



# Economic Development Strategy & Diversification Study

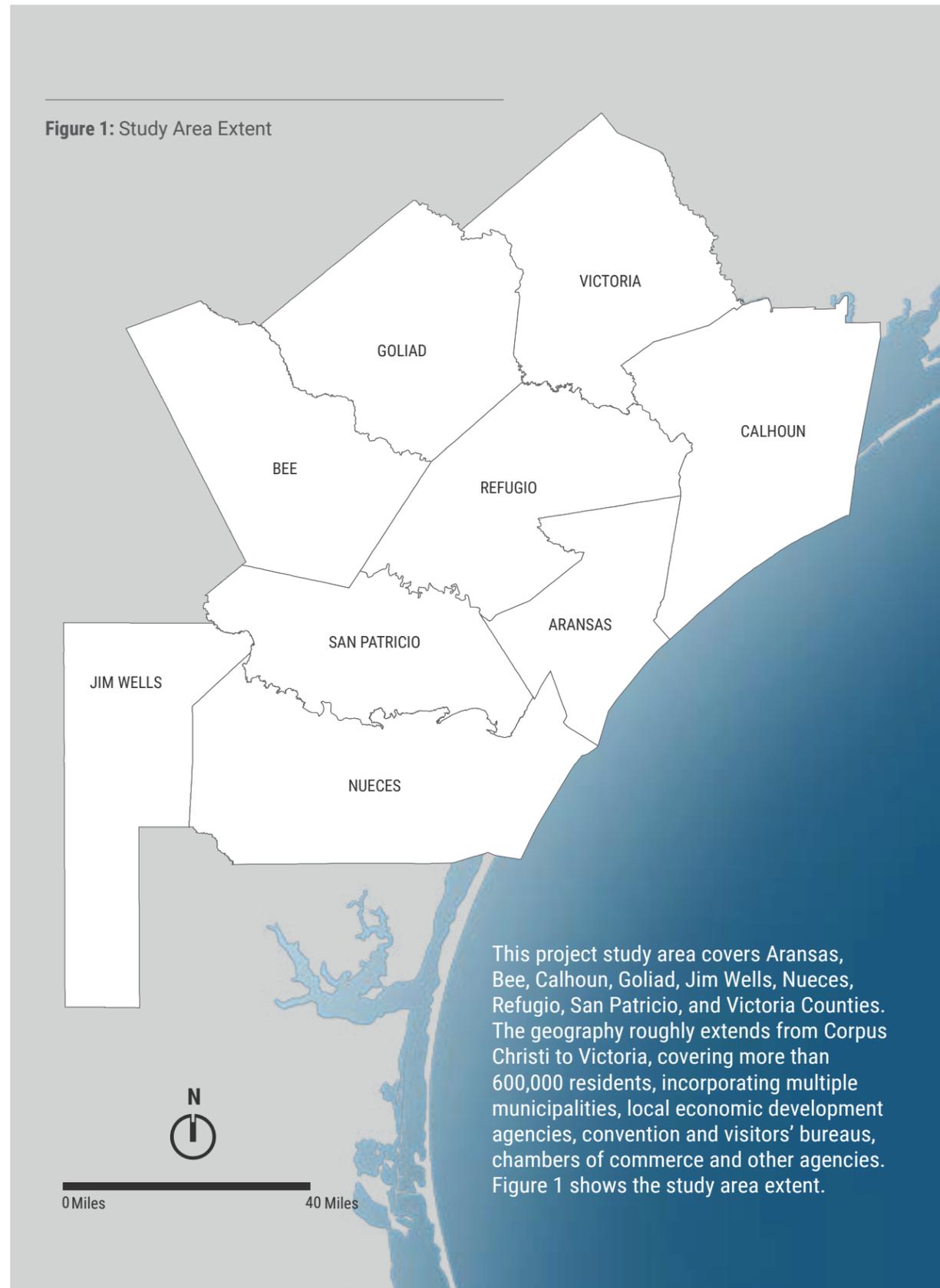
## Executive Summary

May 2021

Prepared for Texas General Land Office  
Contract No. 20-088-000-C015



**Figure 1: Study Area Extent**



## List of Abbreviations

<b>AEP</b>	American Electric Power
<b>BNSF</b>	Burlington Northern Santa Fe Railway
<b>COG</b>	Council of Governments
<b>EDA</b>	U.S. Economic Development Administration
<b>EDC</b>	Economic Development Corporation
<b>FCC</b>	Federal Communications Commission
<b>FEMA</b>	Federal Emergency Management Agency
<b>FHWA</b>	Federal Highway Administration
<b>GIS</b>	Geographic Information Systems
<b>GOMESA</b>	Gulf of Mexico Energy Security Act
<b>KCS</b>	Kansas City Southern Railway
<b>MPO</b>	Metropolitan Planning Organization
<b>NFWF</b>	National Fish and Wildlife Foundation
<b>SBA</b>	U.S. Small Business Administration
<b>Texas GLO</b>	Texas General Land Office
<b>TPWD</b>	Texas Parks and Wildlife Department
<b>TxDOT</b>	Texas Department of Transportation
<b>USDA</b>	U.S. Department of Agriculture
<b>U.S. DoI</b>	U.S. Department of the Interior

## Project Background

The AECOM team was engaged by the Texas General Land Office (GLO) in early 2020 to complete an Economic Resilience and Diversification Study for the nine-county study area. This study was funded with Development Block Grant Disaster Recovery (CDBG-DR) funds the State of Texas received after Hurricane Harvey. The overall objective of this study was to build an inventory of the economic assets and deficiencies within the study area, provide economic resilience strategies and an action plan for creating a diversified and more resilient economic base. The goal of the study was to better withstand the potential impact of future major storms on this region's already compromised economy. Several themes were reiterated throughout the various stakeholder engagement efforts that highlighted the regional challenges and opportunities for both rural and urban communities. Based on these themes, the project team developed goals and objectives around five topic areas. With stakeholder input, strategies were developed to align with these goals and objectives.



**Goal 1**  
Organization Capacity (OC)



**Goal 2**  
Infrastructure (I)



**Goal 3**  
Housing & Building Stock (HBS)



