



**SOUTH EAST TEXAS  
ECONOMIC DEVELOPMENT DISTRICT (SETEDD)  
BOARD OF DIRECTORS**

**MCM Elegante Hotel  
2355 IH-10  
Fountain View Room  
Beaumont, TX 77708**

**Wednesday, December 2, 2020  
11:30 a.m.**

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**AGENDA**

1. WELCOME AND INTRODUCTIONS  
*Dean Robinson, Chair, SETEDD*
2. REVIEW AND APPROVAL OF THE "DRAFT" 2020 SETEDD COMPREHENSIVE ECONOMIC DEVELOPMENT STRATEGY (CEDDS)  
*Bob Dickinson, Director, Transportation and Environmental Resources, SETRPC*
3. DISCUSSION OF SETEDD'S ECONOMIC DEVELOPMENT ADMINISTRATION (EDA) CARES ACT GRANT PROJECTS  
*Bob Dickinson, Director, Transportation and Environmental Resources, SETRPC  
Rachael Robinson, Economic Recovery Coordinator, SETRPC*
4. PRESENTATION AND ROUND TABLE DISCUSSION ON THE DEVELOPMENT OF A CORONA VIRUS (COVID-19) PANDEMIC SHORT- AND LONG-TERM ECONOMIC RECOVERY AND RESILIENCY PLAN FOR THE SOUTH EAST TEXAS REGION  
*Mike Barnes, Mike Barnes Group, Inc.*
5. DISCUSSION OF TOPICS FOR NEXT BOARD MEETING  
*Dean Robinson, Chair, SETEDD  
Bob Dickinson, Director, Transportation and Environmental Resources, SETRPC*
6. QUESTIONS AND ANSWERS
7. SET NEXT MEETING DATE
8. ADJOURNMENT



December 2, 2020

TO: SOUTH EAST TEXAS ECONOMIC DEVELOPMENT DISTRICT  
BOARD OF DIRECTORS (SETEDD)

FROM: BOB DICKINSON, DIRECTOR  
TRANSPORTATION AND ENVIRONMENTAL RESOURCES  
SOUTH EAST TEXAS REGIONAL PLANNING COMMISSION

SUBJECT: "DRAFT" 2020 COMPREHENSIVE ECONOMIC DEVELOPMENT  
STRATEGY DRAFT DOCUMENT

The South East Texas Economic Development District (SETEDD) has made available for comment since August 19, 2020, the "DRAFT" 2020 Comprehensive Economic Development Strategy (CEDS) for the southeast Texas region. Feedback and comments received will be incorporated into the CEDS update before its final adoption by the SETEDD Board of Directors.

The CEDS is developed to set the SETEDD's vision for economic development and maintain the region's federal designation as an Economic Development District (EDD). Designation as an EDD allows communities in the region to be eligible for funding opportunities through the Economic Development Administration (EDA), an agency of the United States Department of Commerce.

Available for your review is a copy of the "DRAFT" 2020 Comprehensive Economic Development Strategy (CEDS) plan under the Economic Development section of the SETRPC website: <https://www.setrpc.org/wp-content/uploads/2018/02/2020-Comprehensive-Economic-Development-Strategy-1-1.pdf>

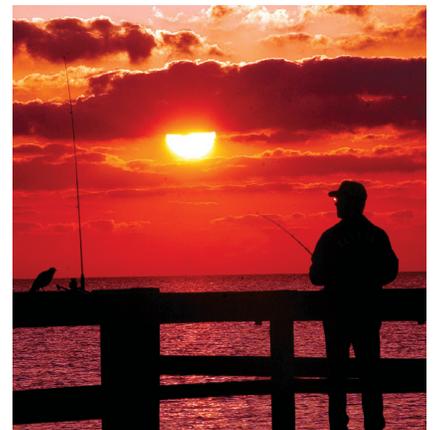
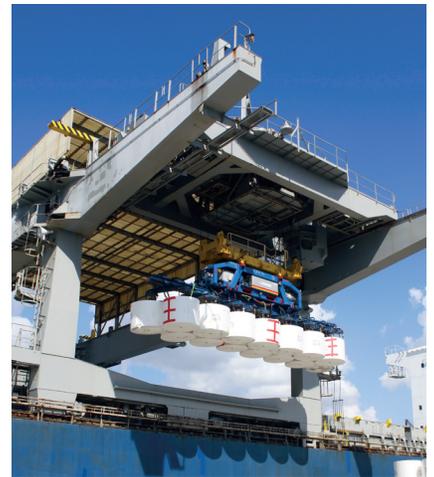
Please submit comments to Bob Dickinson by email at [bdickinson@setrpc.org](mailto:bdickinson@setrpc.org) or mail to: 2210 Eastex Freeway, Beaumont, Texas, 77703.

If any questions arise, please do not hesitate to contact me at [bdickinson@setrpc.org](mailto:bdickinson@setrpc.org) or (409) 899-8444 ext. 7520.

BD:lm

THE COMPREHENSIVE  
**ECONOMIC  
DEVELOPMENT  
STRATEGY**

**UPDATE 2020**



SOUTH EAST TEXAS ECONOMIC DEVELOPMENT DISTRICT



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**The mission of the Board is to promote the diversification of the economic base and the growth, development, and retention of business and industry within the three-county region.**

# UPDATE 2020

## COMPREHENSIVE ECONOMIC DEVELOPMENT STRATEGY

Prepared by the South East Texas Economic Development District in cooperation with the South East Texas Regional Planning Commission and the South East Texas Economic Development Foundation to meet requirements set forth by the United States Economic Development Administration.

Southeast Texas, which includes Hardin, Jefferson and Orange Counties, offers an abundance of amenities to residents and visitors. Our favorable business climate, viable workforce opportunities, higher-education access, and low cost of living contribute to the region's quality of life. Given our strategic location, we enjoy the industrial and recreational benefits of our surrounding waterways.

The Ports of Beaumont, Port Arthur, and Orange are based here, securing the region's role as a major import/export hub. The Neches and Sabine Rivers, Sabine Lake, Sabine Pass to the Gulf of Mexico, and the Gulf Intracoastal Waterway are the major water routes critical to cargo movement. Multimodal capacity with existing rail, pipeline, freight, and flight allows for consistent business expansions.

The region's natural water resources attract those seeking outdoor adventure as well. Southeast Texas provides the ideal setting for boating, fishing, camping, horseback riding and birding, resulting in a healthy tourism boom. In Hardin County, Village Creek State Park offers a beautiful venue for kayaking, canoeing, fishing, hiking and camping. To the North, lies the Big Thicket National Preserve. Known as the biological

crossroads of North America, this transition zone is the intersection of southeastern swamps, eastern deciduous forests, central plains, pine savannas, and dry sandhills.

Southeast Texas hosts several higher learning institutions including Lamar University, known for excellent programs and centers such as the Center for Innovation, Commercialization and Entrepreneurship (CICE), Lamar Institute of Technology, Lamar State College – Port Arthur, and Lamar State College – Orange. These educational assets facilitate the industrious and educated local population. With nationally recognized engineering, nursing, maritime and skilled labor programs, the region is poised to complement industry diversification.

