



June 30, 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 **Wednesday, July 14, 2021** at the Jasper Economic Development Corporation office at **11:00 a.m.** The purpose for this meeting is to get feedback from a diverse group of Jasper County Stakeholders. In turn, it will help 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.

**Jasper Economic Development Corp.  
500 S. Wheeler Street  
Jasper, Texas 75951**

**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](mailto:bdickinson@setrpc.org) or (409) 899-8444 ext. 7520.



**JUNE 30, 2021**

# **DISCUSSION TOPICS**

We are looking forward to meeting with a diverse group of stakeholders within Jasper County to discuss how a COVID-19 Economic Development Strategy could enhance your organizations and businesses. I would specifically like to get your input regarding the following topics:

1. How did COVID-19 impact the building material supply chain? Increase expenses? No impact, etc.?
2. What might a community/regional economic development strategy include to assist your agency regarding workforce issues during and after COVID-19?
3. Were labor force issues impacted by the presence of COVID-19?
4. What are the biggest threats to organizations or businesses during this COVID-19 period? What might be helpful in a strategy to address these issues?
5. What impacts did the COVID-19 have on the travel and tourism and other related businesses in your region?
6. What types of programs or policies could be implemented to assist you should this pandemic occur again?
7. Did the Payroll Protection Plan help your agency? Other programs that helped/hindered?
8. What might a partnership between businesses, industrial, non-profits and the public sector do to address COVID-19 related issues?
9. How do we as a region plan for potential loss of revenue, employment, and potential outmigration of population?
10. Are there strategies that could be put in place moving forward to ease the burden of future pandemics similar to COVID-19 or other major emergency type events?
11. Additional thoughts/comments?



The South East Texas Economic Development District and the South East Texas Regional Planning Commission has worked extensively with area jurisdictions to secure major Economic Development Administration Disaster Recovery grant funded projects to help speed up economic recovery efforts after major hurricanes have hit our South East Texas Region over the years.

The South East Texas Economic Development District – South East Texas Regional Planning Commission received a CARES Act Planning Grant from the U.S. Department of Commerce – Economic Development Administration to Prepare a Corona Virus (COVID-19) Pandemic Short & Long Term Economic Recovery & Resiliency Plan and address the pandemic through a strategic approach directly.

The Mike Barnes Group, Inc., an economic development firm, was selected to develop a short and long-term Corona Virus (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.



## Background:

The Southeast Texas Economic Development District retained the Mike Barnes Group, an economic development firm, to develop a short- and long-term Economic Recovery and Resiliency Plan in response to the Corona Virus (COVID- 19) Pandemic.

As part of the effort to complete this plan, five separate sessions were held in a variety of locations within the region. These sessions were attended by representatives from civic and governmental leaders, large & small contractors, retailers, real estate organizations, port directors, large industrial entities, economic development agencies, Chambers of Commerce, as well as, locally owned businesses and non-profit organizations. A similar meeting with a diverse group of Jasper County Stakeholders is scheduled to be held on Wednesday, July 14, 2021 at 11:00 a.m. at the Jasper Economic Development Corporation office, 500 S. Wheeler Street, Jasper, Texas, 75951.

