



A strong, diversified economy in the City of Elgin is critical to the well being of the residents of the City. Elgin has a long history of supporting economic development through its manufacturing and retail industries. Today Elgin is most famous for the two products it's been making since 1882: high-quality bricks and delicious sausage. Three brick companies are still operating in the Elgin area, which provided Elgin the title "Brick Capital of Southwest". Elgin has also gained a national reputation for its sausage with two local companies (Meyer's Elgin Sausage and Southside Market and BBQ, Inc.) producing over 3 million pounds annually, which has earned the City the title of "Sausage Capital of Texas". Local BBQ businesses are responsible for Elgin being recognized as Member of the Texas BBQ Trail ([www.texasbbqtrail.com](http://www.texasbbqtrail.com)).

The City's Comprehensive Plan is based on community values expressed by the citizens of Elgin through numerous meetings and discussions. An emphasis on preserving Elgin's downtown Main Street and surrounding neighborhoods, an appreciation of the town's agricultural heritage, and a desire for new traditional neighborhood and transit-oriented developments give direction to the community's future physical, social, and economic growth and character. The Comprehensive Plan provides a clear understanding of the desired economic future for the City and the region, providing places and support for the location of economic activity while at the same time protecting and enhancing the quality of life which is essential to its competitiveness to attract and retain businesses.

The City's economic development efforts have been assisted through strategic partnership with the Elgin Economic Development Corporation (EDC) and the Greater Elgin Chamber of Commerce. The Elgin EDC contracted with the CAPCOG to develop a retail trade study. This study was completed in 2008 and a significant amount of data in this chapter was derived from this study. Information gained from this study along with other data gathered have provided an existing local economic profile, key issues to consider, and identified opportunities and initiatives for the community to guide its growth and development based on the local values expressed by its citizens.

### **Economic Characteristics**

- Elgin's economy is made up of approximately 300 businesses. The majority are engaged in retail, accommodation, and food services which make up 85 percent of taxable sales within the City.
- Approximately 60% of Elgin residents work outside City.
- Property tax remains primary source of income for City.

- Elgin’s tax base has risen steadily since 2003, but retail sales are less than that of surrounding communities.
- Major employment (2007) industries include:
  - Education services (25%)
  - Local Services (11%)
  - Health care and social assistance (11%)
  - Retail Trade (11%)
  - Accommodation and Food Services (10%)
  - Food Services and Drinking Places (10%)

## Key Issues

### **Tax Base**

Elgin’s tax base is highly dependent on residential properties, which typically do not generate enough revenue to account for the cost of services and infrastructure. Sales tax in Elgin is trailing compared to many similarly sized cities in Capital Region. Currently the sales tax makes up only 18% of the general fund revenue. Without a robust, sustainable tax base, Elgin cannot afford to make other improvements desired by residents. Through the planning process residents identified a desire to attract industry and retail development to diversify the tax base and reduce the property tax burden on residential tax payers.

### **Employment Base**

Elgin needs more job opportunities to give residents the option to both live and work in the community. There is currently a lack of employment options for Elgin’s youth and young adults returning from college. Elgin should aim to attract businesses in a planned manner by setting aside specific areas for industry and commercial development. Incentives may be necessary to attract the desired high-quality businesses. By offering strategic incentives for green, sustainable industries, for instance, Elgin may better steer desirable industries into the local economy. According to the survey done by the City, over half of the City’s employed residents leave the community for work each day. The lack of available employment opportunities has a threefold impact upon the local economy. First, businesses generate higher property tax revenue than residences which could improve property tax revenue and reduce the burden on residential properties. Second, disposable income that could be spent in the community is instead invested in the travel costs of commuting to work. Third, exporting jobs can have the effect of exporting retail and dining dollars as well, because people have a tendency to eat out and shop over lunch or on the way home from work and therefore spend less of the dollars within the City. New employment generators will be needed if the City is seeking to enhance

the local tax base and become a community where residents have the opportunity to both live and work.

### **Retail Leakage**

Supporting and strengthening Elgin’s local businesses is essential in order for the City to adequately support its population. Retail leakage refers to the amount of money that local residents are spending on retail goods and services at stores outside the community. Based on the “2008 Retail Trade Study” conducted by Elgin Economic Development Corporation in cooperation with CAPCOG, many residents of Elgin choose to shop in nearby communities because these stores tend to offer improved selection, lower prices, and more convenient business hours than stores in Elgin. This is not only inconvenient to residents, but also a missed opportunity for the City to benefit from important sales tax revenue.

The Elgin Economic Development Corporation has developed a “Shop Elgin First” campaign as an initial step to educate residents about retail opportunities in the local community and to promote the advantages of shopping locally whenever possible. Additional efforts in support of the Elgin Retail Study will be needed to ensure that the local economy grows effectively to support the population of Elgin. Efforts in the future will include identifying a list of target retailers where “gaps” are known to exist and begin actively recruiting these retailers to reduce retail leakage. In addition, efforts to draw in customers from outside of the community should be long term goals in fully developing local economic development.

