



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

**Lower Neches Valley Authority
7850 Eastex Freeway
Beaumont, TX 77708**

**Wednesday, October 28, 2020
10:00 a.m.**

AGENDA

1. WELCOME AND INTRODUCTIONS

Dean Robinson, Chair, SETEDD

2. REVIEW AND APPROVAL OF THE "DRAFT" 2020 SETEDD COMPREHENSIVE ECONOMIC DEVELOPMENT STRATEGY (CEDS)

Bob Dickinson, Director, Transportation and Environmental Resources, SETRPC

3. AVAILABILITY OF WATER RESOURCES IN SOUTH EAST TEXAS

Scott Hall, General Manager, Lower Neches Valley Authority

4. DISCUSSION OF SETEDD'S ECONOMIC DEVELOPMENT ADMINISTRATION (EDA) CARES ACT GRANT PROJECT

Bob Dickinson, Director, Transportation and Environmental Resources, SETRPC

Rachael Robinson, Economic Recovery Coordinator, SETRPC

5. DISCUSSION OF TOPICS FOR NEXT BOARD MEETING

Dean Robinson, Chair, SETEDD

Bob Dickinson, Director, Transportation and Environmental Resources, SETRPC

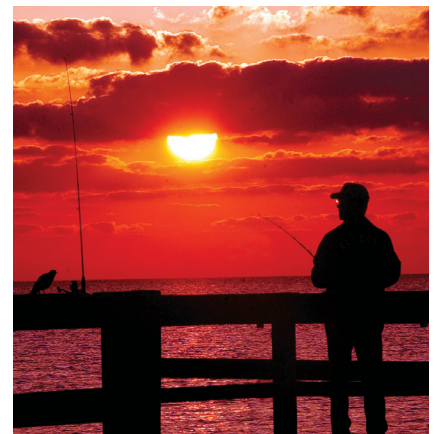
6. QUESTIONS AND ANSWERS

7. SET NEXT MEETING DATE

8. ADJOURNMENT

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.**

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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

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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.

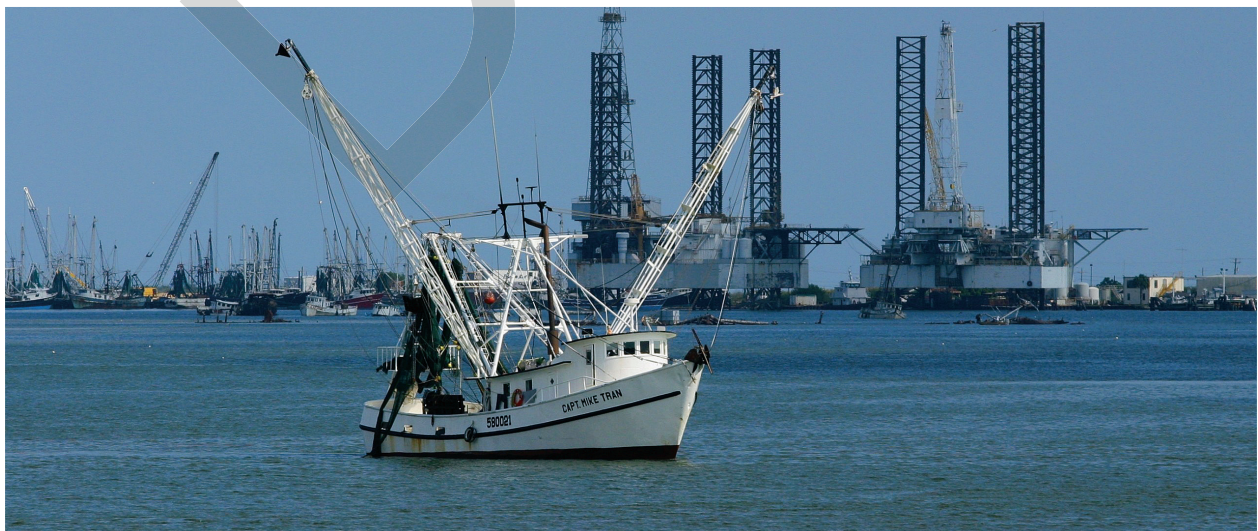
The SETRPC is a voluntary association of local governments that serves the three-county region of Hardin, Jefferson, and Orange Counties. The Planning Commission was established in June 1970 under the authority provided by the Texas Legislature in 1965. The SETRPC is one of 24 regional planning councils 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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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

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.

