



February 10, 2021

TO: SOUTH EAST TEXAS ECONOMIC DEVELOPMENT DISTRICT
LUNCHEON MEETING

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

SUBJECT: SOUTH EAST TEXAS ECONOMIC DEVELOPMENT DISTRICT LUNCHEON
MEETING

A lunch meeting will be held on **Tuesday, February 23, 2021** at the Industrial Safety Training Council Office at **11:00 a.m.** The purpose for this meeting is to get feedback from area plant managers and to define work elements that our Economic Development Consultant, Mike Barnes, will utilize to develop our short- and long-term Economic Recovery and Resiliency Plan in response to the Coronavirus (COVID-19) Pandemic.

**Industrial Safety Training Council
3749 Highway 69 North
Beaumont, Texas 77705**

At 11:00 a.m.

SEE ATTACHED FOR DISCUSSION TOPICS

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

DISCUSSION TOPICS

I am looking forward to meeting with some of the “plant managers and leaders” within the South East Texas Region to discuss how a COVID-19 Economic Development Strategy could enhance your businesses. I would specifically like to get your input regarding the following topics:

1. What might a community/regional economic development strategy include to assist your company regarding workforce issues during COVID?
2. What are the biggest threats to your business during this COVID period? What might be helpful in a strategy to address these issues?
3. What might a partnership between business, industry and the public sector do to address COVID related issues?
4. Are there strategies that could be put in place moving forward to ease the burden of future pandemics similar to COVID?
5. How do we as a region plan for potential loss of revenue, employment, and potential outmigration of population?

Our Plan

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.

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

MEETING MINUTES

DATE: January 27, 2021

TIME: 11:30 a.m.

PLACE: MCM Elegante Hotel – Veranda Room - Call-in/Live Stream.

Mr. Bob Dickinson, Director, SETRPC, Transportation & Environmental Resources Division introduced and welcomed everyone for attending the meeting. He then gave the floor to Mr. Dean Robinson, Chair of the SETEDD Board of Directors.

Mr. Robinson welcomed the members and stated that everyone present today was specifically selected in order get relevant feedback, as well as, focus on the development of the CARES ACT Grant. He further stated that part of the requirements of this grant are to begin with a study, get input and clarity which will lead us to where we want to be as we move forward with this process.

Mr. Dickinson reviewed the minutes and topics discussed at the last SETEDD meeting held on December 2, 2020. He stated that the main reason for this meeting is to get feedback and define work elements that our Economic Development Consultant, Mike Barnes, will utilize to develop a short- and long-term range Economic Recovery and Resiliency Plan in response to the Coronavirus (COVID-19) pandemic. He explained that the SETRPC received funding for a CARES ACT grant that allowed him to hire an Economic Development Consultant, as well as, Economic Recovery Coordinator. He then gave the floor to Mr. Mike Barnes, Consultant, Mike Barnes Group.

Mr. Barnes stated that the consensus among the participants from the last meeting was mainly a need for enhanced broadband fiber. He stated how the lack of broadband is affecting citizens of all ages, whether it be from young children in school, to small businesses in rural areas trying to maintain communication with their home workplace. He then asked the group to specify the kinds of things they see as problematic and define issues related to the Coronavirus COVID-19 pandemic.

Main topics discussed:

Mr. Dean Robinson stated:

- Prior to this meeting, he had discussed with the Economic Development contact person from Silsbee. They have a prospect that would like to team up with Microsoft. Their intent is to set up a skill training facility.
- There is a major lack of broadband in rural areas. The cost is \$10,000 to get connected from the fiber lines at the road to the residence/business.

Mr. Bob Dickinson stated:

- We are in the process of setting up a SETRPC Broadband Advisory Committee with the efforts to develop a strategic plan for Broadband development.

Ms. Pat Avery, President & CEO, Port Arthur Chamber of Commerce, stated:

- AT&T has approached her about getting in touch with Plant Managers to see what they can offer.
- We are one of the only states that does not have a Broadband Department

Mr. Mike Barnes stated:

- Rick Rose, former employee in the Governor's office as well as with the Department of Agriculture, is heavily involved with the rural challenges. Their #1 focus is to work with the Governor's office and private foundations to get broadband infrastructure across the state. Mr. Barnes has their contact information and thinks it would be a beneficial to get them involved with this group.

Mr. Bob Dickinson stated:

- Jasper County will eventually become part of the SETRPC. He has spoken with their COG and they have begun working to address the broadband issues. Jasper County Judge, Mark Allen, has been involved with their broadband planning so when the SETRPC Broadband Advisory Committee will be selected, he has agreed to participate.

