders from multiple jurisdictions responding to a disaster event can communicate during the response.

Regional Response Plan – Similar to a regional EOP, the intent of the plan is to describe how the resources in the region can be brought to bear to deal with really big disasters or want-to-be disasters.

Fundamentally, all of these plans are in place to work together to ensure that the negative impacts of disasters can be minimized, jurisdictions can respond to those disasters, and communities can recover from disasters. The largest economic problems that the region faces in the event of major disasters is a lack of economic diversification and no availability of emergency housing. Challenges to the agriculture and oil/gas industries that are created by disasters put large portions of the population of a county out of work, and because of this a secondary disaster can occur. The only way to battle this challenge is to continue efforts to diversify the region's economy. The housing shortage issues that are a larger economic concern within the region become amplified if existing housing is destroyed by disaster. First, there is no temporary housing for displaced individuals and in the long term there is very little housing available for families to go to long-term. Solutions to this challenge are more related to a larger housing approach within the region, but the disaster aspect could be greatly improved if more moderate income housing is developed in the region.

### **LEGISLATIVE RECOMMENDATIONS:**

As the Economic Development Advisory Committee (EDAC), along with representatives from each of the Distressed and Non-Distressed Counties, has reviewed this document and discussed their priorities as listed above, there seem to be some consistent concerns in the region that the group wants to discuss individually. By discussing these issues individually the committee hopes to make a direct legislative recommendation. Part of any planning process is the identification of how the findings of research may be applied going forward. The common themes identified by the Counties of the Texas Panhandle are consolidated below and noted as legislative recommendations.

Upon discussion from a regional basis, the EDAC feels that two of the main and consistent concerns within the region are in the dilapidation of aging infrastructure and the inability to supply mid-priced housing for their citizens. The EDAC feels that these two issues are directly correlated with the future of economic and community development within the region. The main intent of discussing these separate items is to provide input into policy on the state and federal level from a regional perspective. The EDAC feels that state and federal funding provided on an ongoing and increased level to rural communities for the development & revitalization of aging infrastructure as well as the creation of affordable housing will have a profoundly positive effect on the Texas Panhandle.

The committee is concerned with water and sewer infrastructure in the region. Most of this aging infrastructure in the Texas Panhandle was built prior to 1960 as a way of facilitating and accommodating growth in the region. As time has passed, cities and counties have strived to maintain the infrastructure in their respective districts; however, the only grant funds available that provide direct assistance to these projects are Community Development Block Grant Funds as appropriated by the Department of Housing and Urban Development. These funds have become increasingly competitive, decreasingly available, and are becoming more difficult to acquire. The EDAC proposes that these funds become more plentiful on both the federal and state levels and accessible in order to promote economic growth and community development through infrastructure improvement within the region. It is much easier and cheaper to maintain and repair aging infrastructure than it is to replace it once an emergency occurs.

Rural counties and cities within the Texas Panhandle are also facing a critical housing shortage for middle class workers within their respective municipalities. Companies, in some instances, are willing to relocate to the area because of regional marketing incentives, skilled labor forces, and abundant resources but are unable due to a lack of housing for prospective employees. One of the main concerns is public assistance through the U.S. Department of Agriculture, which has housing measures in place, but generally provides housing assistance for only very low income individuals. Once the low income individuals have lifted themselves out of poverty there are no housing measures in place to supply the demand, and this creates a difficult situation for employers in the region who are considering expanding their operations to accommodate successful growth. Regional offices recognize this problem, but many policy makers do not recognize that middle income individuals in rural communities may have very difficult times securing adequate housing. Many city and county officials, along with the PRPC, are researching methods to create affordable housing for the region to promote community and economic development. This has a direct impact on economic growth because it hinders rural America's attempt at being solvent and economically fortified. Further, significant distances from urban centers in much of the region discourage developers from building in rural Texas because there is more profit margin to be had by building in urban centers. The EDAC proposes that the federal and state legislatures promulgate policies that directly contribute to fair, available, and affordable housing in this region for moderate-income individuals and families.

The EDAC, along with representatives from each of the Distressed and Non-Distressed Counties feel that these apparent discrepancies in the region may be at least partially addressed by legislative action and financial incentives from the federal and local levels to increase the likelihood of housing development in the rural Texas Panhandle. Accordingly, the PRPC hopes that by serving as the Economic Development District they may be involved.

