



2020 BUSINESS CLIMATE SURVEY REPORT



CITY OF SOUTHLAKE

ECONOMIC DEVELOPMENT & TOURISM

1400 Main Street, Suite 460
Southlake, Texas 76092
(817) 748-8039
EconDev@ci.southlake.tx.us

www.SelectSouthlake.com



The Southlake Economic Development and Tourism Department's mission is to sustain and grow Southlake's vibrant economy and outstanding quality of life by providing leadership and resources for the creation, expansion and retention of businesses and visitors.



TABLE OF CONTENTS



2	Introduction
2	Background
2	Why a Business Climate Survey?
3	Business Surveying During COVID-19
3	Goals & Objectives
3	Survey Structure
4	Overview of Methodology
5	Report Organization
8	Short Form Survey
16	Long Form Survey
17	Business Data
22	Business Environment
29	Community Environment
34	COVID-19 Business Sentiment Survey
48	Conclusion



INTRODUCTION

2020 BUSINESS CLIMATE SURVEY REPORT

BACKGROUND

The City of Southlake strives to maintain a strong and healthy economy and has dedicated time and resources to economic development, identified as a vital city function, in order to maintain a strong and healthy economy. There are various economic indicators that can give the City a better sense on the economic conditions in the community, however, these indicators can be limited in their ability to give local leaders insight as to what the City does effectively to stimulate and support business activity in the community.

To address this need, the Economic Development Master Plan, adopted in 2016, identified evaluating the city's economic programs by conducting an annual business climate & satisfaction survey as a policy recommendation for its business retention efforts. In order to fulfill this requirement, the master plan recommended conducting an annual business climate survey that collects information from Southlake employers about their outlook and needs and to determine if the City's programs are meeting those needs.

WHY A BUSINESS SURVEY?

Business climate indicates how state, regional and local policies, relationships and local communities support business development. Ultimately, a good business climate allows businesses to conduct their affairs with minimal interference while accessing quality high inputs and customers at low costs. While no business climate is perfect for every kind of company, certain attributes of the regional or local economy allow investors to find fewer risks and higher returns when compared to other places. Business opinion/satisfaction surveys enable businesses to share their perceptions and suggestions about local government, specific public issues, and the various services provided to them with their governing body including the mayor, city council, other elected & appointed officials, city staff. These local decision-makers often have to make important decisions with limited information and input from residents and businesses. Business surveys can assist in bridging this gap and ensure decision-makers have the most accurate information.

By conducting a business climate survey, the City will obtain the most current information about local businesses and have a better understanding of local challenges and perceptions of the business community. This type of survey also demonstrates the City's support for the local business community, uncovers opportunities to improve the local business climate, finds benefits for existing businesses and provides a means for the City to evaluate its current and future programs to provide more effective decisions and programs businesses.

Ultimately, the survey results and analyses presented in this report will provide the City Council and staff with information that can be used to make sound, strategic decisions in a variety of areas, including service improvements and enhancements, measuring and tracking internal performance, budgeting, policy, and planning not just through Economic Development initiatives but through City-wide decision making. This report, is also the second of its kind since the first business climate survey was conducted in 2019.



BUSINESS SURVEYING DURING COVID-19

The COVID-19 pandemic in 2020 presented the local business community some unique challenges as specific governmental mandates, changing consumer behavior and uncertain expectations of the future became common occurrences throughout the year. Businesses were challenged to create innovative ways to adapt and adjust their operations to stay open and meet the needs of their customers. The initial business climate survey that launched in February 2020 was closed so businesses can tend to the needs of their employees, consumers and the business operations.

Due to this stall in surveying, the City of Southlake Economic Development & Tourism Department conducted a secondary survey (The COVID-19 Business Sentiment Survey) after approximately 6-months into the pandemic environment and where businesses were operating a reduced capacity. While the goals and objectives of this survey were largely the same as the business climate survey. The City also wanted to understand specific challenges businesses may have been experiencing due to the pandemic environment. The specifics of this survey can be found beginning on page 34.

GOALS & OBJECTIVES

Quality of Life is the economic well being, life style, and environment that an area offers. Improving the quality of life is the ultimate aim of economic development programs and initiatives. A balance has to be maintained between encouraging the growth of the local economy, while limiting impacts upon the quality of life. In order to achieve the best quality of life possible, tools such as this Business Climate Survey are used to obtain a better understanding of local economic conditions.

Understanding labor challenges, labor demographics, struggling local industries, business trends, upcoming challenges and how to effectively use technology all contribute to the local business climate and pro-actively obtaining this information keeps the City “on-the-pulse” of the local environment.

Working with the Community Enhancement & Development Corporation (CEDC), City staff developed goals for the survey understanding that upon getting results and conducting future surveys, goals will be adjusted accordingly.

BUSINESS CLIMATE SURVEY GOALS

- Acquire current local business data
- Obtain a better understanding of the local business environment
- Improve organizational processes to better serve the business community
- Enhance current and future programs targeted towards assisting businesses
- Develop better communication and relationships between the City and business community

SURVEY STRUCTURE

City of Southlake Economic Development staff worked closely with the CEDC to develop a questionnaire that covered the topic areas that would be of most value to the City. Upon evaluation, it was determined that obtaining core business data, perceptions/sentiment about the business environment and evaluating the City's service performance should be the focus. This strategy has continued into 2020 and became more focused during the COVID-19 Business Sentiment Survey.

Additionally, the CEDC discussed strategies to encourage participation since time is extremely valuable for businesses. For this reason the survey was divided in two, a short-form survey consisting of approximately 9-questions and a long-form survey that includes an additional 29-questions for those businesses that chose to contribute more of their time.

The development of the questions for the survey consisted of three focus areas: 1) Business Data, focused on obtaining data associated with the specific business such as sales trends, number of employees and years in operation; 2) Business Environment focused on getting the business perspective and opinions on labor availability, taxes and local to national



INTRODUCTION

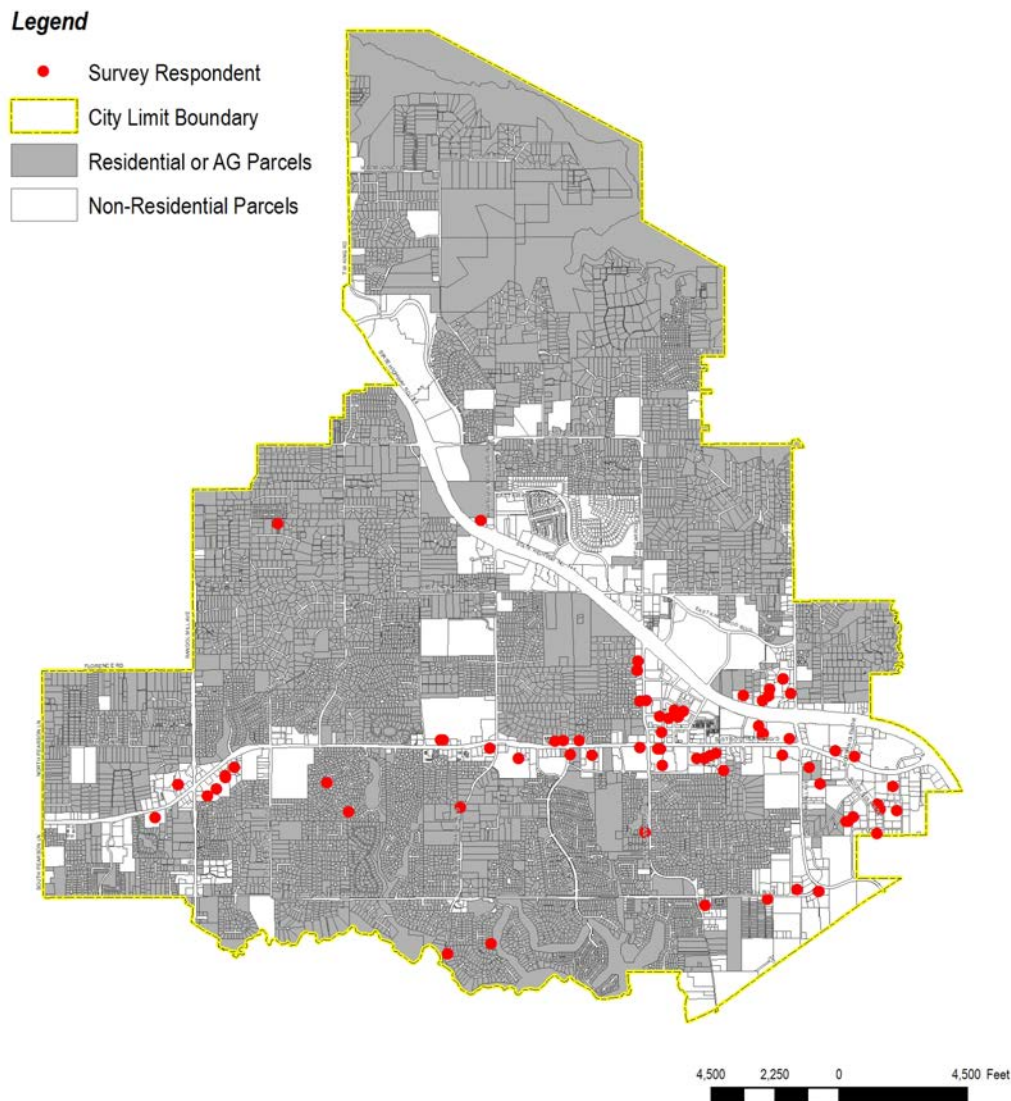
2020 BUSINESS CLIMATE SURVEY REPORT

economy; and 3) Community Environment which focused on level/quality of service that the City provides to the local business community.

OVERVIEW OF METHODOLOGY

Data for the 2020 survey was collected through an on-line survey developed in-house by City staff. The survey was open between February 14 to March 13, 2020, a total of 28-days. This of course is a shorter than the previous years survey by 15-days due to the onset of government mandates because of the pandemic. The City used its business contact database, consisting of over 1,400 businesses, to communicate with local businesses about the survey. Numerous emails, social media posts and an article through My Southlake News were drafted in an effort to get maximum participation from Southlake businesses.

During this shorter time period, 80 businesses completed the short-form survey. Responses were distributed throughout the City's commercial centers (see Business Response Distribution Map shown below). Additionally, 43 businesses completed the optional long-form version of the survey.



BUSINESS RESPONSE DISTRIBUTION MAP



REPORT ORGANIZATION

This report has been drafted to separate the short-form and long-form portion of the business climate survey in addition to a section dedicated to the questions and answers from the COVID-19 Business Sentiment Survey. Both forms of the survey have questions related to the focus areas of the survey consisting of Business Data, Business Environment and Community Environment.

In addition to the responses from the 2020 survey, responses from the 2019 survey are also shown so trend information can be shown. This information will be important so the City can understand where improvements are being made or what areas are lacking in the business environment.

The sections below lists the questions that were asked in the short form and long form of the business climate survey:

SHORT FORM SURVEY QUESTIONS

1. How many employees work at your business location in Southlake?
2. How long has your business been located in Southlake?
3. What is your primary source of customers / sales for your business?
4. How would you best describe your sales / revenue of your business over the last year?
5. How would you best describe the local business climate in Southlake?
6. What would you say is the greatest benefit of being located in Southlake?
7. What would you say is the greatest challenge to being located in Southlake?
8. Overall, how would you best describe the level of service provided by the City of Southlake?
9. Would you like to let the City know anything else?
10. How did you hear about this survey?

LONG FORM SURVEY QUESTIONS

Business Data

1. What industry best describes the services/work your business does?
2. What best describes your business?
3. What is your forecast for sales/revenue trend in the next 12 months?
4. Where is most of your customer/client base coming from?
5. What is the highest level of education your employees need to begin working at your place of business?
6. What best describes most of your employees status?
7. Over the last 12-months, how would you best describe your employment needs?
8. In the next 12-months, what do you anticipate your employment needs to be?
9. Does your business sell goods/services online through a website or app?
10. What area would you say most of your employees/workforce are commuting from?
11. Is your business a member of the Southlake Chamber of Commerce or other Chamber of Commerce?



INTRODUCTION

2020 BUSINESS CLIMATE SURVEY REPORT

Business Environment

1. Do you feel your business is set to grow/expand in the next year?
2. To what extent do state and local taxes prevent your business from growing?
3. How would you best describe the regional economy in North Texas (DFW)?
4. How would you best describe the state economy in Texas?
5. How would you best describe the national economy?
6. How would you rate Southlake as a place to do business?
7. How would you describe Southlake as a place to do business versus other communities?
8. How would you define your business ability to hire employees/labor?
9. What is one thing you would change about the location your business is at?
10. What do you feel is greatest challenge facing the Southlake business environment?

Community Environment

1. Has your business had any interaction with a City employee over the last year?
2. How would you rate your most recent interaction with a City employee?
3. Do you believe Southlake is as attractive a place to work as it was 5 years ago?
4. How would you rate the appearance of where you do business in Southlake?
5. How would you rate the quality of trash and recycling services in Southlake?
6. How would you rate the quality of streets/roads in Southlake?
7. How would you rate the quality of water service in Southlake?
8. What do you feel is the greatest benefit to being a business in Southlake?



CITY OF SOUTHLAKE

ECONOMIC DEVELOPMENT & TOURISM

1400 Main Street, Suite 460
Southlake, Texas 76092
(817) 748-8039
EconDev@ci.southlake.tx.us

www.SelectSouthlake.com

SHORT FORM SURVEY

2020 BUSINESS CLIMATE SURVEY REPORT

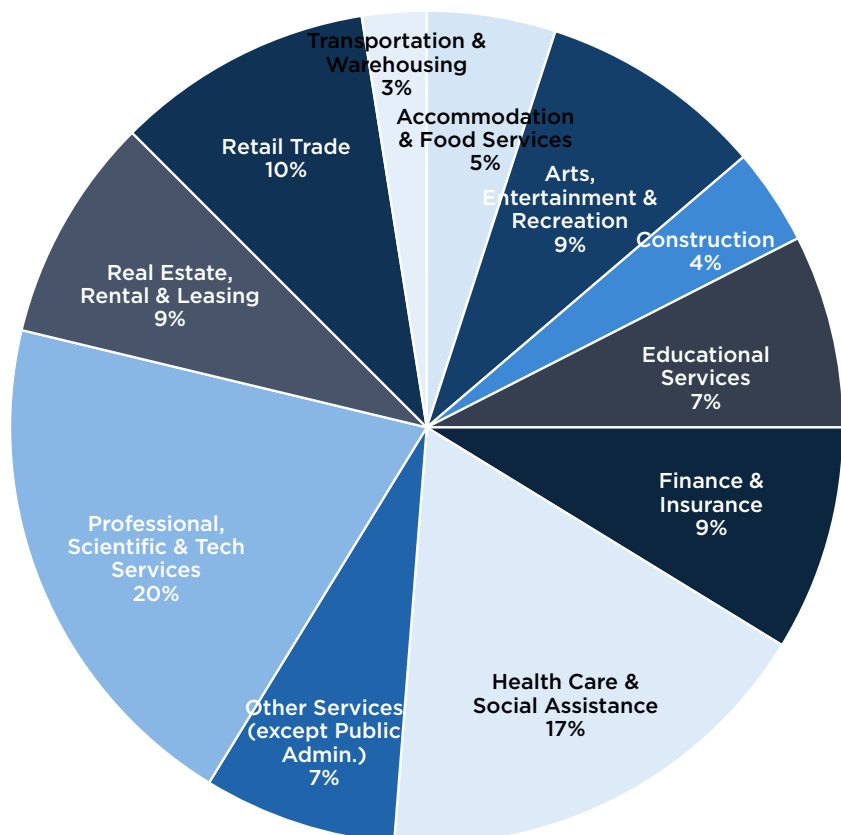


SHORT FORM SURVEY

The Short Form portion of the Business Climate Survey had less participation with 39% of all 88 business respondents. There are a total of 2,569 businesses in Southlake, however, many of these represent web-based, home-based, P.O. Box registered businesses in Southlake which in most cases the City does not get an opportunity to interact or obtain the necessary information from such businesses.

The City of Southlake follows the North American Industry Classification System (NAICS) for classifying businesses. The NAICS is the standard used by Federal statistical agencies in classifying business establishments for the purpose of collecting, analyzing, and publishing statistical data related to the U.S. business economy. In Southlake, of the 19 classifications in the NAICS, approximately 79% of all businesses in Southlake fall in 7 categories; Retail Trade, Finance & Insurance, Professional, Scientific & Tech Services, Health Care & Social Assistance, Accommodation & Food Services, Other Services (except Public Administration) and Real Estate, Rental & Leasing. Below is the percentage of 2020 survey respondents based on NAICS category.

**BUSINESS CLIMATE
SURVEY NAICS INDUSTRY
REPRESENTATION CHART**

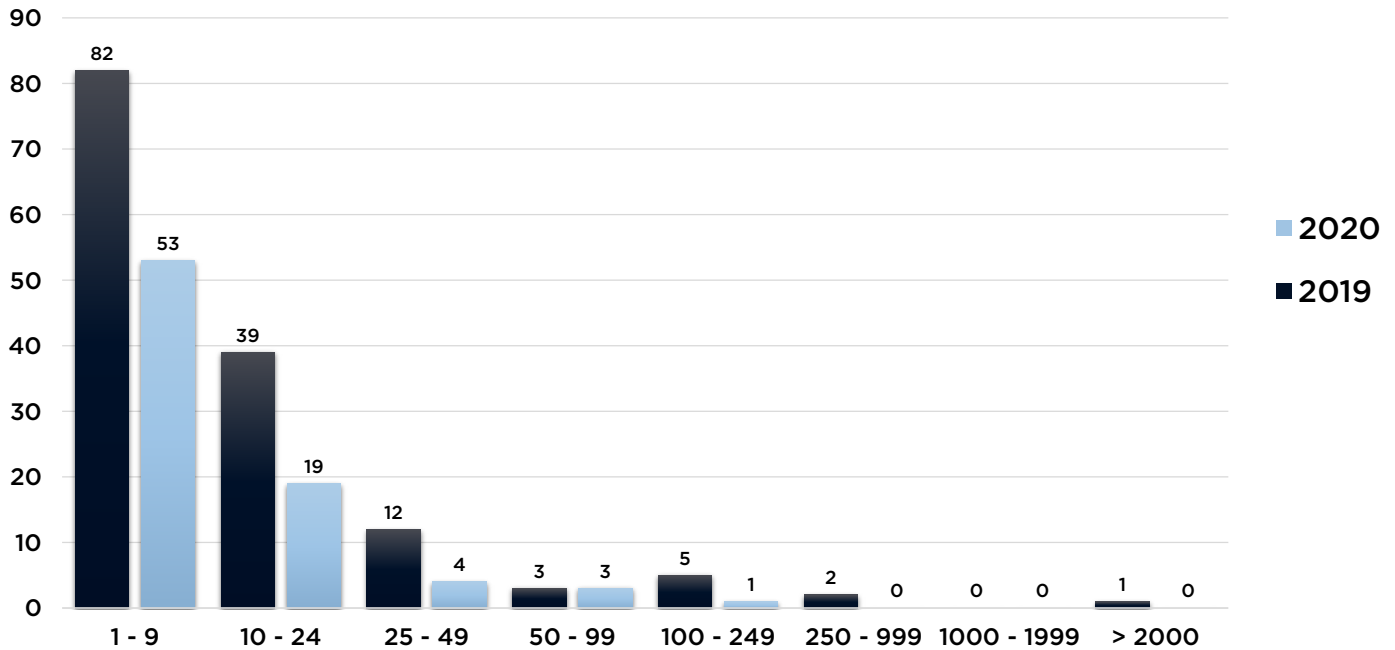




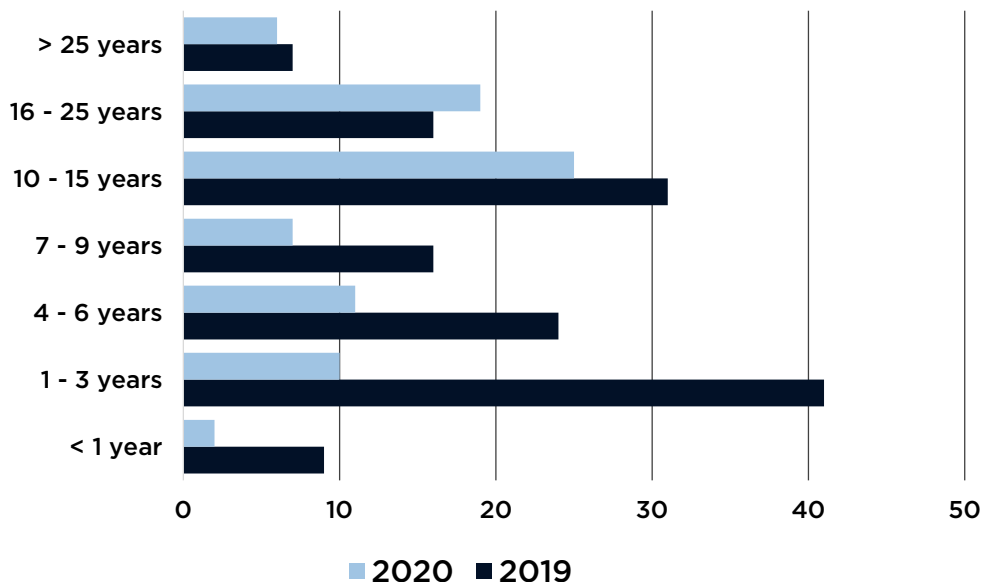
HOW MANY EMPLOYEES WORK AT YOUR BUSINESS LOCATION IN SOUTHLAKE?