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



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

- ★ Lamar University
- ★ Lamar Institute of Technology-throughout the Southeast Texas region
- ★ Some area pre-k through 12 schools are outstanding
- ★ Southeast Texas Workforce Solutions
- ★ Overall Workforce training facilities
- ★ Safety improvements in region's industry
- ★ Lamar-tech transfer/dual credit classes
- ★ Ability to offer specialty training

WEAKNESSES

- Some area pre-k through 12 are not adequate
- Retaining young and educated talent
- Aging workforce
- Some school districts underperform
- Limited career opportunities
- Ongoing poor perception of some school districts
- Need to increase innovation in pre-K-12
- Lack of population growth negatively impacts workforce

OPPORTUNITIES

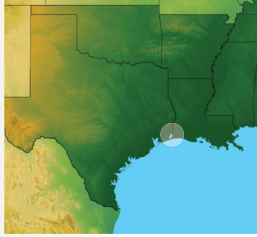
- ★ Lamar State College-Port Arthur curriculum
- ★ School Districts/Workforce collaboration
- ★ Bio-Med future
- ★ Connectivity between Lamar and downtown Beaumont
- ★ Application of emerging technology within both education and workforce
- ★ Increased vocational training in high schools
- ★ Incorporation of increased technology for future resiliency

THREATS

- Lack of future leadership in both areas
- "Brain Drain"
- Difficulty in recruiting teachers to region
- Demographics-aging population
- Drug testing requirements in workplace



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

- ★
• I-10 Corridor
- ★
Competitively priced sites and buildings
- ★
Ports and waterways
- ★
Airport
- ★
Pipelines
- ★
3 Rail companies serve region
- ★
Proximity to Houston
- ★
Oil and gas infrastructure
- ★
Abundance of water resources for industrial expansion

WEAKNESSES

- Lack of infrastructure in rural areas
- Interstate Highways- Exits and Access
- Proximity to Houston is overlooked
- Lack of quality in public transit
- Lack of developing sites in economic development "pipeline" regionally
- Process of Waterway widening needs to be expedited
- Low elevation
- Existing infrastructure exceeds capacity

OPPORTUNITIES

- ★
Deepening of ship channels
- ★
Business incubators
- ★
Expansion of airport development
- ★
Planning for accessible communities
- ★
Lamar/Region Bio-Med/Tech facilities and infrastructure
- ★
Low fuel costs take advantage of transportation network available

THREATS

- Airport limitations
- Aging infrastructure

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

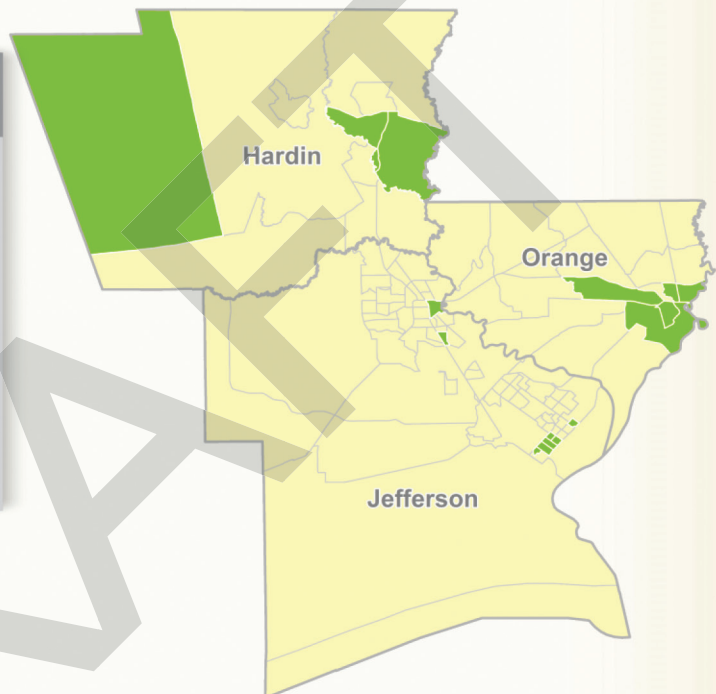
- 8 Opportunity Zones

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:

