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Jacksonville Takes Positive Turn After Flat Period

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JACKSONVILLE -- After years of a stagnant economy, an upswing in growth is happening in Jacksonville -- something city officials hope will continue.

"Additional retail sales, the passage of the alcohol. ... All of those things coupled together show a positive turn in our local economy, and we're excited about it," Jacksonville Mayor Dr. Robert Haberle said. "And we want to be a part of it, and we want it to grow and prosper."

Darrell Prcin, president of the Jacksonville Economic Development Corp. (JEDCO), said the city's economy was doing well until the national economy took a downturn in late 2007. It then was "fairly flat" in 2008, as the city lost a company, Astro Air, that was purchased during that time, costing about 150 jobs, he said.

But since then, Jacksonville has added what now is Stream Global, which amounted to about 300 new jobs.

"So during this (national) economic downturn, we've been fairly successful and hope to see this improve even farther as the economy starts

to strengthen," Prcin said.

He called the recent growth "reasonable."

"We have companies in Jacksonville that are doing very well, (and) we have some that are obviously struggling with the economy as it is," he said. "But we also have companies that are either moving into the area or expanding their processes currently. "We're pretty pleased, given the economy as a whole, that we're able to attract and retain the businesses we have."

Within the past year, about five new businesses have set up shop in Jacksonville, including Fish Central Importers, a company that distributes saltwater and freshwater fish; Zyklus Heat Transfer, which does air conditioning and heating coil manufacturing; and Texas

Vessels & Fabrication, which builds vessels for the oil and gas industry.

Bob Lee Archery, a traditional bow manufacturer, also is relocating to a new Jacksonville facility.

Prcin said he thinks these types of companies are moving to the Jacksonville area because there is a labor market that fills their needs.

"Geographically, we're (also) located on (U.S.) Highway 69, (U.S.) Highway 79 and (U.S. Highway) 175, which is always a plus," he said. "The company we added recently -- Fish Central -- one of reasons they wanted to be here is because it's in the center of the area they service."

He said JEDCO has worked with these companies on incentives.

"Our primary focus is creation of jobs -- jobs that fit our job skills and also jobs that obviously offer good hourly wages and benefits for the folks here," he said. "So we do performance contracts primarily so (that) once they hire the people and they're in place for 90 days, we will pay them a grant to help offset some of the training cost."

In addition to manufacturing businesses, Jacksonville also has seen new hotels open in the past year.

Holiday Inn Express & Suites, on South Jackson Street, celebrated its grand opening in May.

The three-floor facility features 68 rooms, all of which have desks, alarm clocks with MP3-playing capabilities, flat-panel TVs and ironing boards.

La Quinta Inn & Suites also opened within the past year on South Jackson Street. The three-story hotel features 62 rooms complete with pillow-top mattresses, flat-panel TVs, microwaves and refrigerators.

Both hotels are some of the newest contributors to Jacksonville's hotel/motel tax.

The city received \$113,278.03 in hotel/motel tax revenue from Oct. 1 through May 17.

The city's finance director, Freddy Thomas, has said Jacksonville is expected to receive about \$185,000 for the entire fiscal year, which ends Sept. 30.

For the fiscal year year that ended Sept. 30, 2009, Jacksonville received \$179,754.

Thomas has said 90 percent of the hotel/motel tax revenue goes to the Jacksonville Chamber of Commerce, while the other 10 percent goes to the city.

The city's portion is part of a reserve fund and is used when needed. For instance, the city used part of the hotel/motel tax revenue to clear brush at Love's Lookout, Thomas has said.

Chamber President Peggy Renfro previously said its portion is used for advertising

Jacksonville and its events, such as the Tomato Fest in the summer, the Motorcycle Rally and Music Jam in the fall and Mud Nationals in the spring.

City leaders also expect to see tax revenue increase because of alcohol sales, which voters approved in May. However, exactly how much revenue will be taken in still is unknown.

Charles Falco, chain account manager for R & K Distributors, said alcohol sales can mean \$1,000 to \$2,000 extra for a store each day.

At least two stores already have received their licenses to sell alcohol -- Food Fast and Super Gallo Mercado.

And Jacksonville Mayor Haberle said one new convenience store is planned for Palestine and South Jackson streets.

"It's nice (to be able to get alcohol in Jacksonville)," Chris Hawthorne said as he picked up beer in Food Fast on Friday. "Finally. I've been waiting."

Haberle said that even new add-ons at existing stores are stimulating the economy through labor and the purchase of refrigeration equipment and building materials.

Population Growth

Estimates from the U.S. Census Bureau showed that Jacksonville had 14,434 residents as of July 1, 2009, compared to 13,873 residents on July 1, 2000.

Pricin said properties around Lake Jacksonville are at a premium and people are moving in from Dallas, Houston and other locations.

"They're retiring and wanting some lake property, so that's kind of been a nice plus for Jacksonville because it's bringing in a lot of people from out of town who are relocating to the Jacksonville area," he said.

Haberle said that as the city grows and expands the tax base, it becomes more attractive to a wider range of population segments.

"We become more and more attractive with that diversity, and we continue to grow and continue to prosper," he said. "Economic development right now is the engine pulling the train. I think that's where we need to focus. I think we need to focus there as a city and even more reasonably as a county to provide jobs to allow our young people to grow up and have some reason to stay here (for their career)."

Overall, he said, the growth in Jacksonville means the city has something to offer, such as major thoroughfares and a skilled work force.

"I think if all the things can line up where we can get the businesses to come in and satisfy their needs in terms of labor force and transportation and things that they need provided for them, that it will definitely have a positive impact of our population," Haberle said.

He said that although it's too preliminary to decide what bottom line revenue impact will be because of the growth, any work generating additional sales and producing additional product to ship out to another location is helping the economy.

Haberle said that, generally, when an economy is stimulated by people buying houses and spending money in shops, it increases the city's general fund, which is used to provide services and amenities that residents expect, such as clean water and police protection.

His hope, he said, is that the city eventually will have the financial means to begin and complete construction on a new city hall building.

"I would like to see a healthy, strong, vibrant general fund that will allow us to go forward and build a new city hall," he said. It is "much needed (and is) not just an amenity. ... I think if we built a city hall, that shows that we're taking the lead, we have faith in our future (and) we believe in our future." He added, "I think our future looks bright. We have many things going for us right now."