NUMBER OF EMPLOYEES

The employees that work at a local business contribute in significant ways to the local economy beyond the employment itself. People employed in a community contribute by sustaining other businesses within that community and creating demand for services that may or may not exist already.



HOW LONG HAS YOUR BUSINESS BEEN LOCATED IN SOUTHLAKE?



YEARS IN OPERATION

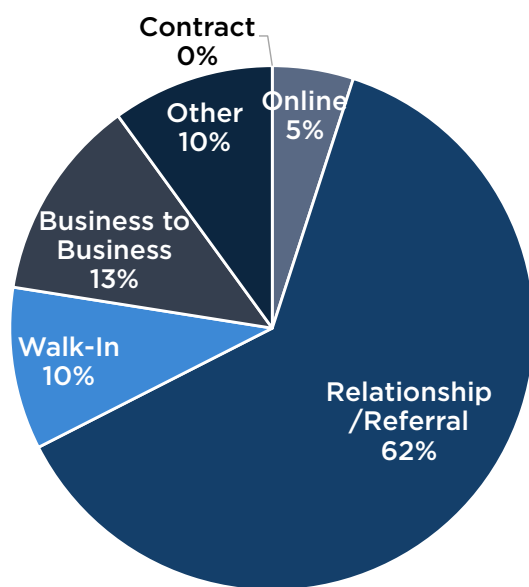
The number of years a business has been located in a community can indicate a variety of things. The customer base and relationships the business has established with customers, the geographic location within North Texas, relationship with the City, loyalty and performance of its employees and cost of doing business are all factors that can influence a business to remain in a community. In 2020, Southlake had over 60% of businesses that have been in operation for 10-years or more.



WHAT IS YOUR PRIMARY SOURCE OF CUSTOMERS / SALES FOR YOUR BUSINESS?

SOURCE OF BUSINESS

How a business primarily conducts its business can help with City understand and target its efforts on marketing the community. The majority of businesses in 2020 that took the survey in Southlake (62%) depend on relationships & referrals as their primary source of business versus the 30% in 2019. This tells us that networking and opportunities to build relationships with other business owners in the community is important.



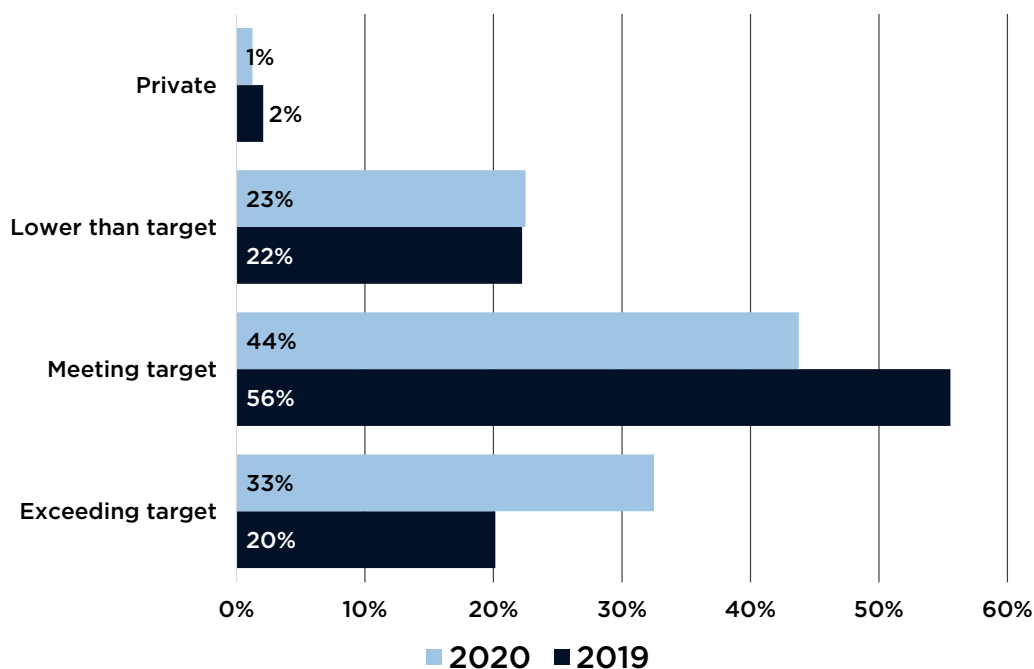
OTHER COMMENTS:

- Advertising
- Insurance List
- Social Media
- Internet Searches
- Promotional Emails

HOW WOULD YOU BEST DESCRIBE YOUR SALES / REVENUE OF YOUR BUSINESS OVER THE LAST YEAR?

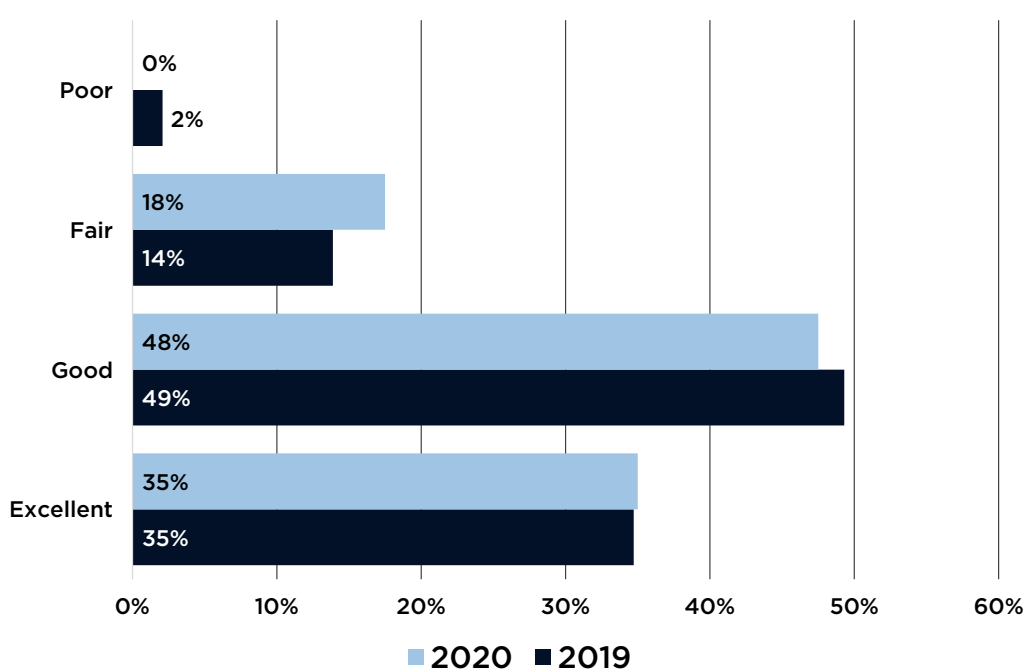
SALES TARGETS

While the actual sales of a business can ultimately tell us whether or not it's profitable, the sales target can be more indicative of its sales expectations for the future. By learning whether businesses are meeting their sales target or not can tell the City if Southlake's business climate is conducive for growth. Of all the businesses surveyed, 77% indicated they are either meeting or exceeding their sales target prior to onset of the pandemic.





HOW WOULD YOU BEST DESCRIBE THE LOCAL BUSINESS CLIMATE IN SOUTHLAKE?



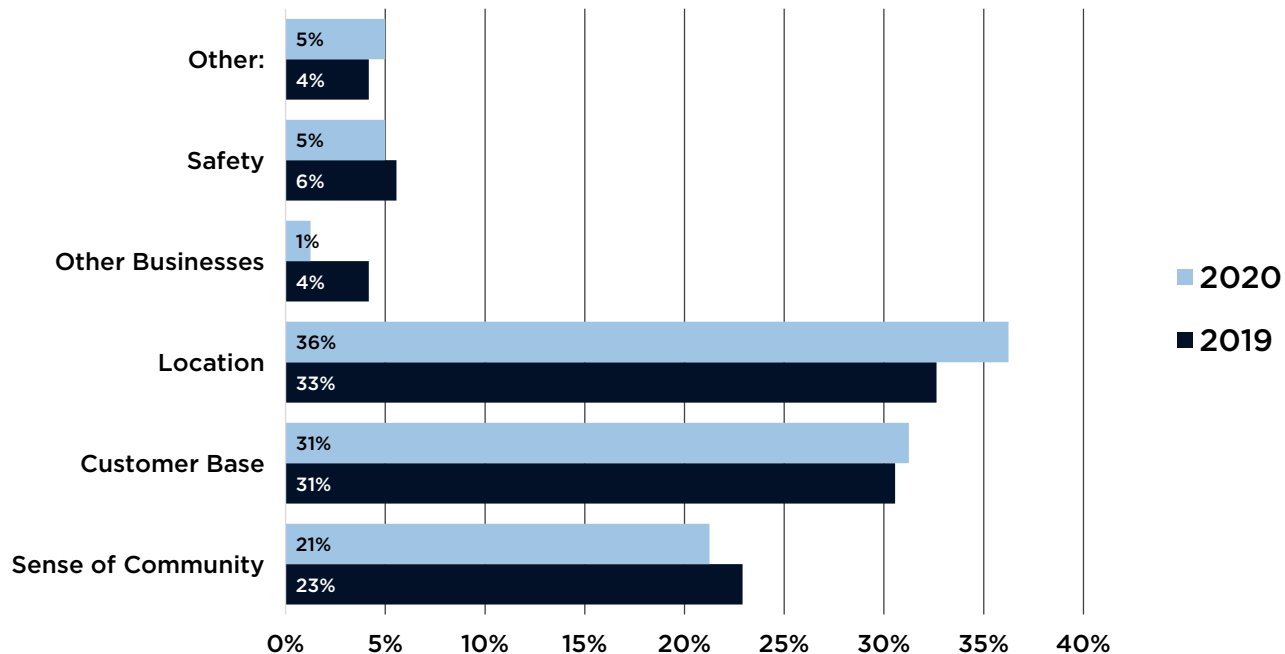
LOCAL BUSINESS CLIMATE

Having the “pulse” of the business community is at the heart of the goals of this survey. Assessing the local business climate tells us if businesses feel this is a good environment to conduct their business. Of all the businesses surveyed in 2020, 83% believe the business climate in Southlake is either excellent or good. Very similar to the outlook in 2019.

WHAT WOULD YOU SAY IS THE GREATEST BENEFIT OF BEING LOCATED IN SOUTHLAKE?

LOCAL BENEFITS

Understanding the local benefits of the community to businesses can help the City focus its efforts on maintaining and improving those benefits. Survey respondents said they felt the location and customer base accounted for 67% were the greatest benefits of being located in Southlake, largely consistent with the 2019 survey.

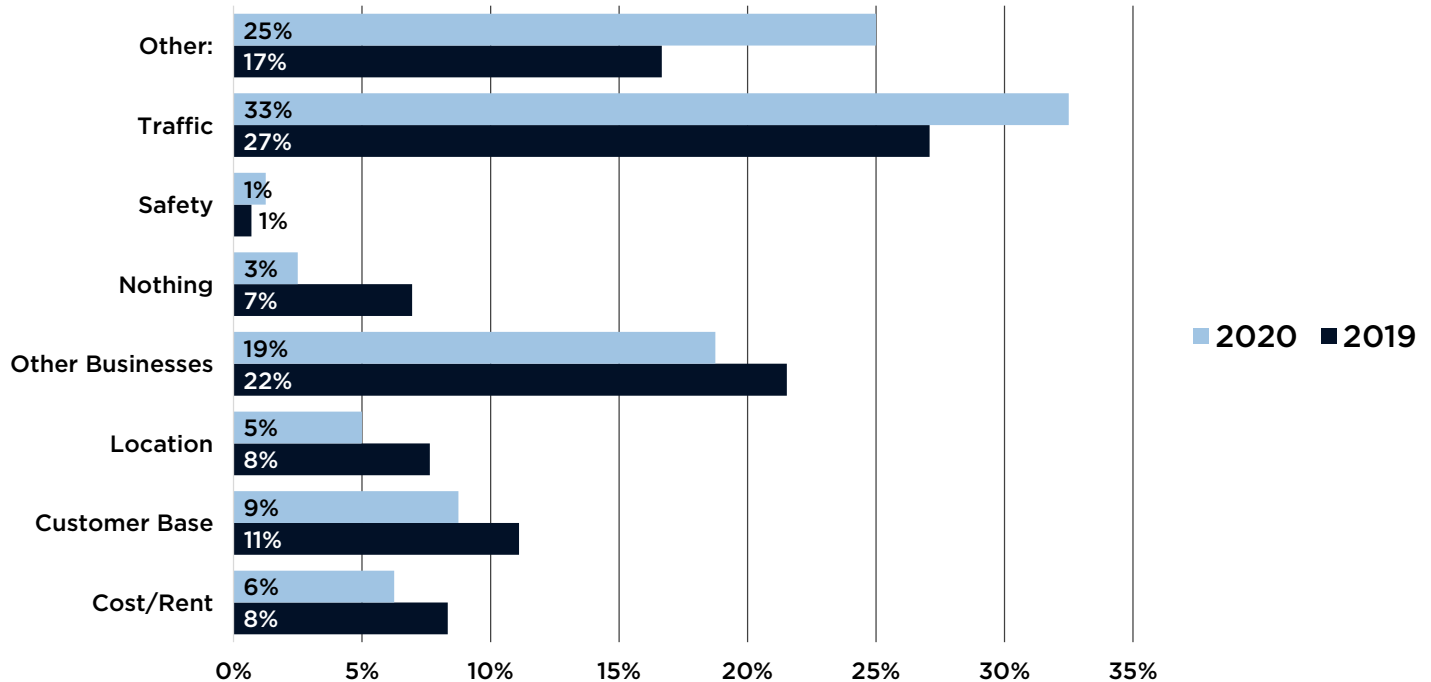




WHAT WOULD YOU SAY IS THE GREATEST CHALLENGE TO BEING LOCATED IN SOUTHLAKE?

LOCAL CHALLENGES

Understanding the community's challenges can help the City understand where its efforts should be spent to support the business environment. Most businesses (33%) indicated that traffic was the main challenge in Southlake, an increase from 2019. Another large portion of respondents (19%) indicated other businesses, or competition, was the greatest challenge.



OTHER COMMENTS:

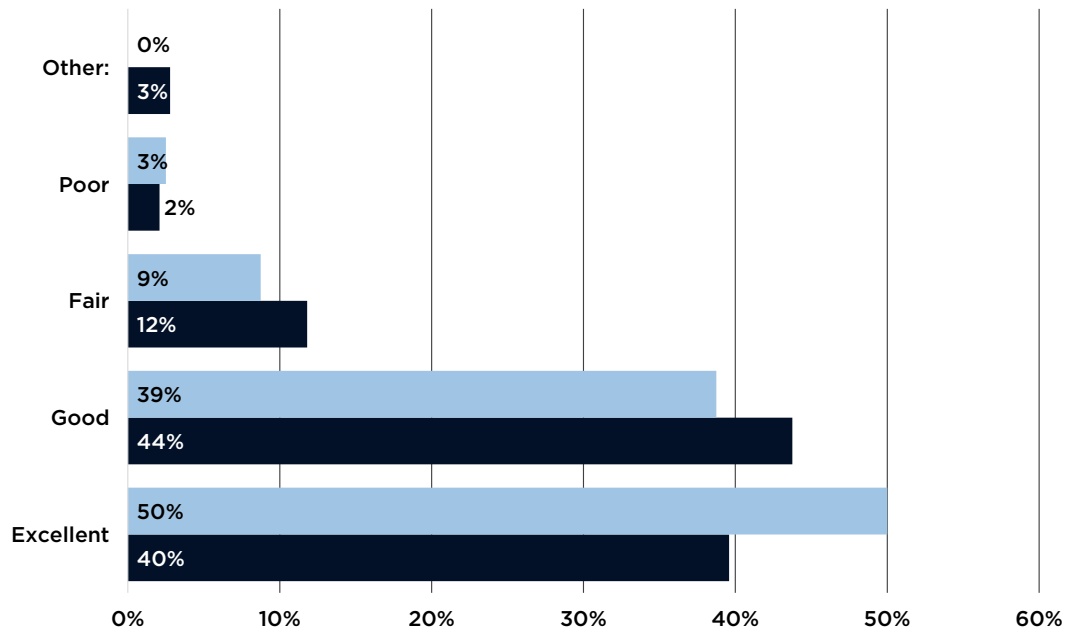
- Competition - At last count there were more than 20 other Title Companies in Southlake
- Our biggest challenge as a small business is the cost of rent in Southlake. Obviously, Southlake is an amazing place to live, work and run a business. Unfortunately, I believe the rental rates are too expensive for a small business to survive.
- Rent, Property Taxes, Aging Community
- Main competitor is Dallas based.
- No challenges
- High commercial lease rates
- Negative reviews on Moms of Southlake by consumers not even associated with our practice.
- High Property and business Taxes.
- It would help greatly, if we could accelerate the completion of the 1709 traffic timing study and synchronize the traffic signals on 1709
- Numerous competitors
- Cost of buildings and property taxes
- In a smaller market like Southlake, it's differentiating ourselves and our service from a lot of hyper-local competition.
- Southlake is an established city where there are not necessarily a lot of housing development compared to cities towards the west. My business thrives on new and young families
- Retail space cost is high
- Limited number of suitable business locations.
- Restrictions on facility improvements and approvals
- Opposition to quality home projects for residents
- Parking, as my clients cannot park. I am in Park Village and it is horrible.
- Affordable housing for staff
- Southlake businesses for the most part, make buying decisions outside Southlake
- Conflicting requirements from different city departments and moving targets for compliance expectations at times.
- Nothing negative comes to mind
- City expansion beginning to make govt think outside of city for business.
- Cost of real estate is too high. Many businesses (own and/or lease) spend a disproportionate amount on their physical location. Recent increases in business property taxes have been too steep. This leaves many businesses under funded for other costs of doing business, IE - COGS, staffing, marketing and advertising.



OVERALL, HOW WOULD YOU BEST DESCRIBE THE LEVEL OF SERVICE PROVIDED BY THE CITY OF SOUTHLAKE?