**Goal 4**  
Economic Development & Diversification (EDD)



**Goal 5**  
Quality of Life (QoL)

## Report Content

### What is in this report?

The **Economic Development Strategy and Diversification Study** presents the following information:

#### Chapter 1 Project Background

This chapter summarizes the project background, study objectives, technical approach, and stakeholder engagement efforts for this study.

#### Chapter 2 Stakeholder Engagement

This chapter delves into stakeholder engagement and outcomes for each phase of the study.

#### Chapter 3 Goals, Objectives and Strategies

This chapter presents the goals, objectives and strategies identified for the study area through an iterative stakeholder engagement process. For each strategy, a timeline and roadmap to implementation are provided. The strategies are also accompanied by examples of similar case studies and best practices. Potential funding sources and implementation partners are also suggested for each strategy.

#### Chapter 4 Implementation Pathways

This section shows the possible sequence for implementation of strategies based on the implementing organization's priorities.

The appendices contain additional information for each strategy on performance measures, implication on resilience, and case studies on magnitude of costing for proposed action items.

## Learn More

### Watch the videos to learn more about the study!

**Video #1** This video explains the need for the study as well as the process and stakeholders who were involved during the 15-month period.



**Video #2** The region is increasingly vulnerable to hurricanes, rising sea levels, and other shocks and stresses. This video explains the vulnerabilities and presents solutions to strengthen the economy and become resilient.



**Video #3** The nine-county study area is adjacent to one of the fastest-growing regions in the world, but it's not getting its share of economic growth. This video explains the importance of the region's assets and how, along with the right strategies and implementation, it can be primed to build capacity and attract industry.



**Video #4** Texas is one of the fastest growing states in the country. The nine-county study area has the potential to attract its share of families and visitors. This video showcases how "quality of life" can be created through a variety of avenues.