Rich in cultural arts, our region boasts one of the oldest Main Street programs in Texas. Museums, theatres, and innovative adaptive re-use projects promote an active and amplified artist community.

With its business-friendly climate, strong workforce, educational opportunities, and abundant natural resources, southeast Texas is proud to be a resilient, diverse region where all are welcome to thrive.

## THE COMPREHENSIVE ECONOMIC DEVELOPMENT STRATEGY

This Comprehensive Economic Development Strategy (CEDS) is the result of a local planning process designed to guide the Southeast Texas region's growth. The purpose of CEDS development is to establish a strategy that will facilitate job creation, foster a more stable and diverse economy, and improve living conditions. The intent is to have a working document oriented toward strengthening economic resilience within the region. While developed with broad input from South East Texas Economic Development District members and others, it is important to recognize that this document carries no direct authority and is a tool to be referenced and utilized to coordinate economic development efforts throughout the region. The CEDS examines the southeast Texas area as a region that competes globally for employers and workers, and focuses on the interdependence of entities in the area.

## THE ECONOMIC DEVELOPMENT ADMINISTRATION

The Economic Development Administration (EDA) was established under the Public Works and Economic Development Act of 1965 (42 U.S.C. § 3121), as amended, to generate jobs, help retain existing jobs, and stimulate both industrial and commercial growth in economically distressed areas of the United States. EDA assistance is available to rural and urban areas of the nation experiencing high unemployment, low income, or other severe economic distress.

In fulfilling its mission, EDA is guided by the basic principle that distressed communities must be empowered to develop and implement their economic development and revitalization strategies. Based on these locally and regionally-developed priorities, EDA works in partnership with state and local governments, regional economic development districts, public and private non-profit organizations, and Indian tribes. EDA helps

distressed communities address problems associated with long-term economic distress, as well as sudden and severe economic dislocations. This includes recovering from the economic impacts of natural disasters, closures of military installations and other federal facilities, changing trade patterns, and the depletion of natural resources.

## THE SOUTH EAST TEXAS ECONOMIC DEVELOPMENT DISTRICT, INC.

The South East Texas Economic Development District, Inc. (SETEDD) was created in 1993 to facilitate the flow of Economic Development Administration grant and loan funds into the southeast Texas region, which is comprised of Hardin, Jefferson, and Orange Counties. The SETEDD is a non-profit corporation governed by a Board of Directors composed of twenty-five persons from throughout Hardin, Jefferson, and Orange Counties. Board members are appointed by each County Commissioners' Court and represent a cross-section of the region's population and economic interests. The Board's mission is to promote the diversification of the economic base and the growth, development, and retention of business and industry within the three-county region.

Due to the presence of locally based economic development organizations and initiatives throughout the service area of the SETEDD, the District's economic development program places emphasis on providing a supportive role to entities focused on economic development within the region, such as chambers of commerce, business associations, local government, and economic development departments. The SETEDD also promotes coordination of economic development planning activities among these various entities. A key focus of the SETEDD's work includes assisting local governments and organizations in project and grant development and submission through technical assistance. While the SETEDD strives to be aware of economic development needs and potential projects in the

## UPDATE 2020

COMPREHENSIVE ECONOMIC DEVELOPMENT STRATEGY

area that will enhance the local economic base, the District's role in implementing such projects is limited.

### ADMINISTRATIVE ORGANIZATION

The SETEDD is a non-profit corporation that contracts for administrative support services with the South East Texas Regional Planning Commission (SETRPC) and the South East Texas Economic Development Foundation, Inc. (SETEDF). Staff at SETRPC and SETEDF conduct day-to-day operations oversee implementation of activities associated with the District's planning grant from the EDA. SETEDD itself has no employees.

The SETRPC is a voluntary association of local governments that serves the three-county region of Hardin, Jefferson, and Orange Counties. The Planning Commission was established in June 1970 under the authority provided by the Texas Legislature in 1965. The SETRPC is one of 24 regional planning councils that serve all of Texas. Each of these regional councils was founded to solve area-wide problems by promoting intergovernmental cooperation and coordination, conducting comprehensive regional planning, and providing a forum for discussing and studying of area issues.

The SETEDF is an economic development organization covering the three Texas counties

of Hardin, Jefferson, and Orange. SETEDF is a non-profit development corporation formed in 1984 to assist small businesses in the region with long-term financing for real estate acquisitions, construction, and equipment purchases. It is licensed by the Small Business Administration to offer the SBA 504 loan program. SETEDF is governed by a Board of Directors composed of local business and community leaders from Hardin, Jefferson, and Orange Counties. The SETEDF has a steering committee, the Regional Economic Development Initiative (REDI) which oversees the Foundation's objectives.

### CEDS UPDATE PROCESS

The SETEDD Board of Directors served as the steering committee to develop the 2020 Comprehensive Economic Development Strategy and provided the necessary technical and advisory input. Committee members were relied upon to disseminate information about the CEDS process within their communities and ensure their communities' needs and concerns were brought to the committee. In addition, SETEDD worked closely with other economic development entities in the region during the update of the CEDS to gather input.



# IN-DEPTH SWOT ANALYSIS

The Mike Barnes Group's President/CEO lead two days of focus groups with Southeast Texas participants to perform an in-depth analysis of STRENGTHS/WEAKNESSES/ OPPORTUNITIES/THREATS relative to economic development within the three-county region. These SWOT Focus Groups occurred on March 21 and 22, 2019. The groups were asked to evaluate the region in the same fashion corporations and/or site selection professionals make their evaluations. The region was evaluated along the following criteria:



**BUSINESS CLIMATE**



**WORKFORCE AND  
EDUCATION**



**AVAILABLE BUILDING/SITES  
INFRASTRUCTURE**



**QUALITY OF LIFE**

Participants evaluated these factors as a component of the SWOT Focus groups, citing the relative strengths, weaknesses, opportunities, and threats regarding the region's attributes. It should be noted that many factors overlap in multiple categories. This stems from the perspective of the participants relative to the specific issues at hand. The following pages represent the In-Depth SWOT Analysis findings, specifically **related to the region's economic resilience**.

The groups were similarly tasked with crafting a regional vision for economic development. Programs and projects related to resiliency and forecasting goals were identified. Participants were asked to outline regional economic goals for the upcoming 5 to 10 year period. Findings from these sessions are reported in the following pages.