QUALITY OF CITY SERVICES

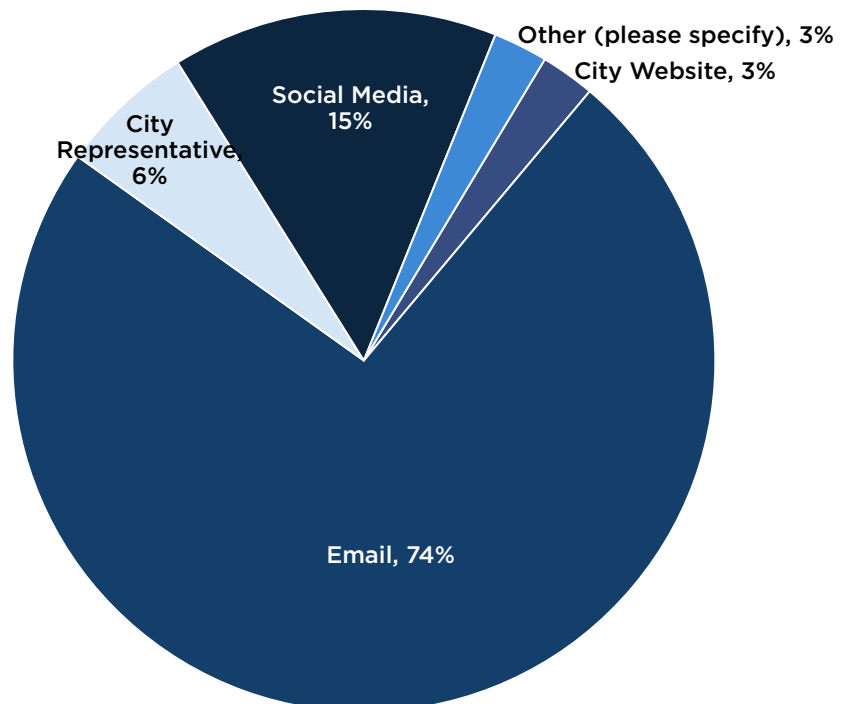
The City of Southlake, as a local municipality, is primarily tasked with providing services to those that reside and conduct business in the community. Knowing how well the City performs and provides these services is key in its performance management. Of all the businesses that responded, 89% of businesses felt that the City provides an excellent or good level of service. This is a 5% increase from 2019 respondents.



HOW DID YOU HEAR ABOUT THIS SURVEY?

EFFECTIVE COMMUNICATION

Having a good understanding on the communication methods which businesses find most useful can help the city allocate its efforts with those channels. In the most recent survey, and a new question for 2020, about 74 percent of businesses became informed about the business climate survey primarily through email communication the City sent. This was followed by social media at 15 percent.





ADDITIONAL COMMENTS

Since over one-third of the businesses surveyed (39%) indicated they would only take the Short Form version of the Business Climate Survey, it was important for the City to obtain feedback on any other observations the businesses might have that provide more insight on their responses. Those comments can be found below along with a word cloud that highlights common themes mentioned.

Love the DPS!

Great place to live and raise a family. Remember, NO APARTMENTS

See my comments above in question #10 (Greatest Challenge in Southlake)

Yes the way the water company is run is ridiculous. But it is what it is I suppose.

Southlake has incredible medical facilities and physicians. I have mentioned this before, but I would like to spearhead a campaign that makes Southlake a medical destination.

Would like to see roads finished as ultimately designed (such as Kirkwood Blvd. near Kimball)

There should be options for businesses to recycle.

The newly installed lights on 1938 between 1709 and Westlake are STILL not working

Obtaining a Certificate of Occupancy was a horrendous experience. After 10 years in the city, was finally told I needed a COO. During the process, the clerk was incredibly rude on the phone, the website is not intuitive (did not work using Google browser and made no sense of the steps to obtain the COO) and process was unorganized.

Keep up the great work

All stores should keep the same hours, we need more advertising and support, our store front is lacking, would also help if we were allowed to decorate our store front to the Sundance style.

Our business is fairly safe, as we are not retail or food - but I do have concerns about those two categories as it seems that several are closing over high rent? I wish there was a way to have a big city push of shopping and eating local! It makes me sad seeing businesses close like Unleavened, Smash Burger, Cherish (boutique), Ella Bella, etc. We want to help! :)

Fix Shady Oaks before it washes away!

I would advise the city to limit development of commercial space. There is a growing number of empty spaces as the build out of Southlake continues.

I appreciate the work of our City leaders. I'm about to start my 18th year of living here.

Please don't let Lifetime come to an already over-saturated fitness culture out here. It doesn't scare me, it's just another bit of "noise" and distraction in my realm. That and we already have 24-hour fitness and other locally owned small gyms...Impact, ProCore, etc. :)

Is there a way for the City to help us market to specific type of families? For example I would like to be part of a mailer or information package to a family who recently moved to Southlake

Love our city.



ADDITIONAL COMMENTS (CONT.)

Traffic is an issue

Too many similar businesses within a certain radius. It is killing all small businesses. Today is someone's business and tomorrow another mom and pop shop closes.

How do we get a parking garage in park village? There are a number of empty stores which will be filled this year and it is already a nightmare.

The city needs to cater to an aging population. No real options for seniors for housing.

Cell service needs to improve.

More needs to be done to embrace longer standing businesses in Southlake. Seems like new businesses are always embraced at the expense of longstanding local businesses.



LONG FORM SURVEY

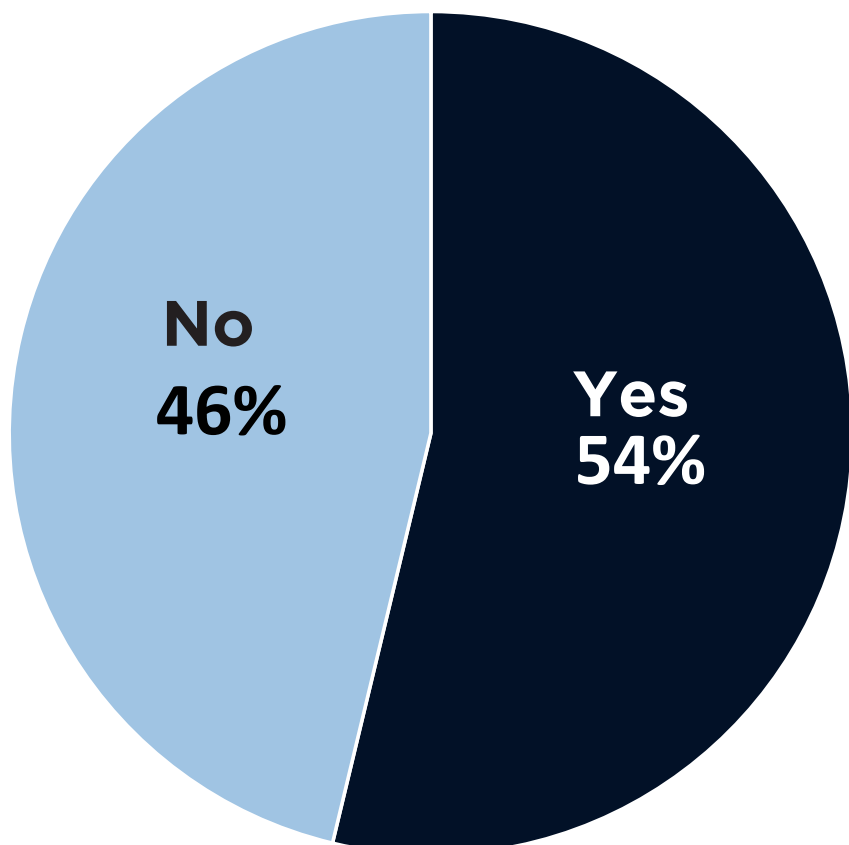
2020 BUSINESS CLIMATE SURVEY REPORT

LONG FORM SURVEY

As mentioned in the previous section, businesses had the option upon completing the Short Form version of the survey to provide more information about their operations and opinions in the Full Form version. Of the 80 businesses that took the Short Form, 43 of them agreed to take the Full Form representing about 54% of the total respondents.

In the Full Form version of the Business Climate Survey, additional questions were asked regarding their business operations, opinions on the business environment and their opinions on the City's services that are provided to them and their customers. These questions were broken up into three sections beginning on the next page and titled as Business Data, Business Environment and Community Environment.

WOULD YOU BE WILLING
TO ANSWER SEVERAL
ADDITIONAL QUESTIONS
RELATED TO THIS SURVEY?

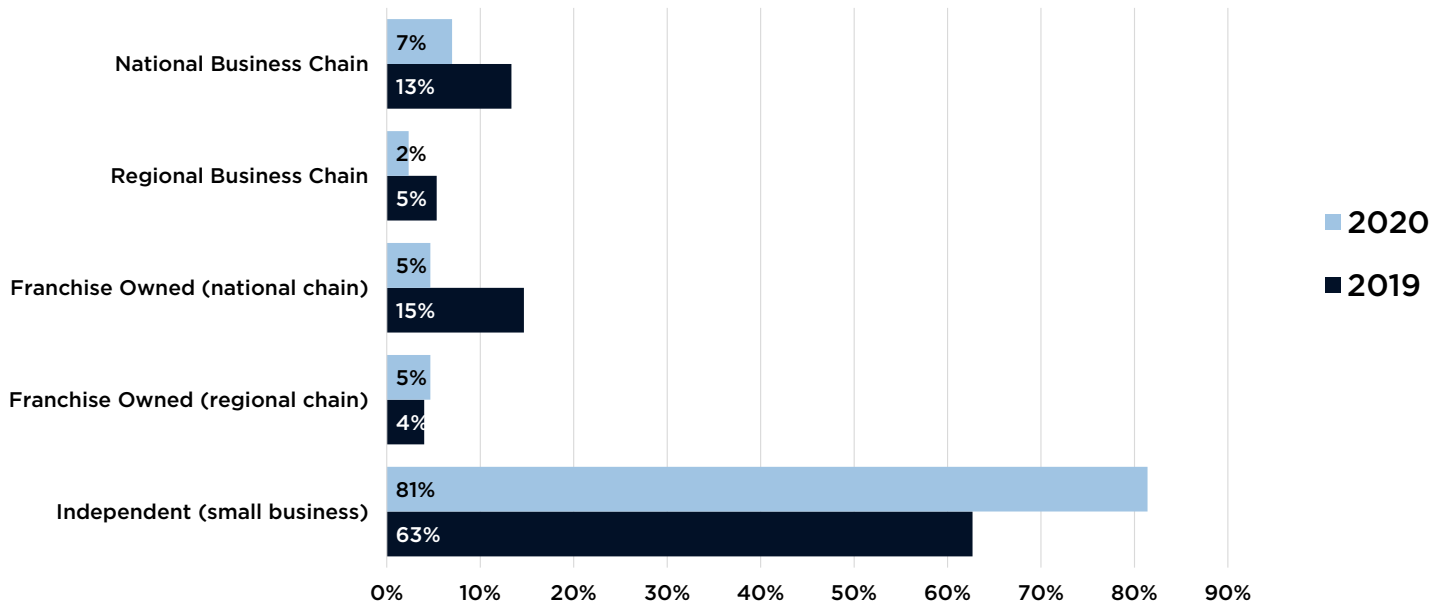




WHAT BEST DESCRIBES YOUR BUSINESS?

BUSINESS TYPE

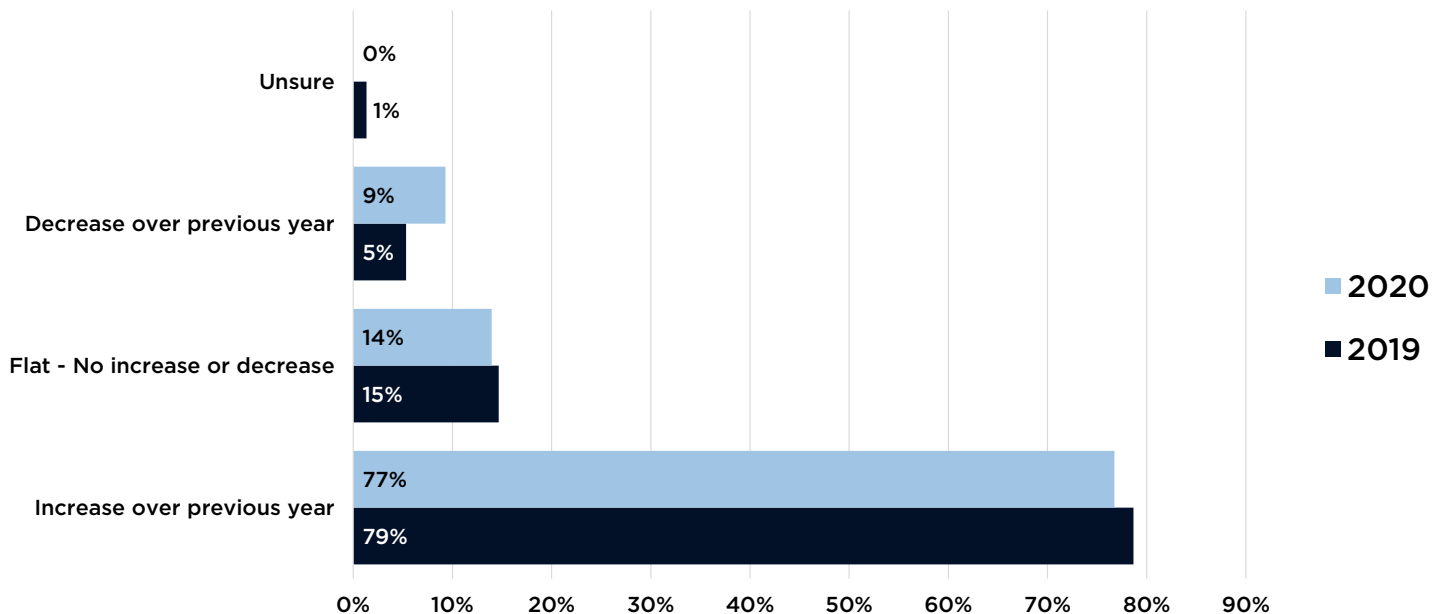
The type of business can help the City understand the representation and make-up of those businesses that are taking this survey. Efforts should then be made to target areas where business types are under represented. In 2020, the majority of respondents (81%) to take the survey were, independent (small) businesses.



WHAT IS YOUR FORECAST FOR SALES/REVENUE TREND IN THE NEXT 12 MONTHS?

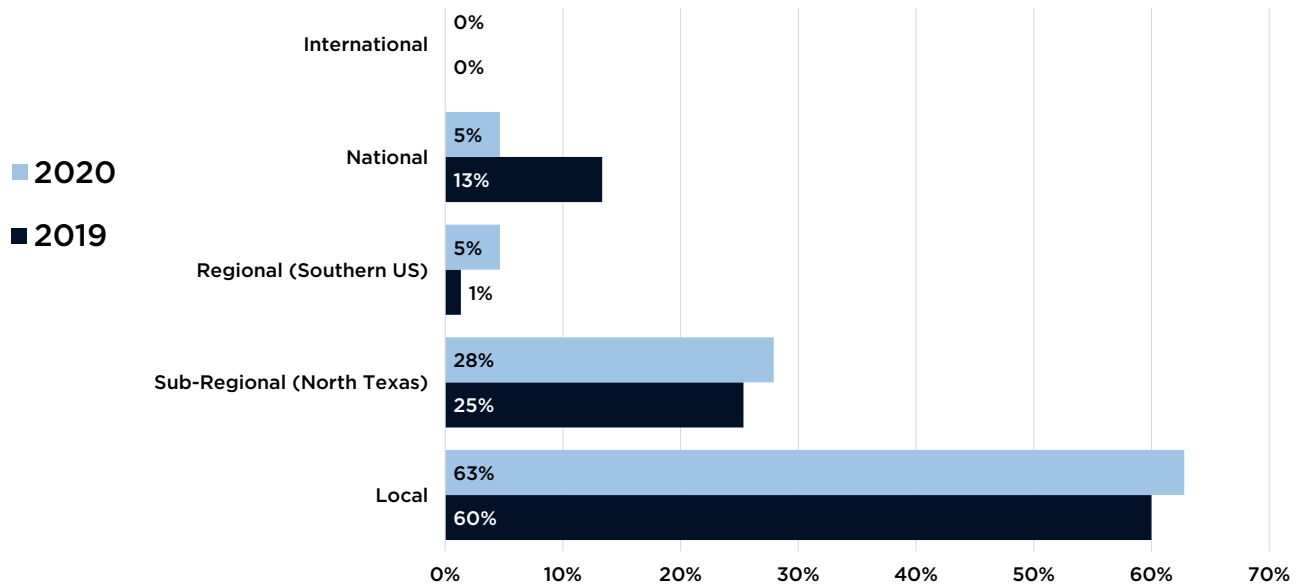
SALES & REVENUE FORECAST

The sales and revenue forecast is helpful in assessing sales trends expected by local businesses. This is a key indicator to for the City to determine the business climate expected by the business community. The vast majority of respondents (77%) expect their sales to increase over the next year. Note that this survey was done prior to any government mandated shutdowns.





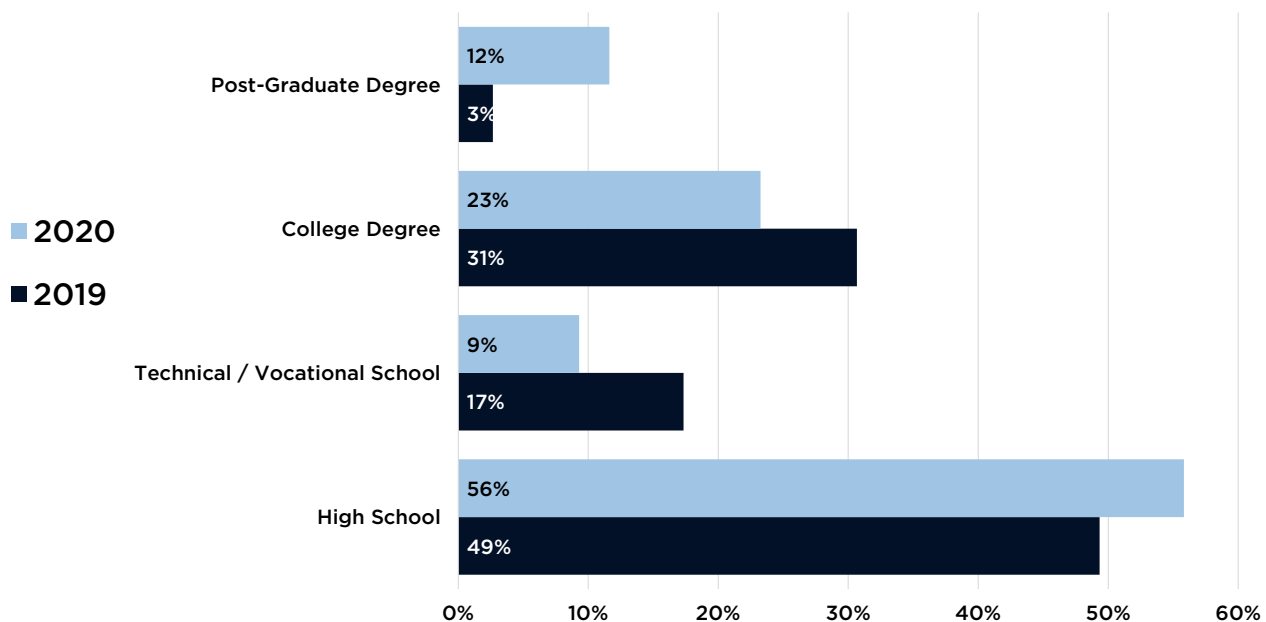
WHERE IS MOST OF YOUR CUSTOMER/CLIENT BASE COMING FROM?



CUSTOMER BASE LOCATION

Having a good understanding of a businesses customer base can help the City in its marketing efforts. The majority (91%) of respondents in 2020 indicated their client base is from the North Texas area and local (in and around Southlake). This would match up with the business type that indicated the majority were independent (small) businesses.

WHAT IS THE HIGHEST LEVEL OF EDUCATION YOUR EMPLOYEES NEED TO BEGIN WORKING AT YOUR PLACE OF BUSINESS?