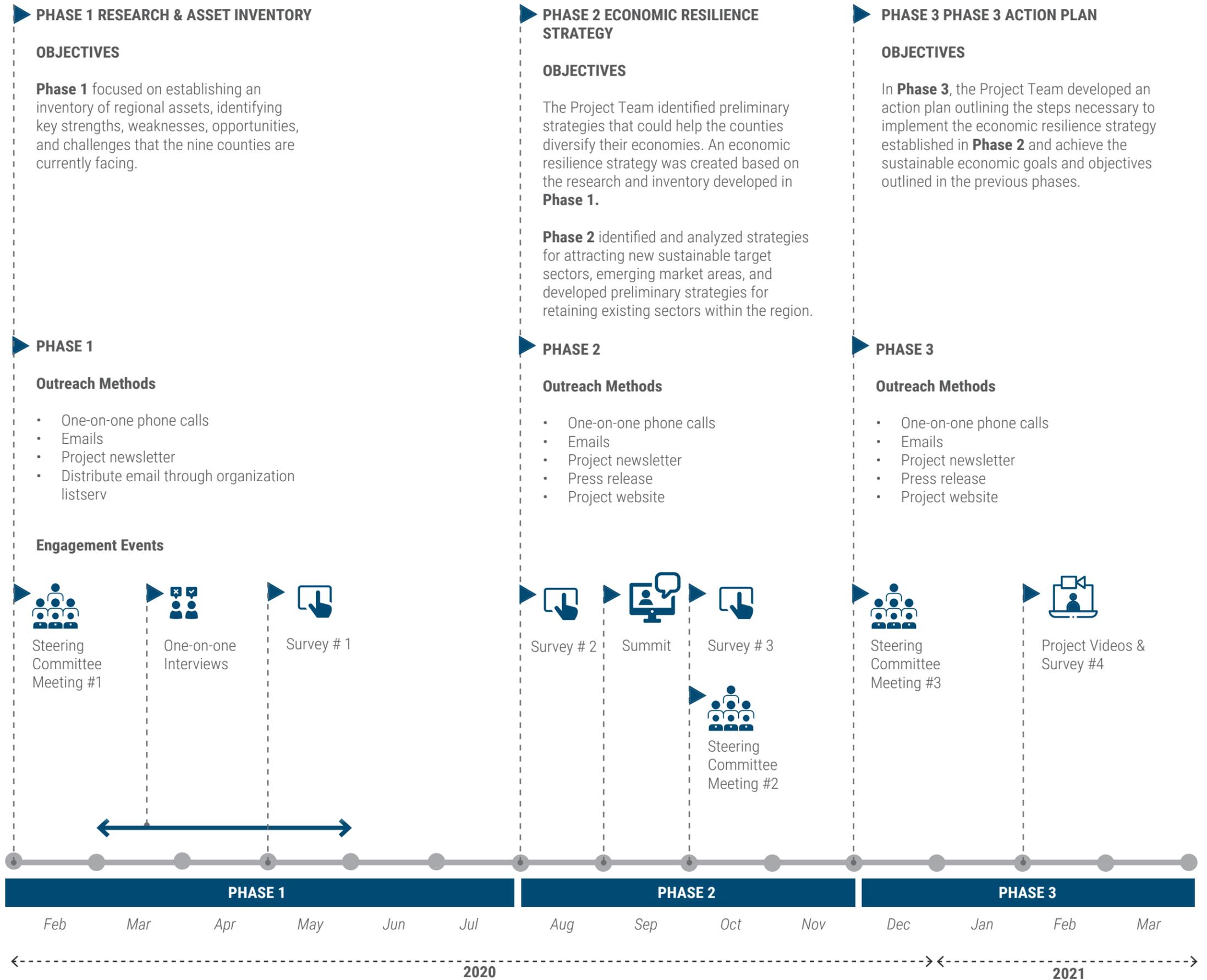
# Project Timeline

The U.S. Economic Development Administration (EDA) notes that economic resilience includes three domains of resilience:

1. The ability to **anticipate** a shock or stress
2. The ability to **withstand** a shock or stress
3. The ability to **recover** quickly from a shock or stress

Establishing economic resilience in a local or regional economy requires a variety of public agencies and private sector stakeholders to anticipate risks, evaluate how those risks can impact key economic assets, and build a responsive and adaptive capacity.

The Project Team performed comprehensive research and data analysis on the economic resilience of the region. The action plan was developed through an iterative process with stakeholder input, shaping goals and objectives as well as proposed strategies.





**Goal 1**  
Organization Capacity (OC)

**Strengthen organizational capacity and regional partnerships that enhance resilience to climate hazards, reduce economic disruptions, and expand market access.**

- **OC-1** Identify opportunities for shared staff resources and services. Expand funding to support shared staff capacity across rural counties in support of grant writing. Aid rural counties in pursuing state or federal programs to support development.
- **OC-2** Enhance regional cooperation for integrated regional infrastructure planning and disaster response.
- **OC-3** Develop a GIS inventory of regional data to support public and private decision making. Provide educational campaigns to train residents, government officials, and civic institutions on how to use applications. Identify resources and mechanisms to build, maintain, and update on a regular basis.