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COMPREHENSIVE ECONOMIC DEVELOPMENT STRATEGY



# BUSINESS CLIMATE

## STRENGTHS

- ★ Reputation for Business Friendly Climate
- ★ State and Local Taxes are favorable
- ★ Attainment Area
- ★ Permitting process is navigable
- ★ Available incentives/ CDC Financing
- ★ Skilled workforce/ Competitive wages
- ★ Interlocal governmental agreements
- ★ Ability to accommodate difficult projects
- ★ Region receptive to traditional industry
- ★ Leadership understands and embraces economic development

## WEAKNESSES

- Lack of diversification
- Lack of financing for small projects
- Cities and counties do not enjoy shared vision of advancing economic growth
- Lack of population growth
- Displaced populations impact census
- Perceived limited career opportunities
- Economic Development effort is underfunded
- Lack of "Master Plan"

## OPPORTUNITIES

- ★ Overall cost of business continues to be lower than competitive locations
- ★ Entrepreneurs could find SE TX an ideal business climate in future
- ★ Regional economic development effort can enhance overall business climate
- ★ Connectivity between Lamar University and the communities to enhance business climate
- ★ Development of "business incubators"
- ★ Increased public-private partnerships
- ★ Export LNG expertise

## THREATS

- Potential governmental "red tape"
- Ineffective local leaders in some instances
- Lack of community support (financial) from regional industries
- Potential concerns from federal government regulations/rulings
- Market cycles

Research and Consultant Team experience suggests that corporations are inclined to invest in areas that are insulated from economic swings. A thriving economy is also a critical factor in worker retention, regardless of industry. Successfully recruiting skilled workers is contingent upon the ability to ensure opportunities for career growth derived from regional economic strength. Skilled workers are considered highly mobile, due to the wide range of living and working options available to them. Regions must demonstrate sustainable economic growth and future opportunity to

competitively retain and attract these in-demand workers. When unemployment rates are low, the region typically benefits, due to an expanded tax base and increased spending.



# WORKFORCE AND EDUCATION

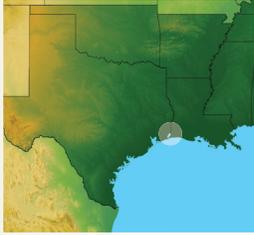
Given the dominant industry and availability of Lamar University and its affiliate presence throughout the region, Southeast Texas offers many resources for workforce training and education. Institutions of higher learning contribute to diversity and increasing our population. The Texas Workforce Commission has multiple locations in the region, and skilled labor programs are plentiful for those who opt-out of college. Our regional success is somewhat contingent on these educational attributes,

as our population contains an aging workforce. Southeast Texas, like most regions, must continue to improve upon the recruitment of teachers to our area. New leadership in many of our independent school districts is working diligently to increase overall performance and innovative learning.

STRENGTHS	WEAKNESSES	OPPORTUNITIES	THREATS
<ul style="list-style-type: none"> <li>★ Lamar University</li> <li>★ Lamar Institute of Technology-throughout the Southeast Texas region</li> <li>★ Some area pre-k through 12 schools are outstanding</li> <li>★ Southeast Texas Workforce Solutions</li> <li>★ Overall Workforce training facilities</li> <li>★ Safety improvements in region's industry</li> <li>★ Lamar-tech transfer/ dual credit classes</li> <li>★ Ability to offer specialty training</li> </ul>	<ul style="list-style-type: none"> <li>• Some area pre-k through 12 are not adequate</li> <li>• Retaining young and educated talent</li> <li>• Aging workforce</li> <li>• Some school districts underperform</li> <li>• Limited career opportunities</li> <li>• Ongoing poor perception of some school districts</li> <li>• Need to increase innovation in pre-K-12</li> <li>• Lack of population growth negatively impacts workforce</li> </ul>	<ul style="list-style-type: none"> <li>★ Lamar State College-Port Arthur curriculum</li> <li>★ School Districts/ Workforce collaboration</li> <li>★ Bio-Med future</li> <li>★ Connectivity between Lamar and downtown Beaumont</li> <li>★ Application of emerging technology within both education and workforce</li> <li>★ Increased vocational training in high schools</li> <li>★ Incorporation of increased technology for future resiliency</li> </ul>	<ul style="list-style-type: none"> <li>• Lack of future leadership in both areas</li> <li>• "Brain Drain"</li> <li>• Difficulty in recruiting teachers to region</li> <li>• Demographics-aging population</li> <li>• Drug testing requirements in workplace</li> </ul>



# AVAILABLE BUILDING/SITES INFRASTRUCTURE



Southeast Texas is located strategically in the United States. It is close in proximity to the Texas population center of Houston and shares many of the same attributes, in terms of its primary industry. In evaluating the infrastructure and availability of sites within Southeast Texas, one recognizes the region is comprised of several independent communities. Each possesses its own sites and infrastructure. The Entergy Site Selection Center provides a database of buildings and sites available in areas serviced by Entergy, including Southeast Texas, along with demographic data for counties and communities serviced. This resource compiles all sites for our region's inventory.

STRENGTHS	WEAKNESSES	OPPORTUNITIES	THREATS
★ •I-10 Corridor	• Lack of infrastructure in rural areas	★ Deepening of ship channels	• Airport limitations
★ Competitively priced sites and buildings	• Interstate Highways- Exits and Access	★ Business incubators	• Aging infrastructure
★ Ports and waterways	• Proximity to Houston is overlooked	★ Expansion of airport development	
★ Airport	• Lack of quality in public transit	★ Planning for accessible communities	
★ Pipelines	• Lack of developing sites in economic development "pipeline" regionally	★ Lamar/Region Bio-Med/Tech facilities and infrastructure	
★ 3 Rail companies serve region	• Process of Waterway widening needs to be expedited	★ Low fuel costs take advantage of transportation network available	
★ Proximity to Houston	• Low elevation		
★ Oil and gas infrastructure	• Existing infrastructure exceeds capacity		
★ Abundance of water resources for industrial expansion			

## OPPORTUNITY ZONES

Opportunity Zones were created in 2017 to help spur economic development in distressed communities by utilizing tax benefits. An investor in an opportunity zone can defer tax on capital gains, as outlined below.

### SOUTH EAST TEXAS OPPORTUNITY ZONES

#### Jefferson County

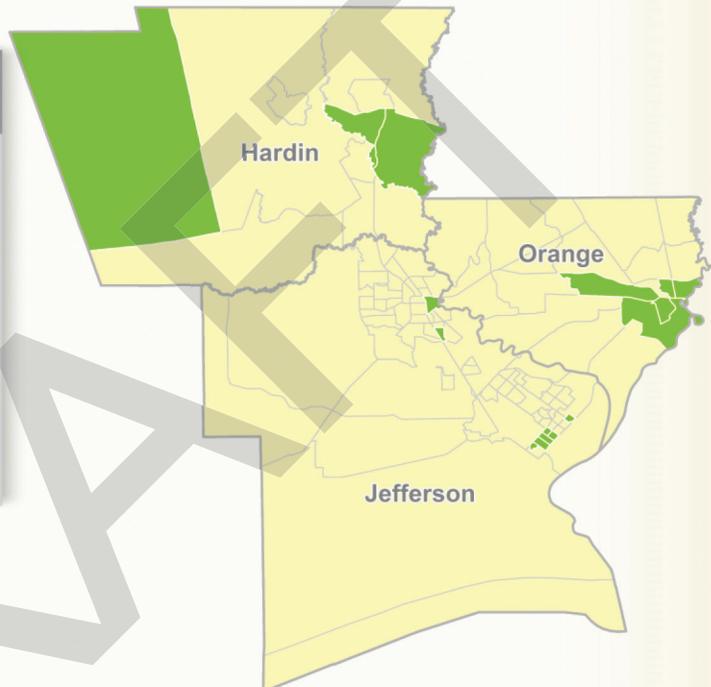
- 8 Opportunity Zones

#### Orange County

- 5 Opportunity Zones

#### Hardin County

- 3 Opportunity Zones



### Opportunity Zone Benefits:

The investor can defer tax on any prior gains invested in a Qualified Opportunity Fund until the date the investment is sold.