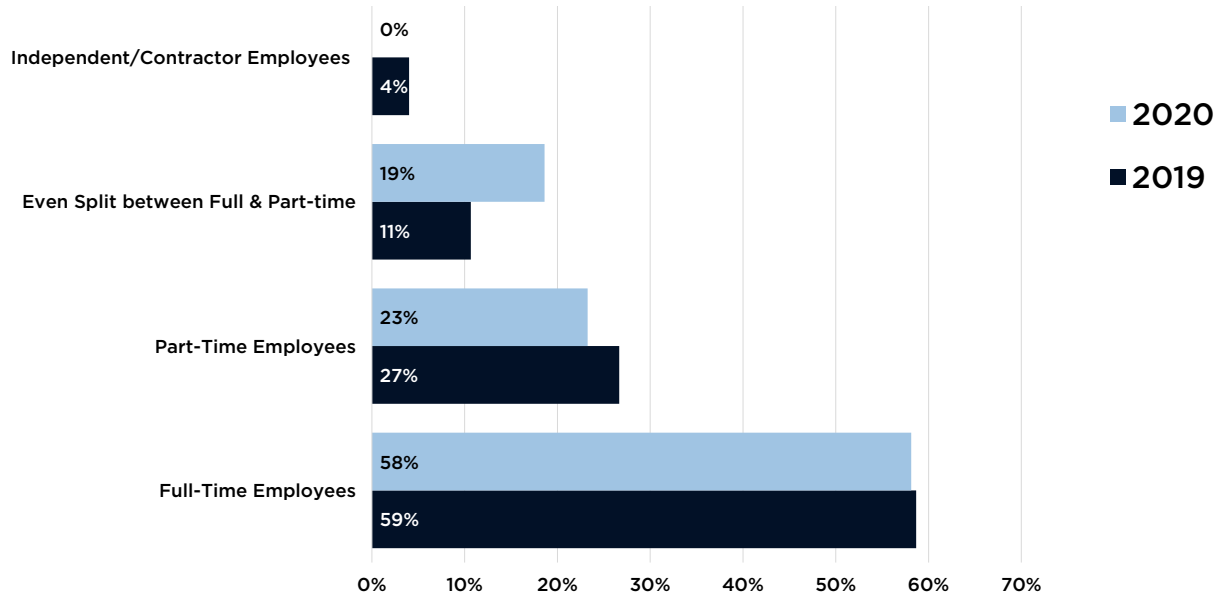


LEVEL OF EDUCATION

The level of education required by businesses can help the City understand what the employment needs are within the community. Less than half (44%) of businesses indicated through the survey that additional education beyond a high-school diploma is needed.



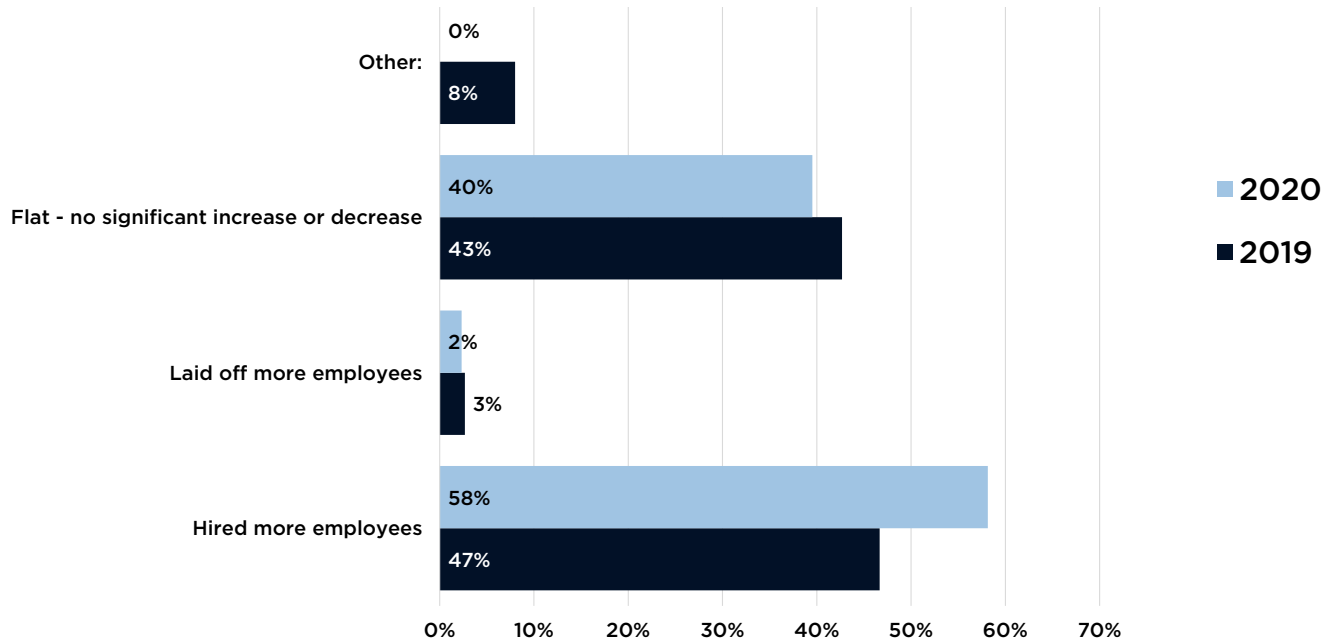
WHAT BEST DESCRIBES MOST OF YOUR EMPLOYEES STATUS?



LOCAL EMPLOYEE STATUS

While the City does have a high number of retail and dining establishments that are often part-time employment positions, this only accounts for about 23% of the over 27,000 employees working in Southlake (consistent with the respondent representation on this chart). The majority (58%) of employees who work in Southlake are full-time workers.

OVER THE LAST 12-MONTHS, HOW WOULD YOU BEST DESCRIBE YOUR EMPLOYMENT NEEDS?

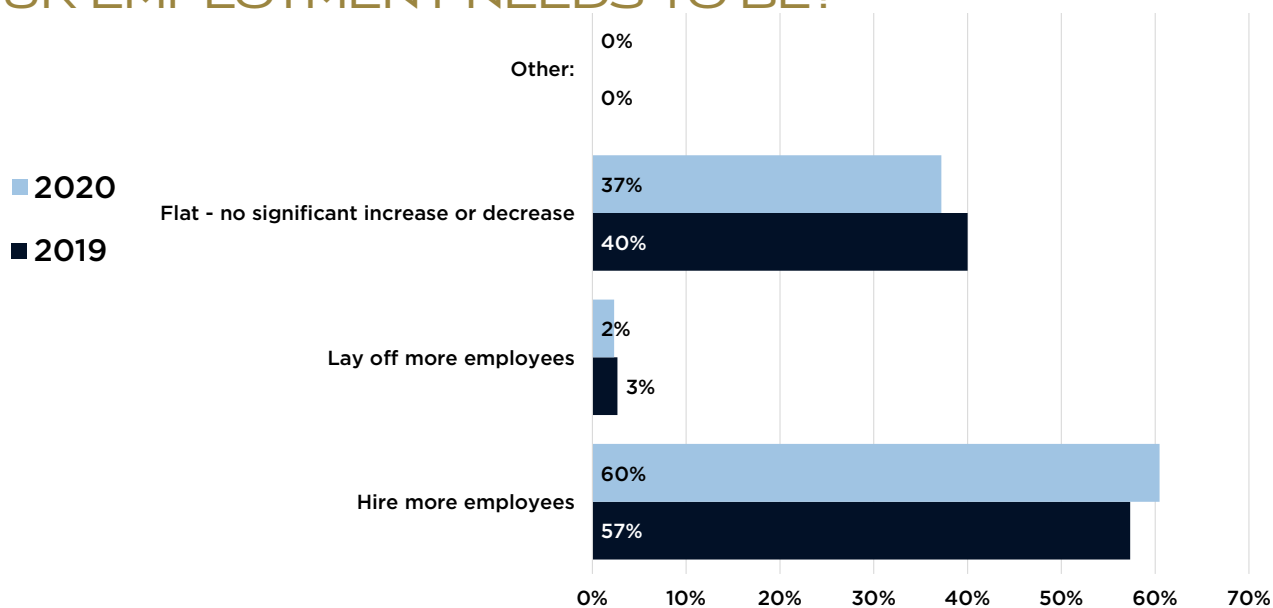


HISTORICAL EMPLOYMENT NEEDS

Looking at the employment needs over the last year for businesses can give the City some insight as to the growth of businesses over the last 12-months and whether the business environment in Southlake is sustaining growth. Almost all businesses (98%) that replied to this survey in 2020 either hired more employees or remained flat in their employment needs.



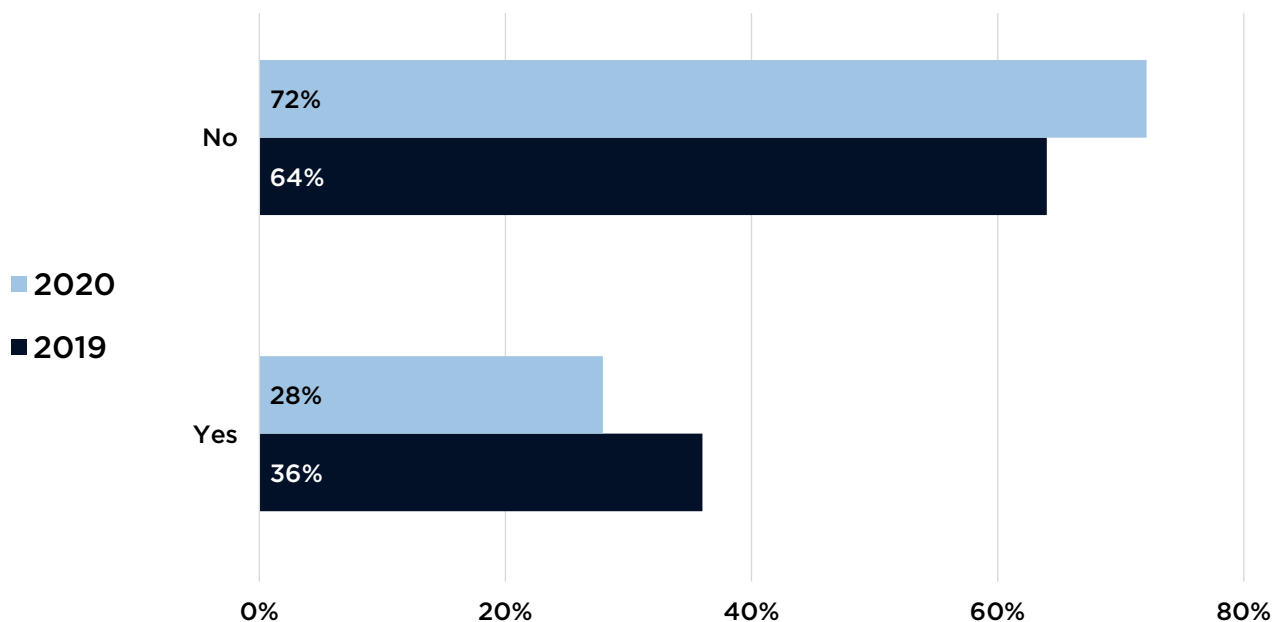
IN THE NEXT 12-MONTHS, WHAT DO YOU ANTICIPATE YOUR EMPLOYMENT NEEDS TO BE?



FUTURE EMPLOYMENT NEEDS

Looking at the historical employment needs in addition to the future employment needs in the community can give the City a sense of the level of optimism that businesses have regarding their growth. Prior to the pandemic, over half (60%) of the businesses indicated that they anticipate hiring more employees in the next 12-months.

DOES YOUR BUSINESS SELL GOODS/SERVICES ONLINE THROUGH A WEBSITE OR APP?

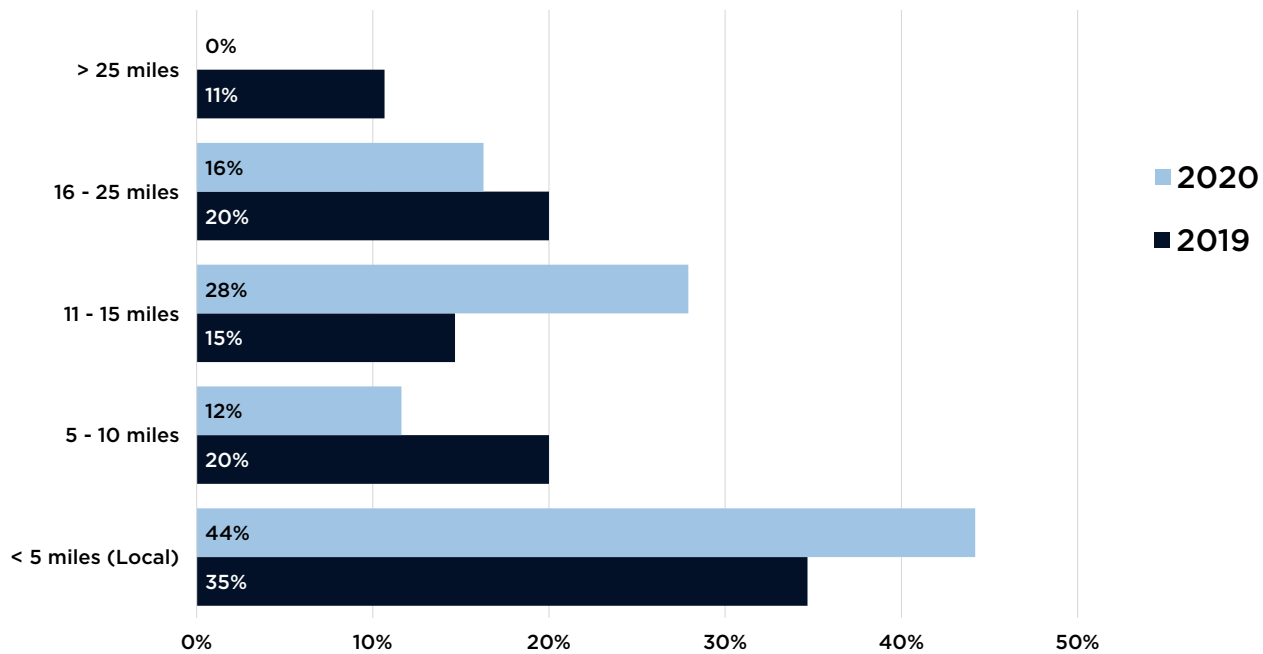


BUSINESS REACH

As the shopping habits of the upcoming generations changes, understanding who has adopted the Internet as a means to conduct business is important. While many businesses still operate very well under traditional means, more and more services such as legal, architectural and accounting are moving to a hybrid and/or web-based option to obtain services.



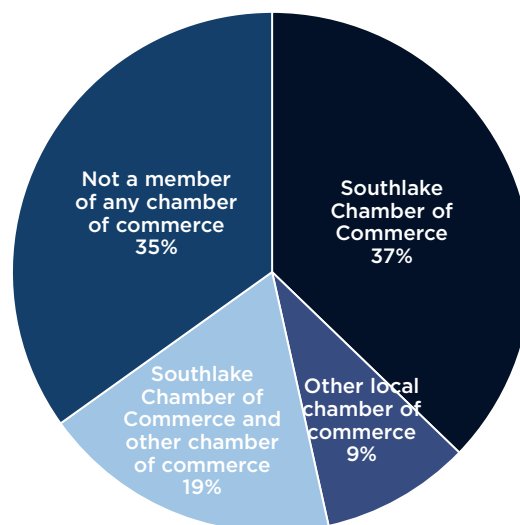
WHAT AREA WOULD YOU SAY MOST OF YOUR EMPLOYEES / WORKFORCE ARE COMMUTING FROM?



WORKFORCE ORIENTATION

Having a qualified and large workforce pool within a reasonable distance is extremely important to any business. The pandemic has created higher unemployment in Southlake and all across Texas. That said, North Texas is benefiting from continued growth and business relocations from other states. Understanding the distance the local workforce is commuting from is important to understand how far employees are driving or are willing to drive for Southlake businesses. Over half (56%) of the respondents indicated their employees commute 10-miles or less to work in Southlake.

DOES YOUR BUSINESS SELL GOODS/SERVICES ONLINE THROUGH A WEBSITE OR APP?

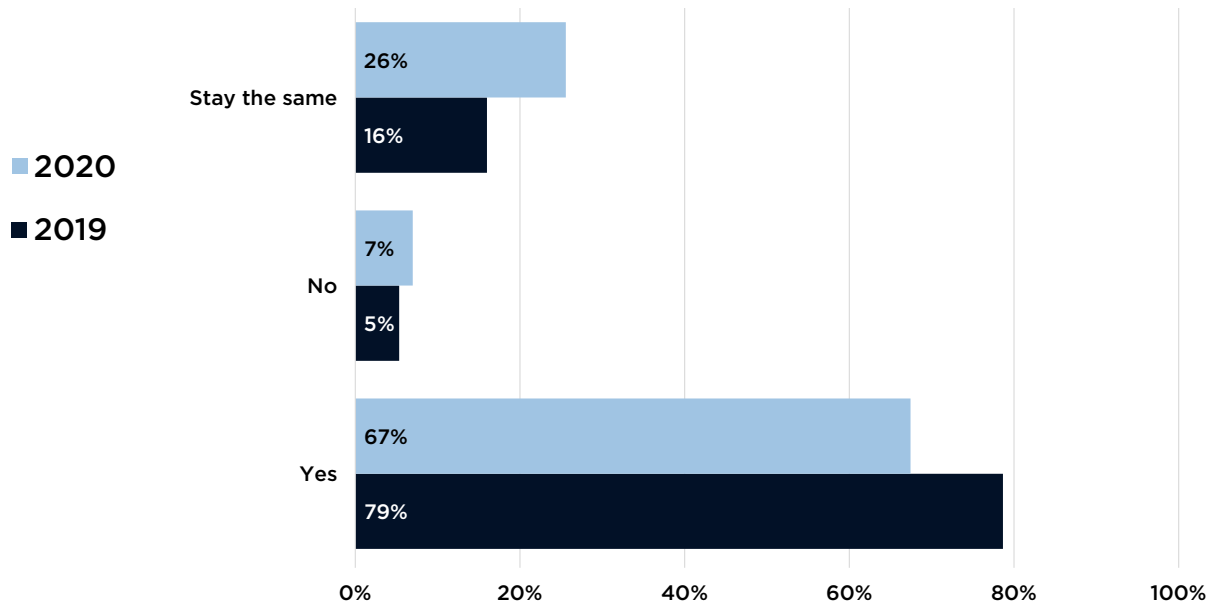


ORGANIZATIONAL COMMUNITY INVOLVEMENT

As mentioned in the beginning of the section, community involvement/engagement can often help a business succeed in a community. Over half (65%) of all respondents indicated they were either part of the Southlake Chamber of Commerce, other local chamber of commerce or part of both.



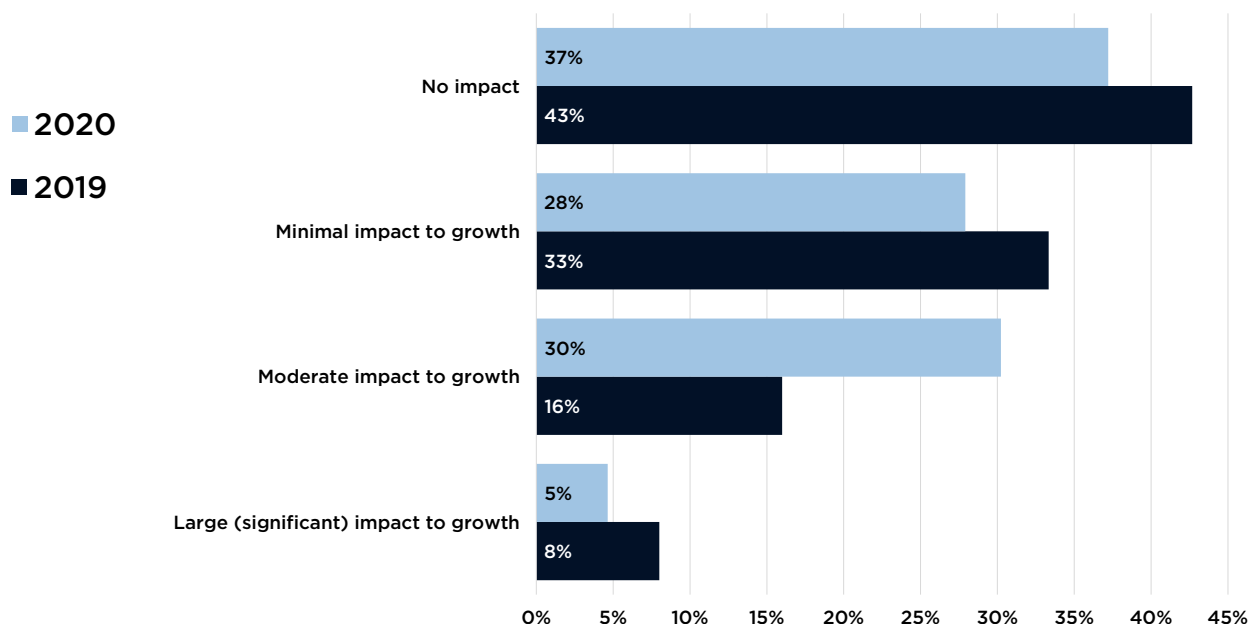
DO YOU FEEL YOUR BUSINESS IS SET TO GROW/EXPAND IN THE NEXT YEAR?