STRATEGY #	TIMELINE	STRATEGY TYPE	IMMEDIATE ACTION ITEMS	PARTNERS	FUNDING SOURCES	RELATIVE COST
<b>OC-1</b> Pursue funding opportunities	<b>SHORT TERM</b> (1 - 3 YEARS)	Personnel	Expand capacity across rural counties in support of grant writing.	<ul style="list-style-type: none"> <li>• County</li> <li>• Municipality</li> <li>• COG/MPO</li> </ul>	<ul style="list-style-type: none"> <li>• County/Municipality</li> <li>• COG</li> </ul>	\$
<b>OC-2</b> Enhance regional cooperation	<b>SHORT TERM</b> (1 - 3 YEARS)	Partnership	Enhance collaboration across formal and informal partnerships to build trust over time.	<ul style="list-style-type: none"> <li>• County</li> <li>• Municipality</li> <li>• COG/MPO</li> </ul>	<ul style="list-style-type: none"> <li>• County/Municipality</li> <li>• COG</li> </ul>	\$
<b>OC-3</b> Develop GIS inventory of regional data	<b>SHORT TERM</b> (1 - 3 YEARS)	Program	Assess current staff capacity and ongoing GIS initiatives. Identify department(s) to expand efforts.	<ul style="list-style-type: none"> <li>• County</li> <li>• Municipality</li> <li>• COG/MPO</li> </ul>	<ul style="list-style-type: none"> <li>• County/Municipality</li> <li>• COG</li> </ul>	\$\$



**Goal 2**  
Infrastructure (I)

**Promote regional growth through strategic infrastructure projects which build on unique regional assets and competitive strengths.**

- **I-1** Leverage GIS assets to understand infrastructure capacity and identify "ready-to-go" sites in support of industry retention and expansion efforts.
- **I-2** Support deployment of high-speed broadband networks in urban and rural communities to bridge the digital divide.
- **I-3** Assist municipalities and water service providers to identify programs and technologies to manage water consumption. Encourage local innovation in developing water efficient technologies.
- **I-4** Work with local and state agencies to assess the vulnerability of utility systems, roads, ports and railway infrastructure to extreme weather conditions and identify appropriate adaptation strategies and partnerships to foster economic development, resilience, and reliability.

<b>I-1</b> Identify "ready-to-go" sites	<b>SHORT TERM</b> (1 - 3 YEARS)	Program	Identify and market suitable properties for attraction/expansion.	<ul style="list-style-type: none"> <li>• EDC</li> <li>• AEP</li> <li>• BNSF/KCS</li> </ul>	<ul style="list-style-type: none"> <li>• EDC</li> <li>• County</li> <li>• Municipality</li> </ul>	\$\$
<b>I-2</b> Deployment of high-speed broadband networks	<b>MEDIUM TERM</b> (4 - 6 YEARS)	Assessment	Assess broadband access to identify unserved and underserved communities.	<ul style="list-style-type: none"> <li>• Internet providers</li> <li>• County</li> <li>• Municipality</li> </ul>	<ul style="list-style-type: none"> <li>• USDA</li> <li>• FCC</li> <li>• EDA</li> </ul>	\$\$
<b>I-3</b> Manage long-term water supply	<b>MEDIUM TERM</b> (4 - 6 YEARS)	Partnership	Prioritize and accelerate investment in planned projects to diversify water supply portfolio and invest in water conservation.	<ul style="list-style-type: none"> <li>• Water utilities</li> <li>• County</li> <li>• Municipality</li> </ul>	<ul style="list-style-type: none"> <li>• Water utilities</li> <li>• TWDB</li> <li>• USDA</li> </ul>	\$\$\$\$\$
<b>I-4</b> Adaptation strategies for vulnerable infrastructure	<b>MEDIUM TERM</b> (4 - 6 YEARS)	Assessment	Conduct vulnerability assessments of infrastructure and identify adaptation strategies.	<ul style="list-style-type: none"> <li>• Ports</li> <li>• Railway</li> <li>• TxDOT</li> <li>• Utilities</li> </ul>	<ul style="list-style-type: none"> <li>• Ports</li> <li>• Railway</li> <li>• TxDOT</li> <li>• Utilities</li> </ul>	\$\$\$\$\$