- Investment held 5+ years, 10% exclusion deferred gain.
- Investment held 7+ years, 15% exclusion deferred gain.
- Investment held 10+ years, eligible for an investment increase equal to the fair market value when sold.

To learn more about Opportunity Zones, please visit:

[https://www.novoco.com/sites/default/files/atoms/files/irs\\_oz\\_faqs\\_090419.pdf](https://www.novoco.com/sites/default/files/atoms/files/irs_oz_faqs_090419.pdf)

<https://www.eda.gov/opportunity-zones/>

COMPREHENSIVE ECONOMIC DEVELOPMENT STRATEGY  
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# QUALITY OF LIFE

Southeast Texas is fortunate to enjoy extensive access to many natural resources. Beaches, lakes, wetlands, forests, and a robust cultural arts presence contribute greatly to the quality of life in the region. These assets attract tourism revenue with birding, professional fishing competitions, and multiple festivals throughout the year. Residents benefit from our relatively low cost of living and vast opportunities to conveniently pursue various levels of higher education. These natural resources are ironically also the area's largest threat. The surrounding bodies of water increase our vulnerability to natural disasters each season. Fortunately, our region channels these reoccurring challenges toward strengthening our resiliency. These threats are opportunities to promote cross-sector collaboration.

STRENGTHS	WEAKNESSES	OPPORTUNITIES	THREATS
<ul style="list-style-type: none"> <li>★ Lamar and accompanying amenities</li> <li>★ Community colleges with amenities</li> <li>★ Regional museums</li> <li>★ Cost of living</li> <li>★ Natural resources provide recreational options</li> <li>★ Location in proximity to beaches/large metros, etc</li> <li>★ Diversity is improving</li> <li>★ Region is resilient</li> </ul>	<ul style="list-style-type: none"> <li>• Specialized health care in certain areas</li> <li>• Perceived lack of cultural amenities</li> <li>• Cultural outlook</li> <li>• Lack of diversity</li> <li>• Relatively low population growth detracts from quality of life-stagnation</li> <li>• Environment</li> <li>• Out-migration on weekends</li> <li>• Lack of pride in housing gives unappealing appearance of region</li> <li>• Minimal youth activities and recreational opportunities create desire to leave</li> </ul>	<ul style="list-style-type: none"> <li>★ Expansion of Ford Arena and Park facilities</li> <li>★ Lamar's expanding role to enhance quality of life opportunities-connectivity to downtown</li> <li>★ Downtown improvements</li> <li>★ Lamar attracting more diverse population</li> <li>★ Cultural Arts District Designation</li> <li>★ Downtown housing</li> <li>★ Comprehensive approach to QoL-include all facets of region</li> </ul>	<ul style="list-style-type: none"> <li>• Educated youth relocate</li> <li>• Natural disasters, subsequent displacement</li> <li>• Future leadership not emphasizing quality of life</li> <li>• Lack of broadband infrastructure regionally</li> <li>• Lack of region-wide entertainment</li> <li>• Rural areas struggle financially to meet needs of residents</li> <li>• Lack of regional identity/brand</li> <li>• "Ford branding of culture is concerning"</li> </ul>

# STRATEGIES AND IMPLEMENTATION PLAN

The Southeast Texas Community Economic Development Strategy depicts overall aspects of the region's economy. Existing and future economic development efforts are highlighted. Factors impacting economic resilience, including but not limited to natural disasters, cyclical economic development trends, and diversification of economy are taken into consideration. Great emphasis is placed on current and forecasted projects, including waterway improvements, port development, and surface/air transportation. In addition, we merited our available workforce as an integral component to the region's economic vitality, sustainability, and resilience.

## ECONOMIC RESILIENCE

Southeast Texas is subject to frequent natural disasters, primarily in the form of hurricanes. The region has repeatedly demonstrated remarkable resilience from numerous hurricanes in the past 25 years. Our Comprehensive Economic Development Strategy must recognize this phenomenon's ongoing threat to the region and its economy and address it in the plan. Local, regional, state, and federal resources, including the Economic Development Administration, FEMA, HUD, and others, have collaborated with the region to overcome economic barriers created by this threat in an expedited fashion. Our In-Depth SWOT Analysis identified **the need**

**for an updated economic development regional plan** that recognizes these hurricanes and includes additional mechanisms to enhance recovery time and strengthen our economic resilience. The Mike Barnes Group worked jointly with the region's various economic development groups to draft a regional economic strategic plan in 2009-2010 and again in 2014-2015. This plan identified potential markets, economic assessments, and an overall marketing and evaluation strategy. Our region's economic development effort is based on this plan to facilitate the continued expansion of our economic resilience. However, the plan should be re-visited and likely



revised. The firm is now working collaboratively with REDI/SETEDF/SETEDD/SETRPC to update the plan for 2020. Several projects have been undertaken since the adoption of the current plan. Billions of dollars from public/private investment in waterway improvements and port projects

have come to the area. The region's marketing efforts have expanded and we have received extended participation from Lamar University in the economic process. A major workforce strategy highlighting trends and integration of workforce/economic development was developed.

## DIVERSIFICATION

While the petrochemical industry has been a consistent source of employment, investment and governmental revenue for the region, we lack industrial variety. Ideally, the presence of multiple other industries could address potential cyclical depressions to the regional economy. Efforts to attract alternative manufacturing companies and other industry should be aggressively continued to achieve this economic diversification. Because of our location in proximity to

Houston and improvements to the surface, water and air transportation infrastructure, our region is ideal for other diversified investments. The Economic Development Administration offers funding assistance with projects that include workforce diversification in their scope of work. The development of a revised or updated Regional Economic Development Strategic Plan would provide sources and methods for utilizing approaches aimed at diversifying the

regional economy. Our major population centers within the region possess suitable amenities for a multitude of diverse businesses and industries. Regional educational assets at both the pre-K through 12 and post-secondary offerings provide abundant training resources for the adoption of such a strategy. Entrepreneurship has been identified to further diversification and is a logical extension of much of the work underway with Lamar and the collaboration with the Southeast Texas Workforce Solutions. Strong work ethic within the region serves as an asset in attracting those businesses and industries that can provide employment opportunities, further diversifying our economic base.

Given the predominant presence of quality higher learning institutions and the overall low cost of living benefit, technology entrepreneurs have been identified as an obvious option for further expansion of the region's economy diversification. Opportunities exist to attract small tech firms and foster their growth. Collecting testimonials from similar, successful firms would be one method to propel our efforts in this future recruitment. Specific targets should be identified to focus the efforts from the regional economic development group. An update of the Regional Strategic Plan and Targeted Business/Industry Analysis would provide a solid foundation for the REDI groups targeted marketing effort.

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## VISION/GOALS AND ACTION PLAN

Those participating in the regional discussions selected the collective goal of promoting Southeast Texas as a Destination Area. A **Destination Area** distinction was described as one of national importance, given the existing petrochemical industrial base globally. It was suggested that descriptors for the region include terminology such as “enhanced tourism” and “lifestyle location”. By transforming our region’s branding and marketing, we can modify the negative perceptions pertaining to quality of life identified in our SWOT analysis. It should be noted that the branding and marketing should include both internal and external marketing campaigns. The REDI group, comprised of outstanding economic development professionals, should undertake this effort in their regional marketing activities and utilize testimonials from existing business/industry

leaders. There are ongoing marketing efforts with various other entities within our region, such as the Convention and Visitor’s Bureau. Collaboration is encouraged.