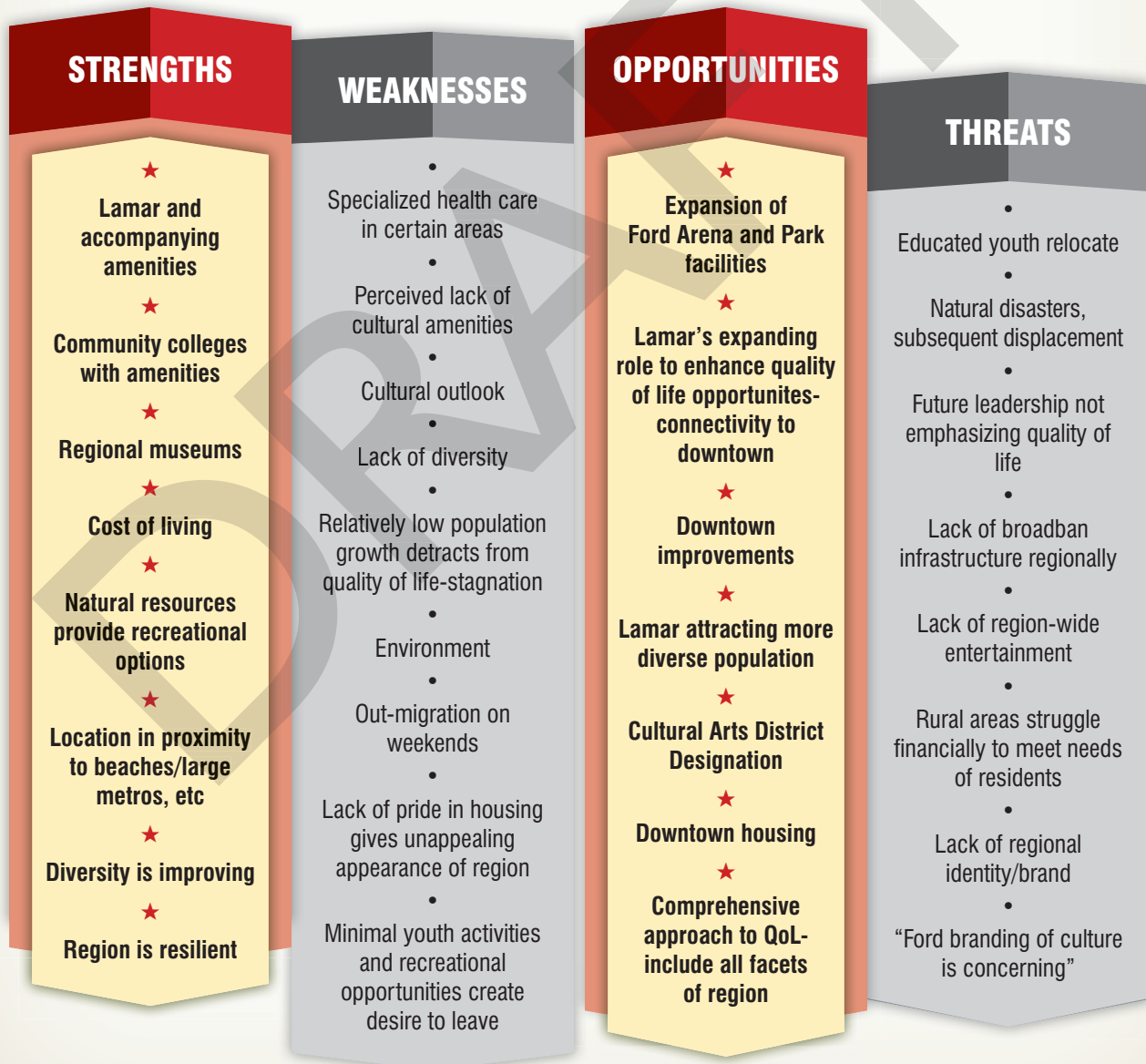
https://www.novoco.com/sites/default/files/atoms/files/irs_oz_faqs_090419.pdf
<https://www.eda.gov/opportunity-zones/>