**Goal 3**  
Housing & Building Stock  
(HBS)

**Sustain housing investment and support workforce growth by maintaining affordability, leveraging existing building stock, and mitigating climate risks and impacts.**

- **HBS-1** Collaborate with local organizations and community foundations on a housing revitalization plan that expands development of affordable/workforce housing.
- **HBS-2** Evaluate building permitting and zoning codes to encourage innovations in housing, including provision of “missing middle” housing types.
- **HBS-3** Increase on-site housing options for seasonal workers in coastal tourism communities.
- **HBS-4** Encourage counties to adopt and enforce storm-resistant building codes and discourage development in high-risk zones where possible. Establish a post-disaster housing strategy and coordinate implementation when appropriate.
- **HBS-5** Assess options to reduce financial impacts on communities and low-to moderate-income residents who are impacted by increasing costs for flood and wind insurance.

STRATEGY #	TIMELINE	STRATEGY TYPE	IMMEDIATE ACTION ITEMS	PARTNERS	FUNDING SOURCES	RELATIVE COST
<b>HBS-1</b> Expand affordable housing options	<b>SHORT TERM</b> (1 - 3 YEARS)	Partnership	Form a Affordable Housing Task Force to coordinate housing revitalization planning and leverage collective resources.	<ul style="list-style-type: none"> <li>• Housing foundations</li> <li>• County</li> <li>• Municipality</li> </ul>	<ul style="list-style-type: none"> <li>• County</li> <li>• Municipality</li> </ul>	\$
<b>HBS-2</b> Provision of “missing middle” housing types	<b>SHORT TERM</b> (1 - 3 YEARS)	Assessment	Review codes to identify and document regulatory barriers to affordable housing development.	<ul style="list-style-type: none"> <li>• County</li> <li>• Municipality</li> </ul>	<ul style="list-style-type: none"> <li>• County</li> <li>• Municipality</li> </ul>	\$
<b>HBS-3</b> On-site housing for seasonal workers	<b>SHORT TERM</b> (1 - 3 YEARS)	Assessment	Conduct outreach to tourism-based employers to understand emerging housing constraints.	<ul style="list-style-type: none"> <li>• County</li> <li>• Municipality</li> <li>• Local employers</li> </ul>	<ul style="list-style-type: none"> <li>• County/ Municipality</li> <li>• EDCs</li> </ul>	\$
<b>HBS-4</b> Establish a post-disaster housing strategy	<b>SHORT TERM</b> (1 - 3 YEARS)	Plan	Establish a post-disaster housing strategy to retain population in the community.	<ul style="list-style-type: none"> <li>• County</li> <li>• Municipality</li> </ul>	<ul style="list-style-type: none"> <li>• County/ Municipality</li> </ul>	\$\$
<b>HBS-4</b> Adopt storm-resistant building codes	<b>MEDIUM TERM</b> (4 - 6 YEARS)	Assessment	Evaluate current building code and consider adoption of more stringent standards.	<ul style="list-style-type: none"> <li>• County</li> <li>• Municipality</li> </ul>	<ul style="list-style-type: none"> <li>• County/ Municipality</li> </ul>	\$
<b>HBS-4</b> Discourage development in high-risk zones	<b>MEDIUM TERM</b> (4 - 6 YEARS)	Plan	Review floodplain management practices and adopt stringent standards.	<ul style="list-style-type: none"> <li>• County</li> <li>• Municipality</li> </ul>	<ul style="list-style-type: none"> <li>• County/ Municipality</li> </ul>	\$\$
<b>HBS-5</b> Reduce costs of flood and wind insurance	<b>MEDIUM TERM</b> (4 - 6 YEARS)	Assessment	Evaluate feasibility of participating in the Community Rating System program.	<ul style="list-style-type: none"> <li>• County</li> <li>• Municipality</li> </ul>	<ul style="list-style-type: none"> <li>• County</li> <li>• Municipality</li> <li>• GOMESA</li> </ul>	\$



**Goal 4**  
Economic Development & Diversification (EDD)

**Foster regional resilience through strategies which encourage economic inclusion and diversification to provide stability during downturns and in response to natural disasters.**