The Region has enjoyed tremendous success historically and continues to grow its economy geometrically. “Adaptive”, “flexible” and “creative” were terms used in describing the marketing effort consistent with the vision and goals. **Economic Resilience** is a term that could be used as a foundation of the ongoing economic development efforts. The region has demonstrated its ability to bounce back quickly on numerous occasions from both natural disasters and economic downturns. Despite these threats and challenges to our region, we continue to grow our economic base.

## VISION/GOALS AND ACTION PLAN

**The Action Plan must adhere to the following guidelines to achieve Economic Resilience, diversification, and overall economic development success:**

- A.** Continued collaborative effort of REDI/SETEDF
- B.** Enhanced funding for regional marketing
- C.** Enhanced cooperation among and between the region's governmental entities and private sector
- D.** Further collaboration among and between the region and state/federal government in securing funding for ongoing economic development efforts to achieve the goals identified above.
- E.** Updated regional Economic Development Strategy considering the success of the region since the adoption of the last plan and recognizing the importance of economic resilience in futuristic terms
- F.** Continued cooperation and collaboration with and between the region's school districts, Lamar University, community and technical colleges, Southeast Texas Workforce Solutions, local/regional economic development agencies, and their respective interaction with local/ regional governments
- G.** Performance and Evaluation Standards

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## CONCLUSION

Southeast Texas enjoys an enviable economy. Natural disasters, cyclical depressions in the energy sector, and workforce issues have negatively impacted our region. This process recognizes those barriers to economic resilience and implements programs and projects to overcome those challenges. The vast resources of the region coupled with the strong work ethic of its labor force, continue to contribute to the economic well-being of Southeast Texas. This Comprehensive Economic Development Strategy process provides an opportunity to establish priorities, set goals and develop work programs for the region.

The SETEDD Board of Directors will monitor progress on those measures. The District's activities will be deemed successful if positive trends can be identified on an annual basis. Once the recurring progress of these metrics has been established, a course of action will become apparent. The Southeast Texas Economic Development Foundation and Southeast Texas Economic Development District appreciates the participation of those engaged in making this effort a region-wide success.

DRAFT



**South East Texas Economic Development District  
Board Meeting - December 2, 2020  
Coronavirus (COVID-19) Economic Impact Update**



# COVID-19

## Major Programs

*A few examples of how the different divisions & programs of the SETRPC are responding to COVID-19.*

### 2-1-1 Area Information Center of Southeast Texas

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During the pandemic, 2-1-1 has continued to serve as a vital information hub for South East Texas residents. Helping residents find critical resources in the community's battle with COVID-19.

### 9-1-1

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9-1-1 Public Safety Answering Points (PSAPs) serve as the public's single point of access to EMS, law enforcement, fire services, and many other services.

EMS response is dependent on 9-1-1 and upon public health coordination. Consistency of both messaging and response is essential.

### Area Agency on Aging (AAA)

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Everything from benefits counseling to senior nutrition services to tools for caregivers, the program is vital during COVID-19.

### Economic Development

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Home to the South East Texas Economic Development District and responsible for the Comprehensive Economic Development Strategy (CEDS), the Transportation & Environmental Resources Division is working with the Economic Development Administration (EDA) on projects that will aid in the regions recovery.

# Our Plan

1. Hire an Economic Recovery Coordinator to work with local cities, counties, economic development corporations, area ports, and higher learning institutions on economic recovery efforts.
  - Analyze the impacts of the Coronavirus (COVID-19) pandemic on the regional economy.
  - Identify potential projects that will help our economy recover from Coronavirus (COVID-19) and protect from the devastating consequences of future pandemics.
2. Prepare a Coronavirus (Covid-19) Pandemic Short & Long Term Economic Recovery & Resiliency Plan to directly address the pandemic through a strategic approach.

# Our Plan

1

Hire an Economic Recovery Coordinator to work with local cities, counties, economic development corporations, area ports, and higher learning institutions on economic recovery efforts.

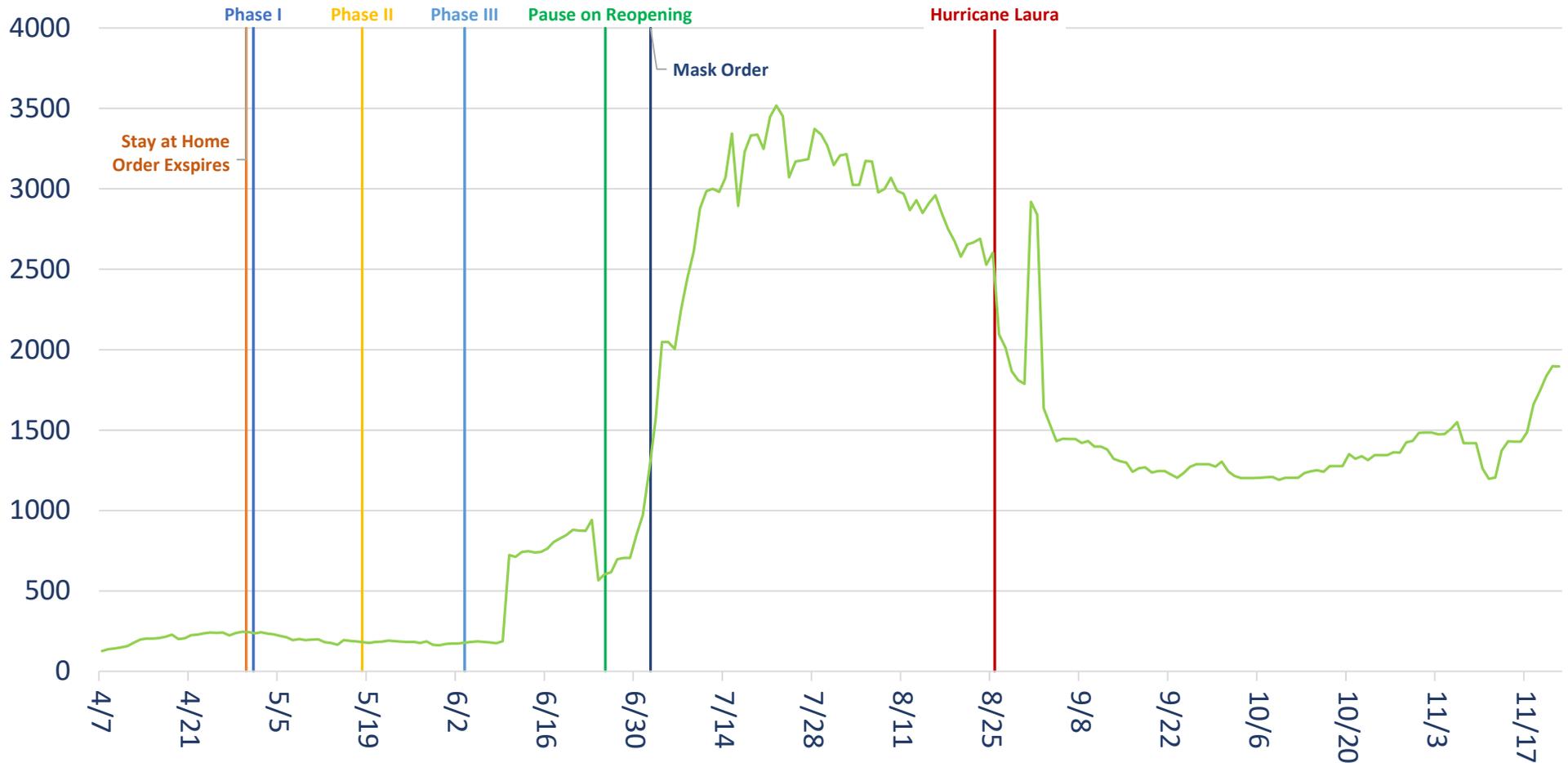
# Our Plan

Analyze the impacts of the Coronavirus (COVID-19) pandemic on the regional economy.