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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.



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.

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

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 - October 28, 2020

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

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.

Area Agency on Aging (AAA)

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

9-1-1

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.

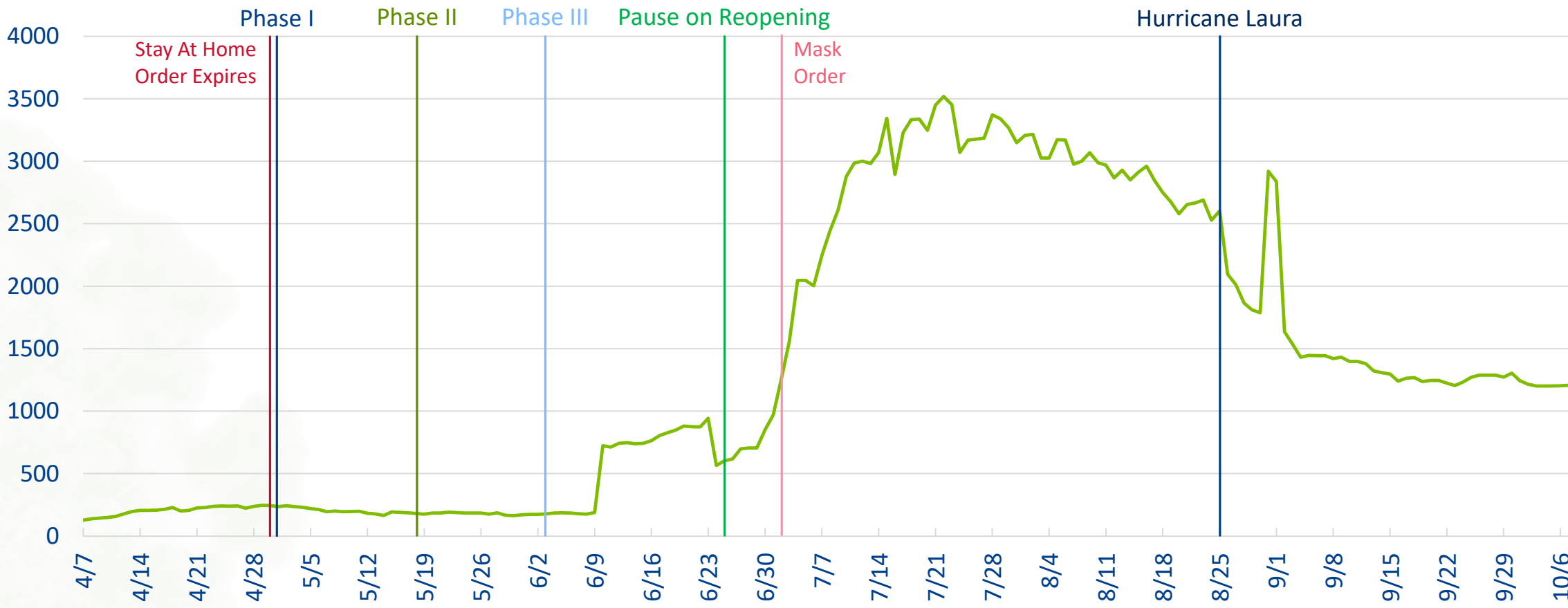
Economic Development

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



Estimated Active COVID-19 Cases Over Time

Jefferson, Orange, & Hardin | April 7 – October 6, 2020



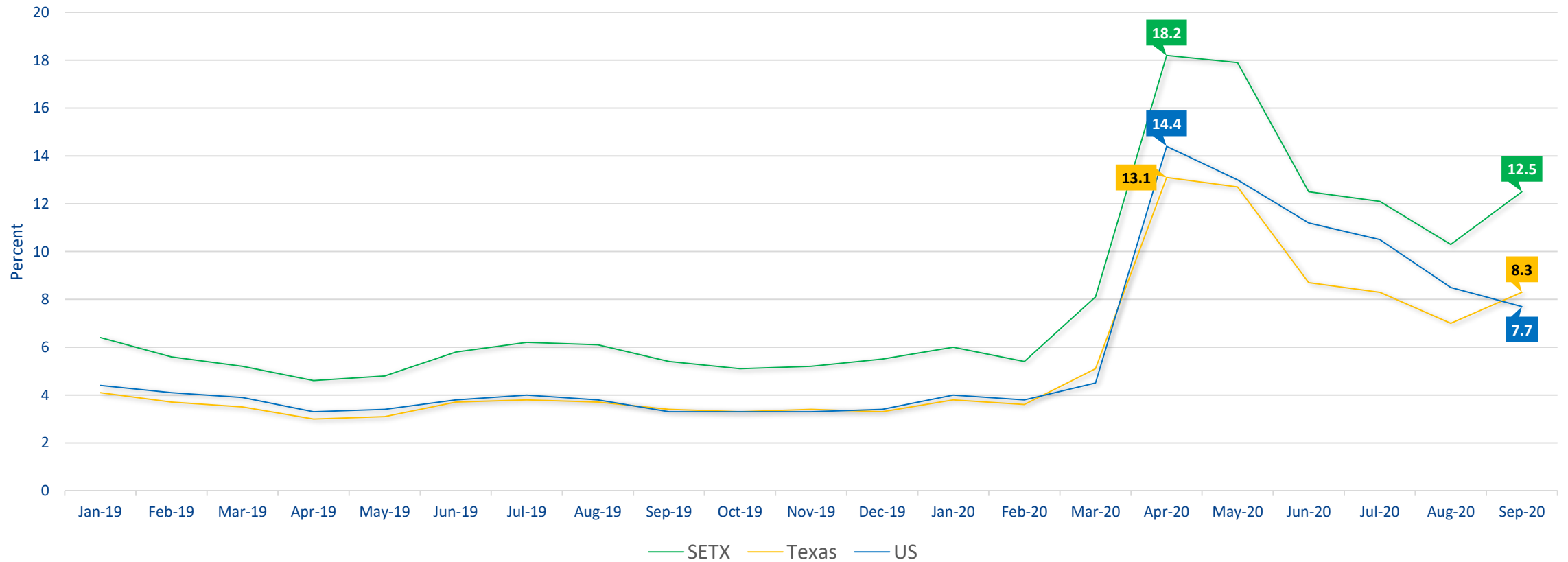
Note: Please note that all data is provisional and subject to change.
Sources: Texas Department of State Health Services, Office of the Texas Governor