BUSINESS OUTLOOK & SENTIMENT

One of the most direct indicators of a businesses sentiment in the community is whether it feels the potential for growth in the future. The majority (67%) of the businesses surveyed in 2020 indicated they felt their business was set to grow/expand over the next year.

TO WHAT EXTENT DO STATE AND LOCAL TAXES PREVENT YOUR BUSINESS FROM GROWING?

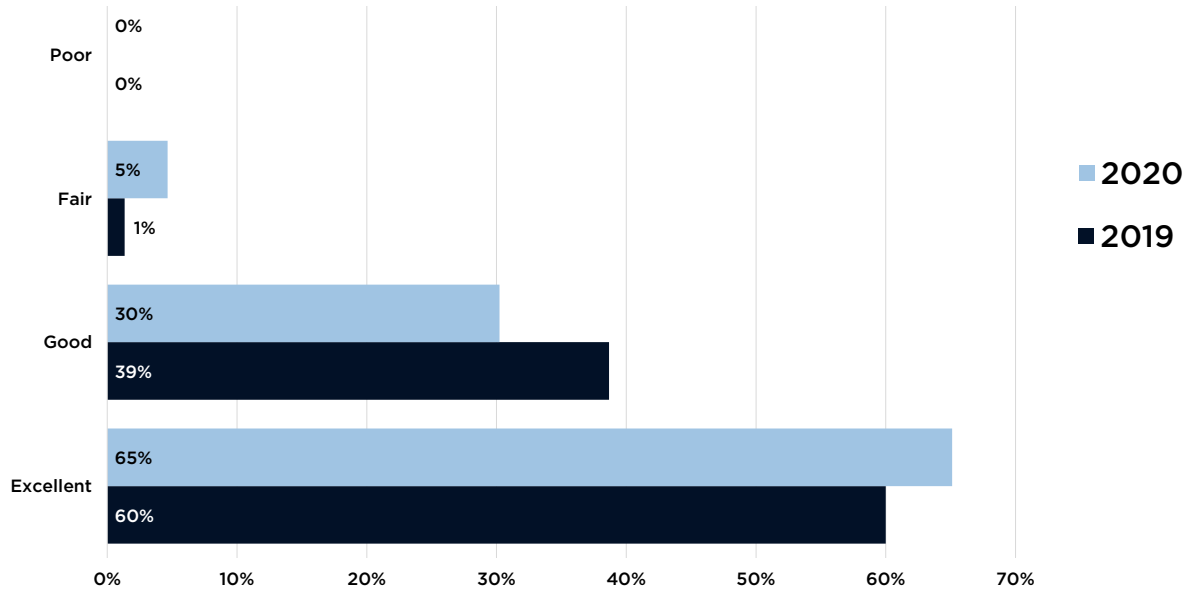


TAXES & GROWTH

Southlake, and Texas in general is well known to be a business (low tax) friendly state. Understanding whether this is in fact consistent in Southlake is important. The vast majority (76%) of businesses that responded indicated that state and local taxes either had no impact or minimal impact to their growth.



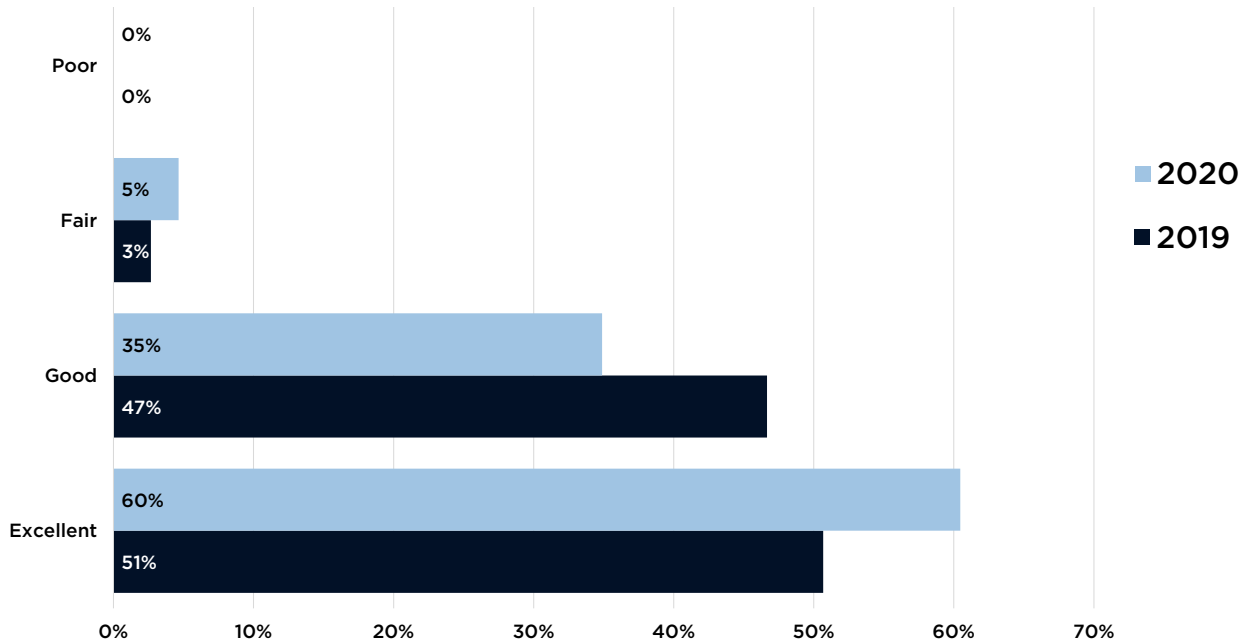
HOW WOULD YOU BEST DESCRIBE THE REGIONAL ECONOMY IN NORTH TEXAS (DFW)?



NORTH TEXAS BUSINESS CONFIDENCE

North Texas has experienced significant investment and population growth since the Great Recession. This has led to a robust regional economy. Almost all survey respondents (95%) indicated they felt that the regional economy is either excellent or good.

HOW WOULD YOU BEST DESCRIBE THE STATE ECONOMY IN TEXAS?

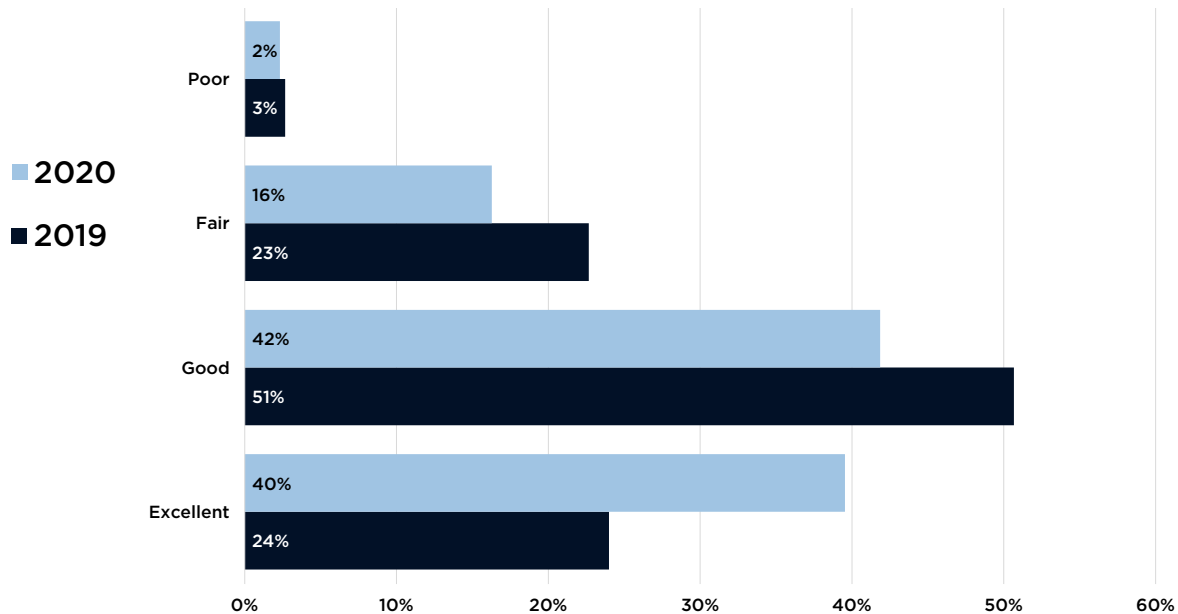


TEXAS BUSINESS CONFIDENCE

In addition to a robust North Texas economy, Texas in general has benefited from a growing economy over most of the last decade. Approximately 95% of the businesses surveyed indicated they felt Texas had a excellent or good economy.



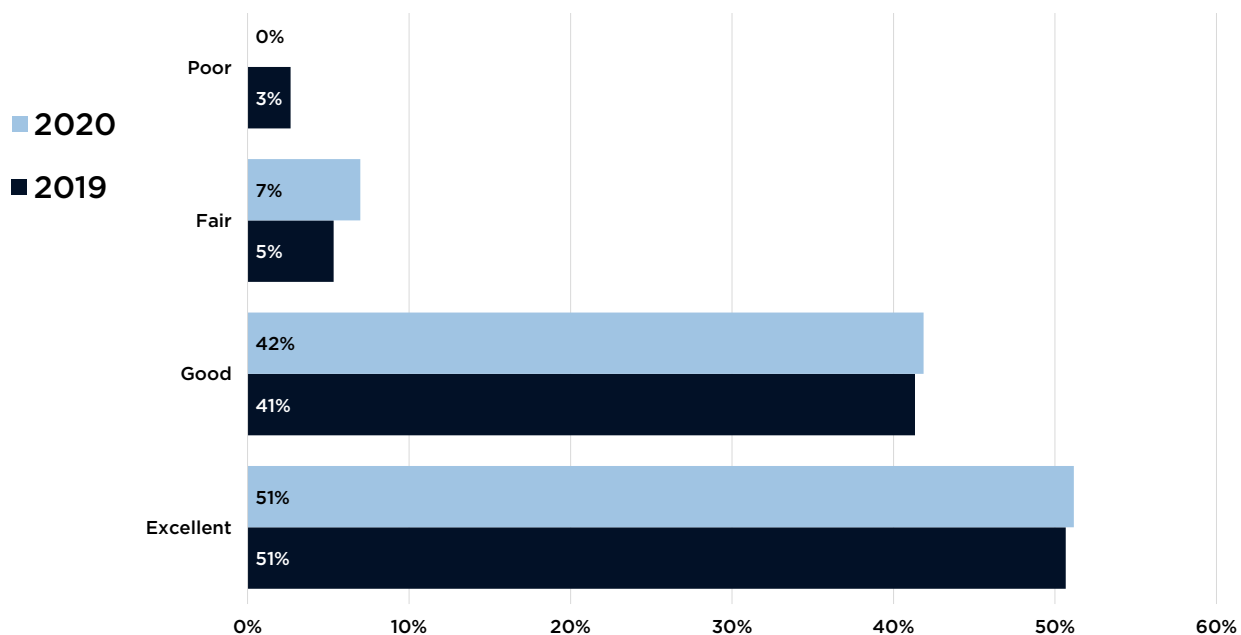
HOW WOULD YOU BEST DESCRIBE THE NATIONAL ECONOMY?



NATIONAL BUSINESS CONFIDENCE

Although not surprising, confidence in the business environment on a national level is lower than at the state or regional level. The majority (82%) of respondents indicated they felt the national economy is excellent or good in 2020.

HOW WOULD YOU RATE SOUTHLAKE AS A PLACE TO DO BUSINESS?

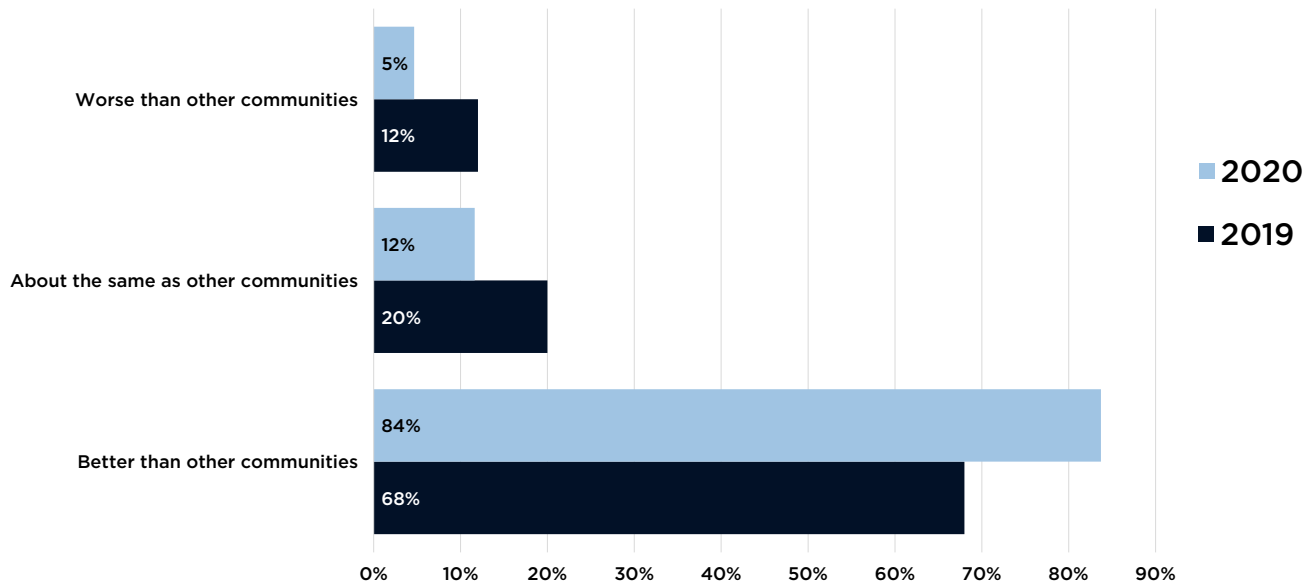


CONDUCTING BUSINESS LOCALLY

The ability and ease to conduct business locally is important because it can facilitate growth and expansion of existing businesses or the addition of new businesses into the community. Of the businesses surveyed, the vast majority (93%) rated Southlake as excellent or good as a place to conduct business, consistent with 2019 results.



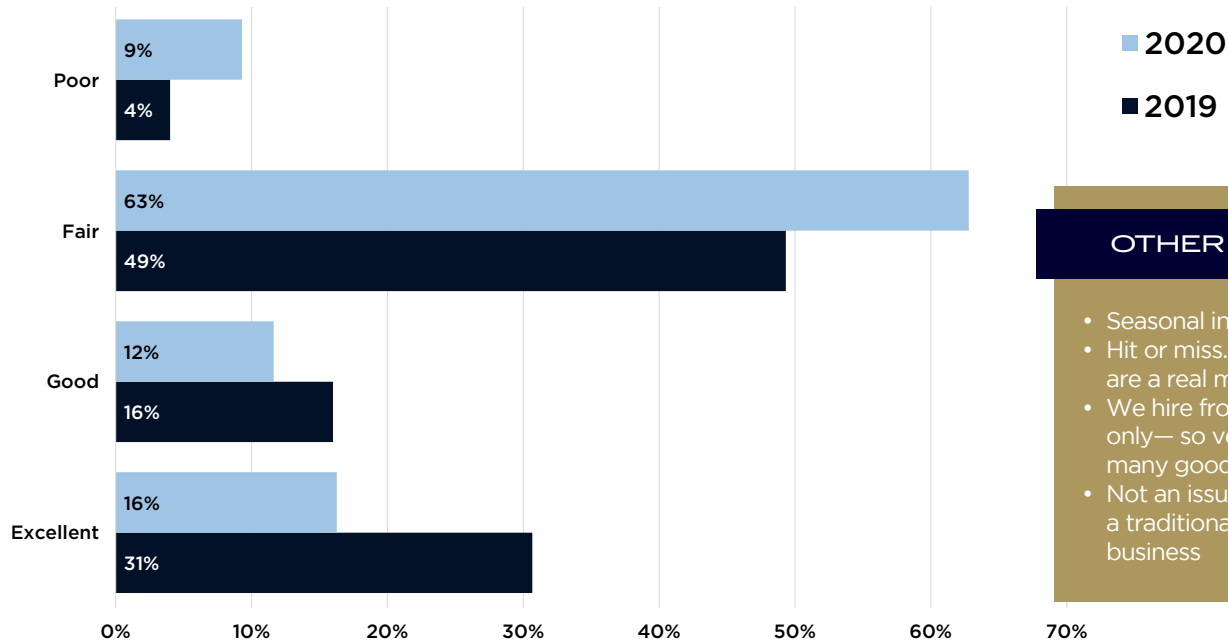
HOW WOULD YOU DESCRIBE SOUTHLAKE AS A PLACE TO DO BUSINESS VERSUS OTHER COMMUNITIES?



BUSINESS LOCATION PREFERENCE

This question dives deeper into comparing Southlake versus other communities to conduct business. When comparing Southlake to other communities, more than half (84%) of the respondents indicated that it is better than other communities to do business. This represents an over 15% increase from 2019.

HOW WOULD YOU DEFINE YOUR BUSINESS ABILITY TO HIRE EMPLOYEES/LABOR?



OTHER COMMENTS:

- Seasonal influxes
- Hit or miss. Medical assistants are a real miss
- We hire from our client base only— so very easy for us. Too many good options!
- Not an issue for us, we are not a traditional employee type of business

AVAILABILITY OF LABOR

Periods of low unemployment are generally a sign of a stable economy. However, low unemployment also creates a challenge for businesses with regard to finding qualified labor to fill vacancies. Almost half (49%) of all businesses surveyed indicated they have a difficulty in hiring or finding employees to fill their positions.



WHAT IS ONE THING YOU WOULD CHANGE ABOUT THE LOCATION YOUR BUSINESS IS AT?

The optimal business location can sometimes prove difficult for businesses to identify. Factors such as roadway exposure, amenities, signage and foot traffic may be adequate for some businesses but not for others. In this survey, respondents provided their feedback as to what they would change about their location to have that optimal location.

Relocate outside of Southlake

Rent price is very high

Love our location!

We have several storefronts that are available--so I wish that we have a 95-100 percent occupancy rate. I would say we are probably at 80-90 percent at present.

It is tucked behind other buildings, would want street visibility

I've just purchased land off of Kimball, so I'm changing/expanding my location and will now be an owner versus renter.

Recycling

Nothing. We are off Southlake Blvd and that is excellent

I would like better restaurants that have a national name to come to our center to draw more foot traffic in. I am tired of the dirty places we have at the Village center!

Access for commuters

No change, love my location. Might need more space in the near future.

More parking

No change

Nothing.

Add more parking

Need more space

Visibility from the street and being in an older center.

I would make it more visible by moving it onto Southlake Blvd.

Ability to put my sign at the front so that here is exposure.

No visibility from the road

Nothing — Kimball Oaks is ideal for a Southlake business!

Traffic and signage

The medians are not setup to offer access in the most convenient spots.

Allowed to have better and more signage.

Better Visibility



WHAT DO YOU FEEL IS GREATEST CHALLENGE FACING THE SOUTHLAKE BUSINESS ENVIRONMENT?

While the ideal business environment is different to every business, in this survey, we asked businesses what they felt were the biggest challenge to the local business environment was to get a better understanding of local concerns. Some of the key concerns based on the comments were competition, labor availability, traffic and lease rates.