- Estimated Active COVID-19 Cases Over Time
- Employment Impact
- Top 5 Unemployment Claim Industries in South East Texas
- Top 5 Unemployment Claim Industries in Jefferson, Orange, & Hardin
- COVID-19's Effect on State Revenue
- Threats & Opportunities
- Regional Challenges

# Estimated Active COVID-19 Cases Over Time

Jefferson, Orange, & Hardin | April 7 – November 15, 2020

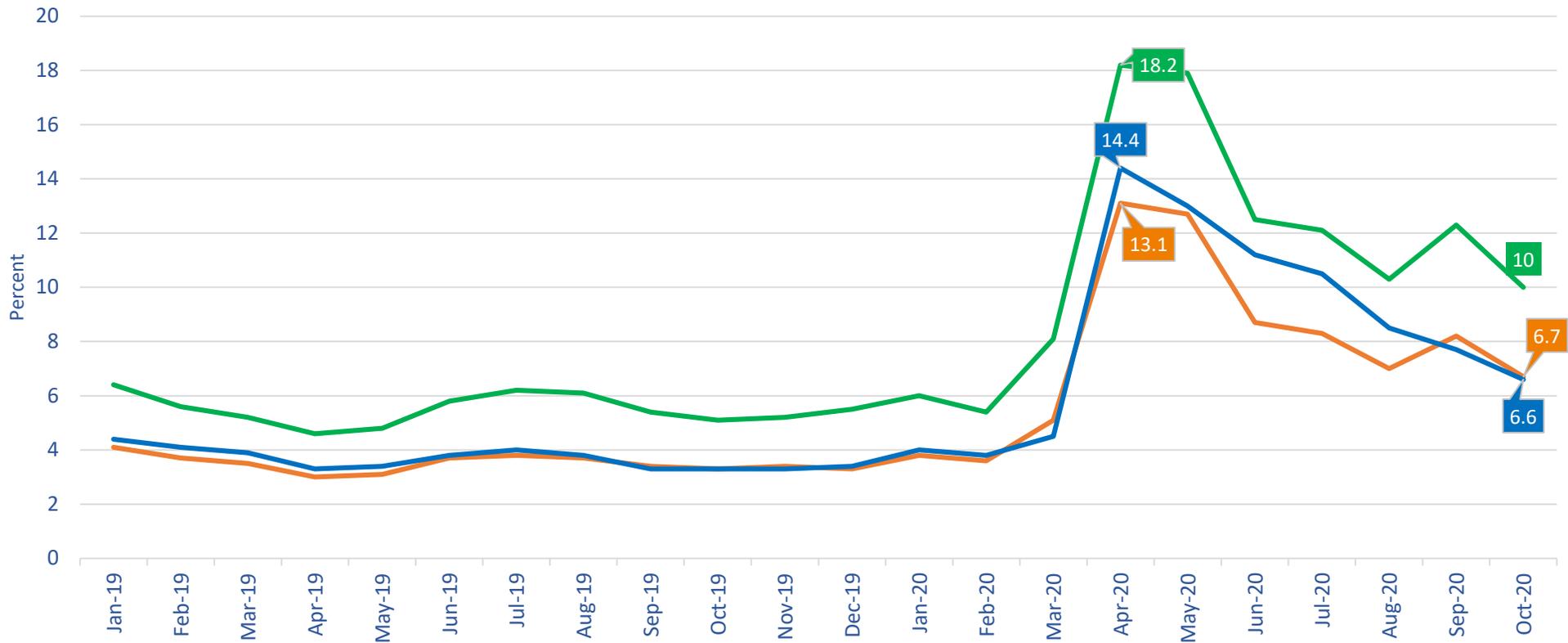


Note: Please note that all data is provisional and subject to change.  
 Sources: Texas Department of State Health Services, Office of the Texas Governor

# COVID-19's Unemployment Impact

## Unemployment

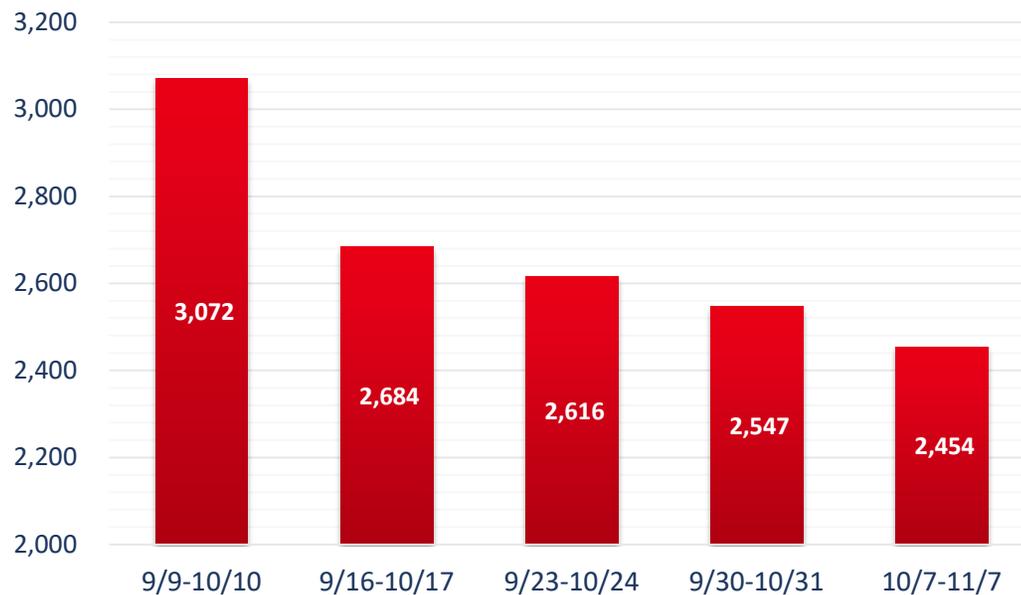
— SETX — Texas — US



# Top 5 Unemployment Claim Industries

*in South East Texas*

**Trending Area UI Claims**



- Oil and gas pipeline construction
- Industrial building construction
- Limited-service restaurants
- Professional employer organizations
- Other industrial machinery manufacturing