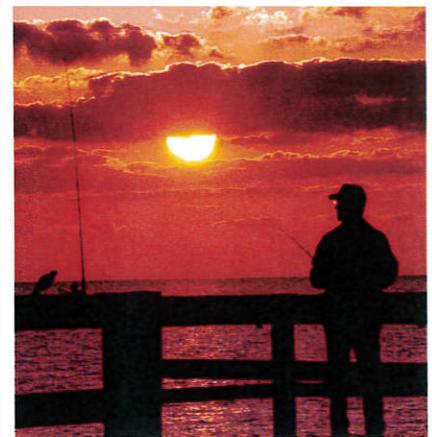
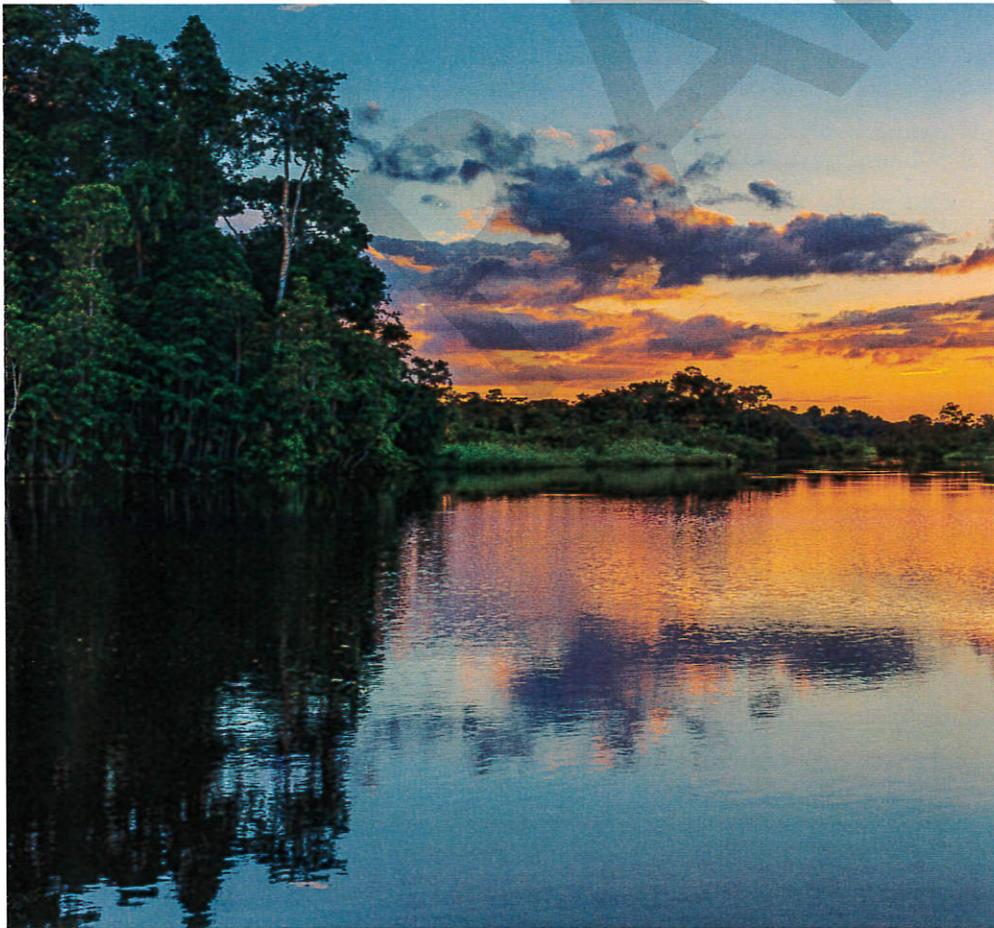
These round table discussions are designed to elicit input from broad based representatives to identify major issues and seek solutions moving forward. Numerous discussion topics were addressed in these sessions, including the following:

- How did the Corona Virus (COVID-19) impact the building and other material supply chain?
- What might a community/regional economic development strategy include to assist business during these times?
- What labor force issues were impacted by the Corona Virus (COVID-19)?
- What were the biggest threats to business during the Corona Virus (COVID-19)?
- What types of programs could be implemented to assist moving forward with another potential pandemic?
- Was Payroll Protection Plan helpful? What other programs helped/hindered?
- What strategies or protocols could be put in place to ease the burden of another pandemic, based upon the experience with Covid-19?

These and other business-related topics were discussed in detail. Valuable input was received from the participants and a preliminary set of “Findings and Observations” are being developed. These will, in turn, be an integral part of the Resiliency Strategy.