- **EDD-1** Expand capacity of Economic Development Corporations (EDCs) across the region to coordinate and pursue economic resilience and development initiatives. Support local and regional economic development and diversification through focused business retention and expansion efforts.
- **EDD-2** Provide resources for branding and marketing locally produced goods to expand global market awareness and demand.
- **EDD-3** Develop a collaborative of workforce centers, workforce training programs, higher education institutions, and high schools to identify “in demand” occupations that cut across multiple industry clusters, aligned with transferable skills, abilities, and certifications.
- **EDD-4** Enhance collaboration across research entities, universities, municipalities, and workforce training programs to grow an innovation ecosystem. Start a business incubation program to encourage startup of local businesses in the retail, food, product manufacturing, and software/technology industries.
- **EDD-5** Promote strategic investments in the healthcare industry that will improve economic opportunity and provide greater access to quality care throughout the region.
- **EDD-6** Collaborate with Economic Development Corporations (EDCs), chambers of commerce and municipalities to establish a ‘Business Recovery One-Stop Center’ to provide resources for businesses impacted by climate shocks or stresses.
- **EDD-7** Improve access to job opportunities by collaborating with agencies that provide transit services and large employers to expand access to transit.

STRATEGY #	TIMELINE	STRATEGY TYPE	IMMEDIATE ACTION ITEMS	PARTNERS	FUNDING SOURCES	RELATIVE COST
<b>EDD-1</b> Focused business retention and expansion	<b>SHORT TERM</b> (1 - 3 YEARS)	Program	Expand EDC capacity and coverage by forming new entities, or expanding existing EDCs.	• EDC • County • Municipality	• County/ Municipality	\$\$
<b>EDD-2</b> Differentiate locally produced goods	<b>LONG TERM</b> (7 - 10+ YEARS)	Program	Evaluate organization capacity to undertake this effort and feasibility of products that can be differentiated.	• EDC • County • Municipality	• Texas Department of Agriculture	\$\$\$\$
<b>EDD-3</b> Workforce training programs	<b>MEDIUM TERM</b> (4 - 6 YEARS)	Partnership	Identify employment growth across target industries and in-demand occupations.	• Universities & colleges • Training centers	• Texas Workforce Commission	\$\$
<b>EDD-3</b> Building trades & construction training programs	<b>LONG TERM</b> (7 - 10+ YEARS)	Partnership	Communicate clear pathways for occupations that support recovery after hurricanes.	• Universities and colleges • Training centers	• Texas Workforce Commission	\$\$\$
<b>EDD-3</b> Workforce disaster recovery	<b>LONG TERM</b> (7 - 10+ YEARS)	Program	Expand ongoing programs (such as mobile camps) that provide assistance for displaced employees after storm events.	• EDCs • Workforce boards	• Texas Workforce Commission	\$\$
<b>EDD-4</b> Innovation ecosystem and business incubation	<b>MEDIUM TERM</b> (4 - 6 YEARS)	Partnership	Convene a network of partners to exchange information on ongoing research and startup efforts.	• Universities & colleges	• Higher education institutions R&D funds	\$
<b>EDD-5</b> Invest in healthcare industry	<b>LONG TERM</b> (7 - 10+ YEARS)	Partnership	Evaluate creation of a healthcare foundation to bring local partners together.	• Healthcare providers • County • Municipality	• Tax incentives • Low interest loan programs	\$\$\$
<b>EDD-6</b> Business Recovery One-Stop Center	<b>SHORT TERM</b> (1 - 3 YEARS)	Partnership	Identify services the Business Recovery Center can provide (ongoing and new services).	• EDCs • Chambers of Commerce	• EDC • FEMA/EDA/SBA	\$\$
<b>EDD-7</b> Transit services to job centers	<b>MEDIUM TERM</b> (4 - 6 YEARS)	Assessment	Engage with large employers and transit-dependent populations to identify challenges and solutions.	• COG/MPO • County • Municipality	• TxDOT • COG/MPO	\$\$



**Goal 5**  
Quality of Life (QoL)

**Encourage quality of life improvements through placemaking and environmental enhancements in order to attract families to visit and reside within the region.**

- **QoL-1** Identify and invest in amenities that improve quality of life and quality of place to encourage local market workforce diversification.
- **QoL-2** Leverage regional strengths to market the area as a family-friendly vacation destination that draws families from within and beyond the Texas Triangle.
- **QoL-3** Manage conflict between industrial use, ecological functions, residential areas, and recreational opportunities.
- **QoL-4** Identify properties in flood-prone areas with repetitive losses and design a strategic voluntary buyout program that will reduce ongoing flood impacts.