COVID-19 Employment Impact

Unemployment

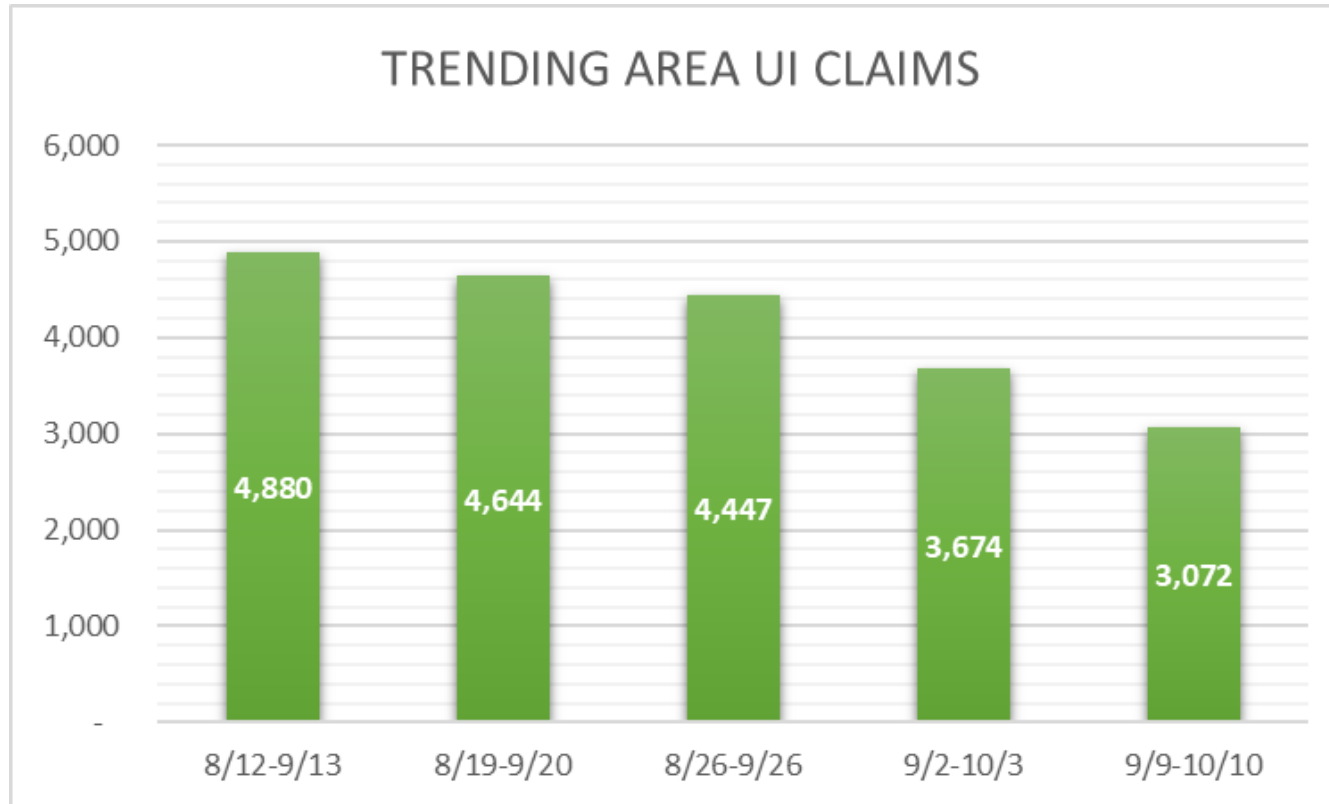


Source: Texas Workforce Commission





Top 5 Unemployment Claim Industries *in South East Texas*



Note: The chart depicts the total weekly amount of unemployment insurance claims for Jefferson, Orange, and Hardin Counties.
Source: Texas Workforce Commission