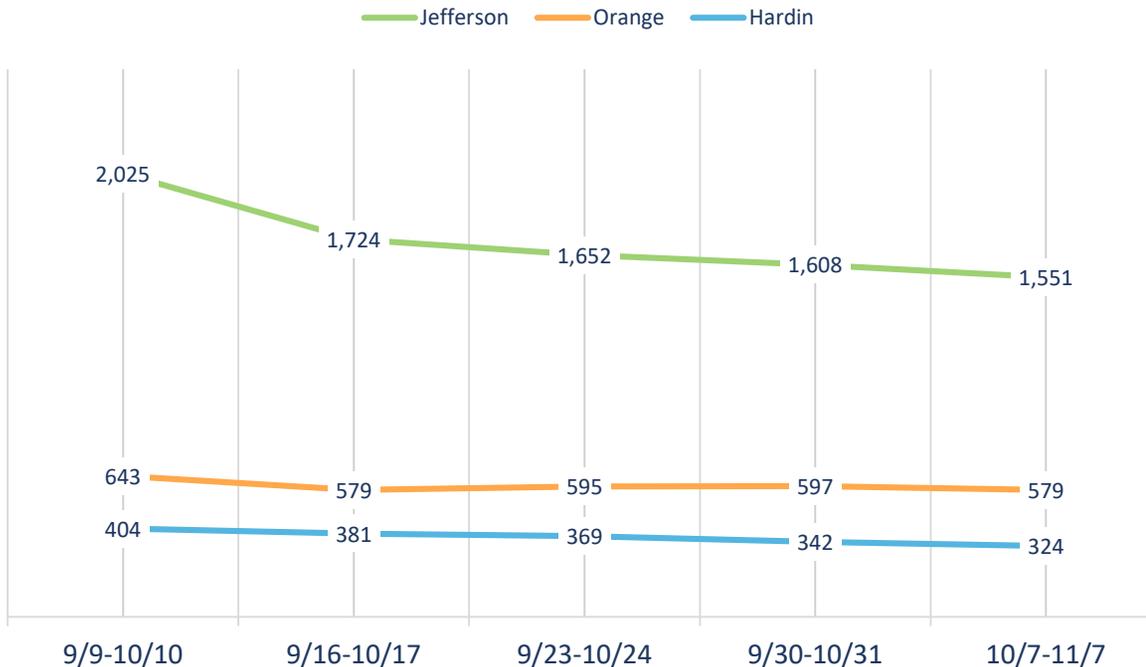
*Note: The chart depicts the total weekly amount of unemployment insurance claims for the South East Texas Workforce Development Area.*

*Source: Texas Workforce Commission*

# Top 5 Unemployment Claim Industries

## *in Jefferson, Orange, & Hardin*

**Trending Area UI Claims**



Source: Texas Workforce Commission

### Jefferson County

- Oil and gas pipeline construction
- Industrial building construction
- Limited-service restaurants
- Other industrial machinery manufacturing
- Commercial building construction

### Orange County

- Oil and gas pipeline construction
- Professional employer organizations
- Offices of physicians, except mental health
- Industrial building construction
- Limited-service restaurants

### Hardin County

- Oil and gas pipeline construction
- Industrial building construction
- Professional employer organizations
- Business associations
- Commercial machinery repair and maintenance

# COVID-19's

## Effect on State Revenue

**\$8.5 billion**  
in the Economic  
Stabilization Fund  
(rainy day fund)  
*Texas Comptroller*

**10.6 %**  
decline in revenue for  
the second half of the  
fiscal year.  
*Federal Reserve Bank  
of Dallas*

**4.7%**  
decline in Sales tax  
collections during the  
second half of the  
fiscal year.  
*Federal Reserve Bank  
of Dallas*

**\$4.6 billion**  
shortfall forecasted for  
the 2020–21 budget  
cycle.  
*Texas Comptroller*

# COVID-19

## *Threats & Opportunities*

**Dependence on the oil refining, petrochemical manufacturing, and gas industry** - Reduced demand for gasoline, jet fuel, and other fuels can create significant economic harm within the region.

**Construction and real estate development**- The slowdown of facility expansion projects of the oil and gas sector results in reduced construction and real estate development within the region.

**Demand for other services and products** - Lower demand for goods and services across the economy.

**Tremendous tourism & outdoor recreation** opportunities region-wide.

**Unemployment rates** continue to be higher than the national and state average. The area saw a massive increase in unemployment due to COVID-19.

**Expansion & Modernization** – Support expansion and modernization projects that will aid the region in weathering economic downfalls.

# Regional Challenges

- The public’s misinterpretation of the region’s geographic, environmental, and established assets.
- High unemployment rates (pre & post-COVID-19) and restoring financial stability.
- Protection of critical industries from the economic fallout
- Continued investment in significant flood mitigation, drainage, water, and transportation infrastructure.

# Our Plan

Identify priority & potential projects that will help our economy recover and protect from the devastating consequences of future pandemics.

- Priority Projects
- Potential Projects

# Priority Projects

## Regional Broadband Strategic Plan

Broadband technology provides access to the highest quality internet services. Increased availability in the region could help expand medical professionals' access via telemedicine, enhanced educational opportunities, working from home, and economic development.

- Establish the SETRPC Broadband Advisory Committee.
- Develop a Broadband Business Survey.
- Diversify strategies to nurture small business growth, innovation, information technology infrastructure and to strengthen organizations.

## Broadband Economic Advantage



Overall, research shows that increased broadband adoption and availability positively impact household income, employment levels, the attraction of existing firms to rural areas, farm profits, civic engagement, and housing values. – *Broadband USA*

Studies show that broadband adoption and use is a more important factor than just availability. – *Broadband USA*



With the help of digital technology, rural small businesses have increased profits by almost \$70 billion per year. Only 45% of rural small businesses have “very good access to digital technology” by adopting online tools and technology, they would be able to increase sales by \$84.5 billion annually. – *C\_TEC Rural Report*

# Potential Projects



## Tourism

Southeast Texas is the home to a highly complex system of overlapping ecosystems and unique culture. There is a tremendous opportunity to diversify the economy by increasing tourism.

### Local Benefits:

- Promotes conservation of wildlife and natural resources.
- Encourages the preservation of traditional customs.
- Creates civic pride.
- Improvements to infrastructure and new leisure amenities.

# Our Plan

## 2 Prepare a Coronavirus (Covid-19) Pandemic Short & Long Term Economic Recovery & Resiliency Plan to address the pandemic through a strategic approach directly.

Mike Barnes Group, Inc. was the economic development firm chosen to develop a short and long-term Coronavirus (Covid-19) Pandemic Economic Recovery and Resiliency Plan. Also, to create a Resiliency component for our SETRPC Comprehensive Economic Development Strategy (CEDS) to deal with future pandemics.

- Stakeholder roundtables to discuss opportunities and challenges. Including disruptions to the supply chain and workforce, and highlight those aspects of the regional economy most likely to be under stress due to the COVID-19 pandemic. Important participation from:
  - Small Business
  - Major Employers
  - Elected Officials
  - Real Estate Commercial & Residential
- Identify opportunities for accelerating SETX rebound. Including expansion & modernization of manufacturing and commercial & retail opportunities.