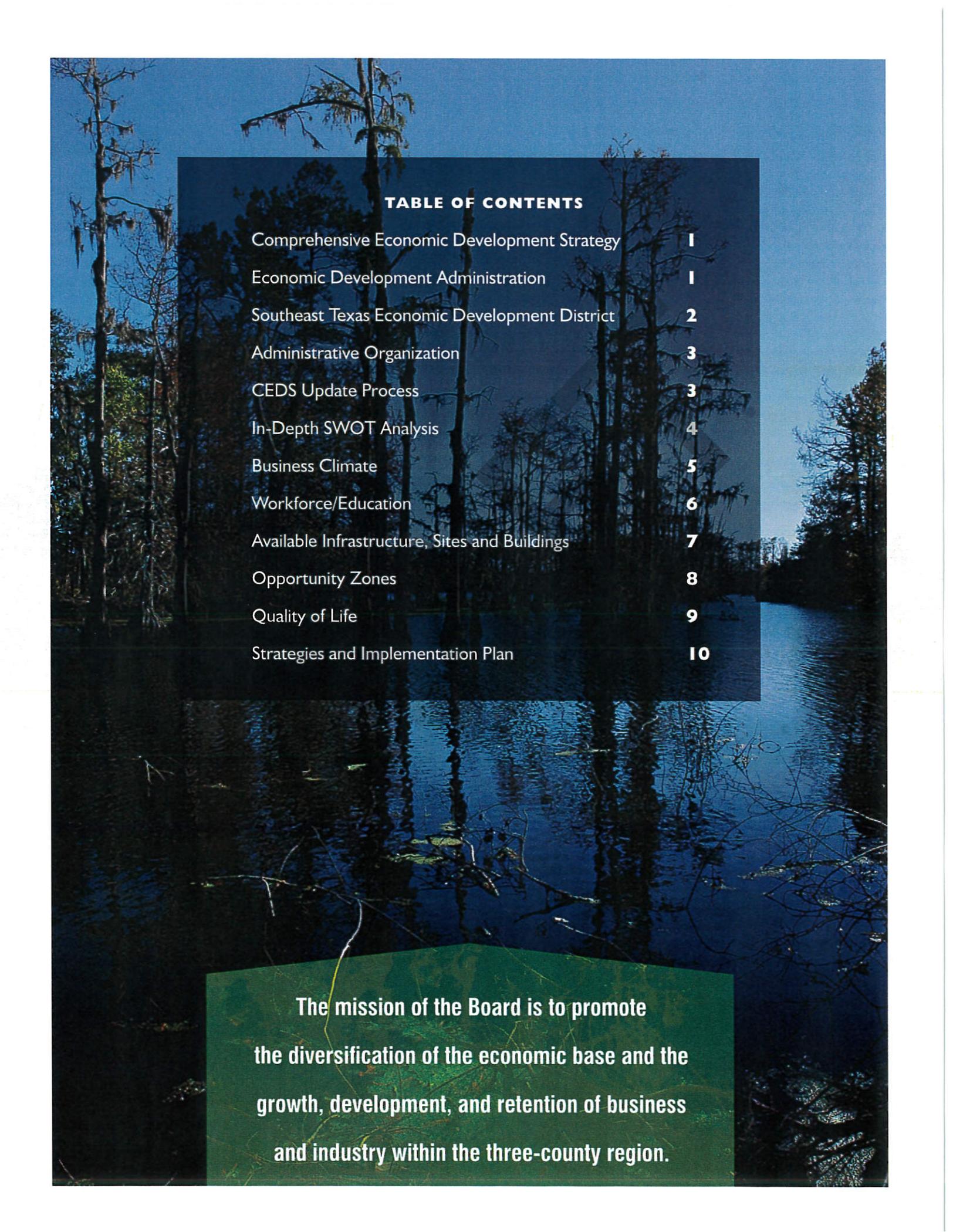
THE COMPREHENSIVE  
**ECONOMIC  
DEVELOPMENT  
STRATEGY**

**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

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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.



# 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

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.