The legislative recommendations of the Economic Development Advisory Committee are as follows:

1. Broaden the parameters of U.S. Department of Agriculture programs to allow truly moderate income families to be accommodated with housing assistance in an effort to enable rural communities to meet the housing needs associated with economic development.
2. Increase rural funding assistance for infrastructure improvement through programs like the Community Development Block Grant program to enable communities to update aging infrastructure to accommodate population and business growth.
3. Provide statutory and financial incentives to developers who build subdivisions in rural economically distressed counties.
4. Any budget that does away with federal or state domestic spending or agencies that benefit public infrastructure, education, or economic development will be damaging to regional economic development
5. Actions that limit local control on taxation or economic development authority will be damaging to regional economic development.

## **ACTION PLAN**

Upon the identification of the region's economic development needs it is appropriate to identify the actions that will need to be taken to address the identified needs. As such, the work elements and a prioritization of programs and activities are outlined below.

### **Work Elements**

The Primary activities for PRPC serving in the capacity of the Economic Development District in performing the task of benefiting distressed areas are listed below:

- Implementing the CEDS through networking with economic development organizations and other groups under the guidance of the EDAC
- Actively pursuing funding assistance from federal and state sources to diversify and fortify local economies within the region
- Provide training and workshops to local governments, businesses, and economic development groups as requested
- Conduct an annual assessment of the region's Community and Economic Development Strategies
- Increase economic development opportunities for severely distressed communities by providing staff support to develop and monitor projects and programs

### **Prioritization of Programs and Activities**

#### **Economic Development District Core Initiatives**

To continue to respond to inquiries from member counties and cities for economic development related projects – As in the past, the staff will respond to inquiries, provide technical assistance, develop proposals, and submit applications for economic development related projects. The PRPC staff will also continue to focus on working with the distressed counties in the Panhandle, as defined by EDA. The staff utilizes the following programs to help accomplish this initiative:

- Economic Development Administration Grants
- Texas Capital Fund
- USDA Rural Programs,
- State of Texas Office of the Governor Economic Development & Tourism.

The primary focus of PRPC Staff in Economic Development remains on the successful implementation of these programs.

#### **Economic Development Technical Assistance for Cities & Counties**

To assist the counties and cities of the Texas Panhandle with their respective study development efforts – Staff will continue to analyze all data required to prepare a continuing economic development program and coordinate local efforts. Staff will continue to study resources, labor force and income data, census information, economic development activities, and/or other topics to provide the needed data and analysis. PRPC will identify federal and state assistance programs that aid in carrying out the local development program. The utilization of Census, American Community Survey, and ESRI Community Analyst data will enable PRPC Staff to meet local technical assistance needs.

### Amarillo MSA Micro-Loan Program

To maintain the Amarillo MSA Micro-Loan Program and to locate viable projects in Potter and Randall Counties for the expansion of the program – Staff will respond to inquiries, prepare loan applications, service all loans, and provide assistance. Staff will continue to ensure that at least 50% of grant applicants are classified as low-to-moderate income individuals for the use of this loan program for Potter and Randall Counties.

### PRPC Rural Micro-Loan Program

To maintain the Rural Micro-Loan Program and to locate viable projects in the 24 outlying counties for the expansion of the program – Staff will respond to inquiries, prepare loan applications, service all loans, and provide assistance. The program priority is to create jobs through this loan program in the District’s rural areas.

### Regional Marketing

To continue to assist the High Ground of Texas with its regional marketing program – The High Ground of Texas is a regional economic development marketing partnership of Texas Panhandle and the South Plains communities and businesses. Staff will continue to support and contribute in activities that aide in the marketing of the region and in attracting business and service industries that are necessary for an expanded economy. PRPC Staff will continue to serve on the Board of Directors of the High Ground of Texas. Further, PRPC Staff will retain a position on the Board of Directors for Class 4 Winds & Renewables to help advance this rapidly developing sector of the regional economy.

