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**H**ome to rock n' roll legend Buddy Holly, the 26-county regional center of West Texas is well-served by cotton and cattle, entertainment, health care, education and, most recently, vineyards. At the heart of the South Plains Region, Lubbock houses a population of more than 196,500 residents and a metropolitan statistical area of 235,000.

For those familiar with Lubbock, it is no surprise that nearly 80 percent of the city's economy rests upon the cotton industry, according to Jerry Stevens, executive officer of the Chamber of Commerce. The Texas High Plains produces approximately 60 percent of the state's cotton and 15 percent of the U.S. crop. Despite the lingering boll weevil epidemic, cotton is selling for more than 70 cents per pound, contributing a \$3.5 billion economic impact to the area each year.

Livestock including cattle, poultry and pork as well as livestock products are another major source of capital feeding the Lubbock economy. In addition, grapes from some of Texas' most award-winning wineries are grown and bottled just beyond the city limits at the Llano Estacado, Pheasant Ridge and Cap\*Rock wineries.

Not only does the wine flow freely but, for the most part, so does the traffic. Known for its efficient roadways, residents and tourists alike rarely idle long when traveling throughout the city. Quick and accessible, Loop 289 joins the main arteries in all directions. Interstate 27 connects with I-20 and I-40 running east-west, and state highways easily connect to hundreds of cities and towns spanning from West Texas to Eastern New Mexico.

*At the heart of the South Plains Region, Lubbock's predominate cash crop is still cotton. Local economic development officials estimate that nearly 80 percent of the city's economy rests upon this lucrative industry.*



Air travel has been made easy as well with five major carriers that connect to world-wide destinations. In addition, the airport is an official U.S. Customs Port of Entry, and ten air freight companies service the area for far-reaching distribution activity that is augmented by Burlington-Northern and Santa Fe rail lines.

Lubbock's retail and wholesale trade sector represents more than 28 percent of the wage base, according to the 1997 *Community Profile*. In fact, boasting a dining and entertainment mix with something for everyone, Lubbock's variety boosts its economy by offering more than 150 restaurants, employing some 9,000 people, with annual gross sales of approximately \$39 million. Much of the recent growth in retail has occurred in the southwestern perimeter of town suggesting heavy

growth in new housing will soon follow.

The service sector, 26.3 percent of the employment base, is comprised of health care and education. Home to the largest regional medical complex between Phoenix and Dallas, hosting six hospitals and 62 clinics, it is easy to see why residents from 77 counties in West Texas and Eastern New Mexico address their health care concerns in Lubbock. Many of the medical office complexes and health-care facilities are located on the west side of Lubbock near Loop 289.

Also a college town with four universities and colleges, Lubbock is committed to educating future leaders of Texas and beyond. Texas Tech University, with a 25,000-student enrollment, reportedly has plans for nearly \$200 million in new construction. Growth at the university is constantly changing the landscape on the north side of town. Higher education also attracts students from across the region to Lubbock Christian University (1,100 students), South Plains College-Lubbock Center (6,300 academic and vocational students) and Wayland Baptist University-Lubbock (330 students).

On the commercial real estate front, new construction was up \$28.5 million in 1997 from the previous year, promising a positive impact on the real estate economy, according to local appraiser Merle Blosser.

Office space demand has been steady for the past six years as the overall vacancy rate declines. Class A and B office rates range from \$8 to \$12 per square foot, compared to much higher

rates in Houston or Dallas. Retail development is also on the upswing, with the majority of activity centering around the South Plains Mall at 82<sup>nd</sup> and Slide Road and the Kingsgate Shopping Center, one mile east of 82<sup>nd</sup> and Quaker. Land prices vary widely with a range from \$8,000 to \$20,000 per acre. Developed single-family lots range from \$14,000 to \$100,000.

The Reese Air Force Base closing that forced 2,000 job losses did not negatively affect the local economy as much as residents had feared. Instead, rising from the phoenix is the new "Reese Center," a major commercial and industrial park that promises to be one of Lubbock's primary economic assets. A cooperative effort between public and private industry, the facility team predicts "a better connected economic influence for Lubbock than

the previous air base use," according to Blosser.

Comprising slightly more than 20 percent of the work force, the government sector rounds out the local economy and lends additional stability. But Lubbock is unique because it has no available economic development money. In fact, the city voted down such taxes in four previous elections, making it the largest city in Texas without economic development funding. They do have approximately \$1 million available annually for such purposes, however, provided by the general fund.

The strengthened apartment market has spawned a series of new construction projects. Rental rates for one and two bedroom units have increased roughly 3 percent for the past four years. Three apartment communities added more than 400 units in 1997 and local

officials report an additional 600 units are in the pipeline.

In the single-family market, the median-priced home is \$71,000, approximately \$20,000 less than the national average, according to the April issue of *TRENDS*. Sales volume has been high for the past five years, with more than 2,200 homes reported sold in 1997. Home construction has been in an upswing since 1992, with approximately 700 new building permits for houses issued each year during this period. Most of the new residential and commercial development is focused in the southwest perimeter of the city and this trend is expected to continue unabated into the future. □

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