Ms. Rachael Robinson, Economic Recovery Coordinator, SETRPC, stated:

- Going back to the Governor's Board, the first report has been released which recommends a broadband department be developed. Bills have already been introduced for legislature to form a Department.

Mr. Dean Robinson:

- He asked if anyone could confirm that there was an article in the newspaper that money was being allocated from the Federal government to the states for broadband development.

Mr. Bob Dickinson responded:

- There is money through the Department of Agriculture for rural areas, but in order to receive this money, we have to have a plan on how to develop the area.

Mr. Mike Barnes stated:

-We should look into collaborating with Spectrum and AT&T. He was involved in a situation where AT&T had run a main fiber cable through the heart of the city, but they didn't make it available to the community. He then asked to find out what do businesses need to respond and prepare for the future.

Ms. Pat Avery stated:

-Now is the time to address the issues of egress and ingress in Sabine Pass because there's only one way in and one way out. This causes major problems during the pandemic and evacuation routes during a hurricane. There is land to build, maybe 2 or so plants, but with just one entrance and exit it is an issue that should be addressed.

Mr. Larry Kelley, Port Director, Port of Port Arthur, stated:

-The first mile and last mile transportation connectivity is always an issue because a lot of our ports are situated in cities and towns. Port of Port Arthur and Port of Beaumont are two very good examples. Other issues are related to freedom of mobility as well as passenger traffic.

-The short-term immediate need is to find a way to safely evacuate everyone as well as the everyday circulation to get to work.

-The long-term need is to ease the traffic at the HW 87/HW 82 intersection. There is space to build a route on the west, but that could potentially be a 10-year project.

-Starlink should be an important consideration and added as a possible solution to the broadband issue.

Mr. Bob Dickinson stated:

-TxDOT is looking into a schematic of relocating part of the area near the plants - not Beach Road but in the surrounding area.

Mr. Jim Rich, Executive Director, SETEDF, stated:

-He asked what ever happened to the toll road project that was to be built as a continuation of SH 105 going East across the Neches River into Vidor.

Mr. Fred Jackson, Staff Attorney, Jefferson County, stated:

-The toll road project was not economically feasible because it would take way too long to recoup the cost as well as the issues with cost match from local contributions.

Mr. Dean Robinson asked to get some feedback from the call-in members.

Mr. Chris Boone, Director, of Community Development, City of Beaumont stated:

-Looking back into the 1920's, electric companies only wanted to go into the cities because that's where it was profitable. In the 1930's the Rural Electrification Act was enacted which provided financial support to carriers to encourage them to run

electricity in rural areas. This is the same story. With this pandemic, we are realizing that broadband isn't a luxury, it's a necessary utility. This funding will have to take place at the Federal and State level. A planning process should be started so it can be ready in case it ever gets implemented.

Mr. David Mosely, VP of Strategic Initiatives, Lamar Institute of Technology, agreed with Mr. Boone

Dr. Dwaine Augustine, Superintendent, HFISD, stated:

- There are issues in his area where kids aren't able to connect to the internet. Part of this issue is the lack of hotspots rather than physical infrastructures.
- Technology connectivity issues need to be addressed. In rural areas it will have to be laying down the infrastructure. In the cities, it will be having devices where kids can connect at home.

Ms. Pat Avery stated:

- There is a very poor area in Port Arthur where families can't afford to buy devices. Schools have had to buy the computers, as well as, whatever else is needed to connect to the internet when there isn't one at home just so these kids can attend classes and complete their schoolwork.

Mr. Dennis Isaacs, Executive Director, Golden Triangle Business Roundtable, Lamar University stated:

- One of the things we focus on, is manpower development. We are now using virtual reality as a substitute for face to face training opportunities. This type of learning is coming up at LIT, Lamar - Port Arthur and all of their Tech schools.
- The pandemic has forced us into another need, the need for computer assisted training, whether it be for education, economic development or manpower training.

Mr. Fred Jackson stated:

- Businesses have realized that they no longer need to pay for large office spaces because the work can be performed from home.
- Schools will need to learn how to train people virtually.

Ms. Pat Avery stated:

- The online learning right now is atrocious.

Dr. Dwaine Augustine stated:

- He agreed with Ms. Avery. Most districts around the state collected data, and it is indicating that students are behind. Summer programs will have to be implemented to get the students caught up.