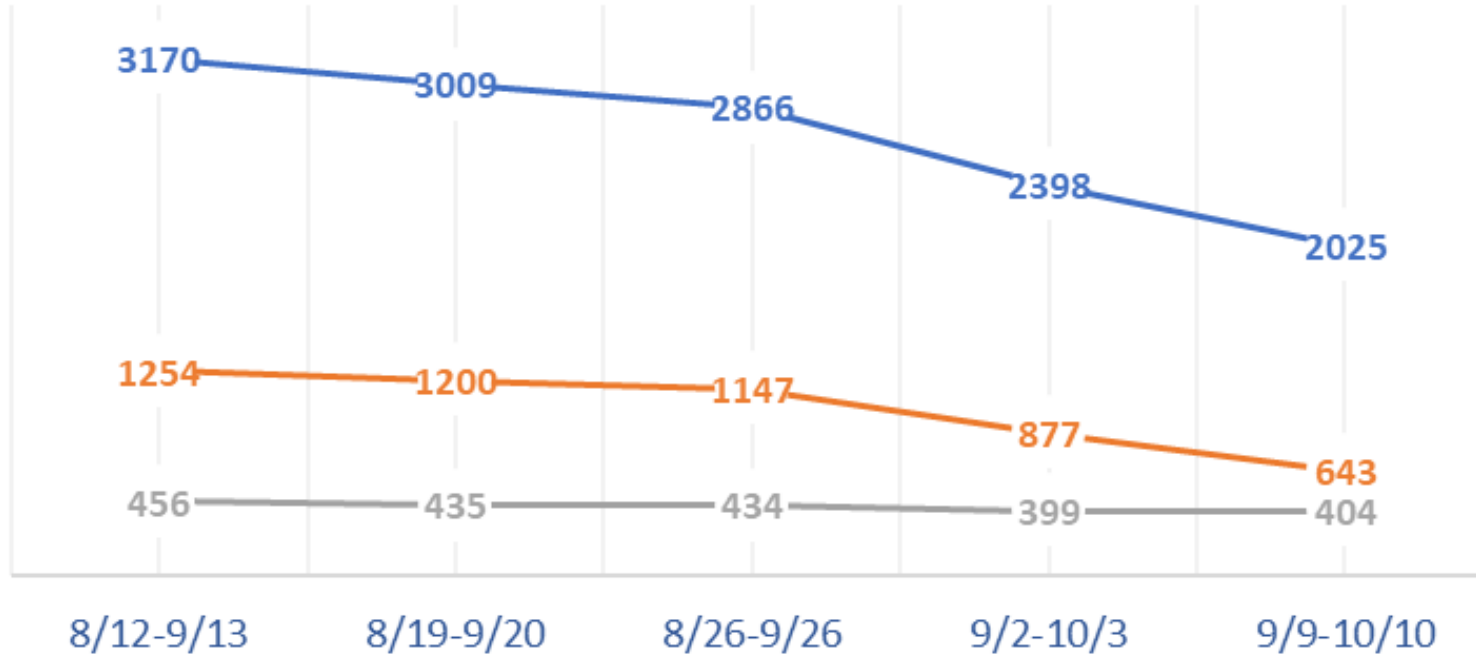
- Oil and gas pipeline construction
- Limited-service restaurants
- Industrial building construction
- All other nonresidential trade contractors
- Nursing care facilities, skilled nursing



Top 5 Unemployment Claim Industries *in Jefferson, Orange, & Hardin*

TRENDING AREA UI CLAIMS

— Jefferson — Orange — Hardin



Source: Texas Workforce Commission

Jefferson County

Oil and gas pipeline construction
Limited-service restaurants
Industrial building construction
All other nonresidential trade contractors
Other industrial machinery manufacturing

Orange County

Oil and gas pipeline construction
Limited-service restaurants
Nonpackaging plastics film and sheet mfg.
Industrial building construction
Professional employer organizations

Hardin County

Oil and gas pipeline construction
Industrial building construction
Limited-service restaurants
Professional employer organizations
All other nonresidential trade contractors





COVID-19's Effect on State Revenue

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

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



COVID-19 Threats and Opportunities

Dependence from the oil 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 a reduction of 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.



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 economic fallout.
- Continued investment in major flood mitigation, drainage, water and transportation infrastructure.



Our Plan

1. Analyze the impacts of the COVID-19 pandemic on the regional economy.
2. Prepare an Economic Recovery and Resiliency Plan to directly address the pandemic through a strategic approach.
3. Identify potential projects that will help our economy recover and protect from the devastating consequences of future pandemics.



Potential Projects

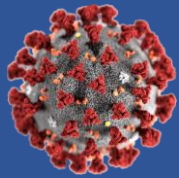
1. Broadband

- Broadband technology provides access to the highest quality internet services. An increased availability in the region could help with telehealth, education, and work.
- Diversify strategies to nurture small business growth, innovation, information technology infrastructure, and to strengthen organizations.