Competition and consumers
Unrealistic expectations of customer
Too much Competition
See my response to question #10.
Overcrowding of particular businesses.
Online Retail
Keeping commercial property taxes and rental rates low enough to attract/retain quality, small businesses
Maintaining a stable national economy
Managing build out
Sustainability
Low unemployment rate, although with the TD Ameritrade layoff it should make hiring easier.
Traffic
Brick and Mortar Retail is facing a struggle competing with online competition
High rent - which is not a city issue, but a property management issue.
The cost of doing business here is extreme
Because the community is tight knit and smaller, word of mouth is great, but once they've experienced our services they will likely only return two times per year. We simply need to have more people outside of the community come in to purchase with us.
Over development, high rental rate, high taxes, and competition from neighboring community developments.
Finding employees
Duplication of services
Traffic
Not for us—but over the last 3+ years, some biz seem to be popular, then die out. I think for any owner out here, they must stay humble and involved!
City needs to help promote businesses more.
1. Rents are high. 2. Poor choice of restaurants.
Competition
Extremely high property taxes we have to pay renting on top of high rent!
Building and remodeling restrictions and bureaucracy



BUSINESS ENVIRONMENT

LONG FORM SURVEY

2020 BUSINESS CLIMATE SURVEY REPORT

Opposition to quality development to accommodate families who want to live in Southlake but do not want a large home and/or large lot. Diversified housing options are important for communities to offer.

Too many players for a small area. People have too many options that doesn't give people to create relationships with any one business.

Affordable housing

Customers come from outside Southlake

No more space to expand

Space. Competition.

Over saturated market. High rental rates and Cam charges.

Costs of doing business. Real estate options are expensive. Drawing from the region more vs just local. As north Texas continues to grow Southlake has more competition for everything from dining, shopping and entertainment to where to locate your business. Several prominent Southlake based businesses have left in recent years.

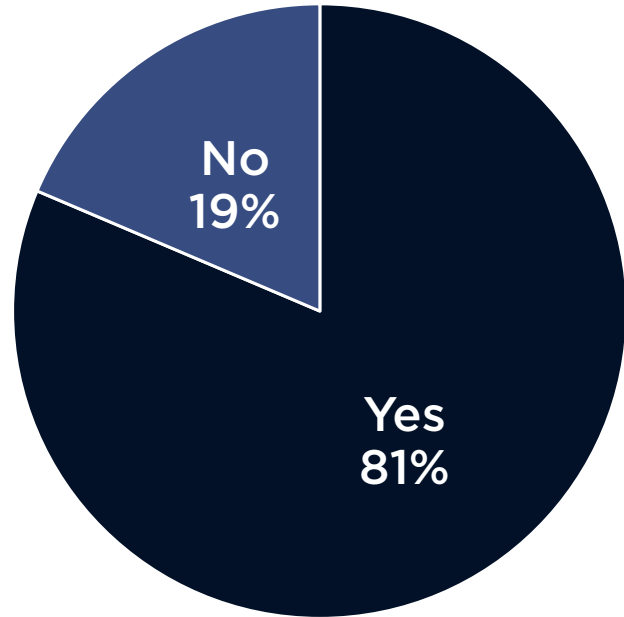
Rent is sometimes too high, we lose some good stuff due to the cost of rent



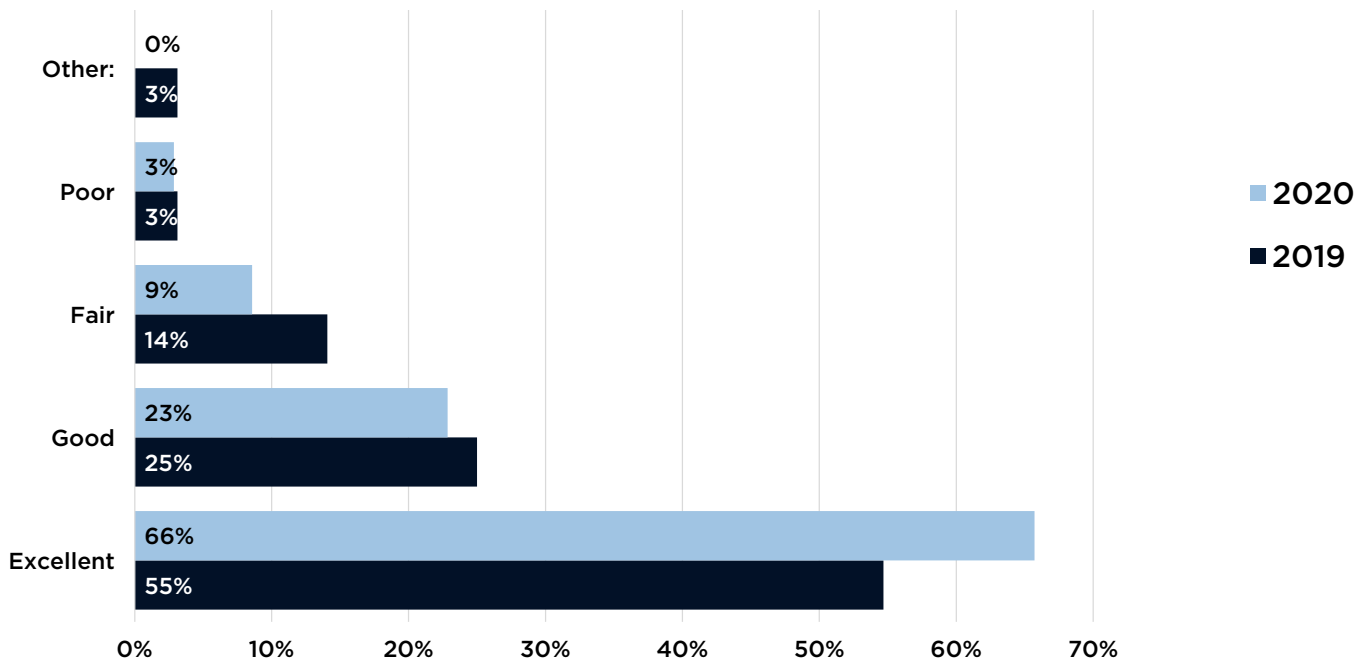
HAS YOUR BUSINESS HAD ANY INTERACTION WITH A CITY EMPLOYEE OVER THE LAST YEAR?

CITY INTERACTION

The City of Southlake strives to maintain a good relationship and positive interactions with both residents and businesses. It is challenging to for the City to establish an on-going relationship with over 1,800 businesses. Any interaction, even brief interactions, are particularly valuable and should represent the City's appreciation and support for local businesses. The majority (81%) of businesses surveyed indicated they have had some interaction with a City employee over the last year. The rating of those interactions are shown on the remaining questions.



HOW WOULD YOU RATE YOUR MOST RECENT INTERACTION WITH A CITY EMPLOYEE?



CITY SATISFACTION

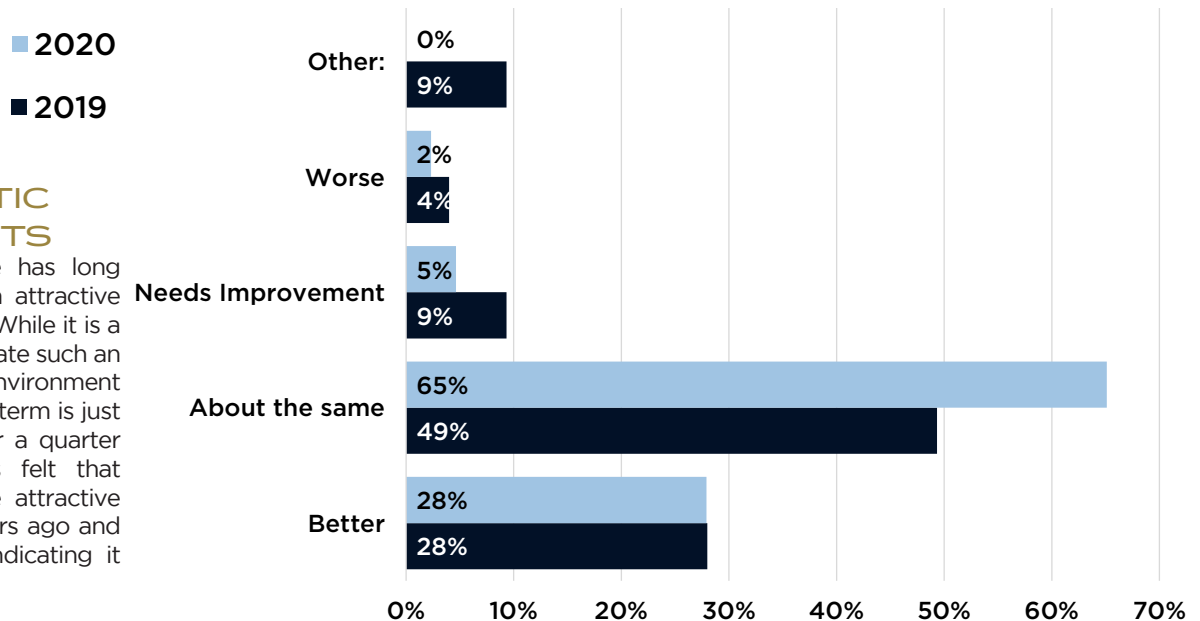
Of those respondents that had an interaction with a City employee, the majority (89%) indicated they had either a excellent or good interaction with them. This represents a 9% improvement from 2019.



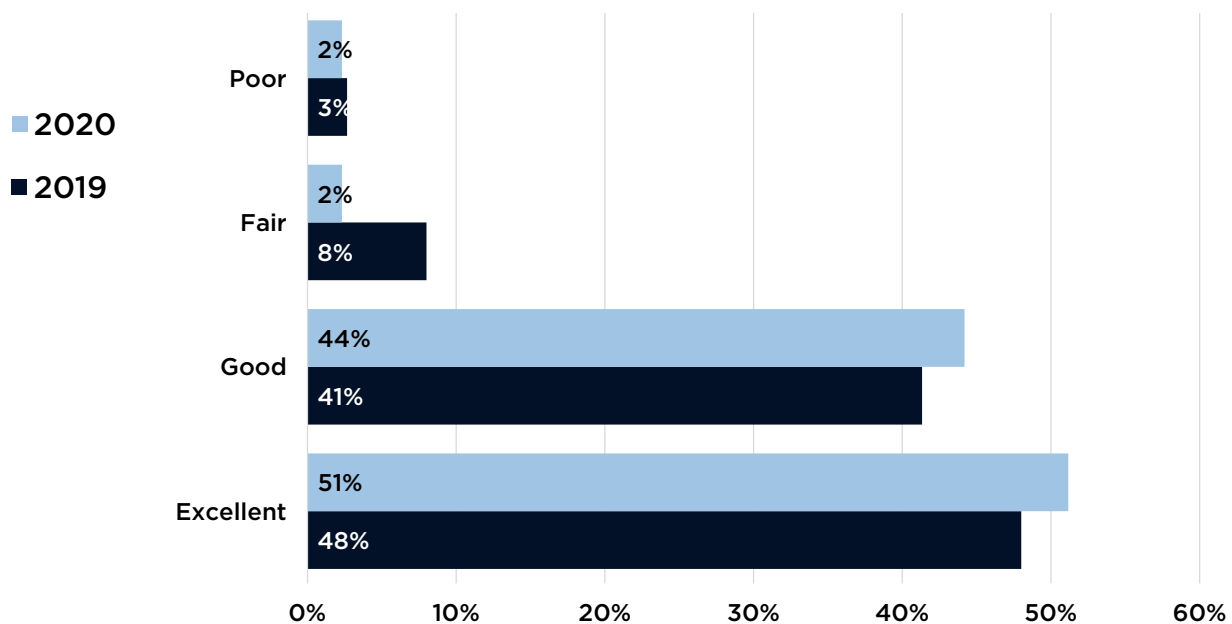
DO YOU BELIEVE SOUTHLAKE IS AS ATTRACTIVE A PLACE TO WORK AS IT WAS 5 YEARS AGO?

CITY AESTHETIC IMPROVEMENTS

The City of Southlake has long been recognized as an attractive place to live and work. While it is a challenge in itself to create such an environment, how that environment is sustained in the long-term is just as important. Just over a quarter (28%) of respondents felt that Southlake was a more attractive place than it was 5-years ago and 65% of respondents indicating it was about the same.



HOW WOULD YOU RATE THE APPEARANCE OF WHERE YOU DO BUSINESS IN SOUTHLAKE?

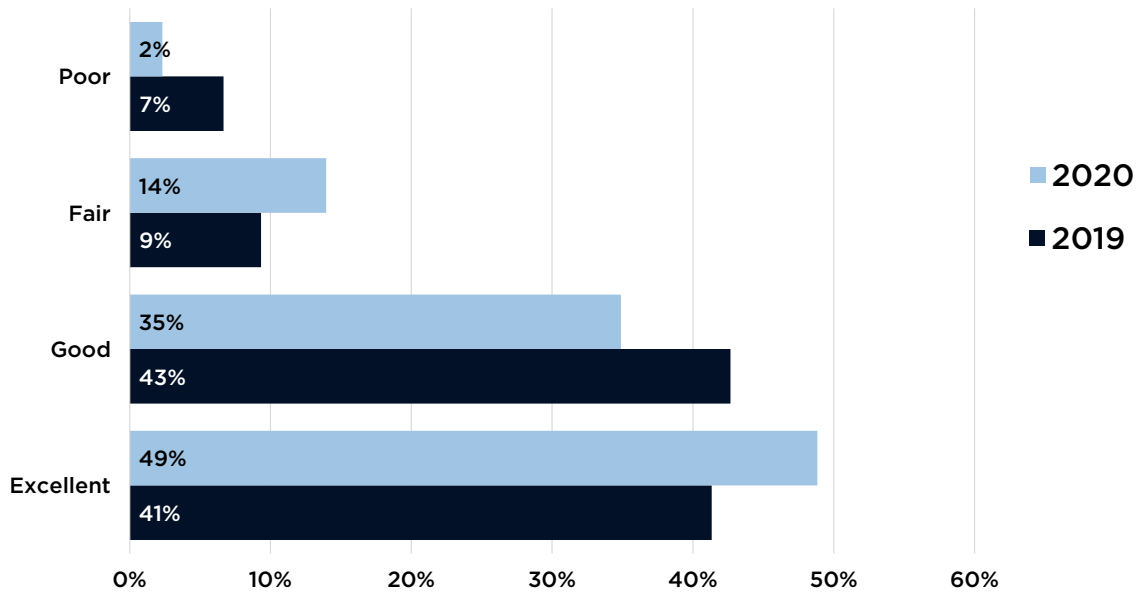


BUSINESS LOCATION AESTHETICS

Where a business is located and the appearance of its surroundings can impact the overall performance of a business. The business typically knows where to best locate their business based on its business type and surroundings. The majority (95%) of businesses in Southlake felt the appearance of where they do business was either excellent or good, a 6% increase from 2019.



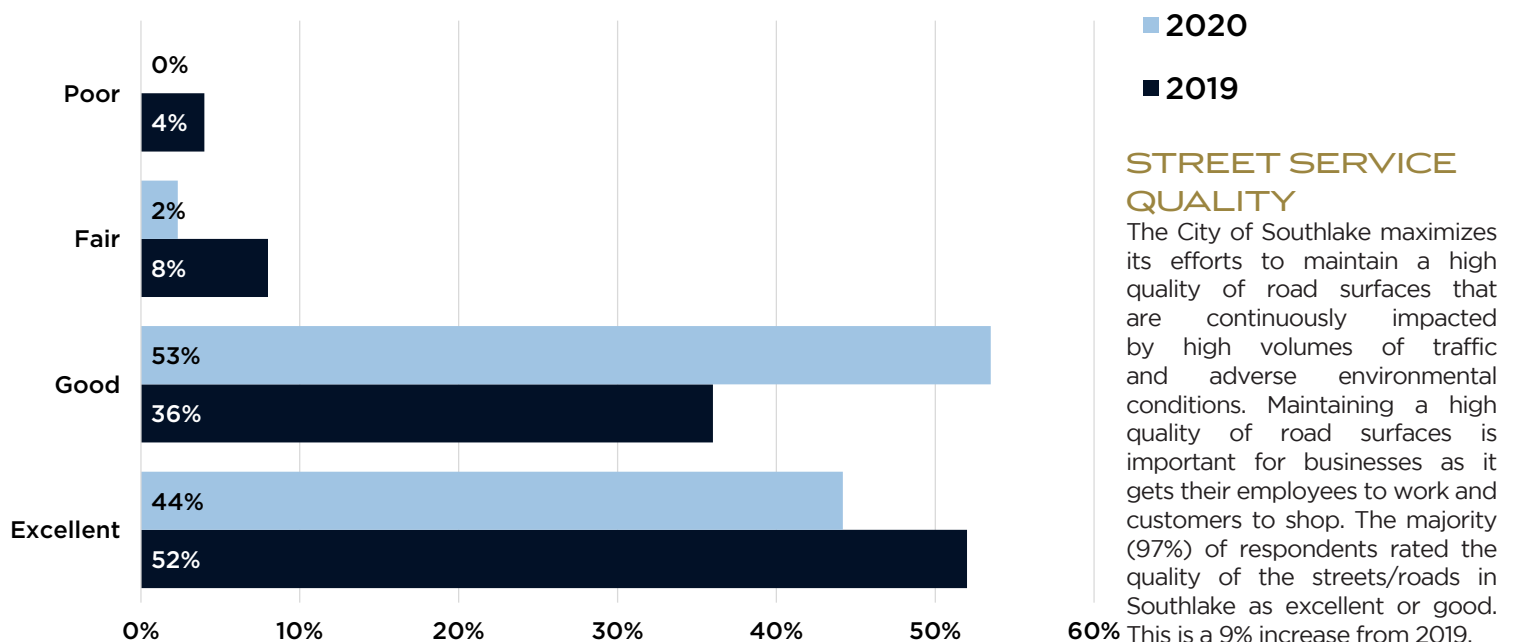
HOW WOULD YOU RATE THE QUALITY OF TRASH AND RECYCLING SERVICES IN SOUTHLAKE?



TRASH & RECYCLING SERVICES

The City has partnered with Republic Services since March 2007 to provide solid waste and recycling services for Southlake. Although the City does not directly provide the service, understanding the quality of service that is provided by Republic is important for the City to know. The majority (84%) of respondents indicated the service was either excellent or good.

HOW WOULD YOU RATE THE QUALITY OF STREETS / ROADS IN SOUTHLAKE?



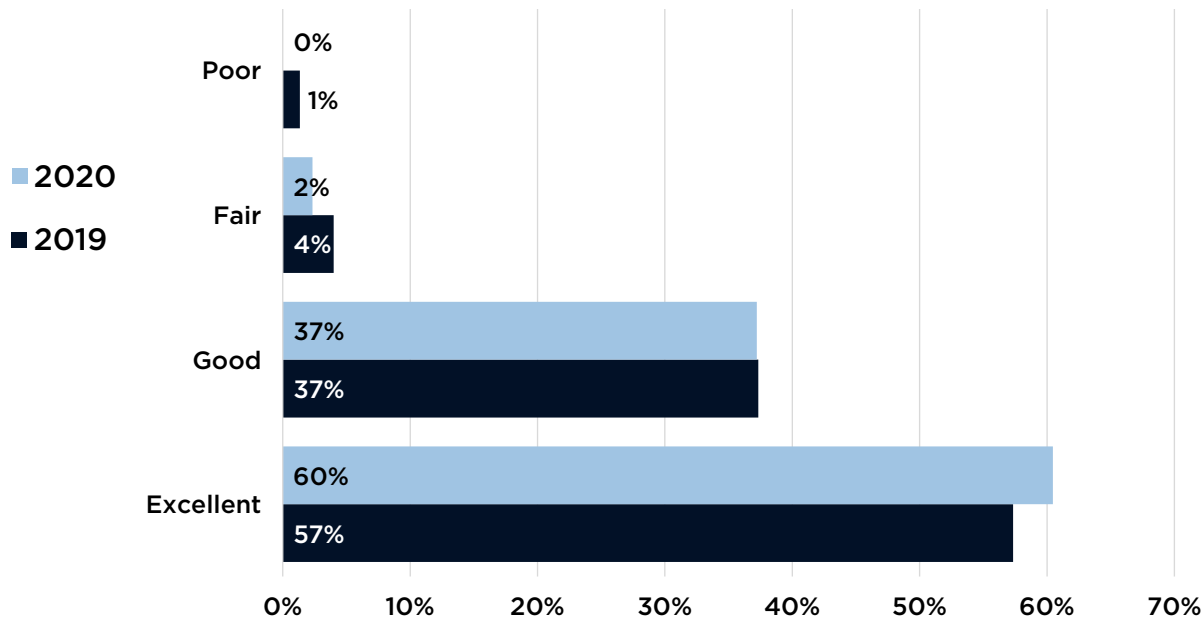
STREET SERVICE QUALITY

The City of Southlake maximizes its efforts to maintain a high quality of road surfaces that are continuously impacted by high volumes of traffic and adverse environmental conditions. Maintaining a high quality of road surfaces is important for businesses as it gets their employees to work and customers to shop. The majority (97%) of respondents rated the quality of the streets/roads in Southlake as excellent or good.

