

Businesses to Expand and Relocate to Lubbock

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Lubbock soon will have another 187 jobs in its economy, according to a Monday announcement by the Lubbock Economic Development Alliance.

Five local businesses will expand and two more will locate in the Hub City — a coup for the area, according to at least one LEDA member.

“I don’t remember us having seven more diverse companies, and I don’t remember us having as many companies that are spread out over the whole city,” said Kenny McKay, director of business retention with LEDA.

The LEDA board of directors approved incentives for six of the seven companies at its meeting Monday morning.

The five local expansion projects are Supply Chain Management Inc., Research and Testing Laboratory, PathoGenius Laboratory, Raw Oil & Gas Inc. and Covenant Health.

Covenant Health expansion

Covenant Health announced 84 new jobs with \$223,000 in incentives over five years, according to LEDA’s agenda.

A member of St. Joseph Health System in Orange County, Covenant Health is moving the California Patient Financial Services Operations Unit to Lubbock. The 84 new jobs will create annual salaries of more than \$2.7 million, McKay said.

The operation will provide services for Lubbock, the surrounding area and St. Joseph’s operations in California.

“We are going to be moving our revenue cycle here, part of the function, from California to here,” said Rodney Cates, vice president of Human Resources for Covenant Health. “Revenue cycle will be made up of admitting, registration and financial services. Keep in mind, a lot of people might think, ‘These are entry-level jobs.’ That’s far from the truth. These are going to be manager jobs, from leadership, from directorships, all the way down to the front-line staff.”

Centralizing operations in Lubbock for about eight hospitals, four in southern California and four in the Lubbock area, makes the health system more efficient, said Rory McCrady, vice president of revenue cycle at Covenant Health.

“There’s really one reason for doing that, and that reason is a cheaper labor rate. Our labor is about 40 percent cheaper here than it is in a comparable area in southern California,” he said. Covenant Health System is bringing three major job functions to Lubbock: government billing and collection, private pay and collection and a customer service call center. Five to seven percent of the jobs will be management positions.

Other local expansions

Supply Chain Management Inc., a third-party transportation provider, is expanding its operations to meet increased demand.

The company, which specializes in logistics in trucking, will create 14 jobs with annual salaries of \$574,000, according to LEDA’s agenda.

Incentives to the company would be \$22,500 over five years, according to the board of directors.

That's a lot of growth for a company begun in 2005 in a basement with only one truck, said Tino Gamueda III, president and owner.

"With the expansion money, we are going to go ahead and continue hiring drivers from Lubbock," he said. "That's one of the requirements we have, and we will continue to compete on a global level from Lubbock, Texas."

Gamueda said the company's primary task is moving perishables, including tomatoes and onions, from Texas to California stores.

Research and Testing Laboratory, a full-service molecular lab, is expanding its Lubbock operations. The laboratory announced 19 new jobs with annual salaries of \$950,000, McKay said.

The expansion includes a capital investment of more than \$800,000 in the next four years.

PathoGenius Laboratory, a clinical molecular microbiology laboratory, providing microbial testing, is adding 12 new jobs with annual salaries of almost \$670,000, McKay said.

Those salaries benefit from LEDA incentives of \$86,000 over the next five years for Research and Testing Laboratory and \$64,000 for PathoGenius Laboratory over the same time.

Stephen Cox, director of operations for Research and Testing Laboratories and PathoGenius, said the sister companies specialize in molecular lab services and next-generation sequencing technology applied to basic research and clinical applications.

The labs take wound-care samples and help identify what infects wounds, Cox said.

On the research side, more than half of the samples the labs deal with come from outside the United States.

"One of the funniest projects we recently worked on, was we've been working with a team at (NASA's Jet Propulsion Laboratory) on their Mars rover, and we've been verifying those rovers would be clean before they sent them to Mars, so that has been a lot of fun for us," Cox said.

Raw Oil & Gas Inc. is growing its Lubbock operations and will create 17 new jobs with annual salaries of more than \$1 million, according to the LEDA board agenda.

The locally headquartered oil and gas company moved its corporate headquarters to Buddy Holly Avenue. It engages in the exploration, acquisition and production of petroleum and natural gas.

The LEDA board of directors approved to grant incentives to Raw Oil & Gas of \$99,500 over five years.

Relocation projects

The two relocation projects are Quality Buildings Inc. and Michelin North America.

Quality Buildings, a portable wooden building manufacturer, is expanding its operations to Texas with its first plant location in Lubbock. The company is headquartered in Oklahoma. The expansion creates 33 jobs with incented annual salaries of more than \$1 million, McKay said.

The LEDA board of directors approved to give Quality Buildings incentives of \$96,500 during over seven years.

The company will be located near 34th Street and Avenue A.

Michelin North America, a nation- and worldwide tire manufacturer, has added a new distribution center in the former X-Fab of Texas building. The company has 18 operating plants in 16 locations. The Lubbock center will create eight jobs.

According to past Avalanche-Journal reports, the 33,700-square-foot building is at 2301 North University Ave. The building originally was a Texas Instruments plant, and X-Fab acquired the property when the plant closed. AT&T occupies a portion of the building as a call center. Michelin is not receiving incentives from LEDA.

The jobs created from these seven projects equal more than \$7 million in salaries boosted by incentives from LEDA with a capital investment of more than \$1.2 million, according to a release from the alliance. “We’ve got companies that are locating downtown. We have them locating at Reese Technology Center. We have them locating out on the north side of town, on the east side of Lubbock, and we have a variety of types: manufacturing, distribution,” said John Osborne, CEO for LEDA and Market Lubbock. “We’ve got jobs related to health care, and we have some, obviously, very skilled positions in research being hired as well. You can’t have a more well-rounded announcement today, where companies are locating throughout the community with a variety of types.”

At its meeting Monday, the LEDA board of directors also voted to rescind offers of incentives and land to Asher Logistics. Asher did not turn in paperwork needed to acquire the incentives and decided on a different location than the land offered by LEDA.