## 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



# 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

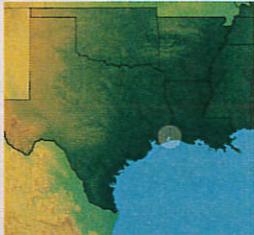
- ★ Lamar State College-Port Arthur curriculum
- ★ School Districts/ Workforce collaboration
- ★ Bio-Med future
- ★ Connectivity between Lamar and downtown Beaumont
- ★ Application of emerging technology within both education and workforce
- ★ Increased vocational training in high schools
- ★ Incorporation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

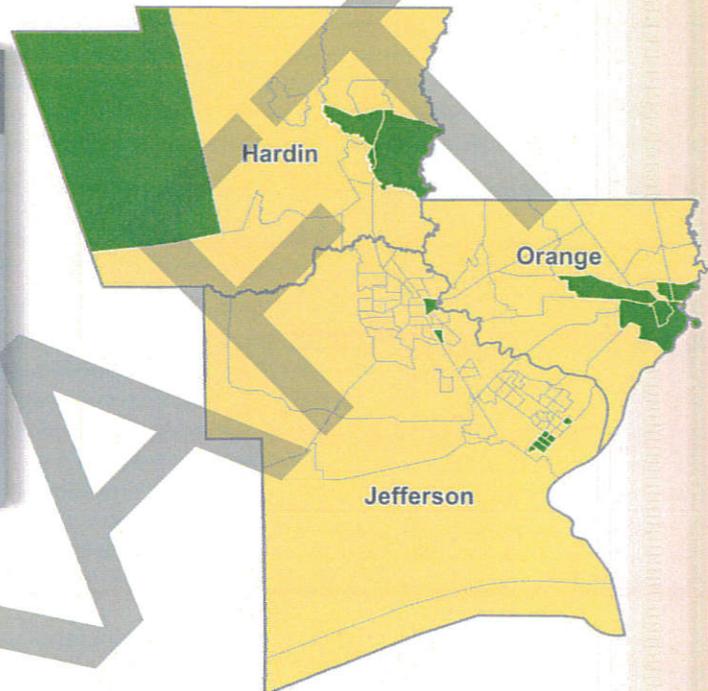
- 8 Opportunity Zones

#### 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\\_faq\\_090419.pdf](https://www.novoco.com/sites/default/files/atoms/files/irs_oz_faq_090419.pdf)

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

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COMPREHENSIVE ECONOMIC DEVELOPMENT STRATEGY



# 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.

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## 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.

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## **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

## 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

**SETRPC**

SOUTH EAST TEXAS REGIONAL PLANNING COMMISSION



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

## MEETING MINUTES

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DATE: July 14, 2021

TIME: 11:00 a.m.

LOCATION: Jasper Economic Development Corp.  
550 S. Wheeler Street, Jasper Texas 75951

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Mr. Bob Dickinson, Director, SETRPC, Transportation & Environmental Resources Division introduced and welcomed members for attending the meeting and asked everyone to introduce themselves.

This was an open discussion meeting, these are the main topics/responses discussed:

Mr. Mike Barnes, President and CEO, the Mike Barnes Group, kicked off the meeting by asking the group how the COVID-19 pandemic affected the building supply chain.

Judge Mark Allen, Jasper County, stated that the area was hit extensively. The City and County were behind on obtaining new vehicles, parts, materials.

Ms. Denise Kelley, Jasper City Manager, City of Jasper, stated the pandemic has forced them to preorder materials to ensure on-time delivery as long as it didn't exceed the budget.

Mr. Greg Kelley, Director of Public Works, City of Jasper, stated their struggle was dealing with the lack of parts for water leaks such as valves, pipes and fittings.

Mr. Barnes asked if the issue was the fact that these parts were coming from offshore, domestic or both? The response from Mr. Kelley was both.

Mr. Dickinson made a statement that in the Beaumont Area, due to the large demand, car dealerships are having issues filling their lots. Vehicles are practically sold as they come off the delivery truck.

Ms. Kelley stated that they have yet to receive their new garbage truck they ordered in October 2020.

The area is also suffering from a shortage of ammunition.

Mr. Kelley stated that prices on materials are doubling for some of their large projects so they are ordering as much as they can ahead of time to hopefully avoid the price hikes.

The area is having issues trying to keep the air conditioning unit fully functional due to parts taking an abnormally long time to procure. Mr. Kelley stated that the two main reason for this shortage is because:

1. Aluminum shortage.
2. The building for the larges train plant in the country (In Tyler) collapsed during the ice storm.