### Financing

To identify sources of financial assistance for local business, counties, and cities – Staff will research topics to discover the specific financing needs for businesses in the area, counties, and member cities. PRPC will continue to create and submit these financial packages and applications to the proper agencies. Staff will continue to write Texas Capital Fund and Economic Development Administration grant applications.

### Economic Development Training

To sponsor, or conduct, workshops for county and city officials along with others interested in economic development as requested – Continued invitation to area businesses, community-based organizations, professionals in economic development, and other areas of interest to participate in regional seminars/workshops. As in the past, staff will participate and attend workshops and seminars on economic development issues and opportunities as appropriate. Staff will continue to work with the West Texas A&M University Small Business Development Center on education programs for small businesses and cooperate with the West Texas A&M Enterprise Center. Staff will attend and actively engage in Economic Development Administration training and Texas Capital Fund seminars. In 2015/2016 PRPC helped to host seminars by state and federal agencies including the Texas State Library, Texas

Department of Agriculture, Texas Water Development Board, and U.S. Department of Agriculture.

### Planning and Management

To coordinate and respond to the Economic Development Advisory Committee – Continue to host and conduct meetings, guide the discussion, and help with the decision-making at these meetings. Every quarter the Economic Development Advisory Committee meets; and, at these meetings each member reports on the economic condition of their respective communities/counties and provides professional economic development training to members. This process also helps with the development of the CEDS in subsequent years.

### Tourism Promotion

To assist with the tourism industry in the Panhandle – Staff will help local communities/counties explore new ways of attracting visitors from outside the area. PRPC will continue to be present at some meetings held by the Panhandle Tourism Marketing Council.

### Natural Resources

To preserve the natural resources that the Panhandle possesses – Staff will continue to encourage the appropriate development, conservation, and economic use of all available resources in the region. Furthermore, Staff will actively work with each groundwater conservation district in the region to implement strategies identified in the Panhandle Regional Water Plan that are beneficial to the region. PRPC Staff also assists up to 10 cities annually with environmental assessments for municipal infrastructure projects.

## **EVALUATION**

### Performance Measures

As a part of the Panhandle Regional Planning Commission's Strategic Work Program and Budget, the Economic Development Department had to highlight their principle performance measures for the year. This included the programs involved with the Economic Development Administration. The measures were reviewed and approved by the PRPC Board of Directors. The following is a list of the performance measures broken down by the different programs in the department:

### Economic Development Administration Programs (Administration)

- Submission of 2017 Comprehensive Economic Development Strategy Update,
- Conduct a minimum of 4 CEDS Committee meetings,
- Develop a minimum of 4 Economic Development related grant applications
- Provision of two workshops on regional economic development issues,
- Manage 3 economic development projects for distressed communities
- Participate in the High Ground Program, the Panhandle Tourism Marketing Council, and the Panhandle Area Chamber of Executives Association, and
- Submission of progress reports as required or requested.

Upon guidance from the Economic Development Administration and the National Association of Development Organizations, a series of goals that are applicable to the region have been developed. However, it is noted that PRPC as a political subdivision of the State of Texas does not have the capacity or responsibility to take all necessary actions to achieve these goals. These goals are intended to simply be a gauge of the region's progress towards improved overall well-being.

### Regional Economic Goals (Non-PRPC Goals)

- To Reduce the number of Economically Distressed Counties to 12 by 2020
- To Have 0 Counties exceed national unemployment averages before 2020
- To close gap on regional mean wages vs. national to 10% by 2020
- To develop 1 new major economic driver in the region by 2020
- To construct 250 new middle-income homes in 24 rural Counties by 2020
- To bring over \$5 million in EDA projects to the region by 2020

## **CONCLUSION**

The Panhandle region has great natural resources, but the region's most important resource is its people. Recent economic trends have posed economic challenges to the residents of the region, but through efforts to better educate people, diversify the region's economy, and economic conditions have remained relatively stable. There is ample opportunity for infrastructure improvements and new industries to be pursued throughout the region.

The 2016 CEDS update served as the comprehensive update in the region. As such, the 2017 edition has minor statistical upgrades and new information related to current regional developments.