Ms. Pat Avery asked Dr. Augustine how he was going to address the missing social aspect and lack of face to face interaction?

Dr. Dwaine Augustine stated:

-That is a little harder to handle. Most schools can agree on academic needs, but when it comes to social and emotional learning, that's where you have some deviations. We have partnered with the Flippen Group which provides those kinds of training, and in turn, we implement these strategies into our day to day operations.

Ms. Sheri Arnold, Realtor, Coldwell Banker, stated:

-Another issue we will be facing is the closure of all these large spaces and properties. We will need to find a way to fill them, so they do not get vandalized, damaged or destroyed.

-It would be a great idea to get call centers to come to the area and to develop a comprehensive approach on how to acquire these types of businesses since we have the space available.

Mr. Larry Kelley stated:

-There is an underserved market when it comes to truck drivers and the port industry. The jobs are there and offer great benefits, we need to look at offering the training.

Mr. Dennis Isaacs asked Mr. Barnes if there was legislature that would provide funding or State support to improve the area's virtual reality infrastructure.

Mr. Mike Barnes stated:

-Other than the Governor's appointment, there probably is, but I haven't seen it.

Ms. Pat Avery stated:

-This is the time to tell our story and how important South East Texas is to economic development. The state of Texas is 2nd in waterborne commerce, Sabine Neches Navigation District handles 22% of that cargo and 4.7% of all U.S. cargo. This generates over 5 billion dollars in State and local revenue and over 9 billion dollars in Federal revenue annually. We need to improve how to tell our story and how important we are to the State and to the nation.

-Another area we need to focus on is improving our hospitals.

Mr. Dennis Issacs stated:

-We need to have more effective communication.

Mr. Mike Barnes stated:

-One of the things that would help develop the Short- and Long-Term Economic Recovery and Resiliency Plan would be to hear from local businesses. What are their needs? What are their impediments? They often give a very different but relevant perspective.

Ms. Sade Chick stated:

-The Port Authority Committee has a great system in prioritizing projects where they take an inventory of their needs from all of the stakeholders which happen to be the ports. The potential projects are submitted, then vetted and ranked. This particular model is port specific, but it could easily be used as a regional approach. Potential federally funded projects can be submitted to the Planning Commission or an established committee, then vetted and ranked depending on their needs.

Ms. Rachael Robinson stated:

-A lot of other broadband committees have different phases in their plans, as Beaumont and other communities, might have different needs than those who live in rural areas. Most plans will highlight their priorities. Phase 1 could be the last mile or infrastructure. Phase 2 could be payment and being able to afford broadband services and implementation.

Mr. Eddie Arnold, citizen stated:

-When he left the industry over 15 years ago, all of this was already being discussed; fiber, connectivity to the schools, distance learning and telemedicine etc..... The infrastructure was being deployed under a regulated entity. Now there are no regulations. It is capital and customer driven. The major issue is that there is no money to subsidize those entities in rural areas. Companies who are driven by profit, will go to where the money is, and it isn't in the rural areas and they are being bypassed because it isn't cost effective.

Mr. Bob Dickinson thanked everyone for taking the time to participated in this meeting and asked if there were any questions on moving forward.

Mr. Eddie Arnold asked what the next step would be.

Mr. Dickinson stated:

- We are going to do a summary of all topics discussed and attach a comment sheet.
- We will send them out for feedback and have members rank them.
- We can have another call-in meeting to discuss the progress and results accumulated.

MEMBERS PRESENT

Dr. Ben Stafford	VP Workforce & Development on Continuing Education, Lamar Port Arthur
Chris Boone	Director, Community Development, City of Beaumont
David Moseley	VP of Strategic Initiatives, LIT
Dean Robinson	Owner, Neches Belle
Dennis Isaacs	Executive Director Golden Triangle Roundtable Lamar University
Dr. Dwaine Augustine	Superintendent, HFISD
Eddie Arnold	Citizen
Fred Jackson	Staff Attorney, Jefferson County
Jim Rich	Executive Director, SETEDF
Larry Kelley	Port Director, Port of Port Arthur
Mike Barnes	Consultant, Mike Barnes Group
Pat Avery	President/CEO, Port Arthur Chamber of Commerce
Sheri Arnold	Realtor, Coldwell Banker

SETRPC STAFF PRESENT

Bob Dickinson	Director, T&ER Division, SETRPC
Lucie Michaud	Administrative Assistant, SETRPC
Rachael Robinson	Economic Recovery Coordinator, SETRPC