Mr. Barnes asked how the cost hikes and preorders affected the budget process.

Mr. Don Iles, Mid Basin Regional Manager, Sabine River Authority, stated that they were experiencing the same issues. They had to give up 10 million dollars' worth of projects that were due to be completed in this fiscal year and shifted them to the next budget year. They have also phased out projects differently by extending them into the following fiscal year.

Mr. Eddie Hopkins, Executive Director, Jasper Economic Development Corp., stated that he had been part of a timber study. They discovered that the people who harvest the lumber, as well as landowners, are not receiving any of the extra funds being collected at places like Lowes and Home Depot.

He continued, another example of price hikes is that one of his directors owns a tire store. He purchases tires overseas which are shipped to California and then delivered by truck. The increase in cost of freight for just the container is \$6,000.00.

We are also in the process of recruiting a company that manufactures ecofriendly lids for coffee cups. It is costing them and additional \$24,000.00 in shipping costs to bring in this product from China.

Judge Allen asked if this could possibly be a positive outcome in the long run. Maybe a transition to bringing in manufacturing back to the United States.

Mr. Hopkins stated that these issues are just the more reason to manufacture in the United States. However, the challenge will be the labor costs. In order to become on a level playing field with China, technology will have to play a big part of the solution. This means reducing manual head count and having the machines do most of the work.

Judge Allen stated that they have had to reduce the Scope of Work on certain grants because the costs of bids are coming in higher and higher.

Ms. Shanna Burke, Executive Director, SETRPC stated that with all the delays and circumstances, will there be a time where we will have to say to the Federal Government, "I'm unable to finish the scope of work as described due to all the obstacles and challenges, how do we proceed? Do you want us to repay the grant funding allocated for these projects?" She expresses the need to have conversations with Federal and State entities to explain what the reality of the situation is, and also having to deal with all the hurdles.

Mr. Kelley stated that some projects have been extended because of the lack of environmental companies. There have been so many grant projects that have been issued, yet not enough personnel to clear the project for it to move forward. This even includes little things like negotiating for land costs.

Mr. Mark Durand, Executive Director, Deep East Texas Workforce Solution, stated that the issues they are facing is how to supply the workforce as they are competing with the refineries in the Beaumont region. Jasper County is labeled as having an unskilled and uneducated workforce. Over the years we worked on developing people into the skilled workforce, the question now is how to keep that skilled level in the Jasper area. We have also developed a partnership with local colleges such as Lufkin and Lamar Port Arthur, but these schools are 70 miles away which brings their own set of limitations. For example, transportation and childcare.

Mr. Durand stated that they have a grant ready to fund parents with fully covered childcare but have no caregivers to watch over the children because the hourly rate is only \$8.50. Then you also have the overpayment of unemployment, where the younger service industry workers don't want to return to work because they are making more money sitting at home rather than working, which means they have absolutely no incentive to return to work.

Mr. Barnes asked what practices or policies could be set in place to offset these issues.

Mr. Isles stated that in order to overcome the lack of qualified personnel staying in the area, we have consciously raised our pay scale. This has resulted in a slight turn in the unskilled and skilled labor as they are looking to leave the urban city and experience a rural lifestyle. We are also giving an incentive for CDL drivers or for those who go and

get their CDL license. Our challenge is attracting the educated, middle manager up to the manager to professional employees.

Mr. Isles stated that remote work will be a huge opportunity for rural East Texas.

Mr. Barnes asked what did the government do during COVID that was beneficial?

Judge Allen stated that there were several businesses in Jasper County that participated in the PPP program.

Mr. Durant stated that they received funding to pay an extra incentive to childcare centers to stay open. If the center had to close for the 14 day mandated period, they still received the extra funds. They were provided with disinfectants and sprayers to help prevent the spread of COVID. These extra funds helped the childcare centers offset the loss of revenue due to parents wanting to keep their child at home.

Mr. Hopkins stated they have individuals who are currently suffering more now due to the lack of availability for parts such as car dealerships. Also, air conditioning and generator vendors are being forced to install inoperative equipment because they are waiting on the microchips needed to make them function. The delay may last until October 2021.