### **Health Care**

The planning process identified that the City of Elgin does not have adequate healthcare facilities since there is no 24-hour emergency room or a hospital. Providing adequate health care facilities and other infrastructure are critical to ensuring that the City is a viable community for expanded residential, commercial, and industrial activities.

### **Identity**

Branding an identity will be increasingly important to the City of Elgin as a means of presenting a specific image to current and future community investors. The Elgin Economic Development Corporation has recently developed a new branding strategy to address this need.

An important issue for the City’s image is the current lack of visual gateways to define arrival to the community and the lack of a wayfinding system to guide residents and visitors to important community features. Through the planning process it was identified that the style and quality of the existing commercial development on US 290 does not create a positive impression of Elgin. Participants in the

planning process indicated that this high profile corridor should be aesthetically enhanced to raise the City's image.

The City's historic Main Street does have a strong identity and character thanks to the local preservation and revitalization efforts. However, this character is best known by local residents, since it is not visible to travelers passing through Elgin on US 290 or SH 95.

## **Opportunities and Initiatives**

### **Capital Region and US 290**

The City of Elgin is conveniently located on US 290, only 20 miles east of Austin. Commercial air travel is available only 30 minutes to the south at the Austin Bergstrom International Airport. The Capital Area has been the fastest growing region in Texas since 2000, averaging more than 3.3 percent population growth per year. With its close proximity to Austin, relatively affordable land, and excellent highway access, Elgin is well positioned to take advantage of the economic development opportunities coming to Central Texas.

Elgin is also one of the fastest growing cities in the Capital Area region, averaging nearly eight percent population growth per year since 2000. Elgin's main transportation corridors (US 290 and SH 95) provide opportunities for commercial and business growth. US 290 has an average daily traffic of more than 30,000 vehicles. The City's location within the Austin region and its available rail, air, and road transportation infrastructure provides the City with an opportunity to take advantage of the demand for goods.

### **Freight Rail**

Several of the sites in the City of Elgin have Union Pacific (UP) rail access. The UP line, which passes through Elgin, currently maintains a green line status. In the rail industry, this denotes that this line has relatively low density traffic with some available capacity and that it is a non-premium product corridor. This active freight rail line with available capacity may provide future opportunities to attract industry and jobs to Elgin. Elgin's Economic Development Corporation recently conducted a feasibility study for rail, logistics, and distribution services. The results of this report indicate that there is not enough rail volume, demand, or activity to pursue industrial development at this time; however, the report also notes that as demand for services and additional commercial and residential growth occur, there may be a future for industrial development in Elgin. Elgin should monitor this opportunity as a long term strategy and develop incentives as the opportunity develops to increase competitive advantage over other communities in this area.

## **Passenger Rail**

Elgin's location along the rail line provides an opportunity to bring commuter rail to the community. CMTA has intensified their efforts to use existing rail lines to provide commuter rail service to Manor and Elgin, after the anticipated opening of the Red Line in 2009. That line, authorized by voters in 2004, extends from Leander to downtown Austin. CMTA also owns a century-old existing rail which also connects Elgin to Austin. This proposed line (referred to as Green Line) extends from southeastern Austin, northeast through the City of Manor and continues eastward towards the City of Elgin. According to the recently completed "Austin-Manor-Elgin Transit Corridor – A Preliminary Review" (CMTA – September 2008), this corridor is in a high growth area where investment and planning has begun. This corridor is consistent with the "Envision Central Texas" May 2004 Vision for Central Texas. The implementation of this rail corridor would:

- Provide alternative mode of transportation for commuters east of Austin.
- Maximize market opportunities by connecting residents to existing and future activity centers.
- Reduce traffic congestion, travel demand, and air quality impacts.
- Encourage investment in development along the transit corridor.
- Provide access between lower cost residential opportunities to employment centers; encourage mixed-use development.
- Maintain the movement of freight service along the corridor.

Overall, this potential rail line opens up a unique opportunity for Elgin to attract residential, commercial, and mixed-use development that would enhance Elgin's sense of place, while also providing residents alternative access to employment in Austin.

## **Transit Oriented Development (TOD)**

A TOD is a mixed-use residential and commercial area designed to maximize access to public transport, and often incorporates features to encourage transit ridership. A TOD neighborhood typically has a center with a train station, metro station, tram stop or bus station, surrounded by relatively high-density development with progressively lower-density development spreading outwards from the center. TODs generally are located within a radius of one-quarter to one-half mile from a transit stop, as this is considered to be an appropriate scale for pedestrians. Elgin's economic development corporation purchased 80 acres for \$640,000 that it has earmarked for a transit-oriented development. As mentioned previously, the Future Land Use and Development Plan identified potential sites in both downtown Elgin, where a mix of land uses already exist, and at the 80 acre site where mixed-use

development is planned. The location of these two stops and the type of development associated with a transit rail stop would greatly improve and enhance Main Street, create even a more dynamic attraction to this area, and will spur additional economic growth in the greater Elgin area.