STRATEGY #	TIMELINE	STRATEGY TYPE	IMMEDIATE ACTION ITEMS	PARTNERS	FUNDING SOURCES	RELATIVE COST
<b>QoL-1</b> Invest in community amenities	<b>MEDIUM TERM</b> (4 - 6 YEARS)	Partnership	Unite selected portions of the region to create strategic plans for natural and heritage tourism and opportunities.	<ul style="list-style-type: none"> <li>• County</li> <li>• Municipality</li> <li>• COG</li> </ul>	<ul style="list-style-type: none"> <li>• USDA</li> <li>• TPWD</li> <li>• Main Street Program</li> </ul>	\$\$\$
<b>QoL-2</b> Market region as a vacation destination	<b>MEDIUM TERM</b> (4 - 6 YEARS)	Partnership	Establish a regional affiliation of Convention and Visitors Bureaus.	<ul style="list-style-type: none"> <li>• County</li> <li>• Municipality</li> </ul>	<ul style="list-style-type: none"> <li>• Local Hotel Occupancy Taxes</li> </ul>	\$\$\$
<b>QoL-2</b> Establish Regional Sports Commission	<b>MEDIUM TERM</b> (4 - 6 YEARS)	Partnership	Establish a Regional Sports Commission entity to focus on improving and building sports venues that attract visitors.	<ul style="list-style-type: none"> <li>• County</li> <li>• Municipality</li> </ul>	<ul style="list-style-type: none"> <li>• Local Hotel Occupancy Taxes</li> </ul>	\$\$\$
<b>QoL-3</b> Manage landuse conflict	<b>MEDIUM TERM</b> (4 - 6 YEARS)	Assessment	Support local governments in identifying buffers between industrial sites and residential / sensitive ecological areas.	<ul style="list-style-type: none"> <li>• Municipality</li> <li>• COG</li> </ul>	<ul style="list-style-type: none"> <li>• FHWA/TxDOT</li> <li>• U.S. DoI</li> <li>• NFWF</li> </ul>	\$\$
<b>QoL-4</b> Strategic voluntary buyout program	<b>MEDIUM TERM</b> (4 - 6 YEARS)	Program	Map repetitive loss properties to strategically choose areas for the voluntary buyout program.	<ul style="list-style-type: none"> <li>• County</li> <li>• Municipality</li> </ul>	<ul style="list-style-type: none"> <li>• FEMA</li> <li>• GLO</li> </ul>	\$\$\$
<b>QoL-4</b> Strategic voluntary buyout program	<b>LONG TERM</b> (7 - 10+ YEARS)	Program	Create new developments that can house individuals who accept voluntary buyouts.	<ul style="list-style-type: none"> <li>• County</li> <li>• Municipality</li> </ul>	<ul style="list-style-type: none"> <li>• FEMA</li> <li>• GLO</li> </ul>	\$\$\$

# Looking Ahead

This study emerged from the need expressed by local leaders after Hurricane Harvey in 2017 to strengthen economic resilience for the region. The additional economic impacts faced by local communities due to the COVID-19 pandemic, Hurricane Hannah in 2020, and the winter storm in 2021 further demonstrates the need to strengthen regional resilience.

The study area is also susceptible to influence of other national or international trends and events that can influence its economy. For example, the recently announced acquisition of Kansas City Southern (KSC) by Canadian Pacific Railroad can have significant impact for the region. If approved the study area is likely to see additional rail infrastructure investment and growth in freight movement.

The Economic Development Strategy & Diversification Study outlines five goals, 18 objectives, and 23 strategies that sets a vision for the region. The strategies break down the goals into achievable tasks, recommended time frames, partnerships, cost estimates, and potential funding sources are identified for each. Implementation of a vision of this scale can be accomplished incrementally over the years through the collective effort of the counties, cities, residents, business owners, and other partners. Implementation partners are encouraged to take advantage of this resource to help them become better prepared for the future.

For additional information on this project, please contact: [shonda.mace.glo@recovery.texas.gov](mailto:shonda.mace.glo@recovery.texas.gov)