APPENDIX A  
PRPC Board of Directors

**2015 - 2016 PANHANDLE REGIONAL PLANNING COMMISSION  
BOARD OF DIRECTORS**

NAME	SEX	RACE	COUNTY RESIDENCE	TERM EXPIRES September 30
<i>Elected Public Officials</i>				
Don Allred	M	Anglo	Oldham County	2018
Buster Davis	M	Anglo	Hansford County	2019
Pat Simms	M	Anglo	Moore County	2017
Jay Mayden	M	Anglo	Childress County	2018
Ronnie Gordon	M	Anglo	Hartley County	2019
John James	M	Anglo	Collingsworth County	2019
Wayne Nance	M	Anglo	Briscoe County	2018
Dan Looten	M	Anglo	Carson County	2019
Harold Keeter	M	Anglo	Swisher County	2017
Paul Harpole	M	Anglo	Potter/Randall County	NA
Ernie Houdashell	M	Anglo	Randall County	2019
Nancy Tanner	F	Anglo	Potter County	2017
Bob Gober	M	Anglo	Hemphill County	2018
Dr. John Howard <b>**Vice Chair**</b>	M	Anglo	Donley County	2017
Ricky White <b>**Secretary**</b>	M	Anglo	Parmer County	2019
Kerry Symons <b>**Chair**</b>	M	Anglo	Ochiltree County	2017
Walter "Four" Price	M	Anglo	Regional	2019
<i>Minority Elected Officials</i>				
Sal Rivera	M	Hispanic	Castro County	2018
Juan Cantu	M	Hispanic	Lipscomb County	2019
Amelia Salazar	M	Hispanic	Palisades Village	2017
<i>Citizen Representatives</i>				
Irene Favila	F	Hispanic	Deaf Smith County	2017
Cleo Castro	M	Hispanic	Moore County	2019
Saul Hernandez	M	Hispanic	Potter County	2018
Winston Sauls	M	Black	Hutchinson County	2019
Karen Price	F	Black	Gray County	2019
<i>Special District Representatives</i>				
Dr. Bill Hallerberg	M	Anglo	Potter County	2019
Phillip Self	M	Anglo	Childress County	2018
<b>** Officers</b> <b>*** Executive Committee</b>				

APPENDIX B  
PRPC EDAC Advisory Committee

**2015 ECONOMIC DEVELOPMENT ADVISORY COMMITTEE**

<b>NAME</b>	<b>SEX</b>	<b>RACE</b>	<b>COUNTY</b>	<b>TERM EXPIRES</b>
Dion Miller	M	Anglo	Swisher County	2017
Randy Stark	M	Anglo	Briscoe County	2019
Jason Harrison	M	Anglo	Potter County	2017
Michael Kitten ***	M	Anglo	Deaf Smith County	2019
Russell Graves	M	Anglo	Childress County	2018
Woodrow Richardson	M	Black	Hall County	2017
Chris Alexander****	F	Anglo	Parmer County	2017
Mike Running	M	Anglo	Moore County	2017
Beverly Benton	F	Anglo	Hutchinson County	2019
David Dockery	M	Anglo	Donley	2019
Keila Bain	F	Anglo	Oldham County	2018
Kristine Olsen	F	Anglo	Dallam/Hartley County	2018
Kathy Allen	F	Anglo	Sherman County	2019
Shawn Campbell	F	Anglo	Ochiltree County	2019
Melanie Davis	M	Anglo	Lipscomb County	2018
Shane Spencer	F	Anglo	Hemphill County	2019
Clay Rice**	M	Anglo	Gray County	2018
Kristen Moudy	M	Anglo	Wheeler County	2019
Liz Kendall	F	Anglo	Armstrong County	2019
Doris Stallings	F	Anglo	Collingsworth County	2017
B.J. Potts	M	Anglo	Castro County	2018
Suzanne Bellsyder	F	Anglo	Hansford County	2017

\*\* Chair

\*\*\* Vice Chair

\*\*\*\*Secretary

APPENDIX C  
Unemployment Rate Map

APPENDIX D  
Per-Capita Income Map

APPENDIX E  
2010 Census Data for Panhandle Region

APPENDIX F  
2015 ACS Profile for Panhandle Region

APPENDIX G  
2015 Housing Summary for Panhandle Region

APPENDIX H  
Marketplace Data for Panhandle Region

## APPENDIX I

### Notice of Intent to Submit the Comprehensive Economic Development Strategy