2. Tourism

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

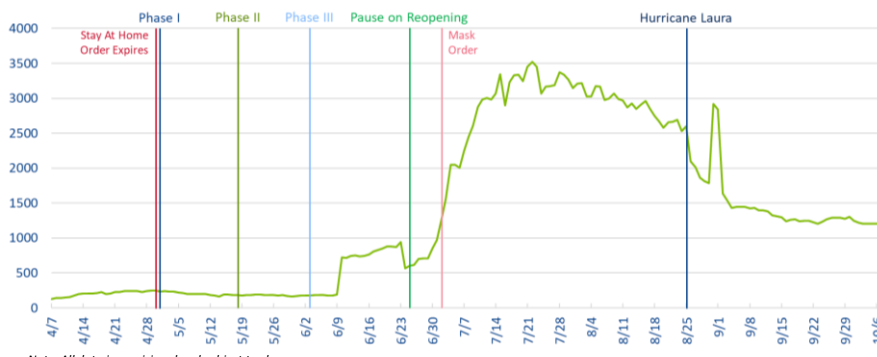




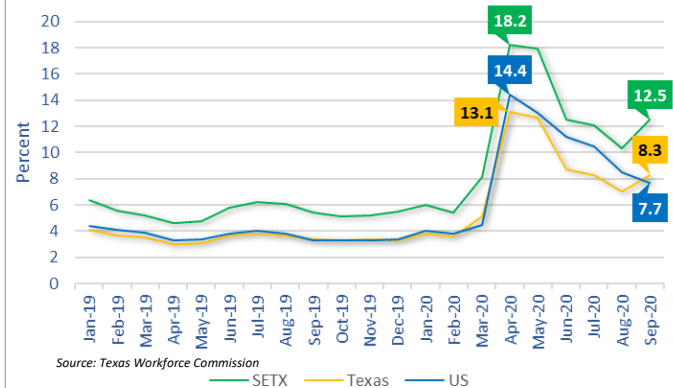
South East Texas Economic Development District Board Meeting - October 28, 2020 COVID-19 Economic Impact Update



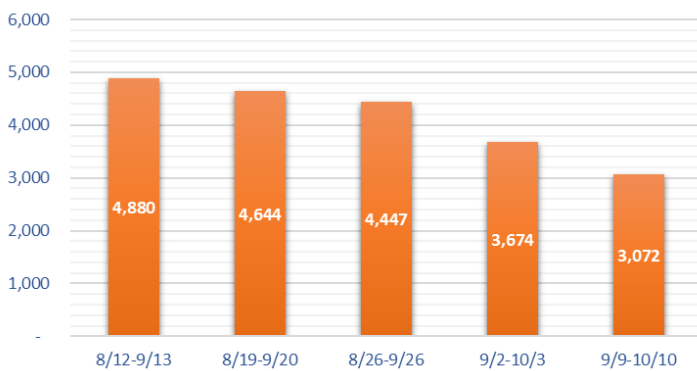
Estimated Active COVID-19 Cases Over Time
Jefferson, Orange, & Hardin | April 7 – October 6, 2020



Unemployment



TRENDING AREA UI CLAIMS

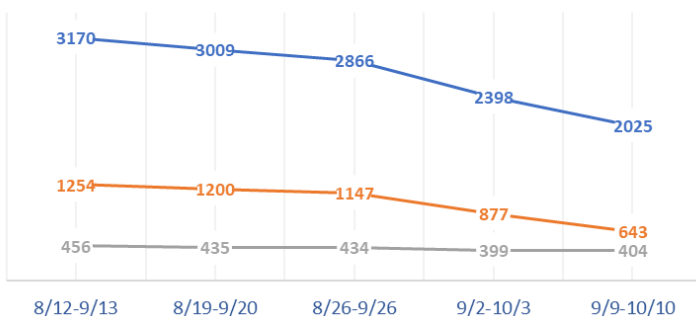


Top 5 Unemployment Claim Industries
in South East Texas



TRENDING AREA UI CLAIMS

— Jefferson — Orange — Hardin



Top 5 Unemployment Claim Industries
in Jefferson, Orange, & Hardin



COVID-19's Effect on State Revenue

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

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