Mr. Barnes asked what pragmatic and common sense actions should be taken moving forward.

Mr. Hopkins responded that we lacked common sense. The state had to mandate certain PPE instead of simply using common sense.

Mr. Durant stated that New Mexico restaurants basically didn't adapt and didn't offer the "to go" orders like Texas did. This helped bring in extra revenue that would have been lost otherwise.

Mr. Barnes stated that he was surprised to see that non-profit organizations did fairly well during the pandemic.

Mrs. Burke stated that was when human nature kicked in. SETPRC works quite a bit with non-profit organizations and we knew where the help was needed, and we focused on that.

Mr. Hopkins addressed the issue on how COVID affected the travel and tourism industry. He explained that in the past few years, including Hurricane Harvey, as well as other disasters, the area has had a positive impact on their sales taxes. So much so that it will set records.

Everyone who had to stay at home but like to fish and hunt, have come up this way. They have had more of a lack of business within the past 6 weeks due to the water levels at the lake being too high.

Mr. Iles stated that they operate six recreational facilities in the lakes area (Fishing, Camping, Boating, fishing license sales, etc.). All these indicators showed a tremendous increase in ecotourism. Now, all these people who were here visiting the area, trying to get out of the city, have started buying real estate.

Mr. Iles made the reflection that Middle, South and West Texas will be coming for the water supply in this area. Currently, the price of 1,000 acres of local water is approximately \$3,000. In Arizona, that 1,000 acres would be \$40,000. He suggested that our strategy should not be to ship the water out of the area, but rather bring the jobs to the water.

Mr. Barnes asked what else he should know to move forward.

Mr. Durant stated that they are looking at educating students for jobs that can be useful during the pandemic such as linemen. He is looking at implementing apprenticeship programs within companies to help train workers that show potential.

He continued, 70% (105) of their 2018 (150 total students) class did not finish their first year of college or didn't even enroll in college.

Mr. Iles stated that work ethic is a big part of success. If an individual does not understand how hard one must work to be successful in life, they will more than likely not succeed. For years, schools have made the mistake of not teaching that and letting the students pass to the following grade.

Judge Allen stated that in order to encourage economic growth, we need to have a skilled workforce. We have a high percentage of unskilled workers, is there any way to work together to find transportation system or a network to help some of these individuals work in the Beaumont area, develop those skills and bring it back to Jasper and the surrounding area. Several people agreed to the possibility.

Mr. Dickinson thanked everyone for attending the meeting and asked they review the Comprehensive Economic Development Strategy (CEDS) handout.

Ms. Burke thanked the Jasper Economic Development Corp. for holding the meeting and offered SETRPC's help in any way possible.

Mr. Barnes ended the meeting at 1:17 p.m. and thanked everyone for their time and participation.

## **GUESTS PRESENT**

Mark Allen	County Judge, Jasper County
Mike Barnes	President/CEO, The Mike Barnes Group
Tonya Dora	Director of Economic Development, Texas Forest County Partnership
Mark Durand	Executive Director, Deep East Texas Workforce Solutions
Beverly Holley	Executive Director, Chamber of Commerce – Jasper County
Eddie Hopkins	Executive Director, Jasper Economic Development Corp.
Don Iles	Mid Basin Regional Manager, Sabine River Authority
Denise Kelley	City Manager, City of Jasper
Greg Kelley	Director of Public Works, City of Jasper
John Seybold	Superintendent, Jasper ISD
Paul R. Smith	Executive Assistant, Jasper Economic Development Corp.

## **SETRPC STAFF PRESENT**

Bob Dickinson	Director, T&ER Division, SETRPC
Shanna Burke	Executive Director, SETRPC
Lucie Michaud	Administrative Assistant, SETRPC

# 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 being held 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
  - Non-Profit Organizations
  - Elected Officials
  - Real Estate Commercial & Residential
- Identify opportunities for accelerating SETX rebound. Including expansion & modernization of manufacturing and commercial & retail opportunities.