This is a 9% increase from 2019.



HOW WOULD YOU RATE THE QUALITY OF WATER SERVICE IN SOUTHLAKE?



WATER SERVICES

Businesses in many instances can be the highest consumers of water, and therefore highest payers, of water services in the community. Ensuring that water consumption and payments are handled error-free is an important service to many businesses so they can dedicate time to serving their customers and clients. The majority (97%) of respondents rated the quality of water service in Southlake as excellent or good.

WHAT DO YOU FEEL IS THE GREATEST BENEFIT TO BEING A BUSINESS IN SOUTHLAKE?

Great people that are invested in the city, competitive area in terms of education, and willing to invest in their children's future and education

Chamber of Commerce is fantastic and supportive

With being such an affluent area--citizens of Southlake generally have disposable income which means they tend to spend more on local businesses which is great for our local economy.

It's really a business friendly city. City and employees are available to answer questions, and accessible through multiple communication avenues and social media

no commute. Live and work here

Location. I have more business coming from the area than from Southlake itself. My highest zip codes are Trophy Club and Keller.

Close to airport and centrally located in Metroplex to be able to draw employees from Tarrant, Denton and Dallas counties

Beautiful city with new vibrant stores

Great city



Close to major highways and short commute
The attraction of affluent families, great community and school leadership, and the sense of community.
Proximity to growing businesses.
Being close to home.
Growing community with new home construction
Prestige in location and reputation
being able to interact with such wonderful people
I love the community and the genuine care.
Having the name recognition of a Southlake address.
Amazing community support
The proximity to my home.
Carroll Dragons
A local community that really wants its business' to succeed. Out here it's all about relationships as opposed to the "hype" of urban marketing.
Close to my house and family.
The education and per capita income of residents.
Customer Base
Community
Close to DFW
Nothing much!
Schools
Water cost is becoming an issue, traffic is becoming an issue -- more like Plano everyday
High income residents
Recognition. Demographics.
High income levels
Sense of community is strong.
I love our small town feel in the big city. We also have a very stable household income normally in the Southlake area.

Despite the pandemic that economically impacted the City beginning in March of 2020, the City of Southlake has historically had the benefit of enjoying a thriving economy, engaged community and an attractive environment for many years. Some aspects that attract some businesses at times are different than what attracts other businesses. With this survey we hope to develop a better understanding of what makes Southlake an attractive place so we can continue to make an environment where our businesses can excel and make this community theirs.



COVID-19 BUSINESS SENTIMENT

2020 BUSINESS CLIMATE SURVEY REPORT

BACKGROUND

As noted in the Introduction of this report, 2020 presented unique challenges for the business community that required innovative and adaptable approaches to a constantly changing environment. The 2020 Business Climate Survey was launched just before the onset of the COVID-19 pandemic in the United States. The survey had to then be canceled so business owners could address other pressing issues for their business.

After a few months into the pandemic and after government mandates for complete shutdowns ended in May in Texas, businesses were still operating under a reduced capacity. Once these businesses operated under these reduced capacities, the opportunity arose once again obtain feedback from local businesses to better understand the specific challenges they were experiencing due to the pandemic.

SURVEY STRUCTURE

City of Southlake Economic Development staff worked closely with the CEDC and the Economic Recovery Task Force (ERTF), an advisory group that forms recommendations for the City Council to consider on economic recovery efforts, to develop a questionnaire that answers questions that would be of most value to the City. Several questions that are used in the business climate survey were also used for the business sentiment survey, but allowed for more open-ended responses. Additionally, the CEDC and ERTF discussed strategies to encourage participation since time is extremely valuable for businesses that are struggling to maintain their doors open for business. For this reason, this survey was made as one full survey with 16-questions, 9 of which are the same as the business climate survey.

OVERVIEW OF METHODOLOGY

Data for the COVID-19 Business Sentiment survey was collected through an on-line survey. The survey was open between September 4 to September 30, 2020, a total of 26-days. The City used its business contact database, consisting of over 1,400 businesses, to communicate with local businesses about the survey. An invitational email and social media posts were published in an effort to get a reasonable amount of participation from Southlake businesses. During this shorter period, 44 businesses completed survey. Responses were distributed throughout the City's various commercial centers.

COVID-19 BUSINESS SENTIMENT SURVEY QUESTIONS

1. How many employees work at your business location in Southlake?*
2. How many years has your business been located in Southlake?*
3. What is your primary source of customers/sales during COVID-19?*
4. How has COVID-19 impacted your employment needs?

COVID-19 BUSINESS SENTIMENT

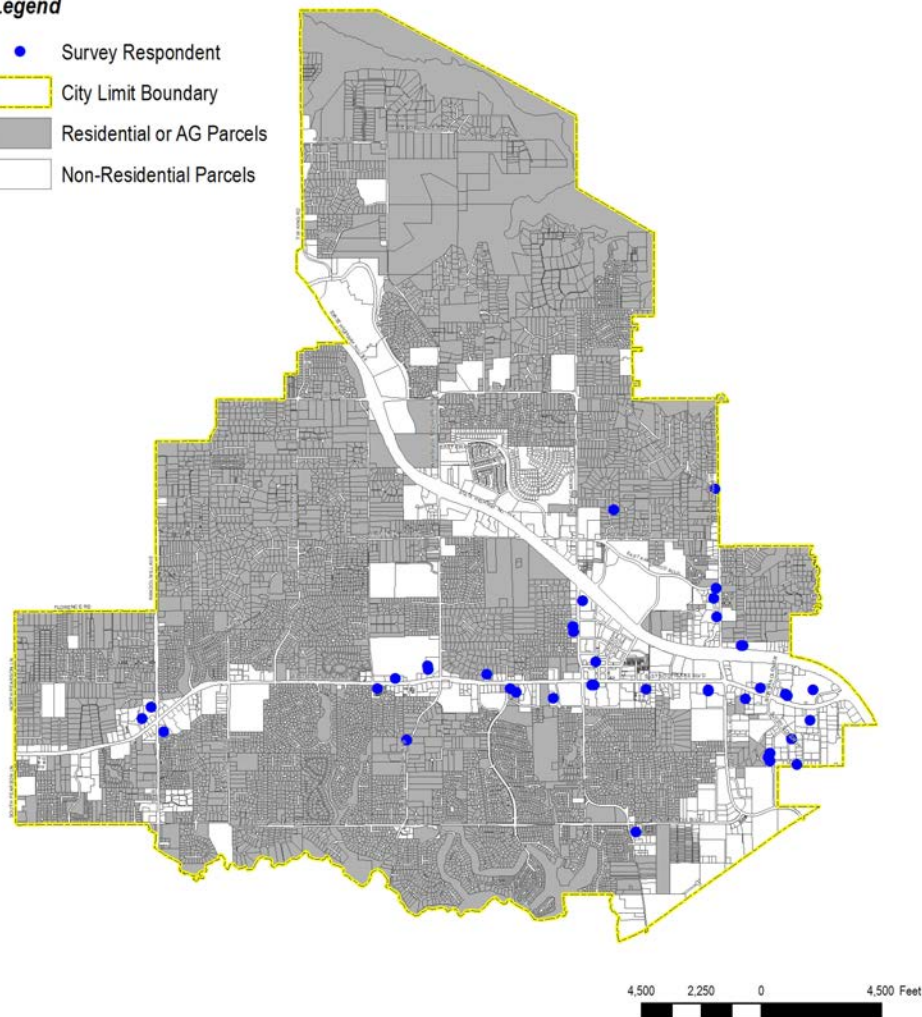
2020 BUSINESS CLIMATE SURVEY REPORT



5. How would you best describe your sales/revenues of your business location in Southlake since COVID-19 began?*
6. How would you describe the local business climate in Southlake this year?*
7. How are you engaging and educating your customers on your COVID-19 response?
8. How are you engaging and educating your employees about COVID-19 information?
9. Does your business have a remote or teleworking policy that has been implemented due to COVID-19?
10. What is the primary source of the information that you use to make business decisions regarding COVID-19?
11. What is your sales/revenue forecast trend for the next 12 months?*
12. What would you say is the greatest challenge in Southlake in the coming year?*
13. What do you feel is greatest challenge facing the local business environment today?*
14. What areas are your most pressing concerns for your business?
15. Would you like to let the City know anything else?*
16. Are you familiar with the City's business initiative Southlake Safe?

Legend

- Survey Respondent
- City Limit Boundary
- Residential or AG Parcels
- Non-Residential Parcels



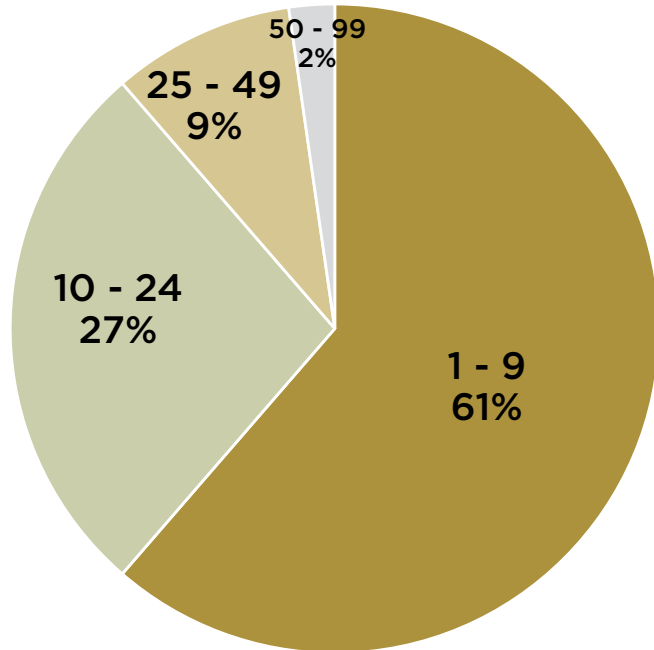
BUSINESS RESPONSE DISTRIBUTION MAP



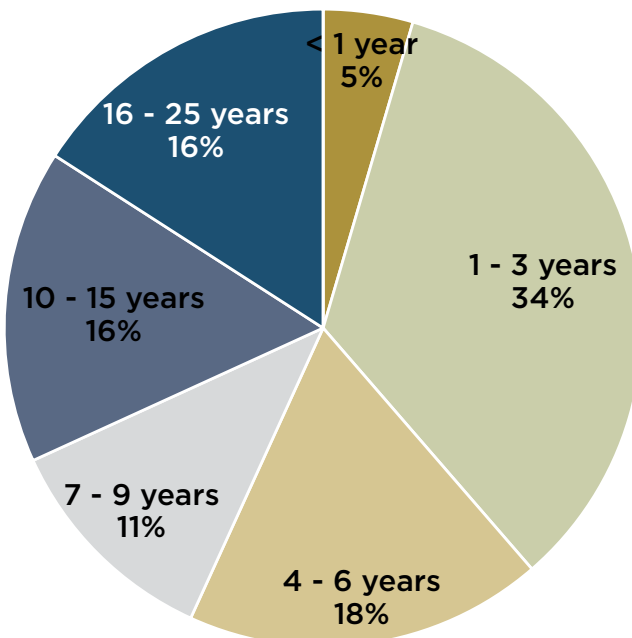
HOW MANY EMPLOYEES WORK AT YOUR BUSINESS LOCATION IN SOUTHLAKE?

NUMBER OF EMPLOYEES

The employees that work at a local business contribute in significant ways to the local economy beyond the employment itself. People employed in a community contribute by sustaining other businesses within that community and creating demand for services that may or may not exist already. This is of course a challenge in Southlake due to the number of businesses that have likely implemented a teleworking plan for their employees. For this business sentiment survey, Southlake had over 60% of businesses that have one to nine employees.



HOW MANY YEARS HAS YOUR BUSINESS BEEN LOCATED IN SOUTHLAKE?

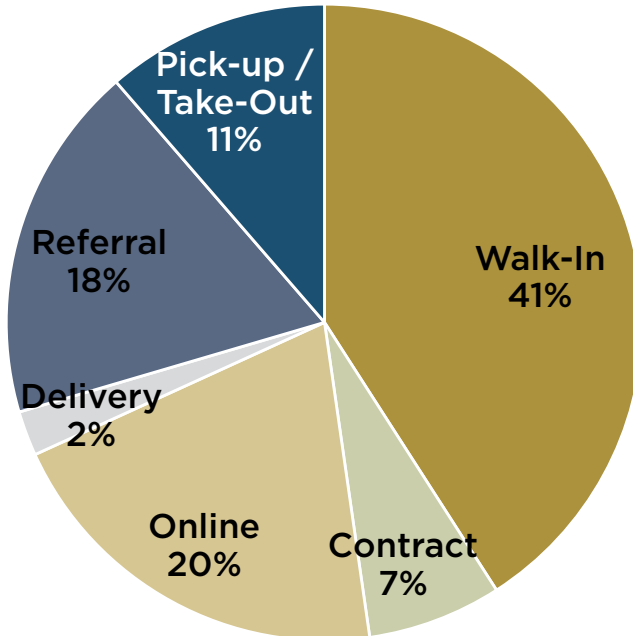


YEARS IN OPERATION

The number of years a business has been located in a community can indicate a variety of things. The customer base and relationships the business has established with customers, the geographic location within North Texas, relationship with the City, loyalty and performance of its employees and cost of doing business are all factors that can influence a business to remain in a community. For this business sentiment survey, Southlake had over 30% of businesses that have been in operation for 10-years or more.



WHAT IS YOUR PRIMARY SOURCE OF CUSTOMERS/ SALES DURING COVID-19?



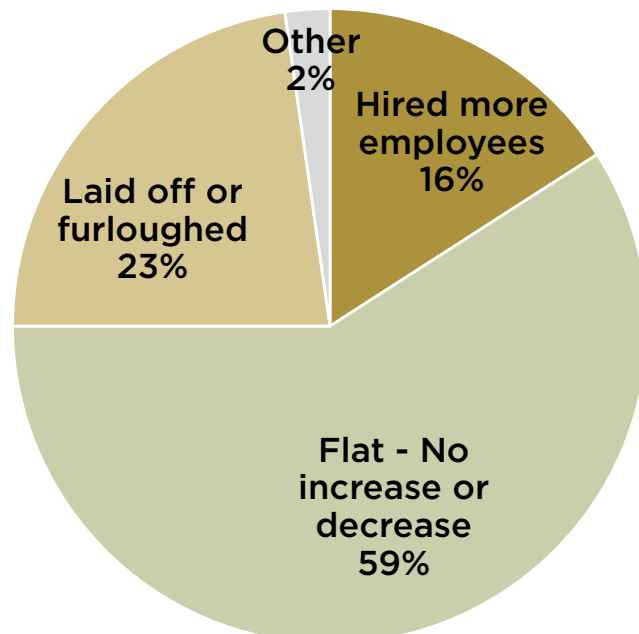
SOURCE OF BUSINESS

How a business primarily conducts its business can help the City understand and target its efforts on marketing the community. Businesses that took this survey reported having pick-up/take-out (11%) or online (20%) sales as their primary source of customers. This is not surprising due to the pandemic's impact on regular business operations.

HOW HAS COVID-19 IMPACTED YOUR EMPLOYMENT NEEDS?

EMPLOYMENT DURING COVID-19

The employment impact during the pandemic can be indicative on its level of impact on employers in the community. Considering this survey was conducted 4-months after government mandated shutdowns in Texas were lifted, the majority of businesses show to have kept their employees and remained constant despite negative economic impacts of Covid-19.

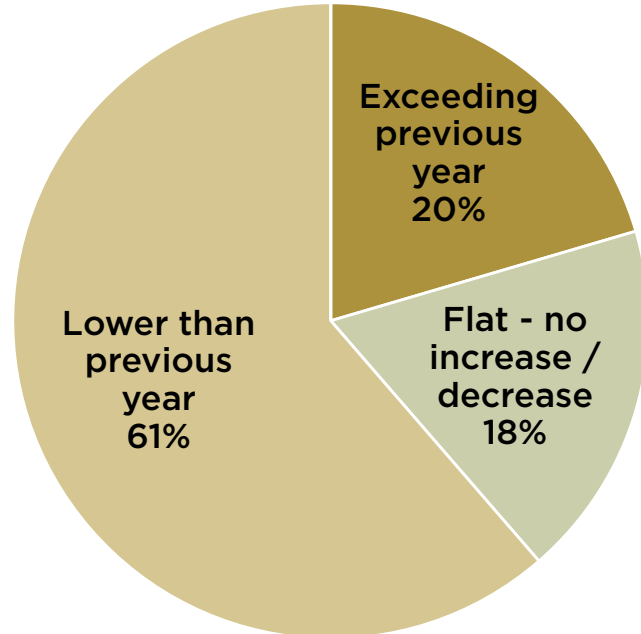




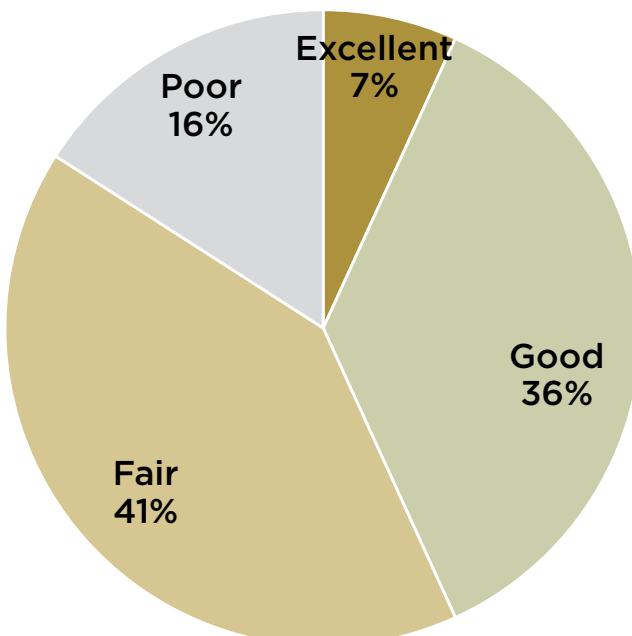
HOW WOULD YOU BEST DESCRIBE YOUR SALES/ REVENUES OF YOUR BUSINESS LOCATION IN SOUTHLAKE SINCE COVID-19 BEGAN?

SALES DURING COVID-19

While many businesses around the country may have experienced a sharp increase in sales due to online ordering and increased demand on home oriented goods, the City of Southlake has a large percentage of in-person service based businesses. Not surprising, this is reflected by showing that over 60% of businesses have lower sales than the previous year.



HOW WOULD YOU DESCRIBE THE LOCAL BUSINESS CLIMATE IN SOUTHLAKE THIS YEAR?

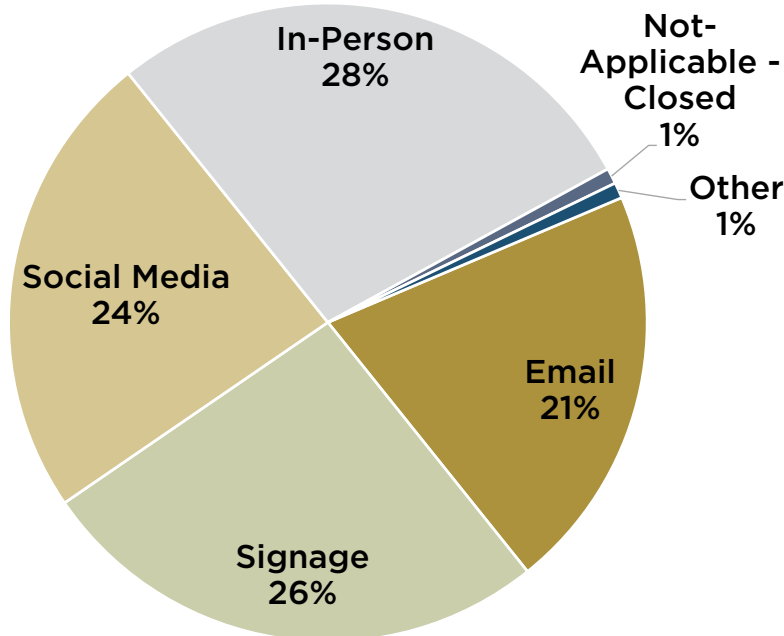


LOCAL BUSINESS CLIMATE

Having the “pulse” of the business community is at the heart of what the City desires to make the best. Assessing the local business climate during the pandemic tells us if businesses feel this is a good environment to conduct their business despite the challenges going on worldwide. Of all the businesses surveyed, 43% believe the business climate is either excellent or good. Prior to the pandemic 83% believed the business climate in Southlake is either excellent or good.