### **Downtown Revitalization**

A revitalized downtown is an opportunity to foster growth in the service and retail sectors and encourage local entrepreneurship. Additionally it provides opportunities to promote arts, entertainment, and cultural activities that can draw residents and visitors to the area. A community center with character and a strong identity of place is also a source of community pride for residents.

Recognizing the importance of downtown revitalization, the City in partnership with private sector has already invested more than ten million dollars towards public improvements. In addition, the City has been designated by the National Trust for Historic Preservation as a National Main Street Community and historic district is registered in the National register of Historic places. These programs help to draw attention to Elgin's historic downtown while also assisting with marketing, training, and economic development strategies.

The City, Main Street Board, and the EEDC have joined together to fund and implement a downtown beautification program which will feature large planters at corners throughout the district, smaller planters throughout the district, and new all seasonal banners on light poles as well as additional trash cans and benches in the downtown area. The planters will include trees such as crepe myrtles, and upright Junipers, as well as fountain grass, and other native plants that thrive in container environments. The program was created to provide more color, height, and visual interest throughout downtown, and to respond to requests from property and business owners.

As part of the findings of the Envision Elgin Community Development Team, it was encouraged to continue to promote the downtown area and to maintain and improve its attractiveness. A goal of this revitalization is to develop the downtown into an area where people desire to come to shop, dine, and enjoy the sights.

### **Quality of Life**

The planning processes emphasized Elgin citizen's appreciation for the City's assets including the small-town feel and cultural amenities. Elgin has the opportunity to market itself as a unique place to live or visit based on a variety of characteristics:

- Active arts and culture in the community (Art Walk).
- Local history and the presence of historic buildings and neighborhoods.

- A rural atmosphere with open spaces that allow for farming, ranching, and environmental tourism.
- Small niche businesses and boutiques that exists on Main Street.

The City has so far been able to prosper as a desirable and affordable community in close proximity to Austin. Elgin can continue to attract residents and businesses to the area as long as the local quality of life assets outweigh the quality of life concerns. Enhancing the physical environment throughout the City with amenities such as landscaping, aesthetically appealing entrances, coordinated signage, building design themes, and well-maintained property can improve the image and quality of life. Gateways and entrances to the City of Elgin provide an opportunity to leave visitors with a positive impression of the community's character. It is important for the City to create attractive and notable gateways that reflect the values and qualities of the community. Gateway locations include major roadways entering into the community such as US 290 and SH 95.

The perceived quality of life in Elgin is also impacted by City-wide design and property maintenance. Features such as open space, plazas, and greenbelts incorporated into development and redevelopment projects greatly enhance quality of life. Street and building design themes can be encouraged with the use of incentives to create an environment that is consistent with the City's values.

### **Incentives**

The Elgin EDC developed incentives to work with businesses to facilitate their expansion and or relocation to the community, as described on the City of Elgin website. Incentives are reviewed based on capital investment, job creation, wages, and impact of the company on the community. In addition to the incentives listed below, the EDC also has developed a Small Business Assistance Program.

**Fast Track Permitting** – Elgin will provide assistance in moving a construction project from conception to certificate of occupancy and guarantees to do it faster than other cities, which in turn will save time and money.

**Enterprise Zone Designation** – This zone offers a number of State incentives to assist in relocations and expansions of businesses. Opportunities include sales tax rebates and other methods.

**Economic Development Sales Tax** – The City of Elgin levies a 1/2% sales tax to bolster its economic development efforts. The revenues from this tax are allocated to economic growth of Elgin. The Economic Development Corporation determines financial assistance based on capitol investment, job creation, and wage levels.

**Property Tax Reimbursement** – The Elgin City Council determines financial assistance based on capitol investment, job creation, and wage

levels. The Council seeks cooperation from other entities that would be willing to grant property tax reimbursements. Applications are considered by the City Council and Bastrop County.

**Site/Building Location** – The City’s Economic Development Director, with the cooperation of local real estate agencies and property owners, maintains inventories of buildings and sites available for lease or purchase.

**Waiver of Fees** – A construction project may be reviewed and considered for the reimbursement of portions of required fees and permit charges.

**Job Training Assistance** – Elgin will assist in obtaining State funded assistance. The Elgin ISD works with businesses and the City to create customized training programs.

**Foreign Trade Zone Designation** – The zone is in concert with Bastrop County and is affiliated with the Port of Corpus Christi. This designation allows sub zone operators to import certain products from overseas and to eliminate or defer customers’ duties.

**Economic Development Programs** – The City’s Economic Development Department provides assistance to both existing and new businesses. In concert with state and federal agencies, the City will provide varying assistance packages on a case by case basis.

**Deferred Annexation** – The City will consider, on a case-by-case basis, deferred annexation on property outside of the City limits.