# Thank You

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# Coronavirus (COVID-19) Pandemic Short & Long Term Economic Recovery and Resiliency Plan

December 2, 2020

Submitted by Mike Barnes Group, Inc.



**Mike Barnes Group, Inc.**  
Economic Development

# Coronavirus (COVID-19) Pandemic Short & Long Term Economic Recovery and Resiliency Plan

A Quick Review of Neighboring Louisiana's Strategy:

## ► Resilient Louisiana

- Hallmarks of the report are:
  - *Equity* – expanding access to opportunity, quality of life and prosperity for all Louisianans.
  - *Public input* – reflecting the voices of residents, policymakers and business leaders statewide.
  - *Economic diversification* – accelerating Louisiana's advanced manufacturing, information technology, water management, cybersecurity, aerospace and other sectors to grow an economy not overly reliant on any one industry.
  - *Sources of economic strength* – building on Louisiana's strengths in natural resources, infrastructure and logistics to expand the economy, leverage growth and enhance quality of life
  - *Resilience* – charting a path to a stronger Louisiana, a state more resistant to future disruptions.



**Mike Barnes Group, Inc.**  
Economic Development

# Coronavirus (COVID-19) Pandemic Short & Long Term Economic Recovery and Resiliency Plan

## ► Covid's Impact on Business in USA

- As of August 31, 2020—nearly 164,000 businesses closed!
- That was a 23% rise from July
- Majority of closed businesses—restaurants!
- An estimated 60% won't reopen (September 17, 2020)
- Source: Yelp and Business Insider (8.31.20/9.17.20)



**Mike Barnes Group, Inc.**  
**Economic Development**

# Coronavirus (COVID-19) Pandemic Short & Long Term Economic Recovery and Resiliency Plan

- ▶ What can we do in Southeast Texas to assist our businesses and promote our economic development effort?
- ▶ What business-driven strategy needs to be in place?
- ▶ Southeast Texas is Resilient! We have overcome natural disasters, man-made disasters and will now overcome Covid!



# Coronavirus (COVID-19) Pandemic Short & Long Term Economic Recovery and Resiliency Plan

## ► Desired Outcomes:

- A Strategy that is business-friendly and is made with business input
- A Strategy that is of benefit to the region's economic development team(s)
- A Strategy that has widespread application with future implications



# Coronavirus (COVID-19) Pandemic Short & Long Term Economic Recovery and Resiliency Plan

## ➤ Methodology

- Group sessions like this to obtain input
- Future one-on-one with business/civic/governmental leadership
- Engagement with economic development community
- Sensitivity to the need for protection and need for business activity



**Mike Barnes Group, Inc.**  
Economic Development

# Coronavirus (COVID-19) Pandemic Short & Long Term Economic Recovery and Resiliency Plan

- What does the business community want/need during this pandemic? Coronavirus (COVID-19) Pandemic Short & Long Term Economic Recovery and Resiliency Plan
- How can agencies like ours assist?
- How do we remain vigilant for the future?
- What assets are at our disposal to assist in this project?
- Major hurdles to overcome?



# Coronavirus (COVID-19) Pandemic Short & Long Term Economic Recovery and Resiliency Plan

## ➤ Moving Forward:

- Please agree to participate in this project
- Contact us with your ideas and thoughts
- Please share data and information with us
- Thank you for your participation!



**Mike Barnes Group, Inc.**  
**Economic Development**

## South East Texas Regional Planning Commission Environmental (SETRPC) Initiatives

Among the factors that contribute to the successful growth of a community, quality of life is certainly of major importance. Quality of life takes on a variety of forms, including desirable and affordable housing, effective educational systems, fulfilling employment, and a robust social and civic activity atmosphere. Other aspects of quality of life contribute as well, like the availability of easy to navigate transportation systems, a variety of retail and commercial offerings, and recreational venues.

All of these quality of life issues is potentially impacted by the environment in which they reside. The effects of environmental issues are far-reaching within a community and need ongoing attention for the successful growth of a community. In addition to the concerns for health and safety of work environments, there are significant concerns for air and water quality within a community that is seeking to grow and provide its citizens with a sustainable quality of life.

A significant environmental concern for the Beaumont/Port Arthur/ Orange area (BPAO) is the overall air quality, given the presence of major industrial facilities in the area, along with the increasing population and automobile traffic. Industrial and vehicular activity contribute pollutants and combined with other natural sources, can degrade the quality of the ambient air which consequently can lead to loss of enjoyment of outdoor activities, the potential for long-term health effects, and acute effects on the health of sensitive groups.



*Air Monitoring Station - Port Arthur*

Since the advent of the US Environmental Protection Agency -EPA “Clean Air Act of 1970”, the Federal and State environmental agencies have identified and classified pollutants by their ability to affect the health and welfare of people. They have established standards to identify geographical areas where action needs to be taken to improve air quality. Given that these actions can be quite significant regarding the specific issues of concern, more extensive pollution control measures may be required. Such measures can restrain traditional planning for economic activities and are ultimately perceived as roadblocks for community growth. This often leads to a challenge for community leaders to balance the quality of life issues with the commercial viability of an area, while maintaining the health, safety and welfare of the citizens.

Since 1990, the South East Texas Regional Planning Commission (SETRPC) has worked with Beaumont/ Port Arthur/Orange industrial and governmental organizations to directly measure and evaluate air quality in metropolitan areas. This has proven to be a vitally important scientifically based process for assessing the current status of air quality in our region. Further, the evaluation of air quality in our communities has led to positive resolution of issues of concern while providing a platform for long-term community planning.

While the primary responsibility for evaluating air quality standards compliance lies with the US EPA and the Texas Commission on Environmental Quality (TCEQ), these agencies welcome and rely on supplemental information gathering from organizations such as South East Texas Regional Planning Commission (SETRPC) to augment their efforts to protect the health and welfare of the people of the Beaumont/Port Arthur/ Orange area. The SETRPC air monitoring network is located in several communities in the area and the air quality data that are produced are shared with and posted on the TCEQ statewide air quality information website. The TCEQ staff regularly provide oversight and independent auditing of the air quality measurements provided by the SETRPC's contractor-AECOM which has resulted in an extensive amount of air quality data that have served and continues to serve the interests of the local communities.

As of late 2020, the BPAO is in compliance with all national and state air quality standards. There are also no special study areas in effect, such as the TCEQ Air Pollutant Watch List program that identifies areas of concern that would require additional resources to evaluate for potential problems. Traditionally, this has not always been the case in BPAO, and the past use of government and SETRPC data were vital in resolving the concerns.



*Air Monitoring Station - Port Arthur*

While the track record has been successful and the current air quality situation is largely stable, the ongoing need for vigilance is a key component in enabling local communities to continue to grow and ensure that the environmental impact on quality of life remains within regulatory standards. SETRPC is committed to continuing to contribute vital information to the regulatory and industrial entities serving BPAO to enable sound planning and decision making for the benefit of all citizens of the Beaumont/ Port Arthur/Orange area communities.

***For more information on the ways in which SETRPC supports environmental issues, please contact Bob Dickinson at [bdickinson@setrpc.org](mailto:bdickinson@setrpc.org).***