HOW ARE YOU ENGAGING AND EDUCATING YOUR CUSTOMERS ON YOUR COVID-19 RESPONSE?



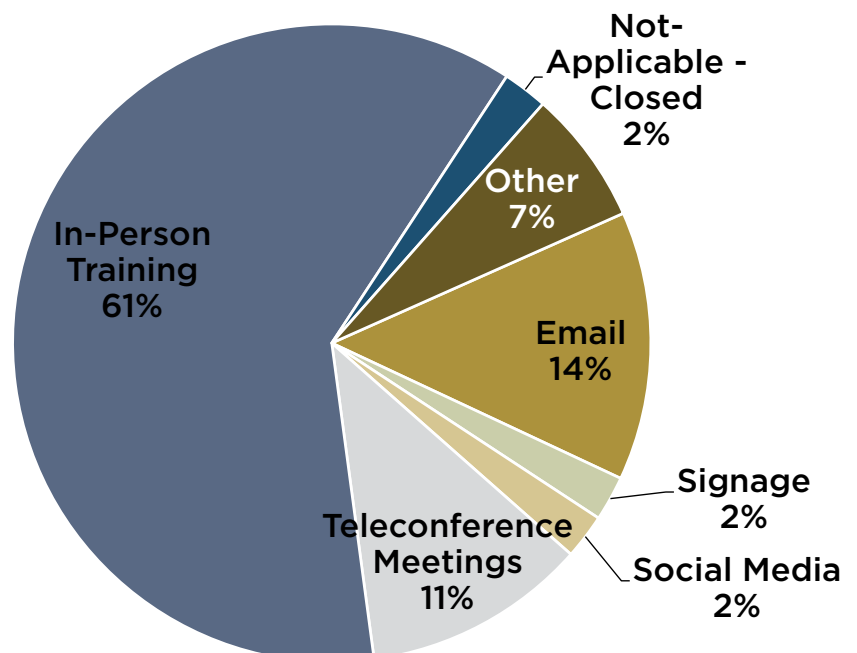
CONSUMER EDUCATION

Educating consumers on the actions a business is taking to help keep them and their employees safe during the pandemic can help inspire confidence in consumers and visit a business that typically requires in-person service or sales. Most businesses surveyed took a multi-messaging approach but in-person and signage at their business accounted for over half of communication to their consumers.

HOW ARE YOU ENGAGING AND EDUCATING YOUR EMPLOYEES ABOUT COVID-19 INFORMATION?

EMPLOYEE EDUCATION

Educating employees on safe business practices is one of the most essential strategies a business can take to protect their employees and consumers against COVID-19. Many customers prefer to shop and obtain services in person so the front line defense against the spread of the virus is educating employees on how to effectively prevent the spread. In-person training was the preferred method to educate employees on preventing the spread of COVID-19.





DOES YOUR BUSINESS HAVE A REMOTE OR TELEWORKING POLICY THAT HAS BEEN IMPLEMENTED DUE TO COVID-19?

REMOTE WORK

Having the ability to work remotely has been one of the primary methods businesses have avoided complete business interruption. That said, in Southlake many businesses depend on in-person service or sales in order to conduct business. The majority of businesses surveyed indicated they had no teleworking policy due to the nature of their business.

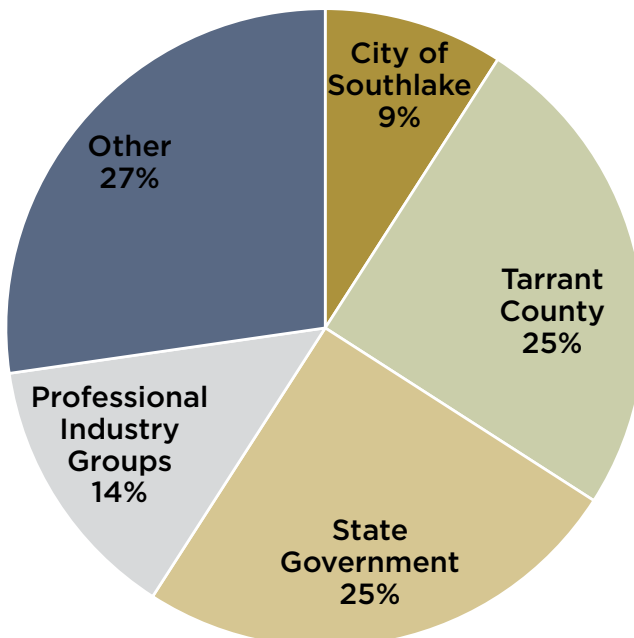
No - no policy has been adopted or implemented
7%

Other
11%

Yes
20%

No - our business is service-based and in-person services are offered
61%

WHAT IS THE PRIMARY SOURCE OF THE INFORMATION THAT YOU USE TO MAKE BUSINESS DECISIONS REGARDING COVID-19?

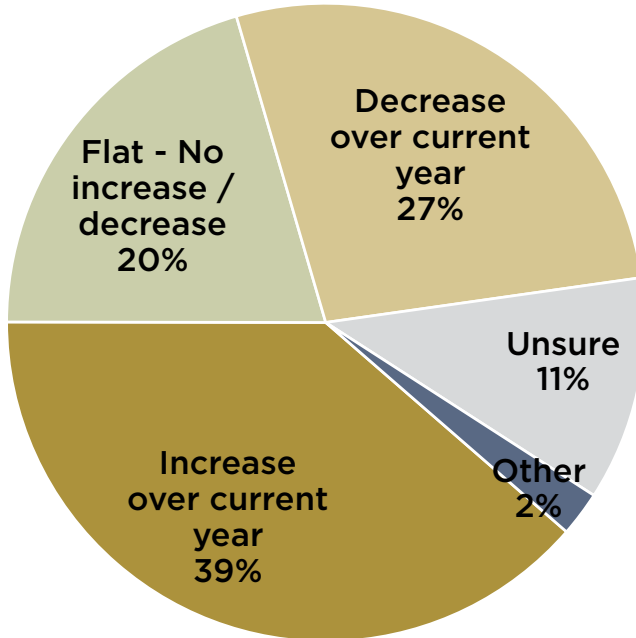


BUSINESS DECISIONS

There are many sources that provide information to businesses on the best strategies to implement during the pandemic to keep their customers and employees safe. The City of Southlake itself also published recommended guidelines as recommended by official sources such as the Texas Department of State Health Services (DSHS) and the Centers for Disease Control (CDC). Based on the survey responses, most businesses were obtaining their information from Tarrant County, the State, or the CDC (Other) on making business decisions.



WHAT IS YOUR SALES/REVENUE FORECAST TREND FOR THE NEXT 12 MONTHS?



SALES & REVENUE FORECAST

The sales and revenue forecast is helpful in assessing sales trends expected by local businesses. This is a key indicator to for the City to determine the business climate expected by the business community. Despite sales in 2020 being less than the previous year, most businesses feel they will have an increase or remain flat into 2021. This means businesses are optimistic of the coming year.

WHAT WOULD YOU SAY IS THE GREATEST CHALLENGE IN SOUTHLAKE IN THE COMING YEAR?

"Community disharmony. People are angry at us and at each other."

Maintaining customers despite layoffs.

Having enough customers comfortable shopping despite the potential to fall ill - trusting in companies to take the proper measures to lessen their chances of contracting Covid.

Keeping our current momentum.

Decreased foot traffic around area.

Only Town Center is active; need more active zones

Maintaining city infrastructure and services.

Keeping peace and order in the face of pressures for "social justice."

Business and Leisure travel.

Finding CDC recommendations for cleaning supplies, masks, and gloves.

Racial injustice

TBD based on COVID / election / CDC regulations



COVID-19 BUSINESS SENTIMENT

2020 BUSINESS CLIMATE SURVEY REPORT

Continued support from the City. You're doing a great job!

There are no clear cut answers - everything is based on a wait and see

Getting customers to return.

I hate how politicized everything has become with wearing a mask. I feel that if we could all wear masks it would be easier for us to keep all businesses open. I am willing to do my part as I want all businesses to stay open!

Once the town gets over the COVID scare, we all should be good.

Getting people through the front door.

Making sure people feel safe and comfortable getting out to support local businesses. There are some that are still staying home and quarantining so they are not supporting on-site service based businesses.

Losing patients.

Keeping staff healthy to avoid disruption of services. Maximizing our client load while maintaining occupancy, cleanliness and social distancing protocols.

I don't know about coming year but social distancing and implementing % caps on our occupancy has been the most strain on our business model thus far.

Price of base rent and triple net costs.

Helping support our local businesses, especially smaller, owner run businesses.

Lack of moderate priced skilled trades.

Growing consumer confidence.

People do not support small businesses

Businesses going under because of government restrictions due to covid.

Awareness and educating families.

Our business has not been affected but could be if commerce doesn't improve and families have to leave the area.

As a newer, independently owned small business---Building our patient base and increasing the number of cosmetic/elective procedure patients.

Losing many businesses, and new businesses trying to make it in this economy.

Supporting local businesses by buying their goods/services. We want local businesses to thrive and not go out of business. A thriving community equals a robust local economy.

Staying ahead of the Covid curve.

How to get back to the old normal. The new normal is leading to more distrust and loss of revenue. The new normal makes people think that shopping on-line is the best way to stay safe but it will kill the local economy. The city needs to do whatever it can to prevent any more lock-downs (mandated or suggested), encourage supporting all local businesses, and make people feel they are in control, not that they are being directed to do what the government says or else.

Loss of revenue dollars to the city from retail like apple that have closed locally but open online and loss of revenue from business closures



The amount of businesses that have closed or will close due to the overreactions of our government.

Rebuilding confidence in your consumer. There are no public events being held, people are avoiding going to small businesses because of the ridiculous mask mandate, churches are still closed, people are having a hard time engaging in public because of the ridiculous restrictions our governor has put in place. When things "suddenly open up" as if that will happen, people are going to be cautious. They are not sure what is truth and what is not.

Finding a way to cross the political divide.

Uncertainty about the future.

WHAT DO YOU FEEL IS GREATEST CHALLENGE FACING THE LOCAL BUSINESS ENVIRONMENT TODAY?

People do not feel safe. Customers will not comply with basic mask, social distancing, so people avoid coming out.

Technology

People frequenting our businesses. Many people are utilizing larger companies that ship directly to them or offer to-car delivery. While small businesses may offer these options, they are not the first thing most shoppers think about when considering small businesses. Also, larger companies tend to have lower prices, and many people are needing to save money these days.

Masks and Social Distancing.

Sales are dropped more than 50%.

People not coming out to eat in restaurant.

Potential risk of serious outbreak of virus.

Fears of general lawlessness at a national level, depending on how things go November 3.

Business and Leisure travel.

The people not following the CDC guidelines in order to keep everyone safe.

Various.

No answers or tools to forecast sales / budgeting, never lived through a pandemic.

Surviving in tough times.

Staying on top the very fluid "moods" of our customer base. We try and accommodate everyone.

No help from landlords.

The fear and the divisiveness that is polarizing not only our country but our community.

Getting people through the front door.

Getting their names out there and making sure people know about them and understand all the precautions that are being taken to insure they are safe in their business.

Staff not getting sick and losing patients.



Maintaining relationships and growing our client base.

Decrease in traffic and therefore sales opportunity.

Fear.

The ability to produce products at a profit after Rent and Labor costs are deducted.

Lack of customer flow.

Competition from big box.

Growing consumer confidence.

Keeping customers, competing with online sales.

Feeling Safe when out of the house.

Small businesses having enough revenue to stay open.

Mentality of customers, fear based decisions, and avoidance of "regular" life.

Supporting local businesses by buying their goods/services under COVID-19 safety protocols. We want local businesses to thrive and not go out of business, but have to also patronize these businesses in a safe manner.

Staying ahead of the Covid curve.

Since ours is a service based business model, the real challenge is getting people to walk in through the doors. People are still concerned about Covid and their security which directly affects our business.

To convince people that shopping locally owned businesses helps support their community to get back to a healthy "normal" life, one that supports family and trust between neighbors. Please note that I said, locally owned, not local. Locally owned businesses keep the money within the community, larger businesses send that money to corporate and then it gets distributed.

Hard to get financing due to changes in lending for new business to start.

Removing the fear of consumers brought on by the media and government.

The same as above - getting people to actually start shopping in person. Too many are choosing to buy online and buy from the corporate mega stores because it is easier than having to go to a store - wear a mask to the table, take it off while you eat but don't forget it while you go to the bathroom... it's a nuisance that is causing people to spend their money not in Southlake but with the corporate bigwigs

An unhealthy political climate

WHAT AREAS ARE YOUR MOST PRESSING CONCERNS FOR YOUR BUSINESS?

Hiring more staff. Lots of people are leaving our industry for more stable work.

Revenue/cash flow in the future.

Having enough customers to justify new hires. Current employees need to be ABLE to take off days, but everyone needs enough hours to cover bills.

Lease payments.



Pretty much everything is challenging. Rent, pay, sales drop and peoples well-being.
Rent/Lease/Mortgage Expenses.
Keeping employees and customers safe.
Revenue/cash flow, taxes, and regulations.
Revenue decrease by 60% effects all aspects from a P&L perspective.
Employee well being.
Varied
Revenue.
All of the above.
Payroll and rent/mortgage expenses.
Increasing sales.
Childcare and the virtual learning options that Working parents are having to manage right now.
Revenue/cash flow, bringing back customers worried about covid-19, marketing at locals events.
Decreasing sales and foot traffic.
Rent and utilities although our landlord worked with us when we were closed. We were given 2 months at \$0 which really helped but that amount is now being amortized over the next 12 months so the rent went up significantly.
All of your examples above
Operational expenses should we experience a disruption of services.
Debt relief, keeping the business alive and thriving.
Rent is our highest fixed expense and with our capacity capped we cannot grow like we did last year to keep up with our high rent.
Rent expenses and Payroll expenses.
Actually, with historically low interest rates, staffing with personnel who have the needed skills and certifications is our biggest challenge to help handle the volume of business coming in the door.
Utilities
Volume of business.
Social distancing prevents us from accommodating as many customers.
Financial.
We have not had employees out sick but are starting to see issues now that students are going back to school.
The monthly expenses pre-Covid were still there during Covid, while revenue opportunities significantly decreased.
Rent expenses, payroll expenses, revenue.
HR enhancement & employee well-being, both mentally and physically.



Staying ahead of the Covid curve.

Cash flow to pay expenses when our revenue has really been impacted. It gets challenging to pay big expenses like rent and payroll when we are seeing a decline in our sales.

All of the above, but also the government of Southlake. Government is running the show now, not the ability for the business owner to try to build and maintain their business. Southlake needs to make a stand and either say they support businesses and will never implement another lock-down with conditions or they need to acknowledge that they caused the environment and will help drive businesses out of Southlake.

At this moment just continuing to grow.

New patient acquisition.

Need Covid to be over so sports activities can return to in-person events.

WOULD YOU LIKE TO LET THE CITY KNOW ANYTHING ELSE?

Thank you for taking Covid seriously and looking out for small businesses, it makes me glad I chose to operate here.

No

Appreciate the leadership provided by Mayor Hill and the Council.

Southlake is a great place to live and own a business.

Fix the racial issues in Southlake and stop pretending like they do not exist.

Continue encouraging the community to support the local businesses! Continue to create awareness and encourage the Chamber of Commerce to do the same.

Thanks for what they are doing.

Not at this time.

It seems there are double standards of what businesses are allowed to do based on where they are located.

I think the city has done a nice job of communicating and I really like the Southlake Safe initiative. We signed up as soon as we received the information on it.

We need help to survive.

Thank you for your support.

Please help with marketing and education to assist in driving traffic and supporting local business.

There's too much for this box & it probably wouldn't be aimed at y'all! For now I'll just say thank you for letting us be open. So many of my fellow boutique fitness owners do not have that privilege yet. I'm thankful to own a business in SOUTHLAKE!

No, not at this time.

One electrical supplier leads to an unfair billing practices.



It is imperative that local governments take an active role in setting an example for people to safely get back to work and normal consumer practices. To shut down local business completely for a virus that affected has affected 1% of the national population and less of the local population is foolish and only projects a herd/sheep mentality. Small businesses need local officials to be brave and willing to do their own research and make the best decision for their home town.

Bringing more awareness and value added in our products.

Small business appreciates any free help marketing what we do to the community. Marketing budget is dried up in order to make sure more important operating costs are covered. So any opportunities available for us to have free shout outs in the community are much appreciated.

No.

The City is doing a great job keeping its citizens informed and safe!

Really appreciate the Southlake safe initiative.

Yes, your business safe initiative is just another way to make people know that they need to do what the city says or else. Whoever thought this idea up should have ask themselves what does local businesses need to get back to normal. The answer is simple, get rid of the government rules and regulations. Not create a program that tells everyone follow the rules and you will be rewarded. The city needs a true business owners leadership team and that team needs to run what government intervention. If you can't tell I see all this as the cities fault and if local business were not afraid to loose their support of the city, you would hear that from all of them. And if the city was truly trying to help, they would stop thinking they know best and let locally known businesses with skin in the game, run the recovery.

Thank you for everything you have done for the businesses and residents. Too often, only the negative is shown and positives are minimized. So thankful for living in a city, county, and state that has opened up!

With all the new data that's out form the CDC it's time to get rid of the mask's.

Take the masks mandate away, open the city full force, show DFW that we have confidence in our people to make THEIR own choices within the confines of FREEDOM on how to engage the community.



CONCLUSION

2020 BUSINESS CLIMATE SURVEY REPORT

The results of the 2020 Business Climate Survey remained largely positive about the Southlake business environment and improved in many areas. The survey demonstrated that most businesses felt confident and prefer conducting their business here versus other communities. The survey conducted in the middle of the pandemic also demonstrated the challenges and how quickly the business environment can change in a matter of months. While the feedback during the 2020 Business Climate Survey was helpful for establishing trend information, the 2020 COVID-19 Business Sentiment Survey provided specific challenges the business community is experiencing and what the City should be evaluating while developing recovery efforts.

KEY FINDINGS

- Businesses had a positive outlook towards the future, prior to the pandemic. During the pandemic businesses did feel 2021 would be a better environment than 2020 was.
- Most businesses largely rely on in-person services or sales in Southlake.
- Most businesses felt the City provides excellent / good quality services, slightly better than in 2019.
- Businesses felt supported by City promotion and felt we should do more of this.
- Leases and rents, even during the pandemic are the largest concern for businesses.
- Many businesses felt consumer confidence is key to getting back to normal.

PRIORITIES MOVING FORWARD

The results of the survey will prove to be invaluable as the City develops strategies and plans for the future. While many aspects of the business environment are out of the City's control, there are several that can be addressed moving forward. These areas will be incorporated into the City's processes and addressed through the City's strategic planning processes, policy considerations and development assessments. The Community Enhancement and Development Corporation has recommended these priorities for City staff moving forward:

- Encourage safe in-person return to business visitation through programs such as Southlake Safe.
- Continue and enhance business marketing by the City through platforms such as Select Southlake and Visit Southlake.
- Provide resources for business tenants to find options for other lease locations within Southlake.
- As the pandemic continues to subside, re-engage in person with the business community through our business engagement program.
- Launch and market our "Open for Business" campaign as outlined within the Southlake 2035: Economic Development Master Plan Addendum to rebuild our business travel to the community.
- Capitalize on summer events in Southlake as the "re-opening" of the community to market and promote Southlake as a destination to shop and dine.



CITY OF SOUTHLAKE

ECONOMIC DEVELOPMENT & TOURISM

1400 Main Street, Suite 460
Southlake, Texas 76092
(817) 748-8039
EconDev@ci.southlake.tx.us

www.SelectSouthlake.com